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9 UNITED STATES DISTRICT COURT  
10 NORTHERN DISTRICT OF CALIFORNIA  
11 SAN FRANCISCO DIVISION

12  
13 IN RE: VOLKSWAGEN "CLEAN DIESEL"  
MARKETING, SALES PRACTICES AND  
14 PRODUCTS LIABILITY LITIGATION

MDL 2672 CRB (JSC)

15 This Documents Relates to:

16 ALL CONSUMER AND RESELLER  
17 ACTIONS

**CONSUMER CLASS ACTION  
SETTLEMENT AGREEMENT AND  
RELEASE**

Hearing: July 26, 2016  
Time: 8:00 a.m.  
Courtroom: 6, 17th floor

The Honorable Charles R. Breyer

1     **1.     THE PROPOSED SETTLEMENT**

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

14             After months of negotiations facilitated by Court-appointed Settlement Master Robert  
15 Mueller III, former director of the Federal Bureau of Investigation, the Parties reached this Class  
16 Action Agreement to settle the claims of certain current and former owners and lessees of certain  
17 Volkswagen and Audi branded vehicles with 2.0-liter TDI engines (“Eligible Vehicles”). This  
18 Class Action Agreement does not apply to vehicles equipped with 3.0-liter engines, which are the  
19 subject of continued litigation in this Action.

20             This Class Action Agreement will become effective only if it is approved by the Court.

21             This Class Action Agreement is part of a coordinated effort among not only the Parties,  
22 but also the Federal Trade Commission (“FTC”) and the United States Department of Justice  
23 (“DOJ”). In addition to this Agreement, Volkswagen is entering into a separate Consent Order  
24 with the FTC, and also a separate Consent Decree with the DOJ (acting on behalf of the EPA),  
25 the California Air Resources Board (“CARB”), and the California Attorney General (“CA AG”).

26             As discussed in greater detail below, the Class Action Agreement, if approved by the  
27 Court, provides Class Members with two options: (1) under option one, Class Members who own  
28 an Eligible Vehicle can sell their car to Volkswagen and receive the Vehicle Value and a

1 restitution payment, and Class Members who lease an Eligible Vehicle can terminate their leases  
2 without any penalty for early termination and receive a restitution payment; or (2) under option  
3 two, Class Members who own or lease an Eligible Vehicle can have Volkswagen modify their  
4 car's emissions system free of charge to reduce NOx emissions, and also receive a restitution  
5 payment. As explained in more detail below, Volkswagen must first obtain regulatory approval  
6 for such emission modifications from the EPA and CARB. Should Volkswagen fail to acquire  
7 the necessary regulatory approvals, Class Members who own or lease Eligible Vehicles and  
8 elected option two shall have the opportunity to sell their car or terminate their lease, or to  
9 withdraw from the Class. Certain Class Members who no longer own or lease an Eligible Vehicle  
10 also will be entitled to certain restitution payments. The details of all restitution payments for  
11 Class Members are set forth in Exhibit 1, and more information will be made available on the  
12 Settlement Website, [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com). Only Class Members qualify to participate  
13 in the Class Action Settlement Program.

14 Under this Class Action Agreement and the related FTC Consent Order, Volkswagen has  
15 agreed to create one Funding Pool of \$10.033 billion from which funds will be drawn to  
16 compensate Class Members. In addition, under the related DOJ Consent Decree, Volkswagen  
17 will pay \$2.7 billion to fully remediate any environmental effects of excess NOx emissions, and  
18 will invest an additional \$2.0 billion to create infrastructure for and promote public awareness of  
19 zero emission vehicles ("ZEVs").

20 The ultimate goal of this agreement is to compensate owners or lessees of Eligible  
21 Vehicles for any harm they suffered as a result of the emissions issues and to ensure that  
22 Volkswagen's 2.0-liter TDI vehicles do not generate excess NOx emissions.

## 23 **2. DEFINITIONS**

24 As used in this Class Action Agreement, including the attached Exhibits, the terms  
25 defined herein have the following meanings, unless this Class Action Agreement specifically  
26 provides otherwise.

27 2.1. "2.0-liter TDI Matter" means (1) the installation or presence of any Defeat Device  
28 or other auxiliary emission control device in any Eligible Vehicle; (2) the design, manufacture,

1 assembly, testing, or development of any Defeat Device or other auxiliary emission control  
2 device used or for use in an Eligible Vehicle; (3) the marketing or advertisement of any Eligible  
3 Vehicle as green, environmentally friendly, and/or compliant with state or federal emissions  
4 standards; (4) the actual or alleged noncompliance of any Eligible Vehicle with state or federal  
5 emissions standards; and/or (5) the subject matter of the Action, as well as any related events or  
6 allegations, with respect to Eligible Vehicles. For the avoidance of doubt, the 2.0-liter TDI  
7 Matter does not encompass 3.0-liter TDI vehicles or claims relating to those vehicles.

8 2.2. “Action” means the coordinated class, mass, and individual actions, however  
9 named, that are coordinated pursuant to 28 U.S.C. § 1407 in the United States District Court for  
10 the Northern District of California in *In re: Volkswagen “Clean Diesel” Marketing, Sales*  
11 *Practices, and Products Liability Litigation*, No. 3:15-md-02672-CRB (N.D. Cal.) (MDL 2672)  
12 (the “MDL”), except that the Action does not include actions in the MDL brought under the  
13 securities laws, for physical injury, on behalf of Volkswagen Dealers, or on behalf of competitor  
14 dealerships not related to such competitor dealerships’ purchase, sale or lease of Eligible  
15 Vehicles.

16 2.3. “Approved Emissions Modification” means a change to the emissions system of an  
17 Eligible Vehicle that is proposed by Volkswagen and approved by the EPA and CARB, as set  
18 forth in the DOJ Consent Decree. The term “Emissions Modification” means a change to the  
19 emissions system of an Eligible Vehicle that is proposed by Volkswagen, but has not yet been  
20 approved by the EPA and CARB.

21 2.4. “Approved Emissions Modification Option” means the option of an Eligible  
22 Owner or Eligible Lessee under this Class Action Agreement to have his, her, or its Eligible  
23 Vehicle modified pursuant to an Approved Emissions Modification, and to receive compensation,  
24 as set forth in Section 4 and Exhibit 1.

25 2.5. “Base Value” means, where available, the Clean Trade value of an Eligible  
26 Vehicle based on the NADA Vehicle Identification Code (“VIC”) for each Eligible Vehicle in the  
27 September 2015 NADA Used Car Guide published in or about August 2015. For Model Year  
28 (“MY”) 2015 Eligible Vehicles for which no value was published by NADA as of September

1 2015, Base Value is derived by multiplying the MSRP for each individual vehicle by 0.717,  
2 dropping any fractional amount, and then adjusting the amount for options. The method for  
3 calculating the Base Value for Eligible Vehicles is further detailed in Exhibit 1, paragraph 5.

4 2.6. "Buyback" means the buyback process available under this Class Action  
5 Agreement by which an Eligible Owner may sell an Eligible Vehicle back to Volkswagen in  
6 exchange for certain compensation, as set forth in Section 4 and Exhibit 1.

7 2.7. "Buyback Option" means the option of an Eligible Owner under this Class Action  
8 Agreement to have his, her, or its Eligible Vehicle bought back by Volkswagen through the  
9 Buyback, as set forth in Section 4 and Exhibit 1.

10 2.8. "CARB" means the California Air Resources Board.

11 2.9. "Claim" means the claim of any Class Member or his or her or its representative  
12 submitted on a Claim Form as provided in this Class Action Agreement.

13 2.10. "Claim Form" means the document used to submit a Claim under this Class  
14 Action Agreement.

15 2.11. "Claim Period" means the time period during which Class Members may submit a  
16 Claim for review to the Claims Supervisor and obtain benefits under the Class Action Settlement  
17 Program. The Claim Period shall run from entry of the Preliminary Approval Order until  
18 December 30, 2018. Class Members must submit a complete and valid Claim by no later than  
19 September 1, 2018, and, if eligible, shall have until December 30, 2018, to obtain their chosen  
20 remedy.

21 2.12. "Claimant" means a Class Member who has completed and submitted a Claim  
22 Form, as set forth in more detail in Exhibit 4.

23 2.13. "Claims Program" means the program through which Class Members may file  
24 Claims and, if eligible, obtain benefits under this Class Action Agreement, as described in  
25 Exhibit 4.

26 2.14. "Claims Review Committee" or "CRC" means the committee approved by the  
27 Court to resolve disputed Claims, as set forth in Section 5.3 below.

28 2.15. "Claims Supervisor" means the third-party agent agreed to by the Parties and

1 appointed by the Court to oversee the Claims process described in Section 5.2. The Parties agree  
2 that Ankura Consulting Group, LLC shall serve as Claims Supervisor, subject to approval by the  
3 Court.

4 2.16. “Class” means, for purposes of this Class Action Settlement only, a nationwide  
5 class of all persons (including individuals and entities) who, on September 18, 2015, were  
6 registered owners or lessees of a Volkswagen or Audi 2.0-liter TDI vehicle in the United States or  
7 its territories (an “Eligible Vehicle,” defined more fully in Section 2.33), or who, between  
8 September 18, 2015, and the end of the Claim Period, become a registered owner of an Eligible  
9 Vehicle. The following entities and individuals are excluded from the Class:

- 10 (a) Owners who acquired ownership of their Volkswagen or Audi 2.0-liter TDI  
11 vehicles after September 18, 2015, and transfer title before participating in the  
12 Settlement Program through a Buyback or an Approved Emissions Modification;
- 13 (b) Lessees of a Volkswagen or Audi 2.0-liter TDI vehicle that is leased from a  
14 leasing company other than VW Credit, Inc.;
- 15 (c) Owners whose Volkswagen or Audi 2.0-liter TDI vehicle (i) could not be driven  
16 under the power of its own 2.0-liter TDI engine on June 28, 2016, or (ii) had a  
17 Branded Title of Assembled, Dismantled, Flood, Junk, Rebuilt, Reconstructed, or  
18 Salvage on September 18, 2015, and was acquired from a junkyard or salvage yard  
19 after September 18, 2015;
- 20 (d) Owners who sell or otherwise transfer ownership of their Volkswagen or Audi 2.0-  
21 liter TDI vehicle between June 28, 2016, and September 16, 2016 (the “Opt-Out  
22 Deadline”), inclusive of those dates;
- 23 (e) Volkswagen’s officers, directors and employees and participants in Volkswagen’s  
24 Internal Lease Program; Volkswagen’s affiliates and affiliates’ officers, directors  
25 and employees; their distributors and distributors’ officers, directors and  
26 employees; and Volkswagen Dealers and Volkswagen Dealers’ officers and  
27 directors;
- 28

1 (f) Judicial officers and their immediate family members and associated court staff  
2 assigned to this case; and

3 (g) All those otherwise in the Class who or which timely and properly exclude  
4 themselves from the Class as provided in this Class Action Agreement.

5 2.17. "Class Action Agreement" means this settlement agreement and the exhibits  
6 attached hereto, including any subsequent amendments or any exhibits to such amendments. The  
7 Agreement may alternatively be referred to as the "Class Action Settlement."

8 2.18. "Class Action Settlement Program" means the Buyback, Lease Termination,  
9 Approved Emissions Modification, and Restitution Payment programs offered during the Claim  
10 Period pursuant to this Class Action Agreement.

11 2.19. "Class Counsel" means Lead Counsel and the PSC.

12 2.20. "Class Member" means a member of the Class.

13 2.21. "Class Notice Program" means the program for distributing information about the  
14 Class Settlement to Class Members.

15 2.22. "Class Representative" or "Settlement Class Representative" means a Plaintiff  
16 named in the Complaint, who own(ed) or leas(ed) a Volkswagen or Audi 2.0-liter TDI Eligible  
17 Vehicle, who meets the Class definition set forth in Section 2.16 of this Class Action Agreement,  
18 and who has agreed to represent the Class for purposes of obtaining approval of, and effectuating,  
19 this Class Action Agreement, as listed in the moving papers submitted for preliminary approval of  
20 this Class Action Agreement.

21 2.23. "Complaint" means the Consolidated Consumer Class Action complaint filed in  
22 the Action on February 22, 2016, ECF No. 1230.

23 2.24. "Court" means the United States District Court for the Northern District of  
24 California, San Francisco Division.

25 2.25. "Defeat Device" has the same meaning as in 40 C.F.R. § 86.1803-01 or 42 U.S.C.  
26 § 7522(a)(3)(B).

27 2.26. "DOJ" means the United States Department of Justice.

28 2.27. "DOJ Consent Decree" means the consent decree lodged with the Court on or

1 about June 28, 2016, as agreed by (1) the United States on behalf of the Environmental Protection  
2 Agency; and (2) the People of the State of California, by and through CARB and the Attorney  
3 General of California; and (3) Volkswagen, resolving certain aspects of the disputes between  
4 those parties on the terms described therein.

5 2.28. “Effective Date” means the date the Court enters the Final Approval Order, the  
6 FTC Consent Order, or the DOJ Consent Decree, whichever is latest.

7 2.29. “Eligible Lessee” means (1) the current lessee or lessees of an Eligible Vehicle  
8 with a lease issued by VW Credit, Inc.; (2) the former lessee or lessees of an Eligible Vehicle  
9 who had an active lease issued by VW Credit, Inc. as of September 18, 2015 and who surrendered  
10 or surrenders the leased Eligible Vehicle to Volkswagen; or (3) the owner of an Eligible Vehicle  
11 who had an active lease issued by VW Credit, Inc. as of September 18, 2015, and who acquired  
12 ownership of the previously leased Eligible Vehicle at the conclusion of the lease after June 28,  
13 2016. For avoidance of doubt, no person shall be considered an Eligible Lessee by virtue of  
14 holding a lease issued by a lessor other than VW Credit, Inc.

15 2.30. “Eligible Owner” means the registered owner or owners of an Eligible Vehicle on  
16 June 28, 2016, or the registered owner or owners who acquire an Eligible Vehicle after June 28,  
17 2016, but before the end of the Claim Period, except that the owner of an Eligible Vehicle who  
18 had an active lease issued by VW Credit, Inc. as of September 18, 2015, and purchased an  
19 Eligible Vehicle previously leased by that owner after June 28, 2016, shall be an Eligible Lessee.  
20 For avoidance of doubt, an Eligible Owner ceases to be an Eligible Owner if he transfers  
21 ownership of the Eligible Vehicle to a third party on or after June 28, 2016; and a third party who  
22 acquires ownership of an Eligible Vehicle on or after June 28, 2016, thereby becomes an Eligible  
23 Owner if that third party otherwise meets the definition of an Eligible Owner. An owner of an  
24 Eligible Vehicle will not qualify as an Eligible Owner while the Eligible Vehicle is under lease to  
25 any third party, although any such owner, including any leasing company other than VW Credit,  
26 Inc., who otherwise meets the definition of an Eligible Owner would become an Eligible Owner if  
27 such lease has been canceled or terminated and the owner has taken possession of the vehicle. In  
28 exceptional cases, specific arrangements may be made with the leasing company, in consultation



1 with the Claims Supervisor, such that, (1) without canceling or terminating the lease, the leasing  
2 company may be treated as an Eligible Owner and obtain an Approved Emissions Modification  
3 and Owner Restitution and (2) a lessor that takes possession of a leased Eligible Vehicle after the  
4 September 1, 2018, Claim submission deadline (or the December 30, 2018, end date of the Claim  
5 Program) may nonetheless be entitled to submit a Claim.

6 2.31. “Eligible Seller” means a person who purchased or otherwise acquired an Eligible  
7 Vehicle on or before September 18, 2015, and sold or otherwise transferred ownership of such  
8 vehicle after September 18, 2015, but before June 28, 2016. For avoidance of doubt, Eligible  
9 Seller includes any owner (1) who acquired his, her, or its Eligible Vehicle on or before  
10 September 18, 2015, (2) whose Eligible Vehicle was totaled, and (3) who consequently  
11 transferred title of his, her, or its vehicle to an insurance company after September 18, 2015, but  
12 before June 28, 2016.

13 2.32. “Eligible Seller Identification Period” means the time period in which an Eligible  
14 Seller must identify himself, herself, or itself, by (1) electronic registration on the Settlement  
15 Website or (2) submission of an Eligible Seller identification form by mail or fax. The Eligible  
16 Seller Identification Period will last at least 45 days from entry of the Preliminary Approval  
17 Order. If the Court enters the Preliminary Approval Order on July 26, 2016 (the date of the  
18 preliminary approval hearing), the Eligible Seller Identification Period will run until September  
19 16, 2016, the same date as the Opt-Out Deadline. Eligible Sellers who do not identify themselves  
20 during that time period will not be eligible for a Restitution Payment under this Class Action  
21 Agreement.

22 2.33. “Eligible Vehicle” means Model Year 2009 through 2015 Volkswagen and Audi  
23 light-duty vehicles equipped with 2.0-liter TDI engines that are (1) covered, or purported to be  
24 covered, by the EPA Test Groups in the table immediately below this paragraph; (2) registered  
25 with a state Department of Motor Vehicles or equivalent agency or held by bill of sale by a non-  
26 Volkswagen Dealer in the United States or its territories as of June 28, 2016; (3) for an Eligible  
27 Owner, currently Operable or cease to be Operable only after the Opt-Out Deadline; and (4) have  
28 not been modified pursuant to an Approved Emissions Modification. Eligible Vehicle also

1 excludes any Volkswagen or Audi vehicle that was never sold in the United States or its  
2 territories.

3 <b>Model Year</b>	<b>EPA Test Group</b>	<b>Make and Model(s)</b>
4 2009	9VWXV02.035N	VW Jetta, VW Jetta SportWagen
5 2009	9VWXV02.0U5N	VW Jetta, VW Jetta SportWagen
6 2010	AVWXV02.0U5N	VW Golf, VW Jetta, VW Jetta SportWagen, Audi A3
7 2011	BVWXV02.0U5N	VW Golf, VW Jetta, VW Jetta SportWagen, Audi A3
8 2012	CVWXV02.0U5N	VW Golf, VW Jetta, VW Jetta SportWagen, Audi A3
9 2012	CVWXV02.0U4S	VW Passat
10 2013	DVWXV02.0U5N	VW Beetle, VW Beetle Convertible, VW Golf, VW Jetta, VW Jetta SportWagen, Audi A3
11 2013	DVWXV02.0U4S	VW Passat
12 2014	EVWXV02.0U5N	VW Beetle, VW Beetle Convertible, VW Golf, VW Jetta, VW Jetta SportWagen
13 2014	EVWXV02.0U4S	VW Passat
14 2015	FVGAV02.0VAL	VW Beetle, VW Beetle Convertible, VW Golf, VW Golf SportWagen, VW Jetta, VW Passat, Audi A3

15 2.34. "EPA" means the United States Environmental Protection Agency.

16 2.35. "Escrow Account" means the escrow account managed by the Escrow Agent,  
17 which shall be the sole escrow account for compensation of Class Members under the Class  
18 Action Agreement, FTC Consent Order, and DOJ Consent Decree.

19 2.36. "Escrow Agent" means the agreed-upon entity to address and hold for distribution  
20 the funds identified in this Class Action Agreement pursuant to the terms of the Escrow  
21 Agreement. The Parties agree that Citibank Private Bank shall serve as Escrow Agent, subject to  
22 approval by the Court.

23 2.37. "Escrow Agreement" means the agreement by and among Class Counsel and  
24 Volkswagen's Lead Counsel with respect to the escrow of the funds to be deposited into the  
25 Escrow Account pursuant to this Class Action Agreement.

26 2.38. "Fairness Hearing" means the hearing held by the Court for the purpose of  
27 determining whether to approve this Class Action Agreement as fair, reasonable, and adequate.

28 2.39. "Final Approval Order" or "Final Order and Judgment" means the Court's order  
approving the Class Action Settlement.

2.40. "FTC" means the Federal Trade Commission.

1           2.41. “FTC Consent Order” means the order entered by this Court by the consent of the  
2 FTC and Volkswagen, resolving certain aspects of the disputes between those parties on the terms  
3 described therein.

4           2.42. “Funding Pool” means the maximum \$10,033,000,000 funding pool from which  
5 Class Members will be compensated and is the same funding pool described in the FTC Consent  
6 Order and the DOJ Consent Decree. The Funding Pool is based on an assumed 100% Buyback of  
7 all purchased Eligible Vehicles and 100% Lease Termination of all leased Eligible Vehicles. The  
8 Funding Pool includes (1) \$42,670,723 designated for loan forgiveness for Eligible Owners who  
9 choose a Buyback and who owe more on their Eligible Vehicles than they would receive in the  
10 Buyback, as described in Exhibit 1 (the “Loan Forgiveness Designated Fund”); (2) \$26,000,000  
11 designated to pay remaining future lease payments previously owed to VW Credit, Inc. as the  
12 lessor of leased Eligible Vehicles held by lessees choosing Lease Termination (the “Future Lease  
13 Payments Designated Fund”); and (3) \$9,964,329,277 to pay Vehicle Value, Owner Restitution,  
14 Lessee Restitution, and Seller Restitution as described in Exhibit 1 (the “Principal Fund”). The  
15 Loan Forgiveness Designated Fund, Future Lease Payments Designated Fund, and Principal Fund  
16 are not available for any funding purpose other than their respective purposes stated above, and  
17 Volkswagen shall retain any such funds not expended for these designated purposes. The Funding  
18 Pool shall be capped at \$10,033,000,000, regardless of the rate of consumer participation in the  
19 Settlement Program, and Volkswagen shall not be required to increase the Funding Pool. Any  
20 unspent portion of the Funding Pool will belong to Volkswagen upon the completion of the Class  
21 Action Settlement Program.

22           2.43. “Lead Plaintiffs’ Counsel” means Elizabeth Cabraser of Lieff, Cabraser, Heimann  
23 & Bernstein, LLP, who was appointed by the Court on January 21, 2016.

24           2.44. “Lease Termination” means the process by which an Eligible Lessee may have the  
25 lease for his, her, or its Eligible Vehicle terminated, without paying an early termination penalty,  
26 as described in more detail in Section 4 and Exhibit 1.

27           2.45. “Lease Termination Option” means the option of an Eligible Lessee to have the  
28 lease for his, her, or its Eligible Vehicle terminated through the Lease Termination, without

1 paying an early termination penalty, as described in more detail in Section 4 and Exhibit 1.

2 2.46. “Lessee Restitution” means monetary compensation that Volkswagen will pay to  
3 Eligible Lessees who do not opt out of the Class, in addition to the Lease Termination or  
4 Approved Emissions Modification, as determined by the formula set forth in Section 4 and  
5 Exhibit 1.

6 2.47. “Loan Obligation” means any debt incurred by an Eligible Owner and secured by  
7 an Eligible Vehicle, whether through VW Credit, Inc. or any other lender.

8 2.48. “Long Form Notice” means the Long Form Notice substantially in the form  
9 attached hereto as Exhibit 3.

10 2.49. “Notice Administrator” means the third-party agent or administrator agreed to by  
11 the Parties and appointed by the Court to implement and consult on Class Notice. The Parties  
12 agree that Kinsella Media, LLC shall serve as Notice Administrator, subject to approval by the  
13 Court.

14 2.50. “Operable” means a vehicle that can be driven under its own 2.0-liter TDI engine  
15 power. A vehicle is not Operable if it had a Branded Title of Assembled, Dismantled, Flood,  
16 Junk, Rebuilt, Reconstructed, or Salvaged on September 18, 2015, and was acquired by any  
17 person or entity from a junkyard or salvage yard after September 18, 2015.

18 2.51. “Opt-Out Deadline” means the last day a Class Member may opt out of the Class  
19 Action Settlement, which is September 16, 2016, for all Class Members who are registered  
20 owners or lessees as of that date. Individuals and entities that purchase an Eligible Vehicle on or  
21 after September 16, 2016, shall have all the rights, privileges, and responsibilities of Class  
22 Members, and shall have 30 days from the date of their purchase to opt out of the Class.  
23 Additionally, 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 May 1, 2018, that Eligible Owner or Lessee shall have a second opportunity, from May 1, 2018,  
26 until June 1, 2018, to withdraw from the Class Action Settlement.

27 2.52. “Owner Restitution” means monetary compensation that Volkswagen will pay to  
28 Eligible Owners who do not opt out of the Class, in addition to the Vehicle Value Payment or

1 Approved Emissions Modification, as determined by the formula set forth in Exhibit 1.

2 2.53. “Parties” means the Class Representatives and Volkswagen, collectively, as each  
3 of those terms is defined in this Class Action Agreement.

4 2.54. “Plaintiffs’ Steering Committee” or “PSC” means those counsel appointed to the  
5 Plaintiffs’ Steering Committee by the Court in this Action on January 21, 2016. Lead Counsel is  
6 Chair of the PSC.

7 2.55. “Post-Appeal Date” means the latest date on which the Final Approval Order  
8 approving this Class Action Agreement becomes final. For purposes of this Class Action  
9 Agreement:

10 2.55.1. if no appeal has been taken from the Final Approval Order, “Post-Appeal  
11 Date” means the date on which the time to appeal therefrom has expired;  
12 or

13 2.55.2. if any appeal has been taken from the Final Approval Order, “Post-  
14 Appeal Date” means the date on which all appeals therefrom, including  
15 petitions for rehearing or reargument, petitions for rehearing *en banc* and  
16 petitions for a writ of *certiorari* or any other form of review, have been  
17 fully disposed of in a manner that affirms the Final Approval Order; or

18 2.55.3. if Class Counsel and Volkswagen agree in writing, the “Post-Appeal  
19 Date” can occur on any other earlier agreed date.

20 2.56. “Preliminary Approval Order” means the order that may, at the discretion of the  
21 Court, be entered by the Court preliminarily approving the Class Action Settlement as outlined in  
22 Section 3 of this Class Action Agreement.

23 2.57. “Release” means the release and waiver described in Section 9 of this Class Action  
24 Agreement and in the Final Approval Order. In addition, Class Members who participate in the  
25 Buyback, Lease Termination, and Restitution Program, or the Approved Emissions Modification  
26 and Restitution Program, or otherwise receive a Restitution Payment pursuant to this Class Action  
27 Agreement, will execute an Individual Release as described in Section 9.7 of the Class Action  
28 Agreement, and that Individual Release will remain valid even if the Final Approval Order is later

1 reversed and/or vacated on appeal.

2 2.58. “Released Party” or “Released Parties” has the definition set forth in Section 9.2 of  
3 this Class Action Agreement.

4 2.59. “Restitution Payment” or “Restitution Payments” means the Owner Restitution,  
5 Lessee Restitution, and Seller Restitution payments, separately or collectively.

6 2.60. “Seller Restitution” means monetary compensation that Volkswagen will pay to  
7 Eligible Sellers who do not opt out of the Class, as determined by the formula set forth in  
8 Exhibit 1.

9 2.61. “Settlement Master” means Robert Mueller III, who was appointed by the Court to  
10 serve as Settlement Master to administer, coordinate, and preside over settlement-related  
11 proceedings.

12 2.62. “Settlement Website” means the public website that provides information and key  
13 filings regarding the Class Action Settlement, including FAQs, and at which Class Members will,  
14 after entry of the Preliminary Approval Order, be able to access a “Claims Portal,” which will  
15 allow a Class Member to complete and submit an online Claim Form, and/or obtain a description  
16 of the remedies available to the Class Member, including, as applicable: (1) the amount of the  
17 Vehicle Value; (2) details concerning the Lease Termination; (3) the amount of the Restitution  
18 Payment; (4) a tool for the Class Member to determine the effect of mileage on the Vehicle  
19 Value; and (5) details concerning the Approved Emissions Modification, if any, for the Eligible  
20 Vehicle. The Claims Portal will be available to begin the registration and submission process  
21 upon entry of the Preliminary Approval Order, but no Claim will be considered submitted until  
22 entry of the Final Approval Order.

23 2.63. “Short Form Notice” means the Short Form Notice substantially in the form as  
24 attached hereto as Exhibit 2.

25 2.64. “Vehicle Value” means an Eligible Vehicle’s Base Value adjusted for options and  
26 mileage, as set forth in Exhibit 1.

27 2.65. “Volkswagen,” “VW,” or “Volkswagen Entities” means Volkswagen AG, Audi  
28 AG, and Volkswagen Group of America, Inc. (d/b/a Volkswagen of America, Inc. or Audi of

1 America, Inc.).

2 2.66. "Volkswagen Dealer" means any authorized Volkswagen or Audi dealer located in  
3 the United States and Puerto Rico as evidenced by a current and valid Dealer Sales and Service  
4 Agreement.

5 2.67. "Volkswagen's Internal Lease Program" means the program through which  
6 employees and retirees may lease vehicles from Volkswagen for themselves and certain members  
7 of their families. For purposes of this agreement, "participants" in Volkswagen's Internal Lease  
8 Program shall include anyone for whom a vehicle is leased under the program.

9 2.68. "Volkswagen's Lead Counsel" means Robert J. Giuffra, Jr. and Sharon L. Nelles  
10 of Sullivan & Cromwell LLP.

11 2.69. "VW Class Update" means the notice that will be provided by Volkswagen when  
12 (1) an Approved Emissions Modification becomes available for any make, model, and model year  
13 of an Eligible Vehicle or (2) it is determined that an Approved Emissions Modification will not  
14 become available for any particular make, model, or model year of an Eligible Vehicle.  
15 Volkswagen will provide the VW Class Updates to Class Counsel for comment prior to releasing  
16 them. Once final, the VW Class Update(s) will be distributed by First-Class U.S. Mail, postage  
17 paid.

18 2.70. "VW Credit, Inc." means VW Credit, Inc., including VW Credit, Inc. d/b/a  
19 Volkswagen Credit and Audi Financial Services.

20 2.71. Other capitalized terms used in this Class Action Agreement but not defined in this  
21 Section shall have the meanings ascribed to them elsewhere in this Class Action Agreement.

22 2.72. The term "he or she" and "his or her" include "it" or "its" where applicable.

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

24 3.1. Promptly after this Agreement is signed, but by no later than June 28, 2016, the  
25 Parties shall file the Agreement with the Court, together with a Motion for Preliminary Approval  
26 of the Class Action Agreement and Approval of Class Notice. Simultaneously, the Class  
27 Representatives shall move for certification of the Class for settlement purposes only, pursuant to  
28 Federal Rule of Civil Procedure ("Fed. R. Civ. P.") 23(a), 23(b)(3), and 23(e). It is expressly

1 agreed that any certification of the Class shall be for settlement purposes only, and Volkswagen  
2 does not waive any arguments that it may have that class certification for any other purpose  
3 would be improper.

4 3.2. The Parties agree to take all actions and steps reasonably necessary to obtain a  
5 Preliminary Approval Order from the Court.

#### 6 **4. CONSUMER COMPENSATION AND REMEDIES**

7 4.1. Except as otherwise provided in this Class Action Agreement, Eligible Owners  
8 and Eligible Lessees who do not opt out of the Class have two different options under the Class  
9 Action Agreement: (1) a Buyback or Lease Termination Option; or (2) subject to regulatory  
10 approvals, an option to have their emissions systems modified free of charge by Volkswagen to  
11 reduce NOx emissions (the Approved Emissions Modification Option). Both options include a  
12 Restitution Payment, which will be the same regardless of which option the Class Member  
13 selects. In other words, Eligible Owners and Eligible Lessees may sell or surrender their Eligible  
14 Vehicle to Volkswagen and also receive a Restitution Payment, or they may have their Eligible  
15 Vehicle modified for free by Volkswagen and receive the same Restitution Payment. The  
16 Buyback/Lease Termination and Approved Emissions Modification Options are described more  
17 fully in Exhibit 1 to this Class Action Agreement, and summarized in this Section 4. An estimate  
18 of the range of compensation available through the Class Action Settlement, including Vehicle  
19 Value and Restitution Payments, is provided in Exhibit 6.

#### 20 **4.2. Class Action Buyback, Lease Termination, and Restitution Program**

21 4.2.1. **Buyback.** Eligible Owners who do not opt out of the Class can sell their  
22 car back to Volkswagen for the Vehicle Value, which is determined by  
23 (i) taking the September 2015 NADA Clean Trade value, or, where no  
24 value was published by NADA as of September 2015, a calculation based  
25 on each individual vehicle's MSRP and (ii) making adjustments for  
26 options and mileage. If this Class Action Agreement is approved,  
27 Volkswagen will not buy back any vehicle under the Class Action  
28



1 Agreement, DOJ Consent Decree, or FTC Order without receiving a  
2 Release, as described in Section 9.

3 4.2.2. **Owner Restitution.** Eligible Owners who sell their Eligible Vehicles to  
4 Volkswagen under the terms of this Class Action Agreement will, in  
5 addition to the Vehicle Value payment, be entitled to an Owner  
6 Restitution payment calculated based on a percentage of the Vehicle  
7 Value, plus a fixed component. For Eligible Owners with Loan  
8 Obligations, some or all of the Vehicle Value and Owner Restitution will  
9 be paid directly to such Eligible Owners' lenders. Subject to the  
10 conditions described in more detail in Exhibit 1, Eligible Owners will be  
11 eligible for Loan Forgiveness in an amount up to 30% of the sum of the  
12 Vehicle Value and the Owner Restitution payment. Certain former  
13 owners who sold or transferred ownership of their Eligible Vehicles after  
14 September 18, 2015, but before June 28, 2016 (*i.e.*, Eligible Sellers), will  
15 be entitled, if they do not opt out of the Class, to a portion of the Owner  
16 Restitution for their Eligible Vehicles. Any owner whose Eligible  
17 Vehicle was totaled and who consequently transferred title of his, her, or  
18 its vehicle to an insurance company on or after the Opt-Out Deadline, but  
19 before the end of the Claim Period, will be entitled to Owner Restitution  
20 but not a Buyback payment. For more information about the Buyback  
21 and Owner Restitution available pursuant to the Class Action Agreement,  
22 see Exhibit 1. For information regarding the timeframe to submit a Claim,  
23 please refer to the Claim Period definition in Section 2.11.

24 4.2.3. **Lease Termination.** Eligible Lessees who do not opt out of the Class  
25 and retain an active lease of an Eligible Vehicle can terminate their leases  
26 with no penalty for early termination.

27 4.2.4. **Lessee Restitution.** Eligible Lessees who terminate their leases pursuant  
28 to this Class Action Agreement will be entitled to a Lessee Restitution

1 payment calculated based on a percentage of the Vehicle Value, plus a  
2 fixed component (the percentages and fixed components used to calculate  
3 Lessee Restitution will be different than those used to calculate Owner  
4 Restitution). If they do not opt out of the Class, Eligible Lessees whose  
5 leases terminated after September 18, 2015 and who do not own an  
6 Eligible Vehicle will be entitled to Lessee Restitution. Eligible Lessees  
7 who previously leased an Eligible Vehicle and obtained ownership after  
8 June 28, 2016 may obtain an Approved Emissions Modification, if  
9 available, plus Lessee Restitution. For more information about the Lease  
10 Termination and Lessee Restitution available under this Class Action  
11 Agreement, see Exhibit 1.

12 **4.3. Class Action Approved Emissions Modification and Restitution Program**

13 **4.3.1. Approved Emissions Modification.** As set forth more fully in  
14 Appendix B to the DOJ Consent Decree, Volkswagen may apply for, and  
15 if approved by the EPA and CARB, shall offer to Eligible Owners and  
16 Eligible Lessees who own or lease an Eligible Vehicle at or after the time  
17 of approval, an Approved Emissions Modification. As set forth in the  
18 DOJ Consent Decree, the EPA and CARB will either approve or  
19 disapprove an Emissions Modification for each generation of engines  
20 depending on certain factors, such as the effect of the proposed Emissions  
21 Modification on the vehicles' emissions levels, On Board Diagnostic  
22 ("OBD") system requirements, and durability, as more fully described in  
23 Appendix B to the DOJ Consent Decree. The expected timeline for  
24 Volkswagen to submit proposed Emissions Modifications and for the  
25 EPA and CARB to approve or conclusively reject those Emissions  
26 Modifications is set forth in the DOJ Consent Decree. It is possible that  
27 EPA and CARB may approve Emissions Modifications for some Eligible  
28 Vehicles, but not for others. If the EPA and CARB reject a proposed

1 Emissions Modification for a particular type of Eligible Vehicle, the  
2 Approved Emissions Modification Option will not be available to Eligible  
3 Owners and Eligible Lessees of that type of Eligible Vehicle. If no  
4 Approved Emissions Modification becomes available, Eligible Owners  
5 and Eligible Lessees who own or lease an Eligible Vehicle at that time  
6 will be informed that they remain eligible to participate in a Buyback or  
7 Lease Termination, or to opt out of the Class Action Settlement during  
8 the period from May 1, 2018, to June 1, 2018.

9 4.3.2. **Approved Emissions Modification Disclosure.** As set forth more fully  
10 in Appendix B to the DOJ Consent Decree, upon approval of each  
11 proposed Emission Modification, Volkswagen shall provide Eligible  
12 Owners, Eligible Lessees, and, as applicable, prospective purchasers, with  
13 a clear and accurate written disclosure as approved in the sole discretion  
14 of EPA and CARB (the “Approved Emissions Modification Disclosure”)  
15 regarding the impacts of any Approved Emissions Modification on an  
16 Eligible Vehicle. The Approved Emissions Modification Disclosure shall  
17 also be made available online by Volkswagen using the Settlement  
18 Website, which will, among other things, display the Approved  
19 Emissions Modification Disclosure applicable to a specific vehicle when  
20 a user inputs the Vehicle Identification Number (“VIN”). This online  
21 access shall continue for a minimum of ten (10) years after the DOJ  
22 Consent Decree is entered. As described more fully in Appendix B to the  
23 DOJ Consent Decree, the Approved Emissions Modification Disclosure  
24 will describe in plain language: (1) the Approved Emissions Modification  
25 generally; (2) all software changes; (3) all hardware changes; (4) for  
26 Generation 3, a clear explanation of each subsequent service action  
27 required by the Approved Emissions Modification; (5) any and all  
28 reasonably predictable changes resulting from the Approved Emissions

1 Modification, including but not limited to changes to reliability,  
2 durability, fuel economy, noise vibration, vehicle performance, drivability  
3 and any other vehicle attributes that may reasonably be important to  
4 vehicle owners; (6) a basic summary of how Eligible Owners and Eligible  
5 Lessees can obtain the Approved Emissions Modification; (7) system  
6 limitations that make identification and repair of any components difficult  
7 or even impossible, compromise warranty coverage, or may reduce the  
8 effectiveness of inspection and maintenance program vehicle inspections;  
9 and (8) any other disclosures required under the terms of the DOJ  
10 Consent Decree. This Approved Emissions Modification Disclosure, and  
11 a description of the Approved Emissions Extended Warranty, will be part  
12 of the VW Class Update that is defined in Section 2.69. Class Counsel  
13 will have an opportunity to comment on the disclosures made by  
14 Volkswagen on the Settlement Website on a reasonable schedule.

15 4.3.3. **Restitution Payment.** If an Eligible Owner or Eligible Lessee remains in  
16 the Class and accepts an Approved Emissions Modification, Volkswagen  
17 shall, in addition to performing the Approved Emissions Modification,  
18 provide a Restitution Payment to the Eligible Owner or Eligible Lessee in  
19 accordance with the terms of Exhibit 1. Such Restitution Payment will be  
20 the same as the Restitution Payment component offered to that Eligible  
21 Owner or Eligible Lessee if he, she, or it selects the Buyback or Lease  
22 Termination Option, as applicable, described in Sections 4.2.2 and 4.2.4.

23 4.3.4. **Two-Step Approved Emissions Modifications for Generation 3**  
24 **Vehicles.** As described more fully in Appendix B to the DOJ Consent  
25 Decree, any Emissions Modification for Eligible Vehicles with  
26 Generation 3 engines shall be proposed and, if approved by the EPA and  
27 CARB, made available in two stages. Under this Class Action  
28 Agreement, Eligible Owners and Eligible Lessees of Generation 3

1 Eligible Vehicles who elect an Approved Emissions Modification will be  
2 offered two-thirds (2/3) of their Restitution Payment upon submitting  
3 their vehicles for the first stage of the Approved Emissions Modification  
4 and the remaining one-third (1/3) of their Restitution Payment, as well as  
5 a free oil change with respective engine oil filter, to the Eligible Owner or  
6 Eligible Lessee, upon submitting their vehicles for the second stage of the  
7 Approved Emissions Modification.

8 4.3.5. **Approved Emissions Modification Extended Warranty.** In addition to  
9 the Restitution Payment received in connection with the Approved  
10 Emissions Modification, each Eligible Owner or Eligible Lessee who  
11 receives the Approved Emissions Modification shall also receive an  
12 Approved Emissions Modification Extended Warranty, as set forth more  
13 fully in Appendix B to the DOJ Consent Decree. The Approved  
14 Emissions Modification Extended Warranty shall cover all components  
15 which are replaced as part of the Approved Emissions Modification, any  
16 component which, as determined by EPA and CARB, can reasonably be  
17 impacted by effects of the Approved Emissions Modification, as well as  
18 the engine sub-assembly that consists of the assembled block, crankshaft,  
19 cylinder head, camshaft, and valve train. The Approved Emissions  
20 Modification Extended Warranty shall cover all parts and labor related to  
21 the covered components, as well as the cost or provision of a loaner  
22 vehicle for warranty service lasting longer than 3 hours. Volkswagen will  
23 not impose on Class Members any fees or charges, and must pay any fees  
24 or charges imposed by its dealers related to the Approved Emissions  
25 Modification Extended Warranty. Volkswagen shall provide a free  
26 loaner vehicle for the owner of any Eligible Vehicle undergoing an  
27 Approved Emissions Modification that is scheduled to, or does, last  
28 longer than three hours to complete.

1                   4.3.6.   **Warranty Remedies.** As set forth more fully in Appendix A to the DOJ  
2                   Consent Decree, in addition to any protections provided by law,  
3                   Volkswagen must reoffer and provide a Buyback or Lease Termination to  
4                   any Eligible Owner or Eligible Lessee of a vehicle modified in  
5                   accordance with an Approved Emissions Modification (a “Modified  
6                   Vehicle”), in the event that, during the 18 months or 18,000 miles  
7                   following the completion of the Approved Emissions Modification (the  
8                   “Reoffer Period”), Volkswagen fails to repair or remedy a confirmed  
9                   mechanical failure or malfunction covered by the Approved Emissions  
10                  Modification Extended Warranty and associated with the Approved  
11                  Emissions Modification (a “Warrantable Failure”) after the Eligible  
12                  Owner or Eligible Lessee physically presents the Modified Vehicle to a  
13                  dealer for repair of the Warrantable Failure; and (1) the Warrantable  
14                  Failure is unable to be remedied after making four separate service visits  
15                  for the same Warrantable Failure during the Reoffer Period; or (2) the  
16                  Modified Vehicle with the Warrantable Failure is out of service due to the  
17                  Warrantable Failure for a cumulative total of 30 Days during the Reoffer  
18                  Period. For avoidance of doubt, a Modified Vehicle shall not be deemed  
19                  “out of service” when (after diagnosing the Warrantable Failure) the  
20                  dealer returns or tenders the Modified Vehicle to the customer while the  
21                  dealer awaits necessary parts for the Warrantable Failure, and the  
22                  Modified Vehicle remains operable. In such a case, the Eligible Owner  
23                  or Eligible Lessee shall receive the payments that he or she would have  
24                  received under a Buyback or Lease Termination at the time the Eligible  
25                  Owner or Eligible Lessee first requested the Approved Emissions  
26                  Modification less any payment amounts already received. No Eligible  
27                  Owner or Eligible Lessee shall receive double-recovery of any portion of  
28                  any payment.

1           4.3.7. **Preservation of Remedies.** The Approved Emissions Modification  
2           Extended Warranty shall be subject to any remedies provided by state or  
3           federal laws, such as the Magnuson-Moss Warranty Act, that provide  
4           consumers with protections, including, without limitation, “Lemon Law”  
5           protections, with respect to warranties.

6           4.3.8. **No Defense.** Neither this Class Action Agreement nor the Final  
7           Approval Order is a defense to liability arising out of any Approved  
8           Emissions Modification. Nothing herein prohibits Volkswagen from  
9           relying on this Class Action Agreement in any action alleging  
10          noncompliance with the Class Action Agreement.

11          4.3.9. **Disclosure to Subsequent Purchasers.** For each Eligible Vehicle that  
12          receives an Approved Emissions Modification, Volkswagen shall label  
13          the vehicle as set forth in the DOJ Consent Decree and provide a  
14          mechanism for potential purchasers to determine if the vehicle has  
15          received an Approved Emissions Modification.

16          4.4. **Other Provisions**

17          4.4.1. **Allocation of Funding Pool.** The Parties have negotiated among  
18          themselves, under the supervision of the Settlement Master, a plan of  
19          allocation of the Funding Pool among eligible Class Members so that  
20          those parameters can be described as part of notice to the Class. The plan  
21          of allocation is set forth in Exhibit 1.

22          4.4.2. **No Prohibition on Other Incentives.** Nothing in this Class Action  
23          Agreement is intended to prohibit Volkswagen from offering any  
24          consumer any further incentives or trade-in options in addition to those  
25          provided herein; however, Volkswagen may not offer consumers other  
26          incentives or trade-in options in lieu of the options contained herein, in  
27          whole or in part, or any incentive not to participate in the Class Action  
28          Settlement Program. Likewise, Volkswagen shall request that

1 Volkswagen Dealers not offer any incentive not to participate in the  
2 Settlement Program.

3 4.4.3. **Disposition of Returned Vehicles.** As set forth more fully in Appendix  
4 A to the DOJ Consent Decree, Eligible Vehicles bought back by or  
5 returned to Volkswagen must be rendered inoperable by removing the  
6 vehicles' Engine Control Unit and may be, to the extent possible,  
7 recycled to the extent permitted by law. No such Eligible Vehicle that is  
8 rendered inoperable may subsequently be rendered operable until it has  
9 first received an Approved Emissions Modification. After modifying a  
10 bought-back or returned Eligible Vehicle in accordance with an Approved  
11 Emissions Modification, Volkswagen may then elect to (i) resell the  
12 bought-back or returned Eligible Vehicles in the United States, if properly  
13 labeled to disclose the Approved Emissions Modification, or (ii) export  
14 the bought-back or returned Eligible Vehicles.

15 4.4.4. **Telephone Call Center.** Volkswagen shall establish a telephone call  
16 center to address Class Member inquiries. The Parties will agree as to  
17 what information will be provided by the Telephone Call Center to  
18 inquiring Class Members.

19 4.4.5. **No Attorneys' Fees or Costs.** To the extent Volkswagen elects or is  
20 ordered to pay private attorneys' fees or costs, Volkswagen will not  
21 receive credit for such payments against obligations to Class Members  
22 under this Class Action Agreement and the Final Approval Order.  
23 Volkswagen reserves the right to challenge attorneys' fees or costs to the  
24 extent the request for an award of fees and costs exceeds the fees and  
25 costs that Volkswagen has agreed to pay.

26 4.4.6. **Joint and Several Responsibility.** The Volkswagen Entities' obligations  
27 to comply with the requirements of the Class Action Agreement are joint  
28 and several. In the event of the insolvency of any Volkswagen Entity or



1 the failure by any Volkswagen Entity to implement any requirement of  
2 the Class Action Agreement, the remaining Volkswagen Entities shall  
3 complete all such requirements. Any legal successor or assign of any  
4 Volkswagen Entity shall remain jointly and severally liable for the  
5 payment and other performance obligations hereunder. The Volkswagen  
6 Entities shall include an agreement to so remain liable in the terms of any  
7 sale, acquisition, merger or other transaction changing the ownership or  
8 control of any of the Volkswagen Entities, and no change in the  
9 ownership or control of any Volkswagen Entity shall affect the  
10 obligations hereunder of any Volkswagen Entity.

11 4.4.7. **Tax Implications.** Nothing in the Class Action Agreement prevents tax-  
12 advantaged sales tax treatment of the Buyback, which may be available  
13 under the laws of some states. Class Members are encouraged to consult  
14 their personal tax advisor for further assistance regarding any tax  
15 ramifications of this Class Action Settlement.

16 4.4.8. **Deceased, Dissolved, or Bankrupt Claim Members.** Nothing in the  
17 Class Action Agreement shall prevent the Claims Supervisor from  
18 providing Class benefits, upon appropriate proof, to, or for the benefit of,  
19 an otherwise eligible Class Member, or that Class Member's estate or  
20 legal representative, notwithstanding that Class Member's death,  
21 dissolution, or bankruptcy (whether discharged or ongoing), in  
22 accordance with applicable law.

## 23 5. CLASS CLAIMS PROCESS AND ADMINISTRATION

24 5.1. **Claims Program.** The Claims Program involves five steps. At **Step 1**, based on  
25 information they provide to Volkswagen online or by telephone, Class Members will obtain  
26 information about the options available to them. At **Step 2**, once a Class Member is ready to  
27 proceed with the Claims Process, the Class Member will submit a Claim Form online, by mail, or  
28 by fax, that contains certain information about his or her Eligible Vehicle along with required

1 documentation. At **Step 3**, the Class Member's eligibility or ineligibility to participate in the  
2 Class Action Settlement will be determined, and a formal offer will be made if the Class Member  
3 is deemed an eligible "Claimant." At **Step 4**, Claimants will confirm their selection of an offered  
4 remedy, accept their formal offer, and schedule an appointment at their preferred Volkswagen (or  
5 Audi) Dealer (if necessary). At **Step 5**, Claimants will obtain their chosen remedy. The process  
6 for submitting a Claim is designed to be as simple and convenient to Claimants as possible,  
7 consistent with the integrity of the Claims Program.

8       **5.2. Claims Supervisor.** Based on information and documents collected from Class  
9 Members by Volkswagen, the Claims Supervisor will oversee the implementation and  
10 administration of the Claims Process, including validation of Claim eligibility and approval of  
11 compensation offers and payments to Class Members. The Claims Supervisor's duties include,  
12 but are not limited to (1) receiving and maintaining on behalf of the Court any Class Member  
13 correspondence regarding requests for exclusion and/or objections to the Settlement; and (2)  
14 forwarding written inquiries to Class Counsel or its designee for a response, if warranted.

15       **5.3. Claims Review Committee.** The Court shall appoint a Claims Review  
16 Committee ("CRC") to review contested claims deemed ineligible and appealed by the Claimant.  
17 The CRC will include one representative from Volkswagen and one representative from Class  
18 Counsel, as well as a Court-appointed "Neutral," who would be called upon only to resolve any  
19 disagreements between the CRC's other members, should they arise. It is anticipated that the  
20 Parties will be able to resolve most issues, but the availability of a neutral third party appointed  
21 by the Court ensures that disputes can be resolved without Court intervention. The Class Counsel  
22 representative on the CRC will have responsibility for handling CRC communication with  
23 Claimants and Claimants' counsel. Determinations by the CRC as to ineligible Claims will  
24 constitute final determinations.

25       **5.4. Reporting.** The Claims Supervisor will prepare periodic reports on the progress  
26 and status of the Claims Program. The Claims Supervisor shall provide its first report to the  
27 Court within one month from the Effective Date and every three months thereafter. The Claims  
28 Supervisor shall provide reports to the Parties on a monthly basis. These reports will include

1 information sufficient to allow the Court and the Parties to assess the Claims Program's progress.

2           **5.5. The Court's Ongoing and Exclusive Jurisdiction.** The Court retains the  
3 ongoing and exclusive jurisdiction and independent case management authority, as MDL  
4 Transferee Judge and under Federal Rule of Civil Procedure 23, regarding the general operation  
5 of the Claims Program and those appointed to implement and oversee it.

6           **6. REQUESTS FOR EXCLUSION**

7           **6.1. Manner of Opting Out.** The Class Notice will provide instructions regarding the  
8 procedures that must be followed to opt out of the Class pursuant to Fed. R. Civ. P.  
9 23(c)(2)(B)(v). The Parties agree that, to opt out validly from the Class, a Class Member must  
10 personally sign and submit a written request to opt out stating "I wish to exclude myself from the  
11 Class in *In re Volkswagen "Clean Diesel" Marketing, Sales Practices and Products Liability*  
12 *Litigation*, No. 15-md-2672," (or substantially similar clear and unambiguous language) to the  
13 Notice Administrator on or before the Opt-Out Deadline. That written request also will contain  
14 the Class Member's printed name, address, telephone number, and VIN of the Eligible Vehicle  
15 forming the basis of the Class Member's inclusion in the Class, a statement as to whether the  
16 Class Member is an Eligible Owner, Eligible Lessee, or Eligible Seller, and the dates of the Class  
17 Member's ownership or lease of an Eligible Vehicle. For any Class Member who no longer owns  
18 or leases an Eligible Vehicle, evidence that the vehicle was sold or that the lease expired or was  
19 terminated also must be provided. The Claims Supervisor will provide copies of all opt-out  
20 requests to Lead Class Counsel and Counsel for Volkswagen within seven (7) days of the receipt  
21 of each such request.

22           **6.2. Consequences of Failure To Opt Out in a Timely and Proper Manner.** All  
23 Class Members who do not timely and properly opt out of the Class will in all respects be bound  
24 by all terms of this Class Action Agreement and the Final Approval Order upon the Effective  
25 Date.

26           **6.3. Opting Out and Objecting Are Mutually Exclusive Options.** Any Class  
27 Member who elects to opt out pursuant to this Section may not also object to the Settlement,  
28 pursuant to Section 7 herein. Any Class Member who elects to object pursuant to Section 7

1 herein may also not opt out pursuant to this Section.

## 2 **7. OBJECTIONS TO THE SETTLEMENT**

3 **7.1. Manner of Objecting.** The Class Notice Program will provide instructions  
4 regarding the procedures that must be followed to object to the Settlement pursuant to Federal  
5 Rule of Civil Procedure 23(e)(5). Provided that a Class Member has not submitted a written  
6 request to opt out, as set forth in Section 6, the Class Member may present written objections, if  
7 any, explaining why he or she believes the Class Action Settlement should not be approved by the  
8 Court as fair, reasonable, and adequate. No later than such date as is ordered by the Court, a  
9 Class Member who wishes to object to any aspect of the Class Action Settlement must file with  
10 the Court, or as the Court otherwise may direct, a written statement of the objection(s). The  
11 written statement of objection(s) must include a detailed statement of the Class Member's  
12 objection(s), as well as the specific reasons, if any, for each such objection, including any  
13 evidence and legal authority the Class Member wishes to bring to the Court's attention. That  
14 written statement also will contain the Class Member's printed name, address, telephone number,  
15 and VIN of the Eligible Vehicle forming the basis of the Class Member's inclusion in the Class,  
16 the dates of the Class Member's ownership or lease of the Eligible Vehicle, a statement as to  
17 whether the Class Member is an Eligible Owner, Eligible Lessee, or Eligible Seller, a statement  
18 that the Class Member has reviewed the Class definition and has not opted out of the Class, and  
19 any other supporting papers, materials, or briefs the Class Member wishes the Court to consider  
20 when reviewing the objection.

21 **7.2. 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 7. 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 Approval and Class Certification Order, or as the Court otherwise may  
28 direct; (b) file a sworn declaration attesting to his or her representation of each Class Member on

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

4 **7.3. 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 Preliminary Approval Order, a  
7 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 **7.4. 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 Class  
13 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 **8. DUTIES OF THE NOTICE ADMINISTRATOR**

16 **8.1.** 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 Long Form  
18 Notice (attached as Exhibit 3) and personalized cover letters; (b) updating Class Member address  
19 information prior to mailing using the National Change of Address (NCOA) system; (c) handling  
20 returned notice-related mail not delivered to Class Members; (d) attempting to obtain updated  
21 address information for any Long Form Notice packages returned without a forwarding address;  
22 (e) responding to requests for Long Form Notice packages; (f) establishing a post-office box for  
23 the receipt of any correspondence; (g) responding to requests from Class Counsel and/or  
24 Volkswagen's Negotiating Counsel; (h) assisting in the creation of Notice-related content for the  
25 Settlement Websites to which Class Members may refer for information about the Action and the  
26 Settlement; and (i) otherwise implementing and/or assisting with the dissemination of the notice  
27 of the Settlement.

28 **8.2.** The Notice Administrator shall be responsible for arranging for the publication of

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

10 8.3. All reasonable and necessary costs of the Class Notice Program, including the VW  
11 Class Update, and the fees and costs of the Notice Administrator, shall be borne exclusively by  
12 Volkswagen.

13 8.4. Within two (2) days of the issuance of the Preliminary Approval Order and the  
14 approval of the Class Notice Program by the Court, Volkswagen shall transfer or pay to the  
15 Notice Administrator an amount sufficient to cover the initial costs of the Class Notice Program.

16 8.5. The Notice Administrator may retain one or more persons to assist in the  
17 completion of his or her responsibilities.

18 8.6. The Notice Administrator shall send to each appropriate state and federal official  
19 the materials specified in 28 U.S.C. § 1715 and otherwise comply with its terms. The identities of  
20 such officials and the content of the materials shall be mutually agreed to by the Parties.

21 8.7. Not later than ten (10) days before the date of the Fairness Hearing, the Notice  
22 Administrator shall file with the Court a list of those persons who have opted out or excluded  
23 themselves from the Settlement. The Notice Administrator shall file with the Court the details  
24 outlining the scope, method and results of the Class Notice Program.

25 8.8. The Notice Administrator and the Parties shall promptly after receipt provide  
26 copies of any requests for exclusion, objections and/or related correspondence to each other.

## 27 **9. RELEASE AND WAIVER**

28 9.1. The Parties agree to the following release and waiver (the “Release”), which shall

1 take effect upon entry of the Final Approval Order. The terms of the Release are a material term  
2 of the Class Action Agreement and will be reflected in the Final Approval Order.

3           **9.2. Released Parties.** Released Parties means any person who, or entity that, is or  
4 could be responsible or liable in any way whatsoever, whether directly or indirectly, for the 2.0-  
5 liter TDI Matter. The Released Parties include, without limitation, (1) Volkswagen AG,  
6 Volkswagen Group of America, Inc. (d/b/a Volkswagen of America, Inc. or Audi of America,  
7 Inc.), Volkswagen Group of America Chattanooga Operations, LLC, Audi AG, Audi of America,  
8 LLC, VW Credit, Inc., VW Credit Leasing, Ltd., VCI Loan Services, LLC, and any former,  
9 present, and future owners, shareholders, directors, officers, employees, attorneys, affiliates,  
10 parent companies, subsidiaries, predecessors, and successors of any of the foregoing (the “VW  
11 Released Entities”); (2) any and all contractors, subcontractors, and suppliers of the VW Released  
12 Entities; (3) any and all persons and entities indemnified by any VW Released Entity with respect  
13 to the 2.0-liter TDI Matter; (4) any and all other persons and entities involved in the design,  
14 research, development, manufacture, assembly, testing, sale, leasing, repair, warranting,  
15 marketing, advertising, public relations, promotion, or distribution of any Eligible Vehicle, even  
16 if such persons are not specifically named in this paragraph, including without limitation all  
17 Volkswagen Dealers, as well as non-authorized dealers and sellers; (5) Claims Supervisor;  
18 (6) Notice Administrator; (7) lenders, creditors, financial institutions, or any other parties that  
19 financed any purchase or lease of an Eligible Vehicle; and (8) for each of the foregoing, their  
20 respective former, present, and future affiliates, parent companies, subsidiaries, predecessors,  
21 successors, shareholders, indemnitors, subrogees, spouses, joint ventures, general or limited  
22 partners, attorneys, assigns, principals, officers, directors, employees, members, agents,  
23 representatives, trustees, insurers, reinsurers, heirs, beneficiaries, wards, estates, executors,  
24 administrators, receivers, conservators, personal representatives, divisions, dealers, and suppliers.  
25 Notwithstanding the foregoing, this Release does not release any claims against Robert Bosch  
26 GmbH and Robert Bosch, LLC or any of its former, present, and future owners, shareholders,  
27 directors, officers, employees, attorneys, affiliates, parent companies, subsidiaries, predecessors,  
28 or successors.

1           9.3.    **Class Release.** In consideration for the Settlement, Class Members, on behalf of  
2 themselves and their agents, heirs, executors and administrators, successors, assigns, insurers,  
3 attorneys, representatives, shareholders, owners associations, and any other legal or natural  
4 persons who may claim by, through, or under them (the “Releasing Parties”), fully, finally,  
5 irrevocably, and forever release, waive, discharge, relinquish, settle, and acquit any and all  
6 claims, demands, actions, or causes of action, whether known or unknown, that they may have,  
7 purport to have, or may have hereafter against any Released Party, as defined above, arising out  
8 of or in any way related to the 2.0-liter TDI Matter. This Release applies to any and all claims,  
9 demands, actions, or causes of action of any kind or nature whatsoever, whether in law or in  
10 equity, known or unknown, direct, indirect or consequential, liquidated or unliquidated, past,  
11 present or future, foreseen or unforeseen, developed or undeveloped, contingent or non-  
12 contingent, suspected or unsuspected, whether or not concealed or hidden, arising from or in any  
13 way related to the 2.0-liter TDI Matter, including without limitation (1) any claims that were or  
14 could have been asserted in the Action; and (2) any claims for fines, penalties, criminal  
15 assessments, economic damages, punitive damages, exemplary damages, liens, injunctive relief,  
16 attorneys’, expert, consultant, or other litigation fees or costs other than fees and costs awarded by  
17 the Court in connection with this Settlement, or any other liabilities, that were or could have been  
18 asserted in any civil, criminal, administrative, or other proceeding, including arbitration (the  
19 “Released Claims”). This Release applies without limitation to any and all such claims, demands,  
20 actions, or causes of action regardless of the legal or equitable theory or nature under which they  
21 are based or advanced including without limitation legal and/or equitable theories under any  
22 federal, state, provincial, local, tribal, administrative, or international law, or statute, ordinance,  
23 code, regulation, contract, common law, equity, or any other source, and whether based in strict  
24 liability, negligence, gross negligence, punitive damages, nuisance, trespass, breach of warranty,  
25 misrepresentation, breach of contract, fraud, or any other legal or equitable theory, whether  
26 existing now or arising in the future, that arise from or in any way relate to the 2.0-liter TDI  
27 Matter. Notwithstanding the foregoing, this Agreement does not release any claims for wrongful  
28 death or personal injury. For the avoidance of doubt, claims relating to 3.0-liter TDI vehicles are



1 not subject to any release in this Class Action Agreement.

2           9.4.     **Possible Future Claims.** For the avoidance of doubt, Class Members expressly  
3 understand and acknowledge that they may hereafter discover claims presently unknown or  
4 unsuspected, or facts in addition to or different from those that they now know or believe to be  
5 true, related to the 2.0-liter TDI Matter, the Action and/or the Release herein. Nevertheless, it is  
6 the intention of Class Counsel and the Class Representatives in executing this Class Action  
7 Agreement to fully, finally, irrevocably, and forever release, waive, discharge, relinquish, settle,  
8 and acquit all such matters, and all claims relating thereto which exist, hereafter may exist, or  
9 might have existed (whether or not previously or currently asserted in any action or proceeding)  
10 with respect to the 2.0-liter TDI Matter.

11           9.5.     **Release of “Holder Rule” Claims.** In exchange for the Class Action Settlement  
12 compensation and remedies described in Section 4 and Exhibit 1, Class Members shall execute a  
13 release releasing their potential claims under the Trade Regulation Rule Concerning the  
14 Preservation of Consumers’ Claims and Defenses 16 C.F.R. §433.2 (the “Holder Rule”), relating  
15 to the 2.0-liter TDI Matter.

16           9.6.     **Waiver of California Civil Code Section 1542 and Analogous Provisions.**  
17 Class Representatives expressly understand and acknowledge, and Class Members will be  
18 deemed to understand and acknowledge Section 1542 of the California Civil Code, which  
19 provides: “**A general release does not extend to claims which the creditor does not know or**  
20 **suspect to exist in his or her favor at the time of executing the release, which if known by**  
21 **him or her must have materially affected his or her settlement with the debtor.**” Each Class  
22 Representative expressly acknowledges that he, she, or it has been advised by Class Counsel of  
23 the contents and effect of Section 1542 and that he, she, or it has considered the possibility that  
24 the number or magnitude of all claims may not currently be known. To ensure that this Release is  
25 interpreted fully in accordance with its terms, Class Members expressly waive and relinquish any  
26 and all rights and benefits that they may have under Section 1542 to the extent that such section  
27 may be applicable to the Release. Class Members likewise expressly waive and relinquish any  
28 rights or benefits of any law of any state or territory of the United States, federal law or principle

1 of common law, or of international or foreign law, which is similar, comparable, analogous, or  
2 equivalent to Section 1542 of the California Code to the extent that such laws or principles may  
3 be applicable to the Release.

4           **9.7. Individual Release.** Class Members who receive a Buyback, Lease Termination  
5 and/or Restitution Payment shall be required to execute an Individual Release, in the form  
6 attached as Exhibit 5, as a precondition to receiving such relief. Consistent with the Release  
7 provided in this Agreement, the Individual Release will provide that the Class Member releases  
8 all of the Released Parties from any and all present and future claims (as described in Sections 9.3  
9 and 9.4) arising out of or related to the 2.0-liter TDI Matter. The Individual Release shall remain  
10 effective even if the Final Approval Order is reversed and/or vacated on appeal, or if this Class  
11 Action Agreement is abrogated or otherwise voided in whole or in part.

12           **9.8. Actions or Proceedings Involving Released Claims.** Class Members who do not  
13 opt out expressly agree that this Release, and the Final Approval Order, is, will be, and may be  
14 raised as a complete defense to, and will preclude, any action or proceeding specified in, or  
15 involving claims encompassed by, this Release. Class Members who do not opt out shall not now  
16 or hereafter institute, maintain, prosecute, assert, and/or cooperate in the institution,  
17 commencement, filing or prosecution of any suit, action, and/or other proceeding, against the  
18 Released Parties with respect to the claims, causes of action and/or any other matters subject to  
19 this Release. To the extent that they have initiated, or caused to be initiated, any suit, action, or  
20 proceeding not already encompassed by the Action, Class Members who do not opt out shall  
21 cause such suit, action, or proceeding to be dismissed with prejudice. If a Class Member who  
22 does not opt out commences, files, initiates, or institutes any new legal action or other proceeding  
23 for any Released Claim against any Released Party in any federal or state court, arbitral tribunal,  
24 or administrative or other forum, (1) such legal action or other proceeding shall be dismissed with  
25 prejudice and at that Class Member's cost; and (2) the respective Released Party shall be entitled  
26 to recover any and all reasonable related costs and expenses from that Class Member arising as a  
27 result of that Class Member's breach of his, her, or its obligations under this Release.

28           **9.9. Ownership of Released Claims.** Class Representatives shall represent and

1 warrant that they are the sole and exclusive owners of any and all claims that they personally are  
2 releasing under this Class Action Agreement. Class Representatives further acknowledge that  
3 they have not assigned, pledged, or in any manner whatsoever, sold, transferred, assigned or  
4 encumbered any right, title, interest or claim arising out of or in any way whatsoever pertaining to  
5 the 2.0-liter TDI Matter, including without limitation, any claim for benefits, proceeds or value  
6 under the Action, and that Class Representatives are not aware of anyone other than themselves  
7 claiming any interest, in whole or in part, in any benefits, proceeds or values to which Class  
8 Representatives may be entitled as a result of the 2.0-liter TDI Matter. Class Members submitting  
9 a Claim Form shall represent and warrant therein that they are the sole and exclusive owner of all  
10 claims that they personally are releasing under the Class Action Agreement and that they have not  
11 assigned, pledged, or in any manner whatsoever, sold, transferred, assigned or encumbered any  
12 right, title, interest or claim arising out of or in any way whatsoever pertaining to the Actions,  
13 including without limitation, any claim for benefits, proceeds or value under the Actions, and that  
14 such Class Members are not aware of anyone other than themselves claiming any interest, in  
15 whole or in part, in any benefits, proceeds or values to which those Class Members may be  
16 entitled as a result of the 2.0-liter TDI Matter.

17 **9.10. Total Satisfaction of Released Claims.** Any benefits pursuant to the Class  
18 Action Agreement are in full, complete, and total satisfaction of all of the Released Claims  
19 against the Released Parties, that the Benefits are sufficient and adequate consideration for each  
20 and every term of this Release, and that this Release shall be irrevocably binding upon Class  
21 Representatives and Class Members who do not opt out of the Class.

22 **9.11. Release Not Conditioned on Claim or Payment.** The Release shall be effective  
23 with respect to all Releasing Parties, including all Class Members who do not opt out, regardless  
24 of whether those Class Members ultimately file a Claim or receive compensation under this Class  
25 Action Agreement.

26 **9.12. Basis for Entering Release.** Class Counsel acknowledge that they have  
27 conducted sufficient independent investigation and discovery to enter into this Class Action  
28 Agreement and that they execute this Class Action Agreement freely, voluntarily, and without

1 being pressured or influenced by, or relying on any statements, representations, promises, or  
2 inducements made by the Released Parties or any person or entity representing the Released  
3 Parties, other than as set forth in this Class Action Agreement. Class Representatives  
4 acknowledge, agree, and specifically represent and warrant that they have discussed with Class  
5 Counsel the terms of this Class Action Agreement and have received legal advice with respect to  
6 the advisability of entering into this Class Action Agreement and the Release, and the legal effect  
7 of this Class Action Agreement and the Release. The representations and warranties made  
8 throughout the Class Action Agreement shall survive the execution of the Class Action  
9 Agreement and shall be binding upon the respective heirs, representatives, successors and assigns  
10 of the Parties.

11       **9.13. Material Term.** Class Representatives and Class Counsel hereby agree and  
12 acknowledge that this Section 9 was separately bargained for and constitutes a key, material term  
13 of the Class Action Agreement that shall be reflected in the Final Approval Order.

14       **9.14. Reservation of Claims.** This Class Action Agreement shall resolve the claims of  
15 Class Members who do not opt out only as they relate to the 2.0-liter TDI Matter. The Parties  
16 reserve all rights to litigate liability and equitable relief of any sort for any subset of vehicles,  
17 purchasers, or lessees not expressly covered by this Class Action Agreement. For avoidance of  
18 doubt, this carve-out includes, but is not limited to, claims related to 3.0-liter TDI vehicles.

19       **9.15. Released Parties' Releases of Class Representatives, the Class, and Class**  
20 **Counsel.** Upon the Effective Date, Released Parties absolutely and unconditionally release and  
21 forever discharge the Class Representatives, Class Members, and Class Counsel from any and all  
22 claims relating to the institution or prosecution of the Action.

23       **9.16. Jurisdiction.** The Court shall retain exclusive and continuing jurisdiction over all  
24 Parties, the Action, and this Class Action Agreement to resolve any dispute that may arise  
25 regarding this Class Action Agreement or in relation to this Action, including any dispute  
26 regarding validity, performance, interpretation, administration, enforcement, enforceability, or  
27 termination of the Class Action Agreement and no Party shall oppose the reopening and  
28 reinstatement of the Action on the MDL Court's active docket for the purposes of effecting this

1 Section.

2 **10. ESCROW ACCOUNT**

3 10.1. Within ten (10) business days after the Court enters the Final Approval Order,  
4 Volkswagen shall fund the Escrow Account with the “Funding Amount,” which funds shall be  
5 used, as necessary, to compensate Class Members who submit valid Claims pursuant to this Class  
6 Action Agreement. The initial Funding Amount shall be \$1,500,000,000. If and when the  
7 funding level of the Escrow Account reaches the “Minimum Balance,” which shall initially be set  
8 at \$1,250,000,000, the Escrow Agent shall alert Volkswagen, and Volkswagen shall, within seven  
9 (7) business days, deposit such funds in the Escrow Account as are necessary to bring the balance  
10 of the Escrow Account back to the Funding Amount.

11 10.2. Every six (6) months after the Escrow Account is first funded, the Funding  
12 Amount shall be adjusted to the lower of (i) the initial amount of \$1,500,000,000 or (ii) twenty-  
13 five (25) percent of the amount of the total Funding Pool that has not yet been spent, as verified  
14 by the Claims Supervisor. In the event that the Funding Amount is adjusted, the Minimum  
15 Balance shall be adjusted proportionately. For example, if the Funding Amount is adjusted to  
16 \$900,000,000, the Minimum Balance shall be adjusted to \$750,000,000.

17 10.3. Within thirty (30) days of the conclusion of the Claim Period, any funds in the  
18 Escrow Account, including all interest accrued, shall revert to Volkswagen.

19 10.4. In the event that the Class Action Settlement is terminated or invalidated for any  
20 reason prior to the conclusion of the Claim Period, any funds in the Escrow Account, including  
21 all interest accrued, shall revert to Volkswagen.

22 **11. ATTORNEYS’ FEES AND EXPENSES**

23 11.1. Volkswagen agrees to pay reasonable attorneys’ fees and costs for work performed  
24 by Class Counsel in connection with the Action as well as the work performed by other attorneys  
25 designated by Class Counsel to perform work in connection with the Action in an amount to be  
26 negotiated by the Parties and that must be approved by the Court. Volkswagen and Class Counsel  
27 represent that they have not discussed the amount of fees and costs to be paid prior to agreement  
28 on the terms of this Class Action Agreement. Class Counsel and counsel for Volkswagen will

1 attempt to negotiate the amount of attorneys' fees and costs to be paid after the execution of this  
2 Class Action Agreement and any settlement agreement related to claims involving TDI vehicles  
3 with 3.0-liter engines. If a settlement agreement related to 3.0-liter TDI vehicles is not reached  
4 by August 12, 2016, Class Counsel and counsel for Volkswagen will attempt to negotiate the  
5 amount of attorneys' fees and costs to be paid in connection with claims involving Eligible  
6 Vehicles (*i.e.*, TDI vehicles with 2.0-liter engines). If the Parties reach an agreement about the  
7 amount of attorneys' fees and costs, Class Counsel will submit the negotiated amount to the Court  
8 for approval. If the Parties do not reach an agreement as to the amount of attorneys' fees and  
9 costs, the parties will litigate the fee issues, and each party will present its respective position to  
10 the Court for determination. The litigation of the fee issues will be subject to the Parties'  
11 agreement that: (1) the attorneys' fees and costs will be paid by Volkswagen in addition to the  
12 compensation provided to Class Members under this Class Action Agreement; (2) each party will  
13 be free to argue for what it believes is a reasonable fee; and (3) Volkswagen and Class Counsel  
14 will request that the Court issue an Order setting forth the amount to be paid in attorneys' fees  
15 and costs to be paid by Volkswagen in this action, and providing that Class Counsel will not be  
16 permitted to seek additional fees and costs after the Court makes its award. The Parties shall have  
17 the right to appeal the Court's determination as to the amount of attorneys' fees and costs.  
18 Volkswagen reserves all rights to object to an award of attorney's fees and/or costs beyond what  
19 it believes to be reasonable.

## 20 **12. PROPOSED SCHEDULE FOR APPROVAL OF SETTLEMENT**

21 **12.1. Preliminary Approval Order.** As set forth in Section 3.1, on or before June 28,  
22 2016, the Parties shall file with the Court a Motion for Preliminary Approval of the Class Action  
23 Agreement and Approval of Class Notice.

24 **12.2. Final Settlement Approval Order and Judgment.** On or before August 26,  
25 2016, or any subsequently mutually agreed upon date, Class Counsel shall file with the Court a  
26 motion seeking a Final Judgment Approving and Providing for the Enforcement of the Class  
27 Action Settlement.

28 **12.3. Proposed Schedule.** A comprehensive potential schedule for the approval of this

1 Settlement is set forth below, subject, of course, to the views of the Court. The Parties will use  
 2 their best efforts to advance the Settlement along the lines outlined in the proposed schedule set  
 3 forth below, recognizing it is subject to change, as required by Court order and/or agreed to by the  
 4 Parties.

Date	Event
June 28, 2016	Class Representatives file Motion for Preliminary Approval of Settlement
June 30, 2016	Status Conference with the Court
July 5, 2016	Volkswagen provides Class Action Fairness Act Notice to State Attorneys General
July 26, 2016	Preliminary Approval Hearing [Remainder of schedule assumes entry of Preliminary Approval Order on this date]
July 27, 2016	Class Notice Program begins
August 19, 2016	Class Notice Program ends
August 26, 2016	Motion for Final Approval filed
September 16, 2016	Objection and Opt-Out Deadline
September 16, 2016	End of Eligible Seller Identification Period
September 29, 2016	Deadline for State Attorneys General to file Comments/Objections to this Class Action Agreement
September 30, 2016	Reply Memorandum in Support of Final Approval filed
October 3, 2016 – October 7, 2016	Final Approval Hearing. While the timing and outcome of every determination is at the Court's discretion, the Parties to this Class Action Agreement request and anticipate that the Court would enter the DOJ Consent Decree and FTC Consent Order at the same time as the Final Approval Order.  The Buyback and Lease Termination program under this Class Action Agreement will begin expeditiously upon Final Approval. To the extent available, the Approved Emissions Modification Option under this Class Action Agreement will begin at the same time.

### 13. AGREEMENT TO COOPERATE TO EFFECTUATE SETTLEMENT

13.1. Counsel for all Parties warrant and represent that they are expressly authorized by

1 the Parties whom they represent to negotiate this Class Action Agreement. The persons signing  
2 this Class Action Agreement on behalf of each Party warrants that he/she is authorized to sign  
3 this Class Action Agreement on behalf of that Party.

4 13.2. The Parties and their respective counsel will cooperate with each other, act in good  
5 faith, and use their best efforts to effect the implementation of the Class Action Agreement and  
6 advance the Settlement Claims Program. In the event the Parties are unable to reach agreement  
7 on the form or content of any document needed to implement the Class Action Agreement, or on  
8 any supplemental provisions that may become necessary to effectuate the terms of this Class  
9 Action Agreement, the Parties may seek the assistance of the Court to resolve such disagreement.

10 13.3. The Parties further agree to make all reasonable efforts to ensure the timely and  
11 expeditious administration and implementation of the Class Action Agreement and to minimize  
12 the costs and expenses incurred therein.

13 **14. MODIFICATION OR TERMINATION OF THIS CLASS ACTION AGREEMENT**

14 14.1. The terms and provisions of this Class Action Agreement may be amended,  
15 modified, or expanded by written agreement of the Parties and approval of the Court; provided,  
16 however, that after entry of the Final Approval Order, the Parties may by written agreement effect  
17 such amendments, modifications, or expansions of this Class Action Agreement and its  
18 implementing documents (including all exhibits hereto) without further notice to the Class or  
19 approval by the Court if such changes are consistent with the Court's Final Approval Order and  
20 do not limit the rights of Class Members under this Class Action Agreement.

21 14.2. Any unintended conflicts between the Class Action Agreement, the DOJ Consent  
22 Decree, and/or the FTC Consent Order shall not be held against any of the Parties, but shall  
23 instead be resolved by mutual agreement of the Parties, with the aid of the Settlement Master and,  
24 if necessary, the Court.

25 14.3. This Class Action Agreement shall terminate at the discretion of either  
26 Volkswagen or the Class Representatives, through Class Counsel, if: (1) the Court, or any  
27 appellate court(s), rejects, modifies, or denies approval of any portion of this Class Action  
28 Agreement or the proposed Settlement that the terminating Party in its (or their) sole judgment



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

11 14.4. If an option to withdraw from and terminate this Class Action Agreement arises  
12 under Section 14.3 above, neither Volkswagen nor Class Representatives are required for any  
13 reason or under any circumstance to exercise that option and any exercise of that option shall be  
14 in good faith.

15 14.5. If, but only if, this Class Action Agreement is terminated pursuant to Section 14.3,  
16 above, then:

17 14.5.1. This Class Action Agreement shall be null and void and shall have no  
18 force or effect, and no Party to this Class Action Agreement shall be  
19 bound by any of its terms, except for the terms of Section 14.5 herein;

20 14.5.2. The Parties will petition the Court to have any stay orders entered  
21 pursuant to this Class Action Agreement lifted;

22 14.5.3. All of the provisions of this Class Action Agreement, and all negotiations,  
23 statements, and proceedings relating to it, shall be without prejudice to  
24 the rights of Volkswagen, Class Representatives, or any Class Member,  
25 all of whom shall be restored to their respective positions existing  
26 immediately before the execution of this Class Action Agreement, except  
27 that the Parties shall cooperate in requesting that the Court set a new  
28

- 1 scheduling order such that no Party's substantive or procedural rights are  
2 prejudiced by the settlement negotiations and proceedings;
- 3 14.5.4. Released Parties expressly and affirmatively reserve all defenses,  
4 arguments, and motions as to all claims that have been or might later be  
5 asserted in the Action, including, without limitation, the argument that the  
6 Action may not be litigated as a class action;
- 7 14.5.5. Class Representatives and all other Class Members, on behalf of  
8 themselves and their heirs, assigns, executors, administrators,  
9 predecessors, and successors, expressly and affirmatively reserve and do  
10 not waive all motions as to, and arguments in support of, all claims,  
11 causes of action or remedies that have been or might later be asserted in  
12 the Action including, without limitation, any argument concerning class  
13 certification, and treble or other damages;
- 14 14.5.6. Volkswagen expressly and affirmatively reserves and does not waive all  
15 motions and positions as to, and arguments in support of, all defenses to  
16 the causes of action or remedies that have been sought or might be later  
17 asserted in the Action, including without limitation, any argument or  
18 position opposing class certification, liability, damages, or injunctive  
19 relief;
- 20 14.5.7. Neither this Class Action Agreement, the fact of its having been entered  
21 into, nor the negotiations leading to it shall be admissible or entered into  
22 evidence for any purpose whatsoever;
- 23 14.5.8. Any settlement-related order(s) or judgment(s) entered in this Action after  
24 the date of execution of this Class Action Agreement shall be deemed  
25 vacated and shall be without any force or effect;
- 26 14.5.9. Volkswagen shall bear all reasonable and necessary costs incurred by the  
27 Claims Supervisor and Notice Administrator in connection with the  
28 implementation of this Class Action Settlement up until its termination.

1 Neither the Class Representatives nor Class Counsel shall be responsible  
2 for any such settlement-related costs; and

3 14.5.10. Within five (5) business days, any funds in the Escrow Account,  
4 including any interest accrued, shall revert to Volkswagen.

5 14.6. Notwithstanding the terms of Sections 14.5.1 through 14.5.10 above, if a Class  
6 Member has (i) received compensation under the Class Action Agreement prior to its termination  
7 or invalidation and (ii) executed an Individual Release, such a Class Member and Volkswagen  
8 shall be bound by the terms of the Individual Release, which terms shall survive termination or  
9 invalidation of the Class Action Agreement.

10 **15. REPRESENTATIONS AND WARRANTIES**

11 15.1. Class Counsel represents that: (1) they are authorized by the Class Representatives  
12 to enter into this Class Action Agreement with respect to the claims asserted in the Action and  
13 any other claims covered by the Release; and (2) they are seeking to protect the interests of the  
14 Class.

15 15.2. Class Counsel further represents that the Class Representatives: (1) have agreed to  
16 serve as representatives of the Class proposed to be certified herein; (2) are willing, able, and  
17 ready to perform all of the duties and obligations of representatives of the Class; (3) have read the  
18 pleadings in the Action, including the Complaint, or have had the contents of such pleadings  
19 described to them; (4) have consulted with Class Counsel about the obligations imposed on  
20 representatives of the Class; (5) understand that they are entitled only to the rights and remedies  
21 of Class Members under this Class Action Agreement and not to any additional compensation by  
22 virtue of their status as Class Representatives; and (6) shall remain and serve as representatives of  
23 the Class until the terms of this Class Action Agreement are effectuated, this Class Action  
24 Agreement is terminated in accordance with its terms, or the Court at any time determines that  
25 said Class Representatives cannot represent the Class.

26 15.3. Volkswagen represents and warrants that the individual(s) executing this Class  
27 Action Agreement are authorized to enter into this Class Action Agreement on behalf of  
28 Volkswagen.

1           15.4. The Parties acknowledge and agree that no opinion concerning the tax  
2 consequences of the proposed Settlement to Class Members is given or will be given by the  
3 Parties, nor are any representations or warranties in this regard made by virtue of this Class  
4 Action Agreement. Each Class Member's tax obligations, and the determination thereof, are the  
5 sole responsibility of the Class Member, and it is understood that the tax consequences may vary  
6 depending on the particular circumstances of each individual Class Member.

7       **16. GENERAL MATTERS AND RESERVATIONS**

8           16.1. This Class Action Agreement will be binding upon, and inure to the benefit of, the  
9 successors, transferees, and assigns of Volkswagen, the Class Representatives, and Class  
10 Members.

11           16.2. Volkswagen's obligation to implement the Class Action Settlement Program  
12 described in this Class Action Agreement is and shall be contingent upon each of the following:

13                   16.2.1. Entry by the Court of the Final Approval Order approving the Class  
14                   Action Settlement;

15                   16.2.2. The occurrence of the Effective Date; and

16                   16.2.3. The satisfaction of any other conditions set forth in this Class Action  
17                   Agreement.

18           16.3. The Parties and their counsel agree to keep the existence and contents of this Class  
19 Action Agreement confidential until the date on which the Motion for Preliminary Approval is  
20 filed; provided, however, that this Section shall not prevent Volkswagen from disclosing such  
21 information, prior to the date on which the Motion for Preliminary Approval is filed, to state and  
22 federal agencies, independent accountants, actuaries, advisors, financial analysts, insurers, or  
23 lawyers. The Parties and their counsel may also disclose the existence and contents of this Class  
24 Action Agreement to persons or entities (such as experts, courts, co-counsel, and/or  
25 administrators) to whom the Parties agree disclosure must be made in order to effectuate the  
26 terms and conditions of this Class Action Agreement.

27           16.4. Class Representatives and Class Counsel agree that confidential information made  
28 available to them solely through the settlement process was made available on the condition that

1 it not be disclosed to third parties (other than experts or consultants retained by Class  
2 Representatives in connection with the Action). Nevertheless, nothing contained herein shall  
3 prohibit Class Representatives from seeking certain confidential information pertinent to this  
4 Class Action Agreement through informal confirmatory discovery, even if not previously  
5 requested through formal discovery.

6 16.5. Information provided by Volkswagen, Volkswagen's Negotiating Counsel, and/or  
7 the Settlement Master to Class Representatives, Class Counsel, any individual Class Member,  
8 counsel for any individual Class Member, and/or administrators, pursuant to the negotiation and  
9 implementation of this Class Action Agreement, includes trade secrets and highly confidential  
10 and proprietary business information and shall be deemed "Highly Confidential" pursuant to the  
11 protective orders that have been or will be entered in the Action, and shall be subject to all of the  
12 provisions thereof. Any materials inadvertently produced shall, upon Volkswagen's request, be  
13 promptly returned to Volkswagen's Negotiating Counsel, and there shall be no implied or express  
14 waiver of any privileges, rights and defenses.

15 16.6. This Class Action Agreement, complete with its exhibits and all documents filed  
16 with the Court, sets forth the entire agreement among the Parties with respect to its subject matter,  
17 and it may not be altered, amended, or modified except by written instrument executed by Class  
18 Counsel and Volkswagen's Negotiating Counsel on behalf of Volkswagen. The Parties expressly  
19 acknowledge that no other agreements, arrangements, or understandings not expressed in this  
20 Class Action Agreement or the documents filed with the Court exist among or between them, and  
21 that in deciding to enter into this Class Action Agreement, they have relied solely upon their own  
22 judgment and knowledge. This Class Action Agreement and the accompanying documents filed  
23 with the Court supersede any prior agreements, understandings, or undertakings (written or oral)  
24 by and between the Parties regarding the subject matter of this Class Action Agreement.

25 16.7. This Class Action Agreement and any amendments thereto, and any dispute  
26 arising out of or related to this Class Action Agreement, shall be governed by and interpreted  
27 according to the Federal Rules of Civil Procedure and applicable jurisprudence relating thereto,  
28 and the laws of the State of California notwithstanding its conflict of law provisions.

1           16.8. Any disagreement and/or action to enforce this Class Action Agreement shall be  
2 commenced and maintained only in the United States District Court for the Northern District of  
3 California.

4           16.9. Whenever this Class Action Agreement requires or contemplates that one of the  
5 Parties shall or may give notice to the other, notice shall be provided by e-mail and/or next-day  
6 (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](mailto:nelless@sullcrom.com)

13           If to the Class, then to:

14                         Elizabeth J. Cabraser  
15                         LIEFF CABRASER HEIMANN & BERNSTEIN, LLP  
16                         275 Battery Street, 29th Floor  
17                         San Francisco, CA 94111

18           16.10. All time periods in this Class Action Agreement shall be computed in calendar  
19 days unless otherwise expressly provided. In computing any period of time in this Class Action  
20 Agreement or by order of the Court, the day of the act or event shall not be included. The last day  
21 of the period shall be included, unless it is a Saturday, a Sunday or a Federal Holiday, or, when  
22 the act to be done is the filing of a paper in court, a day on which the court is closed, in which  
23 case the period shall run until the end of the next day that is not one of the aforementioned days.  
24 As used in this Class Action Agreement, "Federal Holiday" includes holidays designated in Fed.  
25 R. Civ. P. 6(a) or by the Clerk of the United States District Court for the Northern District of  
26 California.

27           16.11. The Parties reserve the right, subject to the Court's approval, to agree to any  
28 reasonable extensions of time that might be necessary to carry out any of the provisions of this  
Class Action Agreement.

          16.12. The Class, Class Representatives, Class Counsel, Volkswagen, and/or  
Volkswagen's Lead Counsel shall not be deemed to be the drafter of this Class Action Agreement

1 or of any particular provision, nor shall they argue that any particular provision should be  
2 construed against its drafter. All Parties agree that this Class Action Agreement was drafted by  
3 counsel for the Parties during extensive arm's-length negotiations. No parol or other evidence  
4 may be offered to explain, construe, contradict, or clarify its terms, the intent of the Parties or  
5 their counsel, or the circumstances under which this Class Action Agreement was made or  
6 executed.

7 16.13. The Parties expressly acknowledge and agree that this Class Action Agreement  
8 and its exhibits, along with all related drafts, motions, pleadings, conversations, negotiations,  
9 related notes, and correspondence, constitute an offer of compromise and a compromise within  
10 the meaning of Federal Rule of Evidence 408 and any equivalent rule of evidence in any state or  
11 territory.

12 16.14. The Class Representatives expressly affirm that the allegations contained in the  
13 Complaint were made in good faith, but consider it desirable for the Action to be settled and  
14 dismissed as to the Eligible Vehicles only because of the substantial benefits that the Settlement  
15 will provide to Class Members.

16 16.15. The Parties agree that the Class Action Agreement was reached voluntarily after  
17 consultation with competent legal counsel.

18 16.16. Neither this Class Action Agreement nor the Class Action Settlement Program, nor  
19 any act performed or document executed pursuant to or in furtherance of this Class Action  
20 Agreement or the Class Action Settlement Program is or may be deemed to be or may be used as  
21 an admission of, or evidence of, the validity of any of the Released Claims, or of any wrongdoing  
22 or liability of any Released Parties; or is or may be deemed to be or may be used as an admission  
23 of, or evidence of, any fault or omission of any Released Parties in any civil, criminal, regulatory,  
24 or administrative proceeding in any court, administrative agency or other tribunal. Nor shall this  
25 Class Action Agreement or the Class Action Settlement Program be deemed an admission by any  
26 Party as to the merits of any claim or defense.

27 16.17. Nothing in this Class Action Agreement limits or expands any existing rights of  
28 the Class or any Class Member or third party to: (i) challenge any action or decision made by

1 EPA or CARB pursuant to, or during the implementation of, the DOJ Consent Decree; or  
2 (ii) assert a claim based upon an allegation of excessive emissions or OBD deficiencies from a  
3 vehicle that has undergone an Emission Modification approved by EPA and CARB under the  
4 DOJ Consent Decree.

5 16.18. Any of the Released Parties may file this Class Action Agreement and/or the Final  
6 Approval Order in any action that may be brought against it in order to support any defense or  
7 counterclaim, including without limitation those based on principles of *res judicata*, collateral  
8 estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim  
9 preclusion or issue preclusion or similar defense or counterclaim.

10 16.19. The Parties, their successors and assigns, and their counsel undertake to implement  
11 the terms of this Class Action Agreement in good faith, and to use good faith in resolving any  
12 disputes that may arise in the implementation of the terms of this Class Action Agreement.

13 16.20. The waiver by one Party of any breach of this Class Action Agreement by another  
14 Party shall not be deemed a waiver of any prior or subsequent breach of this Class Action  
15 Agreement.

16 16.21. If one Party to this Class Action Agreement considers another Party to be in  
17 breach of its obligations under this Class Action Agreement, that Party must provide the  
18 breaching Party with written notice of the alleged breach and provide a reasonable opportunity to  
19 cure the breach before taking any action to enforce any rights under this Class Action Agreement.

20 16.22. The Parties, their successors and assigns, and their counsel agree to cooperate fully  
21 with one another in seeking Court approval of this Class Action Agreement and to use their best  
22 efforts to implement this Class Action Agreement and the proposed Class Action Settlement  
23 Program.

24 16.23. This Class Action Agreement may be signed with an electronic or facsimile  
25 signature and in counterparts, each of which shall constitute a duplicate original.

26 16.24. In the event any one or more of the provisions contained in this Class Action  
27 Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect,  
28 such invalidity, illegality, or unenforceability shall not affect any other provision if Volkswagen,



1 on behalf of Defendants, and Class Counsel, on behalf of Class Representatives and Class  
2 Members, mutually agree in writing to proceed as if such invalid, illegal, or unenforceable  
3 provision had never been included in this Class Action Agreement. Any such agreement shall be  
4 reviewed and approved by the Court before it becomes effective.

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**List of Exhibits**

<b>Ex. #</b>	<b>Title</b>
1	Settlement Benefits to Class Members
2	Short Form Notice
3	Long Form Notice
4	Class Claims Program and Administration
5	Individual Release of Claims
6	Estimated Settlement Payments to Owners and Lessees

1 FOR CLASS COUNSEL

2

Date: June 28, 2016

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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: June 28, 2016



/s/ Francisco Javier Garcia Sanz  
FRANCISCO JAVIER GARCIA SANZ  
VOLKSWAGEN AG  
P.O. Box 1849  
D-38436 Wolfsburg, Germany



Date: June 28, 2016

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


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FOR AUDI AG:

Date: June 28, 2016



/s/ Francisco Javier Garcia Sanz  
FRANCISCO JAVIER GARCIA SANZ  
VOLKSWAGEN AG  
P.O. Box 1849  
D-38436 Wolfsburg, Germany



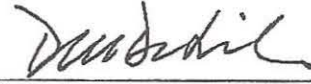
Date: June 28, 2016

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

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FOR VOLKSWAGEN GROUP OF AMERICA, INC.:

Date: June 28, 2016

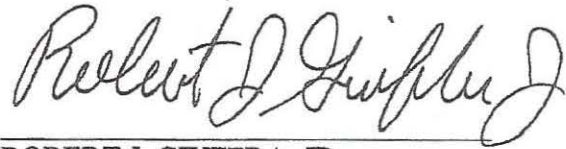


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DAVID DETWEILER  
VOLKSWAGEN GROUP OF AMERICA, INC.  
2200 Ferdinand Porsche Drive  
Herndon, Virginia 20171

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

3  
4  
5  
6 Date: June 28, 2016



7 ROBERT J. GIUFFRA, JR.  
8 SHARON L. NELLES  
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10 SULLIVAN & CROMWELL LLP  
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# Exhibit 1

# Settlement Benefits to Class Members



## SETTLEMENT BENEFITS TO CLASS MEMBERS

1. **Introduction.** As described more fully below, this Exhibit sets out how Class Members will be compensated under the Class Action Settlement Program. Benefits pursuant to the 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 Class Action Agreement.
2. **Class Member Options.**
  - a. Eligible Owners shall be offered the choice between (1) a Buyback and Owner Restitution, including loan forgiveness as set forth in ¶ 14 below; or (2) an Approved Emissions Modification and Owner Restitution.
  - b. Eligible Lessees who retain an active lease of an Eligible Vehicle shall be offered the choice between (1) a Lease Termination and Lessee Restitution; or (2) an Approved Emissions Modification and Lessee Restitution.
  - c. Eligible Lessees who return or have returned the Eligible Vehicle at the conclusion of the lease shall be offered Lessee Restitution.
  - d. Eligible Lessees who obtained ownership of their previously leased Eligible Vehicle after June 28, 2016 shall be offered an Approved Emissions Modification and Lessee Restitution.
  - e. Eligible Sellers shall be offered Seller Restitution.
  - f. Owners whose Eligible Vehicle was totaled and who consequently transferred title of their vehicle to an insurance company after the Opt-Out Deadline, but before the end of the Claim Period, shall be offered Owner Restitution but not a Buyback.
3. **Funding Pool.** The “Funding Pool” means the maximum \$10,033,000,000 funding pool from which Class Members will be compensated and is the same funding pool described in the FTC Consent Order and the DOJ Consent Decree. The Funding Pool amount of \$10,033,000,000 was calculated based on an assumed 100% Buyback of purchased Eligible Vehicles and 100% Lease Termination of leased Eligible Vehicles. The Funding Pool includes (1) \$42,670,723 designated for loan forgiveness for Eligible Owners who choose a Buyback and who owe more on their Eligible Vehicles than they would receive in the Buyback, as described in ¶ 14 below (the “Loan Forgiveness Designated Fund”); (2) \$26,000,000 designated to pay remaining future lease payments previously owed to VCI as the lessor of leased Eligible Vehicles held by lessees choosing Lease Termination (the “Future Lease Payments Designated Fund”); and (3) \$9,964,329,277 to pay Vehicle Value, Owner Restitution, Lessee Restitution, and Seller Restitution as described in ¶¶ 4, 7, and 9 below (the “Principal Fund”). For more information, see the definition of “Funding Pool” in the Class Action Agreement.

4. **Benefits for Eligible Owner.** Except as otherwise provided in the Class Action Agreement, Eligible Owners choosing a Buyback shall receive the sum of the Vehicle Value and Owner Restitution, and Eligible Owners choosing an Approved Emissions Modification shall receive an Approved Emissions Modification free of charge and Owner Restitution. An Eligible Owner whose Eligible Vehicle is Operable as of the Opt-Out Deadline but which ceases to be Operable before the vehicle can be surrendered in a Buyback or receive an Approved Emissions Modification, shall receive Owner Restitution only, and not the Vehicle Value. The Vehicle Value equals the vehicle's Base Value adjusted for OEM-installed options and mileage, as described in ¶¶ 11-12 below.

5. **Owner Restitution.**

- a. For an Eligible Owner who acquired the Eligible Vehicle on or before September 18, 2015, Owner Restitution shall be comprised of (1) a variable component equaling 20% of the Vehicle Value; and (2) a fixed component of the greater of (a) \$2,986.73 or (b) the amount necessary to ensure that Owner Restitution is no less than \$5,100. For example, for an Eligible Owner who acquired on or before September 18, 2015 an Eligible Vehicle with a Vehicle Value of \$9,500, Owner Restitution would be calculated as follows:

Variable Component	Fixed Component	Owner Restitution
\$1,900 ( <i>i.e.</i> , 20% of \$9,500)	\$2,986.73 + \$213.27 ( <i>i.e.</i> , the amount necessary to raise the Owner Restitution to the \$5,100 minimum) = \$3,200	\$1,900 + \$3,200 = \$5,100.00

- b. For an Eligible Owner who acquired the Eligible Vehicle after September 18, 2015, Owner Restitution is equal to 50% of Owner Restitution under ¶ 5(a), plus a share of any unused portion of the funds set aside to pay Seller Restitution in an amount determined by dividing the unused funds among all Eligible Owners who acquired their Eligible Vehicles after September 18, 2015 on a proportionate basis using the restitution amount for each Eligible Vehicle that was determined in arriving at the allocation of the Funding Pool. The unused portion of funds will be determined at the conclusion of the Eligible Seller Identification Period and prior to the start of the Class Action Settlement Program based on those Class Members who identify themselves during the Eligible Seller Identification Period as Eligible Sellers entitled to benefits under the Class Action Agreement.
- c. For a Class Member who owned an Eligible Vehicle that was totaled and who consequently transferred title of that vehicle to an insurance company after the Opt-Out Deadline, but before the end of the Claim Period, Owner Restitution is equal to the Owner Restitution for an Eligible Owner under ¶ 5(a).
6. **Calculation of the Fixed Component of Owner Restitution.** The amount of funds available to fund the fixed component of the Owner Restitution was determined by subtracting from the Principal Fund (1) the Lease Restitution amounts for all leased

Eligible Vehicles, and (2) the Vehicle Values and the variable component of Owner Restitution for all owned Eligible Vehicles, assuming that each such vehicle was acquired by the Eligible Owner before September 18, 2015. To calculate the amount of the fixed component for each Eligible Vehicle, the remaining funds were then divided equally among all owned Eligible Vehicles, except that vehicles that otherwise would be allocated less than \$5,100 for Owner Restitution were allocated an additional amount in the fixed component to ensure that they each would receive exactly \$5,100 in Owner Restitution. This additional amount was drawn from funds remaining to fund the fixed component of the Owner Restitution, such that the total remaining number of dollars available for distribution in this component was reduced. For the avoidance of doubt, this means of allocation is not intended to, and does not, increase the total amount of Owner Restitution that Volkswagen otherwise would pay if Owner Restitution for each Eligible Vehicle were not subject to a \$5,100 minimum.

7. **Benefits for Eligible Seller.** Eligible Sellers of Eligible Vehicles who timely file a Claim shall receive Seller Restitution equaling 50% of the restitution amount for that vehicle that was determined in arriving at the allocation of the Funding Pool. Payments to Eligible Sellers shall be made from funds set aside in the amount of 50% of the total restitution amount for all Eligible Vehicles for which there are Eligible Sellers.
8. **No Double Compensation.** Once an Eligible Vehicle has been remedied pursuant to an Approved Emissions Modification and Owner Restitution has been paid to the Eligible Owner (and Seller Restitution to the Eligible Seller, if applicable), Volkswagen shall not have any obligation to pay any additional Restitution Payment for that Eligible Vehicle.
9. **Benefits for Eligible Lessee.** The Lessee Restitution shall be comprised of two components: a variable component and a fixed component. The variable component is 10% of the Eligible Vehicle’s Base Value adjusted for options but not mileage, as described in ¶¶ 11 and 12(a) below; and the fixed component is \$1,529. The fixed component is the same for every Eligible Lessee and is equal to half of the average fixed component of Owner Restitution for Eligible Owners who purchased their vehicles on or before September 18, 2015 (including the amount required to fund the \$5,100 minimum). There is no minimum Lessee Restitution for leased Eligible Vehicles. The table below shows, as an example, compensation for an Eligible Lessee with a Base Value adjusted for options of \$10,000 (not adjusted for mileage using the NADA mileage table):

Variable Component	Fixed Component	Lessee Restitution
\$1,000 ( <i>i.e.</i> , 10% of \$10,000)	\$1,529	\$1,000 + \$1,529 = \$2,529

10. **Lease Termination.** If an Eligible Lessee with an active lease chooses 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 lessee shall remain obligated to pay 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.

11. **Base Values for Eligible Vehicles.** The Base Value for each Eligible Vehicle is (1) where available, the Clean Trade value of the vehicle based on the NADA Vehicle Identification Code (VIC) for each Eligible Vehicle in the September 2015 NADA Used Car Guide published in or around August 2015; and (2) for Model Year (“MY”) 2015 Eligible Vehicles for which no value was published by NADA as of September 2015, derived by multiplying 0.717 by the MSRP for each individual vehicle, as indicated on the list of all owned and leased vehicles provided by Volkswagen, dropping any fractional amount, and then adjusting each Base Value for options. The 0.717 figure represents the ratio of average September 2015 Clean Trade values to average MSRPs for MY 2015 Passats. The table below displays examples of derived values for actual MY 2015 vehicles, which are identified by a unique Record ID provided by Volkswagen in lieu of a full VIN.

Record ID	VIN 8*10	Model	MSRP	Calculation	Derived Value
1441946	WAUCJGFF*F	2015 Audi A3	\$42,690	$42690 * 0.717 = 30608.73$	\$30,608
1112016	3VW2A7AU*F	2015 VW Golf	\$30,490	$30490 * 0.717 = 21861.33$	\$21,861

- a. **NADA Region.** The Base Value for each Eligible Vehicle, excepting MY 2015 vehicles with derived values, shall be determined using the NADA region that includes the state of the Eligible Vehicle’s last known vehicle registration as of September 2015 that was relied upon to arrive at the Funding Pool.
12. **Vehicle Value.** The Vehicle Value for a given Eligible Vehicle equals the vehicle’s Base Value adjusted for OEM-installed options and mileage, as described below.
- a. **NADA Options.** Options adjustments to Base Values are determined by using Volkswagen OEM-installed options, as valued by the September 2015 NADA Used Car Guide.
- b. **NADA Mileage Adjustments.** Mileage adjustments to Base Values shall be determined based on the actual mileage at the time the vehicles are surrendered in the Buyback or brought in for an Approved Emissions Modification using the mileage adjustment table in the September 2015 NADA Used Car Guide with an allowance for standard NADA mileage of 12,500 miles per year, prorated monthly from September 2015 to the month of surrender.
13. **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 sum of the Vehicle Value and Owner Restitution, Volkswagen shall pay to the Eligible Owner’s lender the

portion of the Vehicle Value and the Owner Restitution required to pay off the Loan Obligation and shall pay to the Eligible Owner any remaining portion of the Vehicle Value and Owner Restitution.

- a. **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 November 1, 2016. The Vehicle Value is \$15,000 and the Owner Restitution is \$5,986.73 (*i.e.*, 20% of Vehicle Value as the variable component plus \$2,986.73 as the fixed component) for a total of \$20,986.73. The Eligible Owner has a Loan Obligation as of November 1, 2016 of \$13,000, so Volkswagen pays \$13,000 to the lender and the remaining \$7,986.73 directly to the Eligible Owner.

14. **Loan Forgiveness.** If the Eligible Vehicle of an Eligible Owner choosing the Buyback is subject to an outstanding Loan Obligation in an amount greater than the sum of the Vehicle Value and Owner Restitution, 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 130% of the sum of the Vehicle Value and Owner Restitution and no more. Loan Forgiveness refers to the amount of the payment that exceeds the sum of the Vehicle Value and Owner Restitution, and shall be paid out of the Loan Forgiveness Designated Fund. 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 21, 2016 (and any related costs and fees), or for any portion of the Loan Obligation, including new loans, incurred after June 21, 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 to elect the Buyback. Below are several examples of how Loan Forgiveness might work. These examples assume that no portion of the Eligible Owner's Loan Obligation has become delinquent after June 21, 2016 and that the Eligible Owner has not entered into additional loans after that date.

- a. **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 November 1, 2016. The Vehicle Value is \$15,000 and the Owner Restitution is \$5,986.73 (*i.e.*, 20% of Vehicle Value as the variable component plus \$2,986.73 as the fixed component) for a total of \$20,986.73. The Eligible Owner qualifies for Loan Forgiveness for the amount of the Loan Obligation as of November 1, 2016 that exceeds \$20,986.73, but not any amount that exceeds 130% of \$20,986.73 (*i.e.*, \$27,282.749). The Eligible Owner has a Loan Obligation of \$24,000, so Volkswagen pays \$24,000 to the lender, including \$20,986.73 as Vehicle Value and Owner Restitution plus \$3,013.27 in Loan Forgiveness. Volkswagen pays nothing directly to the Eligible Owner.
- b. **Example 2:** Assume the same facts as Example 1, except that the Eligible Owner has a Loan Obligation of \$28,000. Volkswagen pays \$27,282.75 to the lender,

including \$20,986.73 as Vehicle Value and Owner Restitution plus an additional 30% of that amount, or \$6,296.02, as Loan Forgiveness. The owner must pay off the remaining balance of the Loan Obligation, \$717.25, at the time of the transfer of ownership and possession. Volkswagen pays nothing directly to the Eligible Owner.

- c. **Example 3:** Assume the same facts as Example 1, except that the Eligible Owner acquired the Eligible Vehicle after September 18, 2015 and has a Loan Obligation of \$20,000. The Eligible Owner's share of any unused portion of the Eligible Seller fund (see ¶ 7 above) is not calculable until the Eligible Seller Identification Period has expired. For the sake of example only, we will use \$750 as the Eligible Owner's share of the unused portion of the Eligible Seller fund. The Vehicle Value is \$15,000, so the payment to the lender includes \$15,000 plus \$3,743.37 as Owner Restitution (*i.e.*, 10% of Vehicle Value as the variable component plus \$1,493.365 as the fixed component plus \$750) for a total of \$18,743.37. The Eligible Owner qualifies for Loan Forgiveness for the amount of the loan balance as of November 1, 2016 that exceeds \$18,743.37, but not any amount that exceeds 130% of \$18,743.37 (*i.e.*, \$24,366.38). The Eligible Owner has a Loan Obligation of \$20,000, so Volkswagen pays \$20,000 to the lender, including \$18,743.37 as Vehicle Value and Owner Restitution plus \$1,256.63 in Loan Forgiveness. Volkswagen pays nothing directly to the Eligible Owner.
15. **Approved Emissions Modification.** Eligible Owners and Eligible Lessees will have the option of having the emissions system of their Eligible Vehicle modified if Volkswagen submits, and the responsible governmental authorities approve, an Approved Emissions Modification for their vehicle engine. The expected and final dates for Volkswagen to submit proposed Emissions Modifications for each vehicle engine generation are shown in the table below and are detailed more fully in Appendix B to the DOJ Consent Decree.

<b>1<sup>st</sup> Generation Engine Vehicles</b>	<b>Volkswagen's Expected Submittal Date</b>	<b>Volkswagen's Final Submittal Deadline</b>
2009-2014 VW Jetta 2009-2014 VW Jetta SportWagen 2010-2013 VW Golf 2-Door 2010-2014 VW Golf 4-Door 2013-2014 VW Beetle 2013-2014 VW Beetle Convertible 2010-2013 Audi A3	November 11, 2016	January 27, 2017
<b>2<sup>nd</sup> Generation Engine Vehicles</b>	<b>Volkswagen's Expected Submittal Date</b>	<b>Volkswagen's Final Submittal Deadline</b>
2012-2014 VW Passat	December 16, 2016	March 3, 2017
<b>3<sup>rd</sup> Generation Engine Vehicles</b>	<b>Volkswagen's Expected Submittal Date</b>	<b>Volkswagen's Final Submittal Deadline</b>
2015 VW Jetta 2015 VW Golf 4-Door	<u>Initial Modification:</u> July 29, 2016	<u>Initial Modification:</u> October 14, 2016

2015 VW Golf SportWagen 2015 VW Beetle 2015 VW Beetle Convertible 2015 VW Passat 2015 Audi A3	<u>Subsequent Modification:</u> August 15, 2017	<u>Subsequent Modification:</u> October 30, 2017
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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 engine and the Class Member chooses to have their Eligible Vehicle modified, the Class Member also will receive the Restitution Payment and an Approved Emissions Modification Extended Warranty described in Section 4.3.5 of the Class Action Agreement. However, because the remedies available to Class Members include a contingent option, if there is no Approved Emissions Modification available for a Class Member's Eligible Vehicle by May 1, 2018, that Eligible Owner or Lessee shall have a second opportunity, from May 1, 2018, until June 1, 2018, to withdraw from the Class Action Agreement.

- a. **Two-Step Approved Emissions Modifications for Generation 3 Vehicles.**  
Assuming EPA and CARB grant the necessary approvals, Eligible Vehicles with Generation 3 engines will need to be modified in two steps. Accordingly, Eligible Owners and Eligible Lessees of Generation 3 Eligible Vehicles who elect an Approved Emissions Modification will be offered two-thirds (2/3) of their Restitution Payment upon submitting their vehicles for the first stage of the Approved Emissions Modification and the remaining one-third (1/3) of their Restitution Payment, as well as a free oil change with respective engine oil filter, to the Eligible Owner or Eligible Lessee, upon submitting their vehicles for the second stage of the Approved Emissions Modification. If ownership of the Eligible Vehicle changes after the first step but before the second step, then the second payment will be made to the owner of the car at the time it is submitted for the second stage of the Approved Emissions Modification. The amount of any mileage adjustment to the Restitution Payment will be based on the mileage reading on the Class Member's first visit.

# Exhibit 2

# Short Form Notice



# Multi-Billion-Dollar Volkswagen/Audi Diesel Emissions Settlements

*Landmark Settlements with 2.0-Liter VW/Audi TDI Car Owners/Lessees, the Environmental Protection Agency, the California Air Resources Board, California Attorney General, and Federal Trade Commission*

**Cash Payments, Vehicle Buyback, Early Lease Terminations, Potential Emissions Modifications, Environmental Remediation, and Promotion of Zero Emissions Vehicle Technology**

**Includes these 2.0-Liter diesel cars:**

**VW Beetle**  
2013-2015

**VW Golf**  
2010-2015

**VW Jetta**  
2009-2015

**VW Passat**  
2012-2015

**Audi A3**  
2010-2013; 2015

**Owners/Lessees can choose:**

**Buyback of your car  
or early lease termination  
+ cash**

**OR**

**(if approved by EPA and CARB)  
Modification to your car  
to reduce emissions  
+ cash**

**Former Owners/Lessees may be eligible for cash**

**How it Works:**

**VWCourtSettlement.com**



**Visit website**  
Enter your VIN to see if  
your car qualifies.

You'll get information  
about each option,  
including the timing.

You don't have to make a  
decision now. You can wait until  
you receive more information  
about whether there will be an  
available modification to reduce  
emissions from your car.

# Exhibit 3

# Long Form Notice

## Volkswagen and Audi 2.0-liter TDI Diesel Emissions Settlements

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

Volkswagen has reached three Settlements (collectively, “Settlements”) related to allegations that it installed defeat device software to bypass emissions standards in the 2.0-liter TDI diesel vehicles listed below. Volkswagen’s Settlements are with the following individuals and entities:

- Vehicle owners/lessees (“Class Action Settlement”);
- The United States Department of Justice (“DOJ”) on behalf of the Environmental Protection Agency (“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
- The Federal Trade Commission (“FTC”) (“FTC Settlement”).

The Settlements provide substantial compensation to vehicle owners and lessees. The terms of the Settlements are described below.

The following 2.0-liter TDI diesel engine vehicles (“Eligible Vehicles”) are included in the Settlements:

VOLKSWAGEN	
MODEL	MODEL YEARS
<b>Beetle, Beetle Convertible</b>	2013-2015
<b>Golf 2-Door</b>	2010-2013
<b>Golf 4-Door</b>	2010-2015
<b>Golf SportWagen</b>	2015
<b>Jetta</b>	2009-2015
<b>Jetta SportWagen</b>	2009-2014
<b>Passat</b>	2012-2015
AUDI	
<b>A3</b>	2010-2013, 2015

In addition, Volkswagen has reached settlements with certain states and other U.S. jurisdictions.

### Summary of the Volkswagen “Clean Diesel” Class Action Settlement

Volkswagen has agreed to create one funding pool of a maximum of \$10,033,000,000 from which class members will be compensated under the Settlements. The Funding Pool is based on an assumed 100% Buyback of all purchased Eligible Vehicles and 100% Lease Termination of all leased Eligible Vehicles. The goal of the Class Action Settlement is to compensate everyone who owned or leased a Volkswagen or Audi 2.0-liter TDI vehicle (“Eligible Vehicle”) as of September 18, 2015 (the date the emissions allegations became public), or who now owns an Eligible Vehicle. Cars sometimes change hands, so the class members are broken into three different groups: “Eligible Owners,” “Eligible Sellers,” and “Eligible Lessees.”

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QUESTIONS? Go to [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com) or call 1-844-98-CLAIM.**

Most class members owned an Eligible Vehicle on September 18, 2015, and still have possession of that car. These class members have two options: (1) have Volkswagen buy back your car (“Buyback”), or (2) wait to see whether the EPA and CARB approve a modification (“Approved Emissions Modification”) for the car’s engine type, and then decide whether to accept the modification. Class members can elect a Buyback immediately upon settlement approval, or can wait to decide between Buyback and Approved Emissions Modification options until it is determined whether a modification for their specific vehicle is approved and available. Class members who do not exclude themselves from the Class Action Settlement will receive a cash payment in addition to either the Buyback or the modification, as described in this Notice.

### Benefits to Owners

If a class member who owns a car chooses a Buyback, the price Volkswagen will pay for that car is the September 2015 National Automobile Dealers Association (“NADA”) Clean Trade-In value of the car, adjusted for options and mileage. This figure is the value of the car in September 2015, before the emissions accusations became public (“Vehicle Value”). Owners receive their Vehicle Value, **plus** an additional cash payment (“Owner Restitution” or “Owner Restitution Payment”). The minimum Owner Restitution Payment for any class member—to be paid on top of the Vehicle Value—will be \$5,100. Some class members may receive as much as \$10,000 in Owner Restitution.

The Owner Restitution Payment is calculated at 20% of the Vehicle Value plus \$2,986.73. The Vehicle Value is frozen as of September 2015, which means the car’s value will not decrease/depreciate if the class member waits before choosing a Buyback, except for an adjustment that might apply if the class member drives the car more than a standard number of miles per year. Certain owners also will be eligible for forgiveness of their car loan obligations.

Because a car may have more than one owner during the relevant period, for those cars that changed hands between September 18, 2015 and June 28, 2016, the settlement equitably divides the Owner Restitution Payment approximately 50/50 between the owner as of September 18, 2015, who later sold the car (“Eligible Seller”) and the current owner (“Eligible Owner”). Note that if you sell your car after June 28, 2016, you will not be an Eligible Seller.

EPA/CARB and Volkswagen have negotiated a timeline that allows Volkswagen to submit (according to engine type) proposed emissions modifications to EPA/CARB for approval. The submission, testing, and approval process take time, so class members may not know whether or not their cars have an Approved Emissions Modification for at least six months after final approval of the settlement, and possibly not until May 2018.

If a modification for a particular engine type ultimately is approved, class members who own those cars will be notified when the modification is ready, and will be able to bring their cars into a local dealership to have the modification performed free of charge. They will also receive the same Owner Restitution Payment as owners who choose a Buyback.

Class members who choose an Approved Emissions Modification will receive disclosures about the effects of the modification on performance and durability, an extended emissions warranty, and a Lemon Law-type remedy to protect against the possibility of the modification causing subsequent problems.

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If a modification for a particular engine type ultimately is not approved, class members who own or lease those cars and have waited for a potential modification will be eligible to get a Buyback or Lease Termination on the same terms as described above. Those people also will be given an opportunity to withdraw from the settlement.

Note that a free Approved Emissions Modification will be made available to all owners of 2.0-liter TDI vehicles, but restitution will be paid only to class members. Owners and lessees who have opted out of the class or have not submitted a claim will not receive any Restitution Payment.

### Benefits to Lessees

Eligible Lessees may have their leases terminated (in a “Lease Termination”) with no termination fee, plus receive a Lessee Restitution Payment of approximately half of what a class member who owns an identical car would receive as Owner Restitution (“Lessee Restitution” or “Lessee Restitution Payment”). Alternatively, Eligible Lessees may choose to wait to see whether there will be an Approved Emissions Modification for their car and receive the modification plus the Lessee Restitution Payment.

### How to Obtain Settlement Benefits

On July 26, 2016 (the date of the preliminary approval hearing), the settlement website will allow class members to enter their Vehicle Identification Number (“VIN”) and mileage to see the expected Vehicle Value and Owner (or Lessee) Restitution Payment for their vehicle, based on its model year, trim line, actual equipment, and options. To see an estimate of the range of compensation you might receive through the Class Action Settlement, you can review the attached tables.

In a concession that is very unusual in class action settlements, Volkswagen has agreed to begin the Buyback program immediately after the Court grants final approval and enters the DOJ Consent Decree; the program will not have to wait until any appeals have been resolved. Volkswagen also has agreed to complete a Buyback of an Eligible Vehicle within 90 days of an Eligible Owner’s acceptance of Volkswagen’s Buyback offer. It is anticipated that class members will be allowed to drive their cars legally, while they await their Buyback or Approved Emissions Modification.

Under the US/CA Settlement, owners and lessees who choose to exclude themselves (“opt out”) from the Class Action Settlement can still obtain an Approved Emissions Modification at no cost if one becomes available, but they will not be eligible for the Restitution Payments or Buyback provided for by the Class Action Settlement.

### Environmental Relief

On top of the compensation described above, under settlements with the EPA and CARB, Volkswagen will pay \$2.7 billion into a Trust. The purpose of the Trust is to support environmental programs throughout the country that will reduce NOx in the atmosphere by an amount equal to or greater than the combined NOx pollution caused by the cars that are the subject of this lawsuit. In addition, Volkswagen must spend \$2 billion to promote non-polluting cars (“Zero Emission Vehicle” or “ZEV”), over and above any amount Volkswagen previously planned to spend on such technology. EPA and CARB will oversee and monitor, and the Court will enforce, Volkswagen’s compliance with the Trust payment and the ZEV investment.

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### Attorneys' Fees

In class actions, the court must approve all plaintiffs' attorneys' fees and costs. Volkswagen has agreed to pay the attorneys' fees and costs that the court approves in addition to the settlement benefits described above. This means that class members will receive 100% of the compensation described in this Notice, and that their compensation will not be reduced by attorneys' fees or costs.

### Summary

This Class Action Settlement gives car owners a choice between a Buyback (based on pre-September 18, 2015 market value) and an Approved Emissions Modification to reduce emissions, if approved by EPA/CARB, plus a cash payment ranging, for most owners, from \$5,100 to approximately \$10,000 per vehicle.

Please note that this is only a summary of the settlement benefits. The Class Action Settlement and the related DOJ Consent Decree and FTC Order are comprehensive agreements that address the concerns of hundreds of thousands of owners/lessees and several governmental entities, so there are many points that are not included in this summary. The full details of the Class Action Settlement and the texts of the DOJ Consent Decree and FTC Order will be available online at [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com).

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**1. What options do I have?**

Category	Definition	Benefit Options	Restitution Payment
Eligible Owner (bought car on or before September 18, 2015)	Registered <sup>1</sup> owner of an Eligible Vehicle at the time of Buyback or Approved Emissions Modification.	(1) <u>Buyback</u> Vehicle Value <sup>2</sup> + Restitution Payment <sup>3</sup> + Loan Forgiveness if applicable <sup>4</sup>  OR (if approved) (2) <u>Emissions Modification</u> Modification to your car to reduce emissions + Restitution Payment <sup>3</sup>  <i>See Questions 18 – 26, 32 - 41 for more information.</i>	20% of the Vehicle Value <sup>2</sup> + \$2,986.73  \$5,100 minimum
Eligible Owner (bought car after September 18, 2015)	Registered <sup>1</sup> owner of an Eligible Vehicle at the time of Buyback or Approved Emissions Modification.	(1) <u>Buyback</u> Vehicle Value <sup>2</sup> + Restitution Payment <sup>3</sup>  OR (if approved) (2) <u>Emissions Modification</u> Modification to your car to reduce emissions + Restitution Payment <sup>3</sup>	10% of the Vehicle Value <sup>2</sup> + \$1,493.365 + a proportional share of any restitution not claimed by Eligible Sellers  \$2,550 minimum
Eligible Seller	Registered <sup>1</sup> owner of an Eligible Vehicle on September 18, 2015, who transferred vehicle title after September 18, 2015, but before June 28, 2016.	Restitution Payment	10% of the Vehicle Value <sup>2</sup> + \$1,493.365  \$2,550 minimum
Eligible Lessee (currently leases car)	Registered <sup>1</sup> lessee of an Eligible Vehicle, with a lease issued by VW Credit, Inc., at the time of early Lease Termination or Approved Emissions Modification.	(1) <u>Lease Termination</u> Early termination of the lease without penalty + Restitution Payment <sup>5</sup>  OR (if approved) (2) <u>Emissions Modification</u> Modification to your car to reduce emissions + Restitution Payment <sup>5</sup>	10% of the Vehicle Value <sup>2</sup> + \$1,529.005
Eligible Lessee (formerly leased car)	Registered <sup>1</sup> lessee of an Eligible Vehicle, with a lease issued by VW Credit, Inc., who returned the Eligible Vehicle at the end of the lease on or after September 18, 2015.	Restitution Payment <sup>5</sup>	10% of the Vehicle Value <sup>2</sup> + \$1,529.005

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Eligible Lessee (now owns car)	Registered <sup>1</sup> lessee of an Eligible Vehicle, with a lease issued by VW Credit, Inc., who purchased the Eligible Vehicle after June 28, 2016.	<u>Emissions Modification</u> Modification to your car to reduce emissions + Restitution Payment <sup>5</sup>	10% of the Vehicle Value <sup>2</sup> + \$1,529.005
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- <sup>1</sup>. Vehicle registrations for owners/lessees will be verified by records of a state Department of Motor Vehicles or an equivalent agency.
- <sup>2</sup>. For Eligible Owners, Vehicle Value is based on pre-September 18, 2015 market value adjusted for options and mileage. For Eligible Lessees, Vehicle Value is based on pre-September 18, 2015 market value adjusted for options but not mileage.
- <sup>3</sup>. The Owner Restitution Payment is the same whether you choose a Buyback or an Approved Emissions Modification.
- <sup>4</sup>. Loan Forgiveness might be available for Eligible Owners who choose a Buyback and who owe more on their vehicle than they will receive as Vehicle Value plus Owner Restitution.
- <sup>5</sup>. The Lessee Restitution Payment is the same whether you choose a Lease Termination or an Approved Emissions Modification.

## HOW TO GET BENEFITS – FILING A CLAIM

### 2. 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](http://www.VWCourtSettlement.com), or by mail or fax, as the Claims Supervisor provides.

### 3. What is the deadline to make a claim?

The Class Action Settlement claim program closes on **December 30, 2018**. You must have submitted a complete and valid claim by **September 1, 2018** to get a Buyback or an Approved Emissions Modification plus Restitution Payment by the time the Class Action Settlement claim program ends. To ensure that you have adequate time to schedule your Buyback 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. You may begin submitting information to Volkswagen on July 26, 2016, although no formal claim can be submitted until the Court grants final approval to the Class Action Settlement.

**Eligible Sellers must identify themselves during the Eligible Seller identification period, which will last at least 45 days from entry of the preliminary approval order. If the Court enters the preliminary approval order on July 26, 2016 (the date of the preliminary approval hearing), the Eligible Seller Identification Period will run until September 16, 2016. (See Question 17 for more detail.)**

### 4. What supporting documents are needed to make a claim?

To start your claim, go to [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com) after July 26, 2016, and submit your VIN (Vehicle Identification Number). You will be required to submit supporting documentation including (depending on your particular circumstances):

- Vehicle registration,
- Vehicle title (owners with no lien),

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- Lease contract (Lessees),
- Lender information and financial consent form (for loans and leases),
- Driver's license (or other government-issued photo identification), and
- Name of your preferred dealership.

**5. Why is the Owner Restitution Payment the same whether I select a Buyback or an Approved Emissions Modification for my car?**

Many considerations went into the Owner Restitution Payment. The conduct alleged against Volkswagen is the same for all class members, though vehicles have different values. The Owner Restitution Payment is designed to compensate class members fully, including for the alleged conduct and for the time and inconvenience involved in choosing and obtaining either the Buyback or the Approved Emissions Modification. It does not favor one choice over the other so that you can pick what is best for you.

**6. When will I receive my payment?**

The earliest possible time for payments to begin is October 2016. If the Court grants final approval of the Class Action Settlement and approves the US/CA Settlement and the FTC 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 program immediately and will not wait until appeals, if any, are resolved before providing benefits. Claims under the Approved Emission Modification program will be scheduled and paid as described in Questions 32-41 below.

**7. What are the tax implications of receiving a settlement payment?**

While it is the intention of the parties that any payments made as a result of the Class Action Settlement not be subject to taxation, you should consult a tax professional to assess the specific tax implications of any payment you may receive. For example, if you have used your vehicle for business purposes, previously claimed a depreciation deduction on your vehicle, or receive an amount that exceeds the cost of your vehicle, some or all of your payment may be subject to taxation.

**CLASS MEMBERSHIP QUESTIONS**

**8. When do I need to decide between a Buyback or an Approved Emissions Modification?**

You do not need to decide between a Buyback or an Approved Emissions Modification until you are notified whether an Approved Emissions Modification is available for your car. Until then, you can drive your car. If you do not want to wait until an Approved Emissions Modification becomes available, you can choose the Buyback any time after the Court approves the Class Action Settlement, provided that you submit a complete and valid claim by no later than September 1, 2018.

**9. Am I included in the Class Action Settlement?**

You are included in the Class Action Settlement if you are in the class, which is defined as:

All persons (including individuals and entities) who, on September 18, 2015, were registered owners or lessees of a Volkswagen or Audi 2.0-liter TDI vehicle in the United States or its territories (an "Eligible

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Vehicle” listed on Page 1 of this Notice), or who, between September 18, 2015, and the end of the claim period, become a registered owner of an Eligible Vehicle.

The following entities and individuals are **excluded** from the class:

- Owners who acquired ownership of their Volkswagen or Audi 2.0-liter TDI vehicles after September 18, 2015, and transfer title before participating in the Class Action Settlement Program through a Buyback or an Approved Emissions Modification;
- Lessees of a Volkswagen or Audi 2.0-liter TDI vehicle that is leased from a leasing company other than VW Credit, Inc.;
- Owners whose Volkswagen or Audi 2.0-liter TDI vehicle (i) could not be driven under the power of its own 2.0-liter TDI engine on June 28, 2016, or (ii) had a branded title of assembled, dismantled, flood, junk, rebuilt, reconstructed, or salvage on September 18, 2015, and was acquired from a junkyard or salvage yard after September 18, 2015;
- Owners who sell or otherwise transfer ownership of their Volkswagen or Audi 2.0-liter TDI vehicle between June 28, 2016, and September 16, 2016, inclusive of those dates;
- Volkswagen’s officers, directors and employees and participants in Volkswagen’s internal lease program; Volkswagen’s affiliates and affiliates’ officers, directors and employees; their distributors and distributors’ officers, directors and employees; and Volkswagen dealers and Volkswagen 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.

#### **10. What are the “Clean Diesel” cases about?**

On September 18, 2015, the EPA issued a notice of violation to Volkswagen relating to diesel-powered cars in the United States sold under the Volkswagen and Audi brands (Volkswagen owns Audi) since 2008.

The class action alleges that Volkswagen programmed the computers in these cars to detect when the cars were undergoing official emissions testing. The class action alleges the cars turned on their full emissions control systems only during testing, but that they were not turned on during normal road use, which caused the cars to emit significantly more pollutants than permitted, in violation of US clean air laws.

The United States on behalf of the EPA, the State of California by CARB and the Attorney General of California, the FTC, and Plaintiffs’ attorneys who represent Volkswagen and Audi car owners and lessees, filed lawsuits against various Volkswagen entities. The lawsuits filed by DOJ/EPA and CARB assert that Volkswagen and others violated the Clean Air Act and the California Health and Safety Code, and the lawsuits filed by Plaintiffs and the FTC assert that Volkswagen and others intentionally misled consumers about the qualities and characteristics of the diesel engine vehicles sold under the Volkswagen and Audi brands.

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**11. Can I receive benefits if my car was totaled after September 18, 2015?**

If you owned an Eligible Vehicle that was functioning and operable as of September 18, 2015, but was subsequently totaled (and the title was transferred to an insurance company), you will be eligible for benefits under the Class Action Settlement as described in this notice at Question 19. There is one exception: if your car is totaled after June 28, 2016, but before the opt-out date (September 16, 2016), you are excluded from the settlement class and reserve your rights and claims against the Volkswagen entities.

**12. I sold my car after September 18, 2015. Am I a class member? What are my benefits?**

Class members who wish to claim benefits under this settlement, and have not already sold their vehicles, should retain them. If you sold your vehicle:

- Before June 28, 2016, you are a class member, and will receive Seller Restitution (*see* Question 19).
- Between June 28, 2016 and September 16, 2016, you are not a class member, you are not eligible for settlement benefits, you are not bound by the Class Action Settlement, and you retain your own claims against Volkswagen.
- After the September 16, 2016 opt-out deadline, you are bound by the Class Action Settlement but are not eligible for settlement benefits.

**13. I bought my car after September 18, 2015. Am I a class member? What are my benefits?**

If you bought your vehicle after September 18, 2015 and still own it, you are a class member, and you are entitled to make a claim for a Buyback or an Approved Emissions Modification, and to receive Owner Restitution as described in Question 19. If you sell your vehicle before Volkswagen buys it back or modifies its emissions system, however, you will not receive any benefits under the Class Action Settlement. If you buy a 2.0-liter TDI vehicle after the opt-out deadline, you have the right to exclude yourself from (opt out of) the settlement class within 30 days of the vehicle purchase date.

**14. How am I included in the Class Action Settlement if I leased and then purchased my car?**

If you had an active lease on September 18, 2015, and purchased the Eligible Vehicle on or after June 28, 2016, you are considered an “Eligible Lessee.” If you had an active lease on September 18, 2015, and purchased the Eligible Vehicle before June 28, 2016, you are an Eligible Owner. If you had an active lease on September 18, 2015, and purchased the car thereafter, but have since sold it, you may qualify as an Eligible Seller (*see* Question 1).

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**15. Can I still participate in the Class Action Settlement if I took part in the Volkswagen or Audi Goodwill Program?**

Yes, participation in Volkswagen's or Audi's Goodwill Programs does not affect whether you are included in the Class Action Settlement. Any Goodwill Program Payment you received will not affect the amount you are entitled to receive under the Class Action Settlement.

**16. What if I am not sure whether I am included in the Settlements?**

If you are not sure whether you are included in one of the Settlements, you may visit [www.VWClassSettlement.com](http://www.VWClassSettlement.com) (or call 1-844-98-CLAIM). You may also write with questions to VW Court Settlement, P.O. Box 214500, Auburn Hills, MI 48326.

**17. How do I identify myself as an Eligible Seller? And when must I do so?**

You can identify yourself as an Eligible Seller by registering at [www.VWClassSettlement.com](http://www.VWClassSettlement.com) (or by calling 1-844-98-CLAIM to provide that information) and providing your name, VIN, and date on which you sold your car at. You may also write to VW Court Settlement, P.O. Box 214500, Auburn Hills, MI 48326. **To qualify for an Eligible Seller Restitution Payment, you must identify yourself (and Volkswagen must receive any mailed Eligible Seller identification form) during the Eligible Seller identification period. This period will last at least 45 days from entry of the preliminary approval order. If the Court enters the preliminary approval order on July 26, 2016 (the date of the preliminary approval hearing), the Eligible Seller Identification Period will run until September 16, 2016.**

**MONETARY BENEFITS UNDER THE CLASS ACTION SETTLEMENT**

**18. Who qualifies for cash payments under the Class Action Settlement?**

All people described in the answers to Questions 1 and 11 - 15 qualify for cash payments.

**19. What cash payment will I receive if I participate in the Settlement?**

If you choose the Buyback, you will receive the Vehicle Value, plus an additional cash payment called Owner Restitution, as described below. If you choose an Approved Emissions Modification, you will receive the modification, plus Owner Restitution. As explained below, the amount of the payment the owner will receive depends on whether the owner owned the car on September 18, 2015. The cash Restitution Payment part of your benefit is the same whether you choose a Buyback or Approved Emissions Modification.

**Owner Restitution If You Acquired Your Vehicle On or Before September 18, 2015:**

An Eligible Owner who owned the vehicle on September 18, 2015, will be offered a cash payment of 20% of the Vehicle Value plus, but no less than \$5,100.

- Example 1: An owner with a Vehicle Value of \$20,000 will receive \$6,986.73 as Owner Restitution. This amount is calculated by multiplying \$20,000 by 20%, and adding \$2,986.73.

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- Example 2: An owner with a Vehicle Value of \$9,000 will receive \$5,100 as Owner Restitution. This amount was calculated by multiplying \$9,000 by 20%, and adding \$2,986.73. Because the result of this calculation is less than \$5,100, the owner will receive the \$5,100 minimum Owner Restitution.

**Owner Restitution If You Acquired Your Vehicle After September 18, 2015:**

An Eligible Owner who did not own or lease the vehicle on September 18, 2015, but acquired it sometime later, will be offered a cash payment of 10% of the Vehicle Value plus \$1,493.365, but no less than \$2,550. This owner will also receive a proportional share of the funds not claimed by Eligible Sellers in an amount to be determined based on available funds.

- Example 1: An Eligible Owner with a Vehicle Value of \$20,000 will receive \$3,493.365 as Owner Restitution. This amount was calculated by multiplying \$20,000 by 10%, and adding \$1,493.365. The owner will also receive an additional amount to be determined based on available funds.
- Example 2: An owner with a Vehicle Value of \$9,000 will receive \$2,550 as Owner Restitution. This amount was calculated by multiplying \$9,000 by 10%, and adding \$1,493.365. Because the result of this calculation is less than the \$2,550 minimum, this owner will receive the minimum amount. The owner will also receive an additional amount to be determined based on available funds.

**Seller Restitution:**

An Eligible Seller, who was a registered owner of an Eligible Vehicle on September 18, 2015, and sold the vehicle after September 18, 2015, but before June 28, 2016, will be offered a cash payment of 10% of the Vehicle Value plus \$1,493.365, but no less than \$2,550.

- Example 1: An Eligible Seller with a Vehicle Value of \$20,000 will receive \$3,493.365 as Seller Restitution. This amount was calculated by multiplying \$20,000 by 10%, and adding \$1,493.365.
- Example 2: An Eligible Seller with a Vehicle Value of \$9,000 will receive \$2,550 as Seller Restitution. This amount was calculated by multiplying \$9,000 by 10%, and adding \$1,493.365. Because the result of this calculation is less than the \$2,550 minimum, this seller will receive the \$2,550 minimum.

**Lessee Restitution:**

All Eligible Lessees will be offered a cash payment of 10% of the vehicle's base value (adjusted for options but not mileage) plus \$1,529.005.

- Example: An Eligible Lessee with an Eligible Vehicle that has a base value adjusted for factory options of \$20,000 will receive \$3,529.005 as Lessee Restitution. This amount was calculated by multiplying \$20,000 by 10%, and adding \$1,529.005.

The amount of Lessee Restitution is the same whether or not the lessee has an active lease and whether the lessee chooses a Buyback or an Approved Emissions Modification.

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## BUYBACK OPTION

### 20. How does the Buyback work?

Class members have the option to have Volkswagen buy back their Eligible Vehicles (in exchange for all title, interest and possession). You will need to make a claim for the Buyback at [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com) or by mail by **September 1, 2018**.

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

If you choose a Buyback for your Eligible Vehicle, and do not have an outstanding loan, you will receive a payment from Volkswagen for the value of your vehicle (“Vehicle Value”), plus an Owner Restitution Payment (*see* Question 19).

Your Vehicle Value will be determined based on the “clean trade in” value for that vehicle including certain options as published in the September 2015 edition of the National Automotive Dealers Association (NADA) Used Car Guide (collecting value data and published before the emissions issues became known to the public). NADA is an organization, founded in 1917, that collects data from millions of cars annually, uses those data to appraise the value of used cars, and publishes its appraisals by make, model, model year, and other criteria in quarterly Used Car Guides. Your Vehicle Value will include any mileage adjustment, according to the NADA September 2015 Guidebook with an annual mileage allowance of 12,500, for your car’s mileage on the date it is brought into a dealership for a Buyback / Lease Termination or an Approved Emissions Modification. The September 2015 edition of the NADA Used Car Guide does not include values for some model year 2015 vehicles, so values for those cars are derived by multiplying the MSRP for each individual vehicle by 0.717, dropping any fractional amount, and then adjusting the amount for options.

After July 26, 2016, you can get an estimate of the Vehicle Value for your vehicle by going to [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com) and clicking on “Value My Vehicle.”

### 22. How does continuing to drive my car affect my compensation?

Continuing to drive your car an average of 12,500 miles per year (around 1,000 miles per month) or fewer will not reduce your compensation under the Class Action Settlement. In fact, if you drive few enough miles per month, your payment might increase. Adjustments for driving more or fewer than 1,000 miles per month going forward will be based on NADA mileage tables.

### 23. 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.

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- 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 the Vehicle Value plus Owner Restitution (*see* Question 19). You must pay any remaining loan balance necessary to transfer ownership of the vehicle to Volkswagen to complete the Buyback transaction.

**24. When will Volkswagen begin to buy back Eligible Vehicles? How long will it take?**

Volkswagen will begin accepting complete and valid claims, and then will make offers to buy back Eligible Vehicles if and when the Court approves these Settlements. At the earliest, that will occur in October 2016. The Class Action Settlement Program will accept claims until September 1, 2018. Buybacks will be scheduled in the order they are reviewed and approved, taking into account logistical constraints and dealer and class member availability. Volkswagen will complete a Buyback of an Eligible Vehicle within 90 days of an Eligible Owner's acceptance of Volkswagen's Buyback offer.

**25. How do I schedule my Eligible Vehicle for Buyback? Where will I get it done?**

You will schedule an appointment for your Buyback through [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com) or by phone at (1-844-98-CLAIM). 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](http://www.VWCourtSettlement.com).

**26. 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 EPA/CARB do not approve an emissions modification for certain types of cars, Volkswagen is prohibited from re-selling those cars in the U.S. or abroad. Eligible Vehicles returned to Volkswagen that are not modified must be responsibly recycled, such as salvaged for parts.

**LEASE TERMINATION OPTION**

**27. How do I terminate my lease?**

If you have an active lease through VW Credit, Inc. and choose to participate in the Lease Termination option, you will need to register at [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com) or by mail or fax.

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

No. Volkswagen will provide full cancellation of the remaining terms of your lease with no financial penalty upon return of the Eligible Vehicle lease issued by VW Credit, Inc. Volkswagen will pay for any early termination penalty, but 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. The return of the vehicle will be scheduled as described in Question 31. In addition, Volkswagen will give you a Lessee Restitution Payment (*see* Question 19).

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**29. When can I terminate my lease?**

Volkswagen will begin terminating leases issued by VW Credit, Inc. for Eligible Vehicles as soon as the Court approves these Settlements. At the earliest, that will occur in October 2016.

**30. Do I have to check with my lessor, VW Credit, Inc., before terminating my lease?**

No. You only need to register to terminate your lease at [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com) or by mailing the Lease Termination claim form. If your lessor is not VW Credit, Inc., you are not eligible to participate in the Class Action Settlement.

**31. How do I arrange a Lease Termination for my Eligible Vehicle? Where will I get it done?**

You can arrange for your Lease Termination at [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com) or by phone (1-844-98-CLAIM). At the appointed time, you will return your Eligible Vehicle to the Volkswagen or Audi dealership. For more details, visit [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com).

**APPROVED EMISSIONS MODIFICATION OPTION**

**32. What is the Approved Emissions Modification option?**

Under an agreement between Volkswagen, EPA, and CARB, Volkswagen may submit to EPA and CARB proposed emissions modifications for each type of affected 2.0-liter engine. The submission, testing, and approval processes take time, so class members may not know whether their cars have an Approved Emissions Modification immediately upon final approval of the settlement, and possibly not until May 1, 2018.

If the EPA and CARB approve them, the Emissions Modifications will be available to all Eligible Vehicle Owners and Lessees free of charge. The Approved 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 Approved Emissions Modification option also will receive Owner Restitution or Lessee Restitution (*see* Question 19 above). While the Approved Emissions Modification will also be available to owners and lessees who opt out of the Class Action Settlement, owners and lessees who opt out will not be eligible to receive the cash payments provided by the Class Action Settlement or to participate in the Buyback program. Any Approved Emissions Modification will remain available free of charge even after the Class Action Settlement Program closes, but there will be no cash payment.

Volkswagen will send a notice (the "VW Class Update") to vehicle owners and lessees when an emissions modification for their vehicle type is approved or disapproved or if no modification is approved by May 1, 2018.

If no emissions modification is approved for your Eligible Vehicle by May 1, 2018, then you will have an opportunity to choose a Buyback or you may withdraw from the Class Action Settlement.

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<b>33. When will the proposed emissions modifications be approved?</b>
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The expected and final dates for Volkswagen to submit proposed emissions modifications to the EPA and CARB are listed in the chart below. The EPA and CARB will use their best efforts to approve or disapprove any proposal within 45 days of submission of the proposal. If the agencies initially disapprove Volkswagen's proposed emissions modification, Volkswagen may challenge the decision through a dispute resolution procedure.

Because of the necessary regulatory review process and the possibility of a subsequent dispute resolution procedure, it is difficult to predict when you will know whether your car will receive an Approved Emissions Modification. You will be notified by mail, email if available, and notification on [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com) as soon as there is an Approved Emissions Modification for your car. The notification will include a clear and accurate disclosure regarding all effects of the Approved Emissions Modification that may be reasonably important to owners, including impacts on the durability, reliability, fuel economy, noise vibration and harshness, drivability, and performance of your car.

Model	Model Years	Generation	Volkswagen's Expected Submittal Date	Volkswagen's Final Submittal Deadline
Audi A3	2010-2013	1	November 11, 2016	January 27, 2017
Beetle, Beetle Convertible	2013-2014			
Golf 2-Door	2010-2013			
Golf 4-Door	2010-2014			
Jetta, Jetta SportWagen	2009-2014			
Passat	2012-2014	2	December 16, 2016	March 3, 2017
Audi A3	2015	3* (initial modification)	July 29, 2016	October 14, 2016
Beetle, Beetle Convertible				
Golf 4-Door, Golf SportWagen				
Jetta				
Passat				
Audi A3	2015	3* (subsequent modification)	August 15, 2017	October 30, 2017
Beetle, Beetle Convertible				
Golf 4-Door, Golf SportWagen				

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Model	Model Years	Generation	Volkswagen's Expected Submittal Date	Volkswagen's Final Submittal Deadline
Jetta				
Passat				

\*Note: The parties anticipate that the generation 3 vehicles will require a two-dealer-visit modification process. Two-thirds (2/3) of the cash payment will be paid upon the first visit to the dealer, and one-third (1/3) of the cash payment will be paid upon the second visit to the dealer. A free oil change with respective engine oil filter will also be provided on the second visit to the dealer.

#### **34. What is included in the Approved Emissions Modification Extended Warranty?**

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

The Approved 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 (3) hours. Volkswagen must pay any fees or charges imposed by its dealers related to the warranty service. Except for vehicles offered for resale, the Approved Emissions Modification Extended Warranty period will be the greater of (*see* Question 33 above for a list of generations by make/model):

- For Eligible Vehicle generations 1 and 2, 10 years or 120,000 actual miles, whichever comes first, and 4 years or 48,000 miles from date and mileage of Approved Emissions Modification, whichever comes first.
- For Eligible Vehicle generation 3, 10 years or 150,000 actual miles, whichever comes first, and 4 years or 48,000 miles from date and mileage of Approved Emissions Modification, whichever comes first.

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

#### **35. How will the Approved 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 an emissions modification for your car. These disclosures will include, among other things, information on the Approved Emissions Modification's effect 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. You will not have to choose between a Buyback or a modification until you have seen these disclosures and can make your own choice.

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**36. How do I get an Approved Emissions Modification for my car?**

You will schedule your Approved Emissions Modification at your preferred Volkswagen or Audi dealership through an online dealer scheduling tool or by calling your preferred dealer.

**37. What happens if I have problems with my car related to the Approved Emissions Modification that my car received?**

If you have problems with your car related to your Approved Emissions Modification, you will be given another chance to choose a Buyback or Lease Termination (the “Reoffer”). You will qualify for the Reoffer if your car has a confirmed mechanical failure or malfunction covered by the Approved Emissions Modification Extended Warranty and associated with the Approved Emissions Modification (a “Warrantable Failure”) within 18 months or 18,000 miles of receiving the Approved Emissions Modification (the “Reoffer Period”) and

- The Warrantable Failure is not remedied after four separate service visits for the same Warrantable Failure during the Reoffer Period; or
- The car is out of service as a result of the Warrantable Failure for at least 30 days during the Reoffer Period.

An owner who chooses a Buyback through the Reoffer will receive the same amount that the class member would have received if he initially had chosen the Buyback, less any amount already received. A lessee who chooses a Lease Termination through the Reoffer will be able to terminate his lease without paying any early termination fee.

**38. Will disclosures about the Approved Emissions Modification be made to subsequent purchasers?**

Yes. Volkswagen will label any vehicle that has received an Approved Emissions Modification. Potential purchasers can also find out if a car has received an Approved Emissions Modification by entering the VIN at [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com).

**39. What happens if it turns out that the EPA does not approve a modification for my car? What are my options?**

If no emissions modification is approved for your Eligible Vehicle by May 1, 2018, you will be notified. You may then choose a Buyback, but must submit a complete and valid claim by no later than September 1, 2018 and obtain your remedy by no later than December 30, 2018. Alternatively, you may choose to withdraw from the Class Action Settlement altogether, by June 1, 2018.

**40. Can Volkswagen offer me any other incentives or trade-in options?**

Yes. Volkswagen through its authorized dealers may offer you incentives and trade-in options in addition to the benefits provided by this Class Action Settlement. However, Volkswagen is not permitted to offer incentives or trade-in options that conflict with any options offered by this Class Action Settlement.

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**41. May I still drive my car if I do not have the emissions system modified? Will my car pass my state's emissions testing?**

Yes. For now, you may continue to drive your vehicle without modifying the emissions, regardless of whether it would fail a state inspection. However, individual states might require Approved Emissions Modifications on Eligible Vehicles at some point in the future.

**ENVIRONMENTAL REMEDIATION**

**42. 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 \$2.7 billion over the next three years for environmental remediation (\$900 million annually). These payments have been negotiated and designed to remediate any environmental effects of the excess NOx emissions attributable to the Eligible Vehicles.

**43. How will the Settlements promote Zero Emission Vehicle technology?**

In addition to the money to be paid to class members, and under settlements with the EPA and CARB, Volkswagen will invest an additional \$2 billion over the next 10 years in Zero Emission Vehicle technology, including electric vehicle charging infrastructure, access, and education (\$200 million annually). ZEVs include battery-electric vehicles, fuel-cell vehicles, and light and heavy duty plug-in hybrid vehicles. These investments are intended to increase the use of ZEVs in California and the U.S.

**UNDERSTANDING THE CLASS ACTION PROCESS**

**44. Why am I getting this Notice?**

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

Judge Charles R. Breyer of the United States District Court for the Northern District of California 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, and Volkswagen Group of America, Inc., together are called "Volkswagen" or the "Defendant."

**45. 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 48 of this Notice.

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**46. How were these Settlements reached?**

After extensive Court-ordered negotiations, supervised by former FBI Director Robert Mueller (the Court-appointed Settlement Master), Volkswagen agreed to separate but related Settlements with (1) the proposed class of vehicle owners/lessees, (2) the EPA and CARB, and (3) the FTC. There are multiple settlements in this case, including settlements with certain states and other U.S. jurisdictions, because there are multiple lawsuits brought or contemplated by different government entities, and by the vehicle owners themselves. The Class Action Settlement, if approved, will resolve the lawsuits brought by owners or lessees of affected 2.0-liter TDI diesel engine vehicles.

A settlement is an agreement between a plaintiff (or multiple plaintiffs) and a defendant (or multiple defendants) to resolve a lawsuit. Settlements end all or part of a lawsuit without a trial, and without the court or a jury ruling in favor of the plaintiff(s) or the defendant(s). A settlement allows the parties to avoid the costs and risks of a trial, and the very significant time delays of litigation. Class Counsel believe that the proposed Class Action Settlement is fair and reasonable for the class, and that it is in the public and environmental interest.

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

If the Class Action Settlement becomes final 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 and related parties for the claims being resolved by this Class Action Settlement (*see* Questions 48-50 below).

The Class Action Settlement **does not** resolve legal claims related to: (1) 3.0-liter TDI vehicles, (2) former owners who sold their vehicles prior to September 18, 2015, (3) owners and lessees with inoperable vehicles, except for owners whose vehicles became inoperable after June 28, 2016, (4) claims against Bosch, and (5) lessees with leases from entities other than VW Credit, Inc.

Section 9 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 Consent Decree, and FTC Consent Order are available at [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com). If you have any questions, you may talk to the law firms listed in Question 49 for free, or you may talk to your own lawyer.

**48. 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 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 – 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;
- Make, model, model year and VIN for your vehicle;

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- 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 (N.D. Cal.);
- A statement as to whether you are an owner, lessee, or seller of an Eligible Vehicle and the dates of ownership or lease; and
- Your personal signature and date.

You must mail your exclusion request, postmarked no later than September 16, 2016, to [\_\_\_\_], City, ST 00000. If no Approved Emissions Modification becomes available for your variety of vehicle by May 1, 2018, you may withdraw from the Class Action Settlement from May 1, 2018 to June 1, 2018. If you bought your car after September 16, 2016, your exclusion request deadline is 30 days from the date of your purchase.

**49. If I do not exclude myself, can I sue Volkswagen for the same thing later?**

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

**50. 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 an Approved Emissions Modification if one becomes available for your vehicle, but none of the monetary compensation provided for by the Class Action Settlement.

**51. Do I have a lawyer in the case?**

Yes. The Court has appointed a number of lawyers to represent all class members as “Class Counsel,” without charge to you. They are:

<p><b>Elizabeth Cabraser, Lead Counsel</b>  <b>Lieff Cabraser Heimann &amp; Bernstein, LLP</b>  <b>275 Battery Street, 29th Floor</b>  <b>San Francisco, CA 94111</b></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</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</p>
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<p>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 &amp; Penfield LLP 110 Laurel St San Diego, CA 92101</p> <p>James E. Cecchi Carella Byrne Cecchi Olstein Brody &amp; 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>W. Daniel "Dee" Miles III Beasley Allen Crow Methvin Portis &amp; Miles 218 Commerce Street P.O. Box 4160 Montgomery, AL 36103</p> <p>Frank Mario Pitre Cotchett Pitre &amp; McCarthy LLP San Francisco Airport Office Center 840 Malcolm Road, Suite 200 Burlingame, CA 94010</p> <p>Rosemary M. Rivas Finkelstein Thompson LLP 1 California Street, Suite 900 San Francisco, CA 94111</p>	<p>120 East Palmetto Park Road, Suite 500 Boca Raton, FL 33432</p> <p>Robin L. Greenwald Weitz &amp; 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 &amp; Eisenhofer P.A. 30 North LaSalle Street, Suite 1200 Chicago, IL 60602</p> <p>J. Gerard Stranch IV Branstetter, Stranch &amp; Jennings, PLLC 227 Second Avenue N, 4th Floor Nashville, TN 37201</p> <p>Roland K. Tellis Baron Budd, P.C. 15910 Ventura Boulevard Encino Plaza, Suite 1600 Encino, CA 91436</p> <p>Lesley Elizabeth Weaver Block &amp; Leviton LLP 520 Third Street, Suite 108 Oakland, CA 94607</p>
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You will not be charged for contacting these lawyers.

**YOUR LEGAL RIGHTS UNDER THE CLASS ACTION SETTLEMENT ARE AFFECTED  
EVEN IF YOU DO NOTHING. PLEASE READ THIS NOTICE CAREFULLY.  
QUESTIONS? Go to [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com) or call 1-844-98-CLAIM.**

**52. I've received solicitation letters from attorneys. Do I need to hire my own attorney to get money from the Class Action Settlement?**

No. Class Counsel will represent you at no charge to you, and any fees Class Counsel are paid will not affect your compensation under this Class Action Settlement. If you want to be represented by your own lawyer, you may hire one at your own expense. It is possible that you will receive less money overall if you choose to hire your own lawyer to litigate against Volkswagen rather than receive compensation from this Class Action Settlement.

**53. How will the lawyers be paid?**

Volkswagen will pay attorneys' fees and costs 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 for an award of 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 the award of attorneys' fees and costs to be paid by Volkswagen.

**Any attorneys' fees and costs awarded by the Court will be paid separately by Volkswagen and will not reduce benefits to class members.**

**54. 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 intend to appear at the final approval hearing (the "Fairness Hearing"), you must submit a written notice of your intent (*see* Question 56 below).

You must mail your objection to the three addresses below postmarked no later than **Month 00, 2016**:

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Clerk of the Court/Judge Charles R. Breyer Phillip Burton Federal Building & United States Courthouse	Elizabeth Cabraser Lief Cabraser Heimann & Bernstein, LLP 275 Battery Street, 29th Floor	Sharon L. Nelles Sullivan & Cromwell LLP 125 Broad Street New York, NY 10004

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450 Golden Gate Avenue San Francisco, CA 94102	San Francisco, CA 94111	
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**55. 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.

**56. When and where will the Court decide whether to approve the Class Action Settlement?**

The Court will hold the Fairness Hearing at XX:00 x.m. on Month 00, 0000, 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, before determining 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](http://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 51) after the Fairness Hearing, at a time that will be set at a later date by the Court.

**57. 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.

**58. 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 no later than **Month 00, 0000**, and sent to the addresses listed in Question 54.

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## GETTING MORE INFORMATION

**59. How do I get more information?**

This Notice summarizes the proposed Class Action Settlement. More details are in the Class Action Settlement, the proposed DOJ Consent Decree and the proposed FTC Consent Order. You can get a copy of all of these documents at [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com). You also may write with questions to VW Court Settlement, P.O. Box 214500, Auburn Hills, MI 48326 or call 1-844-98-CLAIM.

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# Exhibit 4

# Class Claims Program and Administration

## CLASS CLAIMS PROGRAM AND ADMINISTRATION

**The Claims Program for Class Members.** Class Members will have until **September 1, 2018**, to submit a complete and valid Claim, and until **December 30, 2018**, to obtain their chosen remedy. Class Members may begin providing required information and documentation beginning on the date of Preliminary Approval, but Claims cannot be considered submitted, and no offer can be made, unless and until the Court enters the Final Approval Order. Class Members who are Eligible Sellers are required to identify themselves within 45 days of Preliminary Approval by online registration, mail, or fax, as set out in Section 7 below.

The Claims Process is designed to provide Class Members with the time they need to consider their options, and the information they need to assess the pros and cons of those options.

The Claims Process will take place in five steps, summarized here.

- At **Step 1**, based on information they provide to Volkswagen online or by telephone, Class Members will obtain information about their available options. During the Claims Process, Class Members can proceed at their chosen pace. For example, if a Class Member is certain he or she would like a Buyback, he or she can immediately proceed to submitting the required documentation in Step 2 below. If a Class Member wishes to take time to consider his or her options further before proceeding, he or she can pause the Claims Process at Step 1, with the understanding that he or she will need to submit a complete and valid Claim by [September 1, 2018].
- At **Step 2**, once a Class Member is ready to proceed with the Claims Process, the Class Member will submit a Claim Form that contains certain information about his or her Eligible Vehicle along with required documentation, which varies depending on the remedy selected. Because the remedies require different documentation to be submitted, the Claim Form will prompt the Class Member to make an initial non-binding remedy selection that can later be changed, as described below.
- At **Step 3**, the Class Member's eligibility or ineligibility to participate in the Class Action Settlement will be determined. Class Members who are eligible will be deemed Claimants under the Claims Process. An offer will be made to eligible Claimants.
- At **Step 4**, Claimants will confirm their selection of an offered remedy, accept their formal offer, and schedule an appointment at their preferred Volkswagen or Audi Dealer (if necessary). If Claimants have changed their mind about which remedy they want, they can go back to Step 1 and choose a different remedy. Such changes will affect how quickly a remedy can be obtained.
- At **Step 5**, Claimants will obtain their chosen remedy. Current owners or lessees will (i) sell or surrender their vehicle to Volkswagen, or (ii) if they elect an Approved Emissions Modification (when it becomes available), have their car's emissions system modified by Volkswagen free of charge. Class Members will also receive a Restitution

Payment, as described in Exhibit 1 of the Class Action Agreement.

### **Details About the Steps of the Claims Process**

1. **STEP 1: Obtaining Information About Available Remedies.** As part of the Claims Process, Class Members will receive information about the remedies available to them and the amount of compensation that they can expect to receive. This information will remain available throughout the Claims Program on the Settlement Website and by telephone. Class Members can take their time to consider that information, but must submit a valid and complete Claim by September 1, 2018.
  - a. **Obtaining Information electronically Via the Settlement Website (Preferred).** Class Members who wish to receive general email updates about the Class Action Settlement may sign up through the Settlement Website by providing the following information: (i) Vehicle Identification Number (VIN), (ii) Class Member's name, (iii) email address, and (iv) zip code. Class Members who would like specific information about which remedies may be available to them can register in the Online Claims Portal available through the Settlement Website. The Claims Portal will be accessible after the Court grants Preliminary Approval of the Class Action Settlement.

Online registration, which is expected to make the process of submitting a Claim easier and faster, will require the Class Member to provide information verifying his or her identity and establishing his or her eligibility to participate in the program, including, but not limited to, (i) the Class Member's name; (ii) contact information, including email, mailing address, and phone number; (iii) address of vehicle registration; (iv) Vehicle Identification Number (VIN); (v) vehicle mileage (if the Class Member is a current owner or lessee); and (vi) information regarding vehicle financing (if the Class Member is a current owner or lessee). After the Class Member has registered, the Claims Portal will generate individualized preliminary offers for that Class Member. If the Class Member is an Eligible Owner, the Claims Portal will display preliminary offers for (1) the Class Member's estimated Vehicle Value plus that Class Member's Owner Restitution Payment, or (2) an Approved Emissions Modification (if available) plus that Class Member's Owner Restitution Payment. If the Class Member is a current Eligible Lessee with an active lease, the Claims Portal will display preliminary offers for (1) a Lease Termination plus that Class Member's Lessee Restitution Payment or (2) an Approved Emissions Modification (if available) plus that Class Member's Lessee Restitution Payment. If the Class Member is an Eligible Seller, the Claims Portal will display a preliminary offer for that Class Member's Seller Restitution Payment. If the Class Member is an Eligible Lessee who no longer has an active lease and does not own the Eligible Vehicle, the Claims Portal will display an offer for that Eligible Lessee's Lessee Restitution Payment, or, if the Eligible Lessee owns an Eligible Vehicle, the Claims Portal will display an offer for an Approved Emissions Modification (if available) and that individual's Lessee Restitution Payment. The offers displayed may later



change based on the circumstances set forth in Exhibit 1 to the Class Action Agreement, including if an Eligible Owner qualifies for Loan Forgiveness or if the Eligible Vehicle's mileage differs from the estimated amount and requires adjusting.

At this time (and at any other time prior to obtaining a remedy), the Class Member may pause to consider his or her options or wait until more information about an Approved Emissions Modification becomes available. Class Members should bear in mind, however, that they must file a complete and valid Claim prior to September 1, 2018.

- b. **Obtaining Information over the Phone.** Class Members may also obtain information about their available remedies over the phone by calling 1-844-98-CLAIM. Class Members who wish to learn about their available options over the phone will not need to register, but will need to provide the same information that they would be required to provide through the Claims Portal on the Settlement Website.
2. **STEP 2: Submitting a Claim.** The next step is to submit a Claim. At this step, Class Members will provide additional information and documentation and make a preliminary (non-binding) selection of remedy, which can be changed at any point prior to Step 4. Class Members have three different options for submitting a Claim to participate in the Class Action Settlement: online, by fax, or by mail. Class Members who submit a Claim online will receive a Claim Number once they register on the Claims Portal. Class Members who submit a Claim by fax or mail will receive a Claim Number once their Claim is received.

  - a. **Class Members Have Three Options for Submitting a Claim.**

    - i. **Option One (Preferred) – Submit a Claim electronically Via the Online Claims Portal.** Class Members who have registered in the Claims Portal may submit an online Claim Form. To do so, the Class Member will upload required information or documentation based on their preliminary, non-binding remedy selection, 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 including title (if applicable), current vehicle registration (if applicable), the lease contract (if applicable), and financing or lease information, including financial consent forms (if applicable). The Claims Supervisor may require additional documentation to verify eligibility, including if the Class Member is an Eligible Seller
    - ii. **Option Two – Submit a Claim Via Fax.** Class Members may submit a Claim to participate in the Settlement by completing a paper Claim Form and submitting it by fax along with all required documentation. The paper

Claim Form will require the same information and documentation as the online Claim Form and will be submitted by fax (1-248-754-6602).

- iii. **Option Three – Submit a Claim Via U.S. Mail.** Class Members may submit a Claim to participate in the Settlement by completing a paper Claim Form and submitting it by mail along with all required documentation (VW Court Settlement Claims Processing, P.O. Box 214500, Auburn Hills, MI, 48326). The paper Claim Form will require the same information and documentation as the Online Claim Form and will be submitted by mail.
  - b. **Exception Processing by Claims Supervisor.** The Claims Supervisor will determine the required documentation for non-standard Class Members, including, but not limited to, military personnel serving overseas, decedent estates, divorce, bankruptcy, stolen vehicles and payment of child support and family or attorney liens.
3. **STEP 3: Verification by Claims Supervisor.** Based on information and documents collected from Class Members by Volkswagen, the Claims Supervisor will review and verify the determination of the Class Member’s eligibility (or ineligibility) to participate in the Class Action Settlement Program. Once a Class Member is verified as eligible, the Class Member becomes a “Claimant” in the Class Action Settlement. The Claims Supervisor will review documentation, verify the Claimant’s Vehicle Value, Restitution Payment, and/or Loan Forgiveness, as applicable, and approve the formal offer to the Claimant.
4. **STEP 4: Acceptance of Formal Offer and Scheduling Remedy**
  - a. **Formal Offer.** Claimants whose eligibility has been verified will be sent a formal offer. Claimants who submitted a Claim online will receive their formal offer through the Claims Portal and, if they so choose, by email. Claimants who submitted a Claim by mail or fax will receive their notification and formal offer by mail or, if they so choose, by email.
  - b. **Accepting the Offer or Selecting a Different Remedy.** Once a formal offer is extended, Claimants may confirm their remedy selection and accept the offer through the Claims Portal (if they submitted their Claim online) or by submitting a paper acceptance form (if they submitted their Claim by fax or mail). To accept an offer, a Claimant will be required to execute an Individual Release, as set forth in Section 9.7. **As set forth in the Individual Release, this Release will become effective and binding when the Class Member receives a benefit under the Class Action Agreement.**

After a formal offer is made, Claimants may defer final selection of their chosen remedy or even select a different remedy, if available. For example, if an Approved Emissions Modification is not yet available for a Claimant’s Eligible Vehicle, that Claimant can wait and receive further updates before formally

accepting an offer of a remedy. Claimants eligible for a Buyback, Lease Termination, or Approved Emissions Modification will have the ability to change their remedy selection until Step 4 is completed, even if they have accepted a formal offer. This may require the Claimant to submit additional documentation to verify eligibility to receive the alternative remedy. As noted previously, although Claimants can preserve their options, they should be aware that the deadline for submitting a complete and valid claim is **September 1, 2018**.

- c. **Scheduling.** For Claimants who currently own or lease an Eligible Vehicle, a visit to the Claimant's preferred Volkswagen or Audi Dealer will be required to complete the remedy and must be scheduled in advance with Volkswagen. Appointments for a Buyback or Approved Emissions Modification will be available within 90 days of a Claimant's acceptance of a formal offer. Appointments for a Lease Termination will be available within 45 days of acceptance. When the ability to schedule an appointment to obtain the selected remedy becomes available, the Claimant will be notified via the Claims Portal, email and/or U.S. mail, depending on the Claimant's stated preference. The Claimant may then schedule an appointment (online via the Claims Portal) or directly over the phone with his or her preferred Volkswagen or Audi Dealer. Where applicable, Claimants may either (1) defer their final election between the Buyback, Lease Termination, and Approved Emissions Modification Options until such time as an Approved Emissions Modification is approved or rejected by environmental regulators, or (2) opt to schedule a visit to the Volkswagen or Audi Dealer to complete the Buyback or Lease Termination, as applicable, and to arrange to complete their transaction, the completion of which will trigger Restitution Payments as appropriate.
- d. **Buyback and Lease Termination Scheduling.** Appointments for Buybacks and Lease Terminations will be scheduled on a first-come, first-served basis. Claimants who have elected the Buyback or Lease Termination Option will be able to schedule online, or by telephone, an appointment with Volkswagen to take their Eligible Vehicles to their preferred Volkswagen or Audi Dealer for the settlement. Although the Buyback or Lease Termination will take place at a Volkswagen or Audi Dealer, the appointments must be scheduled either online through the Claims Portal or via phone at 844-98-CLAIM. Volkswagen and Audi Dealers will not be able to schedule appointments directly with Claimants for a Buyback or Lease Termination. If the Eligible Vehicle is under an outstanding loan obligation, Volkswagen will communicate with the Claimant's bank in advance of a Buyback, pursuant to a written consent form executed by the Claimant, to determine payoff amounts for any loans. Note that Claimants electing Lease Terminations also will have to follow the end of lease process per the terms of the Lease Agreement one week prior to Step 5, when the Eligible Vehicle is surrendered.
- e. **Approved Emissions Modification Scheduling.** When and if Volkswagen receives approval from the EPA and CARB to implement an Approved Emissions

Modification on any class of Eligible Vehicles, the Notice Administrator will send a VW Class Update to Class Members who have not already received a Buyback or Lease Termination. The Class Members will be informed that they may schedule an appointment to bring their Eligible Vehicles to a Dealership for an Approved Emissions Modification. Upon receipt of this notice, Claimants who have already selected—but have not yet received—other compensation can still elect to have an Approved Emissions Modification performed on their vehicle instead. Claimants may schedule their Approved Emissions Modification online or by telephone with their preferred Volkswagen or Audi Dealer, as applicable. Unlike the Buyback or Lease Termination appointments, appointments to obtain an Approved Emissions Modification will be scheduled with the preferred Volkswagen or Audi Dealer directly. A link to the preferred Volkswagen or Audi Dealer’s schedule tool will be provided to Claimants through the Claims Portal, or Claimants can call the Volkswagen or Audi Dealer directly to set up an appointment. Because Eligible Vehicles with Generation 3 engines will need to receive an Approved Emissions Modification in two stages, Claimants with these vehicles will need to schedule two appointments.

- f. **Payment Method Preference Selection.** When submitting a claim, Claimants can provide details to enable Volkswagen to send Restitution Payments via electronic fund transfers. Alternatively, Claimants may indicate a preference for payment by check. (Claimants filing paper Claim Forms via U.S. mail will include their payment preference in a section on offer acceptance and Individual Release.)
5. **STEP 5: Obtaining a Remedy.** Claimant will complete their remedy transaction and receive compensation in accordance with Exhibit 1.
  - a. **Closing Documents.** Claimants who opt for a Buyback or Lease Termination will need to complete a package of required documents (including an Individual Release). Claimants who have filed Claims electronically will be able to access the package of required documents on the Claims Portal. For Claimants who have filed by mail or fax, a package of closing documents will be mailed to them in advance of their appointments. Claimants will provide the required documents at the time of their appointment.
  - b. **Buyback or Lease Termination.** On the appointed day, Claimants will meet with a “Settlement Specialist” acting on behalf of Volkswagen at the Volkswagen or Audi Dealer to complete the Buyback or Lease Termination. The Settlement Specialist will verify the identity of the Claimant and Eligible Vehicle, capture the current mileage on the Eligible Vehicle, collect necessary documentation, take possession of the Eligible Vehicle, and trigger payment to the Claimant (and lenders, if applicable) of any amount due. In certain circumstances detailed in Exhibit 1, Claimant may be required to deliver a cashier’s check to the Settlement Specialist at the time of Buyback or Lease Termination. Class Members electing

the Lease Termination option will need to comply with lease terms concerning mileage and condition verification prior to termination.

- c. **Approved Emissions Modification.** When and if an Approved Emissions Modification is available and scheduled, Claimants who opt for the Approved Emissions Modification will bring their Eligible Vehicles to their preferred Volkswagen or Audi Dealer to obtain the Approved Emissions Modification at Volkswagen's expense. For service lasting longer than three hours, a loaner car will be made available free of charge to Claimants who reserve a loaner when scheduling their appointment. Upon completion of the Approved Emissions Modification, the Claimant will provide their Claim Number and verification of identity to a "Program Ambassador" at the Volkswagen or Audi Dealer. The Volkswagen or Audi Dealer will then provide confirmation to Volkswagen that the Approved Emissions Modification has been completed, which will trigger the Restitution Payment process.
- d. **Payments.** Buyback and Restitution Payments will be made by electronic fund transfer or by check according to the preference expressed by each Claimant.
  - i. **Electronic Fund Transfer.** An electronic fund transfer will be submitted within three banking days of completion of the Claims Process by virtue of, as applicable, (i) sale or surrender of the Eligible Vehicle; (ii) completion of an Approved Emissions Modification (if available) following the steps described above; or (iii) for Eligible Sellers and Eligible Lessees who no longer own or lease an Eligible Vehicle, acceptance of an offer.
  - ii. **Check.** For Claimants who do not require an appointment to complete their remedy, a check will be sent by mail within three banking days. For Claimants who opt for a Buyback or Lease Termination, a check for the full amount due will be available at the Dealership, unless a mileage adjustment is required. If an upward mileage adjustment is required (resulting in a lower payment), the Claimant will not receive a check at the Volkswagen or Audi Dealer, but will be sent a check within three banking days. If a downward mileage adjustment is required (resulting in a higher payment), the Claimant will receive a check at the Volkswagen or Audi Dealer that does not reflect the mileage adjustment and will be mailed an additional check within three banking days for the additional amount due as a result of the downward mileage adjustment.

Claimants that elect an Approved Emissions Modification will have a check mailed to them within three banking days of the completed Approved Emissions Modification.

- iii. **Two-Step Emissions Modification.** Claimants with Eligible Vehicles with Generation 3 engines will receive two payments: (1) a payment for

2/3 of the Restitution Payment upon completion of the first stage; and  
(2) a payment for 1/3 of the Restitution Payment upon completion of the second stage, plus a free oil change and filters.

- iv. **Receipt.** Claimants will be issued a receipt at the conclusion of their appointment at the Volkswagen or Audi Dealer, indicating that they surrendered their Eligible Vehicle or had the Approved Emissions Modification completed on their Eligible Vehicle and providing specific information about exactly when and where their compensation will be received, as well as whom to call if it is not timely received.
6. **Contested Claims Review by Claims Review Committee.** If a Claimant or a purported Claimant contests the Claims Supervisor's eligibility decision or whether compensation was accurately calculated pursuant to Exhibit 1, that Claimant 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, 48326. Determinations by the Claims Review Committee will constitute final determinations.
7. **Claim Period.** The Claim Period, as defined in paragraph 2.11 of the Class Action Agreement, shall run from the date of the Final Approval Order, if entered, until December 30, 2018. Class Members may begin registering and submitting required documentation through the Claims Portal beginning on the date of Preliminary Approval, but Claims will not be considered submitted until the Court enters the Final Approval Order. Class Members must submit a complete and valid Claim, including all information and documentation necessary to establish eligibility by no later than September 1, 2018, and must accept a formal offer and, if necessary, visit a Volkswagen or Audi Dealer to obtain their remedy by no later than December 30, 2018.
  - a. **Identification of Eligible Sellers.** In order to obtain benefits under the Class Action Settlement, Eligible Sellers must identify themselves during the Eligible Seller Identification Period by (a) electronic registration on the Settlement Website or (b) submission of an Eligible Seller identification form by mail or fax. The Eligible Seller Identification Period will last at least 45 days from entry of the Preliminary Approval Order. If the Court enters the Preliminary Approval Order on July 26, 2016 (the date of the preliminary approval hearing), the Eligible Seller Identification Period will run until September 16, 2016.

# 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.)*

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### **MUST BE COMPLETED BY CLAIMANT PRIOR TO RECEIVING BUYBACK, LEASE TERMINATION AND/OR RESTITUTION PAYMENT**

1. In exchange for benefits that (i) the Claims Administrator has determined I am eligible to receive under the class action settlement agreement in this case (the “Class Action Agreement”)<sup>1</sup> and (ii) Volkswagen has 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 2.0-liter TDI Matter, except for claims of personal injury or wrongful death. This Individual Release is effective and binding when I receive a benefit under the Class Action Agreement.
2. This Individual Release incorporates by reference the release and associated provisions set forth in Section 9 of the Class Action Agreement as if set forth fully herein, and, as to those provisions, shall have the same scope and effect as the Class Action Agreement.<sup>2</sup> This Individual Release supplements the release and associated provisions set forth in Section 9 of the 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 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

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<sup>1</sup> The terms “2.0-liter TDI Matter,” “Claims Administrator,” “Final Approval Order,” “Action,” and “Released Party” have the meanings given to them in Sections 2 and 9 of the Class Action Agreement.

<sup>2</sup> A copy of the Class Action Agreement is available at [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com).



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 2.0-liter TDI Matter, the Action and/or the Individual Release herein. Nevertheless, it 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 2.0-liter TDI Matter in accordance with the terms of the Class Action Agreement.** This includes, without limitation, any claims I have or may have with respect to the 2.0-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 2.0-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 Class Action Agreement is abrogated or otherwise voided in whole or in part.
6. This Release is not intended to and expressly does not release Robert Bosch GmbH or Robert Bosch, LLC and any of their former, present, and future owners, shareholders, directors, officers, employees, attorneys, affiliates, parent companies, subsidiaries, predecessors, and successors (the "Bosch Entities"). If I elect to pursue a claim against any Bosch Entity related to the 2.0-liter TDI Matter (either individually or as a member of a class) and obtain a final, non-appealable adversary judgment against that Bosch Entity for damages as to which any Bosch Entity seeks indemnification from one or more of the Released Parties, I will waive enforcement of my judgment against that Bosch Entity by the amount of the damages that such Released Parties are held to be responsible for by way of indemnification of any Bosch Entity, but not more than the Restitution Payment amount that I receive from all Released Parties. However, I shall have no obligation to reduce my judgment against any Bosch Entity unless and until any Bosch Entity has obtained—in the face of a vigorously litigated defense—a final, non-appealable adversary judgment for indemnification against one or more of the Released Parties based on such party's legal obligation to indemnify any Bosch Entity that existed prior to September 18, 2015. In the event that any Bosch Entity obtains such a judgment against a Released Party after I have recovered on a judgment against that Bosch Entity, I will return to the Bosch Entity the amount of the judgment against it by which I agree herein to have reduced that judgment, which amount will not exceed the Restitution Payment amount that I receive from all Released Parties. In addition, I agree not to enter into any agreement to settle any claim I may have against any Bosch Entity unless such agreement expressly provides that the Released Parties shall be released from any claim for indemnification by a Bosch Entity against any Released Party that relates to my claim against the Bosch Entity.

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 2.0-liter TDI Matter.

**\*\*\*SIGNATURE PAGE FOLLOWS\*\*\***



# Exhibit 6

## Estimated Settlement Payments to Owners and Lessees

## Settlement Payments to Owners

The tables below show the range of possible payment amounts to owners under the Class Action Settlement. The amount you will be offered depends on whether you choose a Buyback or an Approved Emissions Modification and your car's model year, model, trim level, and factory options. The Approved Emissions Modification option will only be available if a modification is approved by the EPA and CARB.

If you choose the Buyback option, you will receive your car's September 2015 Clean Trade Vehicle Value, plus a cash payment, ranging from a minimum of \$5,100 to nearly \$10,000, depending on your vehicle. If you choose the emissions modification option, you will receive a free modification plus the same cash payment. The range of total cash payments is summarized in the chart below.

Your payment will be adjusted if your car has higher or lower than standard mileage when you bring it into a dealership to participate in the settlement program. If your payment is subject to a mileage adjustment, the amount you receive may be different from what is shown below, but not less than \$5,100.

These tables assume that you owned your car when the emissions accusations became public on September 18, 2015 and that you still own it. If you no longer have your car or if you purchased it after September 18, 2015, then you will be offered a lesser amount, assuming you qualify for the settlement.

Beginning July 26, 2016, you can see the exact Buyback and Approved Emissions Modification payments for your car by visiting [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com) and entering your Vehicle Identification Number (VIN), mileage, and other required information.

**Volkswagen Owners**

MODEL YEAR	MODEL AND TRIM	BUYBACK	APPROVED EMISSIONS MODIFICATION
<b>2009</b>	VW Jetta Sedan TDI	\$12,475 - \$14,025	\$5,100
	VW Jetta SportWagen TDI	\$13,600 - \$15,125	\$5,100
<b>2010</b>	VW Golf Hatchback 2D TDI	\$15,025 - \$16,877	\$5,100 - \$5,302
	VW Golf Hatchback 4D TDI	\$15,500 - \$17,447	\$5,100 - \$5,397
	VW Jetta Sedan TDI	\$13,675 - \$15,350	\$5,100
	VW Jetta Sedan TDI Cup Street Edition	\$15,625 - \$17,087	\$5,100 - \$5,337
	VW Jetta SportWagen TDI	\$14,775 - \$16,607	\$5,100 - \$5,257
<b>2011</b>	VW Golf Hatchback 2D TDI	\$17,657 - \$19,817	\$5,432 - \$5,792
	VW Golf Hatchback 4D TDI	\$18,497 - \$20,657	\$5,572 - \$5,932
	VW Jetta Sedan TDI	\$16,217 - \$18,347	\$5,192 - \$5,547
	VW Jetta SportWagen TDI	\$18,227 - \$20,357	\$5,527 - \$5,882
<b>2012</b>	VW Golf Hatchback 2D TDI	\$19,457 - \$21,707	\$5,732 - \$6,107
	VW Golf Hatchback 4D TDI	\$20,267 - \$22,517	\$5,867 - \$6,242

MODEL YEAR	MODEL AND TRIM	BUYBACK	APPROVED EMISSIONS MODIFICATION
	VW Jetta Sedan TDI	\$18,317 - \$20,867	\$5,542 - \$5,967
	VW Jetta SportWagen TDI	\$19,907 - \$22,097	\$5,807 - \$6,172
	VW Passat Sedan TDI SE	\$19,007 - \$21,467	\$5,657 - \$6,067
	VW Passat Sedan TDI SEL	\$23,267 - \$23,387	\$6,367 - \$6,387
<b>2013</b>	VW Beetle Coupe TDI	\$20,627 - \$23,447	\$5,927 - \$6,397
	VW Beetle Convertible TDI	\$24,047 - \$26,147	\$6,497 - \$6,847
	VW Golf Hatchback 2D TDI	\$20,657 - \$23,117	\$5,932 - \$6,342
	VW Golf Hatchback 4D TDI	\$21,377 - \$23,837	\$6,052 - \$6,462
	VW Jetta Sedan TDI	\$20,777 - \$23,897	\$5,952 - \$6,472
	VW Jetta SportWagen TDI	\$23,357 - \$25,727	\$6,382 - \$6,777
	VW Passat Sedan TDI SE	\$21,587 - \$24,257	\$6,087 - \$6,532
	VW Passat Sedan TDI SEL	\$26,807 - \$26,927	\$6,957 - \$6,977
<b>2014</b>	VW Beetle Coupe TDI	\$22,907 - \$25,847	\$6,307 - \$6,797
	VW Beetle Convertible TDI	\$27,047 - \$29,237	\$6,997 - \$7,362
	VW Golf Hatchback 4D TDI	\$23,957 - \$26,177	\$6,482 - \$6,852
	VW Jetta Sedan TDI	\$21,137 - \$26,117	\$6,012 - \$6,842
	VW Jetta SportWagen TDI	\$26,657 - \$29,117	\$6,932 - \$7,342
	VW Passat Sedan TDI SE	\$26,117 - \$28,877	\$6,842 - \$7,302
	VW Passat Sedan TDI SEL	\$28,847 - \$28,967	\$7,297 - \$7,317
<b>2015</b>	VW Beetle Coupe TDI	\$24,156 - \$31,686	\$6,515 - \$7,770
	VW Beetle Convertible TDI	\$27,937 - \$33,835	\$7,145 - \$8,128
	VW Golf Hatchback 4D TDI S	\$21,806 - \$26,700	\$6,123 - \$6,939
	VW Golf Hatchback 4D TDI SE	\$24,022 - \$29,306	\$6,493 - \$7,373
	VW Golf Hatchback 4D TDI SEL	\$24,022 - \$31,728	\$6,493 - \$7,777
	VW Golf SportWagen TDI S	\$24,043 - \$28,588	\$6,496 - \$7,254
	VW Golf SportWagen TDI SE	\$26,282 - \$30,743	\$6,869 - \$7,613
	VW Golf SportWagen TDI SEL	\$24,022 - \$32,876	\$6,493 - \$7,968
	VW Jetta Sedan TDI S	\$21,410 - \$24,696	\$6,057 - \$6,605
	VW Jetta Sedan TDI SE	\$22,800 - \$26,458	\$6,289 - \$6,899
	VW Jetta Sedan TDI SEL	\$24,809 - \$30,149	\$6,624 - \$7,514
	VW Passat Sedan TDI SE	\$28,367 - \$31,127	\$7,217 - \$7,677
	VW Passat Sedan TDI SEL	\$32,747 - \$32,867	\$7,947 - \$7,967

### Audi Owners

MODEL YEAR	MODEL AND TRIM	BUYBACK	APPROVED EMISSIONS MODIFICATION
<b>2010</b>	Audi A3 TDI Premium	\$18,947 - \$20,627	\$5,647 - \$5,927
	Audi A3 TDI Premium Plus	\$20,627 - \$23,267	\$5,927 - \$6,367
<b>2011</b>	Audi A3 TDI Premium	\$21,287 - \$23,267	\$6,037 - \$6,367
	Audi A3 TDI Premium Plus	\$23,297 - \$26,867	\$6,372 - \$6,967
<b>2012</b>	Audi A3 TDI Premium	\$23,717 - \$25,727	\$6,442 - \$6,777
	Audi A3 TDI Premium Plus	\$26,357 - \$30,077	\$6,882 - \$7,502

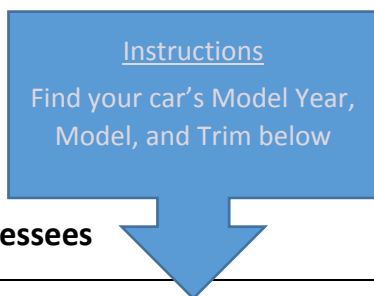
<b>MODEL YEAR</b>	<b>MODEL AND TRIM</b>	<b>BUYBACK</b>	<b>APPROVED EMISSIONS MODIFICATION</b>
<b>2013</b>	Audi A3 TDI Premium	\$25,517 - \$27,647	\$6,742 - \$7,097
	Audi A3 TDI Premium Plus	\$29,357 - \$33,287	\$7,382 - \$8,037
<b>2015</b>	Audi A3 TDI Premium	\$31,805 - \$39,413	\$7,790 - \$9,058
	Audi A3 TDI Premium Plus	\$34,064 - \$43,998	\$8,166 - \$9,822
	Audi A3 TDI Prestige	\$39,076 - \$44,176	\$9,002 - \$9,852

## Settlement Payments to Lessees

The tables below show the range of possible payment amounts to lessees under the Class Action Settlement. The amount you will be offered depends on your car's model year, model, trim level, and factory options. The amount you will be offered will be the same whether you choose a Lease Termination or an Approved Emissions Modification or no longer have an active lease. The Approved Emissions Modification option will only be available if a modification is approved by the EPA and CARB.

These tables assume that you had a leased car with VW Credit, Inc. when the emissions accusations became public on September 18, 2015 and that you did not purchase that car on or before June 28, 2016. If you purchased your leased car on or before June 28, 2016, then you are considered an owner and should use the tables on the previous two pages to find your payment range.

Beginning July 26, 2016, you can see the exact Lessee Restitution payment amount for your car by visiting [www.VWCourtSettlement.com](http://www.VWCourtSettlement.com) and entering your Vehicle Identification Number (VIN) and other required information.



### Volkswagen Lessees

MODEL YEAR	MODEL AND TRIM	LESSEE PAYMENT
<b>2011</b>	VW Jetta Sedan TDI	\$2,634 - \$2,807
	VW Jetta SportWagen TDI	\$2,877 - \$2,922
<b>2012</b>	VW Golf Hatchback 2D TDI	\$2,902 - \$3,062
	VW Golf Hatchback 4D TDI	\$2,969 - \$3,157
	VW Jetta Sedan TDI	\$2,807 - \$3,019
	VW Jetta SportWagen TDI	\$2,939 - \$3,122
	VW Passat Sedan TDI SE	\$2,864 - \$3,069
	VW Passat Sedan TDI SEL	\$3,219 - \$3,229
<b>2013</b>	VW Beetle Coupe TDI	\$2,999 - \$3,234
	VW Beetle Convertible TDI	\$3,284 - \$3,459
	VW Golf Hatchback 2D TDI	\$3,002 - \$3,207
	VW Golf Hatchback 4D TDI	\$3,062 - \$3,267
	VW Jetta Sedan TDI	\$3,012 - \$3,272
	VW Jetta SportWagen TDI	\$3,227 - \$3,424
	VW Passat Sedan TDI SE	\$3,079 - \$3,302
	VW Passat Sedan TDI SEL	\$3,514 - \$3,524
<b>2014</b>	VW Beetle Coupe TDI	\$3,189 - \$3,434
	VW Beetle Convertible TDI	\$3,537 - \$3,717
	VW Golf Hatchback 4D TDI	\$3,277 - \$3,462
	VW Jetta Sedan TDI	\$3,042 - \$3,457
	VW Jetta SportWagen TDI	\$3,502 - \$3,707
	VW Passat Sedan TDI SE	\$3,457 - \$3,687



<b>MODEL YEAR</b>	<b>MODEL AND TRIM</b>	<b>LESSEE PAYMENT</b>
	VW Passat Sedan TDI SEL	\$3,684 - \$3,694
<b>2015</b>	VW Beetle Coupe TDI	\$3,314 - \$3,915
	VW Beetle Convertible TDI	\$3,650 - \$4,052
	VW Golf Hatchback 4D TDI S	\$3,064 - \$3,364
	VW Golf Hatchback 4D TDI SE	\$3,348 - \$3,689
	VW Golf Hatchback 4D TDI SEL	\$3,553 - \$3,886
	VW Golf SportWagen TDI S	\$3,284 - \$3,471
	VW Golf SportWagen TDI SE	\$3,528 - \$3,834
	VW Golf SportWagen TDI SEL	\$3,713 - \$4,008
	VW Jetta Sedan TDI S	\$3,064 - \$3,446
	VW Jetta Sedan TDI SE	\$3,239 - \$3,468
	VW Jetta Sedan TDI SEL	\$3,406 - \$3,755
	VW Passat Sedan TDI SE	\$3,644 - \$3,874
	VW Passat Sedan TDI SEL	\$4,009 - \$4,019

### **Audi Lessees**

<b>MODEL YEAR</b>	<b>MODEL AND TRIM</b>	<b>LESSEE PAYMENT</b>
<b>2012</b>	Audi A3 TDI Premium	\$3,287 - \$3,344
	Audi A3 TDI Premium Plus	\$3,534 - \$3,782
<b>2013</b>	Audi A3 TDI Premium	\$3,439 - \$3,519
	Audi A3 TDI Premium Plus	\$3,729 - \$4,052
<b>2015</b>	Audi A3 TDI Premium	\$3,931 - \$4,616
	Audi A3 TDI Premium Plus	\$4,122 - \$4,955
	Audi A3 TDI Prestige	\$4,536 - \$4,899