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

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

22 This Documents Relates to:

23 ALL CONSUMER AND RESELLER  
24 ACTIONS

MDL 2672 CRB (JSC)

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

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

The Honorable Charles R. Breyer

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1     **1.     THE PROPOSED SETTLEMENT**

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

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

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

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

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

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

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

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

6 **2. DEFINITIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 Court.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 2.31. “Defendants” means Volkswagen and Porsche.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27  
28

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 25 7. OTHER PROVISIONS

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 as defined herein.

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

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

## 11    **9.    REQUESTS FOR EXCLUSION**

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

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

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

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

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

1     **10.     OBJECTIONS TO THE SETTLEMENT**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 **12. RELEASE AND WAIVER**

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 **13. ESCROW ACCOUNT**

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

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

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

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

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

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

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

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

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

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

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

1 Class Action Agreement and Approval of Class Notice.

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

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

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



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

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

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

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

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

17 17.1. The terms and provisions of this 3.0-liter Class Action Agreement may be  
18 amended, modified, or expanded by written agreement of the Parties and approval of the Court;  
19 provided, however, that after entry of the Final 3.0-liter Approval Order, the Parties may by  
20 written agreement effect such amendments, modifications, or expansions of this 3.0-liter Class  
21 Action Agreement and its implementing documents (including all exhibits hereto) without further  
22 notice to the 3.0-liter Class or approval by the Court if such changes are consistent with the  
23 Court's Final 3.0-liter Approval Order and do not limit the rights of Class Members under this  
24 3.0-liter Class Action Agreement.

25 17.2. Any unintended conflicts between the 3.0-liter Class Action Agreement, the DOJ  
26 3.0-liter Consent Decree, and/or the FTC 3.0-liter Consent Order shall not be held against any of  
27 the Parties, but shall instead be resolved by mutual agreement of the Parties, with the aid of the  
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1 Settlement Master and, if necessary, the Court.

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

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

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

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

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

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

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

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



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

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

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

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

1 Member's tax consequences.

2 **19. GENERAL MATTERS AND RESERVATIONS**

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

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

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

11 19.2.2. The occurrence of the Effective Date; and

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

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

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

1 requested through formal discovery.

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

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

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

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

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

7           If to Volkswagen, then to:

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

13           If to Porsche, then to:

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

19           If to the Class, then to:

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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1 FOR CLASS COUNSEL

2 Date: February 10, 2017



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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: February 10, 2017



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

Date: February 10, 2017



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MANFRED DOESS  
VOLKSWAGEN AG  
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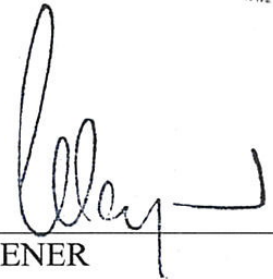
FOR AUDI AG:

Date: February 10, 2017



BERND MARTENS  
AUDI AG  
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85045 Ingolstadt, Germany

Date: February 10, 2017



MARTIN WAGENER  
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FOR VOLKSWAGEN GROUP OF AMERICA, INC.:

Date: February 10, 2017



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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 Date:

*February 10, 2017*

*Sharon L. Nelles*

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7 SHARON L. NELLES  
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1 FOR DR. ING. H.C.F. PORSCHE AG:

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Date: 31. Jan. 2017

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15 Date: February 10, 2017

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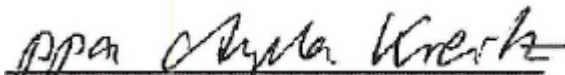
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DR. MICHAEL STEINER  
Member of Executive Board  
Research and Development  
DR. ING. H.C. F. PORSCHE  
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Porschestrasse 9111  
71287 Weissach, Germany

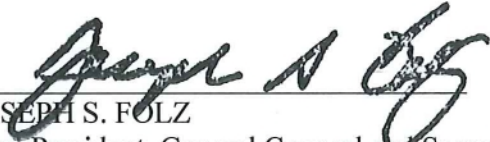


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FOR PORSCHE CARS NORTH AMERICA, INC.:

Date: February 10, 2017

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

Date: February 10, 2017

  
\_\_\_\_\_  
TIM QUINN  
Vice President, After Sales  
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COUNSEL FOR DR. ING. H.C.F. PORSCHE AG and PORSCHE CARS NORTH AMERICA, INC.:

Date: 2/10/17



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**List of Exhibits**

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