

**Volkswagen / Audi  
2.0L TDI (Diesel) Emissions Settlement in Canada**

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A NATIONWIDE SETTLEMENT HAS BEEN REACHED IN CANADA TO BENEFIT MANY OWNERS AND LESSEES OF **2.0L VOLKSWAGEN AND AUDI TDI VEHICLES:**

IF YOU **OWNED** OR **LEASED** ONE OF THESE VEHICLES ON **SEPTEMBER 18, 2015**  
OR IF YOU **CURRENTLY OWN** ONE OF THESE VEHICLES,  
YOU COULD GET BENEFITS FROM A CLASS ACTION SETTLEMENT

**FOR MORE INFORMATION:  
VISIT [www.VWCanadaSettlement.ca](http://www.VWCanadaSettlement.ca) / CALL 1-888-670-4773**

Volkswagen has reached a nationwide Settlement in Canada involving 2.0L Volkswagen and Audi TDI vehicles with current and certain former owners and lessees. This Settlement was reached following negotiations between Volkswagen and class action lawyers for the owners and lessees, in consultation with the Commissioner of Competition in Canada.

The nationwide Settlement must be approved by Courts in Ontario and Québec to become effective.

If approved, Volkswagen has agreed to offer in Canada the following benefits under the Settlement:

**Cash Payments for nearly 105,000 2.0L TDI vehicles**

—and—

Many owners and lessees will also be eligible for benefits that may include:

**Vehicle Buyback**

**Early Lease Termination**

**Trade-In toward a replacement VW / Audi vehicle**

**Approved Emissions Modification with Extended Emissions Warranty**

*Note: If you sell your vehicle on or after **January 4, 2017**,  
you may lose any benefits for which you may be eligible*

Your rights and options—and the deadlines to exercise them—are explained in this Notice. Additional information and answers to frequently asked questions are available at [www.VWCanadaSettlement.ca](http://www.VWCanadaSettlement.ca) or by calling the Claims Administrator at 1-888-670-4773.

**PLEASE READ THIS NOTICE CAREFULLY.  
YOUR LEGAL RIGHTS UNDER THE SETTLEMENT ARE  
AFFECTED EVEN IF YOU DO NOTHING.**

THIS NOTICE IS ONLY A SUMMARY OF SOME OF THE TERMS OF THE SETTLEMENT  
IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE SETTLEMENT, THE SETTLEMENT APPLIES

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**CLASS ACTION QUESTIONS**

**A. WHAT ARE MY OPTIONS?**

If you think you are included in the Settlement, you have the following options:

<b>LEARN MORE ABOUT THE SETTLEMENT AND WHETHER YOU MAY BE ELIGIBLE</b>	<p>Visit <a href="http://www.VWCanadaSettlement.ca">www.VWCanadaSettlement.ca</a>:</p> <p><b>STEP 1:</b> Sign up to receive updates about the Settlement.</p> <p><b>STEP 2:</b> Determine whether your vehicle is included in the Settlement using the Vehicle Look-Up section of the website. You will need your vehicle's VIN for this step (see Question E).</p> <p><b>STEP 3:</b> Determine whether you may be eligible under the Settlement, and learn more about the estimated benefits to which you may be entitled, using the Check My Eligibility section of the website.</p>
<b>COURT APPROVAL OF THE SETTLEMENT</b>	<p>The nationwide Settlement is subject to approval by Courts. Approval hearings have been scheduled for <b>March 31, 2017</b> before the Ontario Court and <b>March 22, 2017</b> before the Québec Court. These hearings are public and you are welcome to attend at your own cost.</p> <p style="text-align: center;"><i>See Question V for more information.</i></p>
<b>OBJECT TO THE SETTLEMENT BEFORE IT IS APPROVED</b>	<p>If you do not like the Settlement, you may provide your views in writing so they are received by <b>March 4, 2017</b>. Your objection will be delivered to the Courts and considered at the approval hearings for the Settlement.</p> <p style="text-align: center;"><i>See Questions T and V for more information.</i></p>
<b>EXCLUDE YOURSELF FROM THE SETTLEMENT (OPT OUT) BEFORE IT IS APPROVED</b>	<p>If you do not want to participate in the Settlement or be bound by it, you must exclude yourself by opting out. Your opt out request must be received by <b>March 4, 2017</b>. If you opt out, you will <u>not</u> be eligible to receive any benefits under the Settlement and you will <u>not</u> be able to object to the Settlement, but you <u>will</u> keep any right you have to separately sue Volkswagen at your own cost.</p> <p style="text-align: center;"><i>See Question U for more information.</i></p>
<b>PARTICIPATE IN THE SETTLEMENT</b>	<p>If you wish to make a claim for benefits, you do not need to take any action at this time. The period to submit a claim will not begin until after the Settlement is approved by the Courts. If approved, additional details will be provided regarding when and how claims can be submitted.</p> <p style="text-align: center;"><i>See Question I for more information.</i></p>
<b>IF YOU TAKE NO STEPS</b>	<p>If you do not opt out <u>and</u> do not submit a claim after the Settlement is approved by the Courts, you will not receive any benefits from the Settlement and you will give up any rights you currently have to separately sue Volkswagen for the claims being resolved by the Settlement.</p>

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**B. WHAT ARE THE CLASS ACTIONS ABOUT?**

Following a September 18, 2015 disclosure of emissions-related issues, class actions were commenced in Canada seeking damages and other relief on behalf of consumers with affected 2.0L TDI vehicles. These actions allege that the affected 2.0L TDI vehicles emit nitrogen oxide (“NOx”) emissions up to levels that exceed the standards to which the vehicles were certified because software installed in those vehicles allowed them to operate one way when recognizing driving cycles in NOx emissions laboratory testing, and in a different way when the vehicles were in on-road operation.

These consumer class actions consist of a national class action (*Quenneville et al v. Volkswagen Group Canada, Inc. et al*, Court File No. CV-15-537029-00CP) before the Ontario Superior Court of Justice and a class action in Québec (*Option consommateurs & François Grondin v. Volkswagen Group Canada, Inc. et al*, Court File No. 500-06-000761-151) before the Superior Court of Québec (collectively, the “Class Actions” and the “Courts”). Other consumer proceedings have been commenced and are pending in Canada.

**C. WHY AM I RECEIVING THIS NOTICE?**

This Notice summarizes the Settlement that affects your legal rights if you are a Settlement Class Member (see Question F). You have received this Notice either because you are a past or current owner or lessee of an affected 2.0L TDI vehicle, or because you have expressed interest in the Class Actions. Receipt of this Notice does not mean that you are a Settlement Class Member.

If you are a Settlement Class Member, this Notice informs you of your legal rights and options. These options include participating in the Settlement and, if you wish, objecting to the Settlement, or excluding yourself (“opting out”) from the Settlement. You can also attend the upcoming public hearings before the Courts to consider approval of the Settlement (see Question V).

**CLASS MEMBERSHIP QUESTIONS**

**D. AM I INCLUDED IN THE SETTLEMENT?**

You may be included in the Settlement if:

- You have or had an Eligible Vehicle (see Question E); and
- You are a Settlement Class Member (see Question F).

**If you sell your vehicle on or after January 4, 2017, you may lose any benefits for which you may be eligible.**

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Find out if you qualify and, if so, what benefits you may be entitled to, by reviewing the questions and answers below.

**E. IS MY CAR AN “ELIGIBLE VEHICLE”?**

Only Eligible Vehicles are included in the Settlement. If your vehicle meets the following criteria, it may be considered an Eligible Vehicle:

- It must be one of the following 2.0L TDI Volkswagen and Audi vehicles:

<b>VW Jetta</b> 2009-2015	<b>VW Jetta Wagon</b> 2009	<b>VW Golf</b> 2010-2013, 2015	<b>VW Passat</b> 2012-2015
<b>VW Beetle</b> 2013-2015	<b>VW Golf Wagon</b> 2010-2014	<b>VW Golf Sportwagon</b> 2015	<b>Audi A3</b> 2010-2013, 2015

- It must have been originally sold, or leased from VW Credit Canada, Inc., also known as Volkswagen Finance and Audi Finance (“VCCI”), in Canada;
- It must have been registered in Canada at any point from September 18, 2015 through January 4, 2017; and
- It must not already be modified pursuant to all stages of the Approved Emissions Modification, unless completed by you pursuant to a Recall (see Question Q).

You can enter your Vehicle Identification Number, also known as VIN, in the Vehicle Look-Up section at [www.VWCanadaSettlement.ca](http://www.VWCanadaSettlement.ca) to determine if your vehicle is included in the Settlement. Additional eligibility requirements apply in order to participate in the Settlement.

A VIN is a unique identification number for a vehicle. It contains a combination of 17 numbers and letters. You can find it on the province vehicle registration, vehicle insurance card or the vehicle itself—either on the driver’s side of the dashboard at the bottom of the windshield or on the driver’s side door jamb. A VIN will never include the letter ‘i’ or the letter ‘o’, but may include the number ‘1’ or the number ‘0’.

**F. AM I A “SETTLEMENT CLASS MEMBER”?**

You may be a Settlement Class Member and included in the Settlement if you:

- Were an owner of an Eligible Vehicle on September 18, 2015; or
- Were a lessee of an Eligible Vehicle leased from VCCI on September 18, 2015; or
- Purchased an Eligible Vehicle after September 18, 2015 and continue to own the vehicle at the time of participating in the Settlement.

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Some exceptions apply. See Question G.

There are four categories of Settlement Class Members who may be entitled to benefits under the Settlement if they submit a claim during the settlement program:

<b>Eligible Owners:</b>	<p>Eligible Owners are Settlement Class Members who owned an Eligible Vehicle on September 18, 2015 and continue to own the vehicle at the time of participating in the Settlement.</p> <p>Settlement Class Members who owned an Eligible Vehicle on September 18, 2015 and transfer title to an insurance company on or after March 5, 2017 because their vehicle was totalled or appraised as a total loss are also Eligible Owners (see Question N).</p>
<b>Eligible Lessees:</b>	<p>Eligible Lessees are Settlement Class Members who were leasing an Eligible Vehicle from VCCI on September 18, 2015.</p> <p>Such lessees qualify as Eligible Lessees regardless of whether they continue to be in their lease, their lease has since concluded at lease-end or if they buy out their leased vehicle at lease-end.</p>
<b>Eligible Purchasers:</b>	<p>Eligible Purchasers are Settlement Class Members who purchased an Eligible Vehicle after September 18, 2015, and continue to own the vehicle at the time of participating in the Settlement.</p> <p>Eligible Purchasers do not include Eligible Lessees who buy out their leased vehicle at lease-end.</p>
<b>Eligible Sellers:</b>	<p>Eligible Sellers are Settlement Class Members who owned an Eligible Vehicle on September 18, 2015 and sell their vehicle before January 4, 2017.</p> <p>Eligible Sellers include those Settlement Class Members who transfer title to an insurance company before January 4, 2017 because their vehicle was totalled or appraised as a total loss (see Question N)</p>

You can answer the questions in the Check My Eligibility section at [www.VWCanadaSettlement.ca](http://www.VWCanadaSettlement.ca) to help you determine whether one of these categories of Settlement Class Members applies to you and, if so, the estimated benefits to which you may be entitled.

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**G. AM I AN “EXCLUDED PERSON”?**

The Settlement Agreement does not apply to anyone who is not a Settlement Class Member, including Excluded Persons. Excluded Persons are:

- All those who timely and properly exclude themselves (opt out) from the Settlement (see Question U);
- Anyone who owned an Eligible Vehicle on September 18, 2015 and sells the vehicle after January 4, 2017 other than through the Buyback and Trade-In options under the Settlement, except for those owners who transfer title to an insurance company on or after March 5, 2017 because the Eligible Vehicle was totalled or appraised as a total loss (see Question N);
- Anyone who owned an Eligible Vehicle on September 18, 2015 and who, on or after January 4, 2017 and before March 5, 2017, transfers title to an insurance company because the Eligible Vehicle was totalled or appraised as a total loss;
- Insurance companies and other owners of totalled Eligible Vehicles;
- Any lessees of an Eligible Vehicle leased from a leasing company other than VCCI;
- Anyone who owns an Eligible Vehicle on January 4, 2017 that cannot be driven under the power of its own 2.0L TDI engine on January 4, 2017;
- Anyone who owns an Eligible Vehicle with a branded title of “Dismantled”, “Junk”, “Salvage” or “Mechanically Unfit” on September 18, 2015;
- Anyone who owns an Eligible Vehicle that was acquired from a junkyard or salvage yard on or after September 18, 2015;
- Volkswagen’s officers, directors and employees and participants in Volkswagen’s internal lease program; Volkswagen’s affiliates and those affiliates’ officers, directors and employees; and Volkswagen dealers and those dealers’ officers and directors;
- The Judges overseeing the Class Actions; and
- Class Counsel in the Class Actions who represent the Settlement Class Members.

**SETTLEMENT BENEFITS QUESTIONS**

**H. WHAT BENEFITS CAN I RECEIVE?**

The Settlement provides for various benefits to owners and lessees who are eligible Settlement Class Members depending on their circumstances. If approved by the Courts (see Question V), the Settlement will provide for cash payments to Settlement Class Members, and many of them will also be able to choose a vehicle Buyback (see Question J), Trade-In (see Question K), Early Lease Termination (see Question L) and, if approved by regulators, the Approved Emissions Modification (see Question M).

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The payment amount and benefits that may be available to you depend upon whether you are an Eligible Owner, Eligible Seller, Eligible Purchaser or Eligible Lessee (see Question F).

If you are an **Eligible Owner** who owned an Eligible Vehicle when the emissions accusations became public on September 18, 2015 and continue to own the vehicle when you participate in the settlement program, the benefits you can receive depend upon whether you choose the **Buyback**, **Trade-In** or **Approved Emissions Modification** option. With each of these options, you will receive a **cash payment** as shown in Table A below based on your vehicle’s brand and model year:

**Table A**  
**Cash Payments to Eligible Owners\***

Model Year	VW Eligible Owners	Audi Eligible Owners
2009	\$5,100	N/A
2010	\$5,100	\$5,200
2011	\$5,100	\$5,200
2012	\$5,250	\$5,350
2013	\$5,500	\$5,950
2014	\$5,950	N/A
2015	\$7,000	\$8,000

*\*If you have a 2015 Eligible Vehicle and choose the Approved Emissions Modification, you will receive the first half of the above cash payment when you complete the first stage of the modification. The remaining one-half will be paid to you when you complete the second stage of the modification (see Question M).*

If you are an **Eligible Seller** who owned an Eligible Vehicle when the emissions accusations became public on September 18, 2015, and sell it before January 4, 2017, you can select a **cash payment** as shown in Table B below based on your vehicle’s brand and model year:

**Table B**  
**Cash Payments to Eligible Sellers**

Model Year	VW Eligible Sellers	Audi Eligible Sellers
2009	\$2,550	N/A
2010	\$2,550	\$2,600
2011	\$2,550	\$2,600
2012	\$2,625	\$2,675
2013	\$2,750	\$2,975
2014	\$2,975	N/A
2015	\$3,500	\$4,000

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If you are an **Eligible Purchaser** who acquired your vehicle after the emissions accusations became public on September 18, 2015, and continue to own the vehicle when you participate in the settlement program, you can select the **Approved Emissions Modification**. With this option, you will receive a **cash payment** as shown in Table C below based on your vehicle’s brand and model year. The amount of the cash payment also depends upon whether your vehicle was previously under lease from VCCI to someone else on September 18, 2015, in which case you may be eligible for a cash payment of one-half of the amount shown in Table C. To determine whether this applies to your vehicle, visit [www.VWCanadaSettlement.ca](http://www.VWCanadaSettlement.ca) and enter your VIN in the Vehicle Look-Up section.

**Table C**  
**Cash Payments to Eligible Purchasers<sup>\*, \*\*</sup>**

Model Year	VW Eligible Purchasers	Audi Eligible Purchasers
2009	\$2,550	N/A
2010	\$2,550	\$2,600
2011	\$2,550	\$2,600
2012	\$2,625	\$2,675
2013	\$2,750	\$2,975
2014	\$2,975	N/A
2015	\$3,500	\$4,000

*\* If you are an Eligible Purchaser of a vehicle that was previously under lease from VCCI to someone else on September 18, 2015, you may be eligible for a cash payment of one-half of the amount shown above if you select the Approved Emissions Modification.*

*\*\* If you have a 2015 Eligible Vehicle and select the Approved Emissions Modification, you will receive the first half of the applicable cash payment when you complete the first stage of the modification. The remaining one-half will be paid to you when you complete the second stage of the modification (see Question M).*

If you are an **Eligible Lessee** who was leasing an Eligible Vehicle from VCCI when the emissions accusations became public on September 18, 2015, the benefits you can receive depend upon whether your lease has concluded or remains active, and upon whether you purchase and continue to own your leased vehicle, when you participate in the settlement program.

In particular, if your lease has ended when you participate in the settlement program, you can select a **cash payment** as shown in column A of Table D based on your vehicle’s brand and model year. If instead your lease remains active when you participate in the settlement program, you can choose an **Early Lease Termination** or the **Approved Emissions Modification**. With each of these options, you will receive a **cash payment** as shown in column A of Table D based on your vehicle’s brand and model year.

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In the event that you purchase your vehicle at the conclusion of your lease and continue to own your vehicle when you participate in the settlement agreement, you can select the **Approved Emissions Modification** and receive a **cash payment** as shown in column A of Table D. Even if you sell your vehicle before receiving the Approved Emissions Modification, you remain eligible for a **cash payment** as shown in column B of Table D.

**Table D**  
**Cash Payments to Eligible Lessees**

Model Year	VW Eligible Lessees		Audi Eligible Lessees	
	A*	B	A*	B
2009	\$2,550	\$1,275	N/A	N/A
2010	\$2,550	\$1,275	\$2,600	\$1,300
2011	\$2,550	\$1,275	\$2,600	\$1,300
2012	\$2,625	\$1,312.50	\$2,675	\$1,337.50
2013	\$2,750	\$1,375	\$2,975	\$1,487.50
2014	\$2,975	\$1,487.50	N/A	N/A
2015	\$3,500	\$1,750	\$4,000	\$2,000

*\*If you have a 2015 Eligible Vehicle and select the Approved Emissions Modification, you will receive the first half of the above cash payment when you complete the first stage of the modification. The remaining one-half will be paid to you when you complete the second stage of the modification (see Question M), with one exception. A payment of the remaining one-half may be paid as of the last day of your lease if the second stage of the Approved Emissions Modification is not completed by that date, provided that you do not purchase your leased vehicle at lease-end.*

The above information provides a summary of some of the benefits available under the Settlement Agreement. It does not deal with all circumstances in which benefits may be paid, or the amounts of all benefits. The Settlement Agreement should be consulted for complete terms and conditions.

**I. HOW CAN I MAKE A CLAIM?**

If you wish to make a claim for benefits under the Settlement, you do not need to take any action at this time. The period to submit a claim will not begin until after the Settlement is approved by the Courts (see Question V). If the Settlement is approved, additional details will be provided regarding when claims can be submitted. You will have until at least September 1, 2018 to submit a claim.

To receive updates about the status of the Settlement, you can sign up at [www.VWCanadaSettlement.ca](http://www.VWCanadaSettlement.ca). **Please note that signing up for updates is not the same as making a claim for benefits.** If the Settlement is approved, you will need to take steps to make a claim. By signing up for updates, you will receive notice of when and how you can submit a claim.

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**J. IF I CHOOSE A BUYBACK, WHAT BENEFITS CAN I CLAIM?**

If you choose a Buyback, Volkswagen will offer to buy back your vehicle at its Vehicle Value and provide an additional cash payment based on your Settlement Class Member category (see Question H). Vehicle Value is your vehicle's wholesale value on September 18, 2015, as independently determined by Canadian Black Book, Inc. ("CBB"), based on your vehicle's brand, model year, model, trim level, factory options and mileage at the time that the offer is made.

Vehicle Value will be determined based on your vehicle's mileage no more than 20 days before the Buyback, provided that the mileage does not increase by more than 2,000 kilometres when you bring your vehicle into a Volkswagen dealership to participate in the Buyback. If your vehicle's mileage exceeds this allowance, your Buyback will need to be rescheduled and your Vehicle Value may change.

CBB uses mileage to determine vehicle categories, which in turn are used to determine vehicle values. Your vehicle's category at the time of your Buyback will be used to determine your Vehicle Value based on CBB vehicle values frozen as of September 18, 2015.

Because Vehicle Value is specific to your vehicle's mileage, only ranges of possible payments that you may receive can be assessed at this time. These estimated payments are set forth in Table 2 to Exhibit 5 of the Settlement Agreement (available at [www.VWCanadaSettlement.ca](http://www.VWCanadaSettlement.ca)).

To receive a Buyback, you must arrange to resolve any outstanding loans on your vehicle and unpaid Québec traffic tickets and fines before it is surrendered. To assist with satisfying any vehicle loans, some or all of your Vehicle Value and cash payment may, where directed, be paid by Volkswagen to lenders. If available, loan forgiveness provides additional assistance (see Question R). You will be responsible for payment of any loan balance not satisfied by payments made by Volkswagen.

**K. IF I CHOOSE A TRADE-IN, WHAT BENEFITS CAN I CLAIM?**

If you choose to trade in your vehicle at a Volkswagen or Audi dealership for a new or used Volkswagen or Audi vehicle, the purchase price of the vehicle you are buying will be reduced by your current vehicle's Fair Market Value at the time of the Trade-In. This will reduce the taxable portion that must be paid on the replacement vehicle. In addition, you will receive a cash payment equal to the difference between your vehicle's Vehicle Value (see Question J) and its Fair Market Value at the time of the Trade-In, plus an additional cash payment based on your Settlement Class Member category (see Question H).

The Vehicle Value and Fair Market Value will be determined based on your vehicle's mileage no more than 20 days before the Trade-In, provided that the mileage does not

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increase by more than 2,000 kilometres when you bring your vehicle into the dealership to participate in the Trade-In. If your vehicle's mileage exceeds this allowance, your Trade-In will need to be rescheduled and your Vehicle Value and Fair Market Value may change.

The total cash payment for a Trade-In can be estimated by the "Total" amount set forth in Table 2 to Exhibit 5 of the Settlement Agreement (available at [www.VWCanadaSettlement.ca](http://www.VWCanadaSettlement.ca)) that applies based on your vehicle's brand and model year, less your vehicle's Fair Market Value at the time of the Trade-In. In addition to mileage, Fair Market Value is determined by a vehicle's brand, model year, model, trim level, factory options and mileage and market conditions. The Fair Market Value of your vehicle will be determined independently by CBB at the time of the Trade-In. It cannot be accurately assessed at this time.

To receive a Trade-In, you must arrange to resolve any outstanding loans on your vehicle and unpaid Québec traffic tickets and fines before it is surrendered. To assist with satisfying any vehicle loans, some or all of your Vehicle Value, less your vehicle's Fair Market Value at the time of the Trade-In, and cash payment may be paid by Volkswagen to lenders. If available, loan forgiveness provides additional assistance (see Question R). You will be responsible for payment of any loan balance not satisfied by payments made by Volkswagen.

**L. IF I CHOOSE AN EARLY LEASE TERMINATION, WHAT BENEFITS CAN I CLAIM?**

If you choose an Early Lease Termination for your leased Eligible Vehicle, you can terminate your lease from VCCI before the end of the lease term without any early termination penalty and receive a cash payment (see Question H at Table D, column A). To obtain this benefit, you will need to pay any delinquent balance, along with any other fees due, pursuant to the terms of the lease.

**M. IF I CHOOSE THE APPROVED EMISSIONS MODIFICATION, WHAT BENEFITS CAN I CLAIM?**

If you choose the Approved Emissions Modification, you will receive the modification at no charge and the Approved Emissions Modification Extended Warranty (see Question P), plus a cash payment based on your Settlement Class Member category (see Question H), with one possible exception for model year 2015 Eligible Vehicles (see Question P). If you have a model year 2015 Eligible Vehicle, you will receive the first half of your eligible cash payment when you complete the first stage of the Approved Emissions Modification. The remaining one-half will be paid to you, or a subsequent purchaser if ownership of the vehicle changes, when the second stage of the modification is completed. An oil and filter change will also be provided at no charge when the second stage of the modification is completed.

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The Approved Emissions Modification will only be available if a modification of the emissions system for your vehicle is approved by appropriate regulators. If there is no Approved Emissions Modification for your vehicle by June 15, 2018, the benefit options that you will be able to choose will depend upon your circumstances (see Question R).

**N. CAN I RECEIVE BENEFITS IF MY CAR WAS TOTALLED?**

You may be entitled to benefits if you were a registered owner of an Eligible Vehicle on September 18, 2015.

If you are such an owner, and your vehicle was subsequently totalled and the title is transferred to an insurance company before January 4, 2017, you can select a cash payment as shown in Table B of Question H based on your vehicle's brand and model year.

Alternatively, if your vehicle is subsequently totalled and the title is transferred to an insurance company on or after March 5, 2017, you can select a cash payment as shown in Table A of Question H based on your vehicle's brand and model year.

There is one exception: if your vehicle is totalled between January 4, 2017 and the opt-out deadline on March 4, 2017, you are excluded from the Settlement and retain your rights and claims against Volkswagen.

**O. CAN I RECEIVE BENEFITS IF MY CAR IS NOT OPERABLE?**

In order for eligible Settlement Class Members to receive a Buyback, Trade-In or Approved Emissions Modification under the Settlement, their Eligible Vehicle must be operable—*i.e.*, can be driven under the power of its own 2.0L TDI engine—when brought in to a Volkswagen or Audi dealership to participate in the settlement program. A vehicle is not considered operable if, among other reasons, it had a branded title of “Dismantled”, “Junk”, “Salvage” or “Mechanically Unfit” on September 18, 2015, or was acquired from a junkyard or salvage yard on or after September 18, 2015.

If you are an eligible Settlement Class Member who owns an Eligible Vehicle that becomes inoperable on or after March 5, 2017, and remains inoperable when you participate in the settlement program, you may surrender your vehicle to Volkswagen and receive a cash payment based on your Settlement Class Member category (see Question H). You will not receive Vehicle Value for your vehicle.

To receive this option, you must arrange to resolve any outstanding loans on your vehicle and unpaid Québec traffic tickets and fines before it is surrendered. To assist with satisfying any vehicle loans, some or all of your cash payment may be paid by Volkswagen to lenders. You will be responsible for payment of any loan balance not

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satisfied by payments made by Volkswagen. Loan forgiveness will not be available if you surrender an inoperable vehicle.

There is one exception: if you are the owner of a vehicle on January 4, 2017 that is not operable on that date, you are excluded from the Settlement and retain your rights and claims against Volkswagen.

**APPROVED EMISSIONS MODIFICATION QUESTIONS**

**P. WHAT IS THE APPROVED EMISSIONS MODIFICATION?**

The Approved Emissions Modification option allows eligible Settlement Class Members to keep their Eligible Vehicles and receive an emissions system modification from a Volkswagen or Audi dealership at no cost, except that any costs to complete the modification that are necessitated by reason of an aftermarket modification of the vehicle must be covered by the Settlement Class Member.

Volkswagen is working with U.S. regulators to develop Approved Emissions Modifications. The final deadlines for Volkswagen to submit to them proposed emissions modifications for each vehicle engine generation are shown in the table below. U.S. regulators will use their best efforts to approve or disapprove any proposal within 45 days of submission of the proposal. If they initially disapprove Volkswagen’s proposed emissions modification, Volkswagen may challenge the decision through a dispute resolution procedure.

Because the necessary regulatory review process and possible subsequent dispute resolution procedure will take place in the U.S., followed by a regulatory process in Canada, it is difficult to predict whether and when there will be Approved Emissions Modifications for vehicles.

<b>1st Generation Engine Vehicles</b>	<b>Final Submittal Deadline to U.S. Regulators</b>
2009-2014 VW Jetta 2009 VW Jetta Wagon 2010-2013 VW Golf 2013-2014 VW Beetle 2010-2013 Audi A3 2010-2014 Golf Wagon TDI	January 27, 2017
<b>2nd Generation Engine Vehicles</b>	<b>Final Submittal Deadline to U.S. Regulators</b>
2012-2014 VW Passat	March 3, 2017

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<b>3rd Generation Engine Vehicles</b>	<b>Final Submittal Deadline to U.S. Regulators</b>
2015 VW Jetta 2015 VW Golf 2015 VW Golf Sportwagon 2015 VW Beetle 2015 VW Passat 2015 Audi A3	Stage 1 Modification: October 14, 2016  Stage 2 Modification: October 30, 2017

Updates to Settlement Class Members will be made available by mail, e-mail and at [www.VWCanadaSettlement.ca](http://www.VWCanadaSettlement.ca) to keep them apprised of the process and of the availability of Approved Emissions Modifications. Notifications of Approved Emissions Modifications will include a clear and accurate disclosure regarding all of their effects that may be reasonably important to customers.

The Approved Emissions Modification will only be available if a modification of the emissions system for your vehicle is approved by appropriate regulators.

If available, you can choose the Approved Emissions Modification and receive the Approved Emissions Modification Extended Warranty, plus a cash payment based on your Settlement Class Member category (see Question H), with one possible exception. As reflected in the above table, it is anticipated that the Approved Emissions Modification for model year 2015 Eligible Vehicles will require a two-stage modification process. If you have a 2015 Eligible Vehicle, you will receive the first half of your eligible cash payment when you complete the first stage of the Approved Emissions Modification. The remaining one-half will be paid to you, or a subsequent purchaser if ownership of the vehicle changes, when the second stage of the modification is completed. An oil and filter change will also be provided at no charge when the second stage of the modification is completed.

The Approved Emissions Modification Extended Warranty is a transferrable warranty that will apply to all vehicles that receive the Approved Emissions Modification. It will cover all replaced components that are part of the Approved Emissions Modification and any component that reasonably could be impacted by effects of the Approved Emissions Modification, as determined by appropriate regulators.

The Approved Emissions Modification Extended Warranty period will be the greater of:

- In the case of model year 2009 to 2014 Eligible Vehicles, 10 years or 193,000 kilometres from the vehicle's original in-service date, **and** 4 years or 77,000 kilometres from the date and mileage of implementing the Approved Emissions Modification, whichever comes first.

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- In the case of model year 2015 Eligible Vehicles, 10 years or 240,000 kilometres from the vehicle's original in-service date, **and** 4 years or 77,000 kilometres from the date and mileage of implementing the second stage of the Approved Emissions Modification, whichever comes first.

The original in-service date is the date that an Eligible Vehicle was originally leased or sold to a retail customer.

**Q. WHAT IS THE DIFFERENCE BETWEEN THE APPROVED EMISSIONS MODIFICATION AND A RECALL?**

The Approved Emissions Modification is the modification of your vehicle's emissions system. Before or during the settlement program, you may receive a notice of Recall to implement the Approved Emissions Modification in Canada.

A Recall will entitle owners and lessees in Canada subject to the Recall to receive the Approved Emissions Modification and Approved Emissions Modification Extended Warranty, but will not provide for benefits under the Settlement.

If you receive a notice of Recall, you can participate in the Settlement if you are eligible and choose any benefit that is available to you. If you receive the Approved Emissions Modification through a Recall, you remain eligible to receive the following benefits under the Settlement:

- If you receive the Approved Emissions Modification through a Recall **before the settlement program begins**, there will be no impact on the benefits to which you may be entitled based on your Settlement Class Member category (see Question H);
- If you receive the Approved Emissions Modification through a Recall **during the settlement program** and before making a claim under the Settlement, you will be eligible to receive the cash payment based on your Settlement Class Member category (see Question H), plus any additional stages of the modification for your vehicle.

**R. WHAT IF THERE IS NO APPROVED EMISSIONS MODIFICATION FOR MY CAR?**

It is possible that there may be Approved Emissions Modifications for some Eligible Vehicles, but not for others. If an Approved Emissions Modification is not yet available for your vehicle, you can wait to see whether an Approved Emissions Modification becomes available or choose any other benefit that is available to you.

If you are an Eligible Owner, in the event that there is no Approved Emissions Modification for your vehicle by **June 15, 2017**, you may become eligible for a loan forgiveness payment if you choose a Buyback or Trade-In. If loan forgiveness is available, and if you

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have a loan on your vehicle that exceeds the sum of your vehicle's Vehicle Value and cash payment (see Questions J and K), you will qualify for a loan forgiveness payment up to a maximum of 30% of this sum, payable towards satisfaction of the loan, with certain exceptions set forth in the Settlement Agreement. If the loan forgiveness payment is not sufficient to satisfy the loan, you must arrange to resolve any remaining balance in order to receive a Buyback or Trade-In.

In the event that there is no Approved Emissions Modification, or any stage of the Approved Emissions Modification, for a particular vehicle by **June 15, 2018**, Settlement Class Members who own or lease such vehicles will have an opportunity to opt out of the Settlement during the period from June 15, 2018 through August 15, 2018, if they have not already made a claim or received benefits under the Settlement. If you are a Settlement Class Member who owns or leases such a vehicle and you remain in the Settlement, you can:

- if you are an Eligible Owner, choose between the Buyback and Trade-In options and receive your unclaimed cash payment (see Question H at Table A). Loan forgiveness will, where applicable, be available toward satisfaction of loans on your vehicle;
- if you are an Eligible Purchaser or an Eligible Lessee who purchased your vehicle at lease-end, choose a Buyback or Trade-In and receive your unclaimed cash payment based on your Settlement Class Member category (see Question H). To receive a Buyback or Trade-In, you must arrange to resolve any outstanding loans on your vehicle and unpaid Québec traffic tickets and fines before it is surrendered. Loan forgiveness will, where applicable, be available toward satisfaction of loans on your vehicle; or
- if you are an Eligible Lessee and continue to be in your lease at that time, select an Early Lease Termination and receive your unclaimed cash payment (see Question H at Table D, column A).

## SETTLEMENT PROCESS QUESTIONS

### **S. IF I AM A SETTLEMENT CLASS MEMBER, WHAT RIGHTS AM I GIVING UP?**

A settlement is an agreement to resolve legal claims, and usually involves compromises by both sides. Settlements end all or part of a lawsuit while allowing the parties to avoid the costs and risks of a trial. A settlement also allows the parties to avoid the very significant time delays of litigation.

If the Settlement is approved, you will release Volkswagen from the Class Actions claims. Releasing someone from a claim means giving up the right to sue them. If you do not opt out of the Class Actions (see Question U), you will release Volkswagen from the claims related to the software or auxiliary emission control device in any Eligible Vehicle. You will also release Volkswagen for those claims in respect of any Eligible Vehicles that you

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owned or leased before September 18, 2015 and that you no longer owned or leased on September 18, 2015.

All Settlement Class Members are bound by a general release that will take effect whether they claim benefits or not. Settlement Class Members should be sure to make their claim before the claims submission deadline. You will have until at least September 1, 2018 to submit a claim.

You will have to sign an individual release in order to receive Settlement benefits. If you have more than one Eligible Vehicle, signing the individual release will not prevent you from obtaining benefits in respect of any other Eligible Vehicle during the settlement program.

The above is only a summary of the general release and individual release. The Settlement Agreement sets out and describes these releases, so read them carefully. If you have any questions, you can talk to Class Counsel (see Question W) for free or you can, of course, talk to your own lawyer if you have questions about what this means. The Settlement Agreement is available at [www.VWCanadaSettlement.ca](http://www.VWCanadaSettlement.ca).

**Note: The Settlement does not release Volkswagen for claims of personal injury or wrongful death, or claims relating to 3.0L TDI vehicles.**

## **T. HOW CAN I OBJECT TO THE SETTLEMENT?**

Before objecting, it is recommended that you visit [www.VWCanadaSettlement.ca](http://www.VWCanadaSettlement.ca) to get more information about the Settlement. You can talk to Class Counsel (see Question W) for free or you can, of course, talk to your own lawyer.

If you are a Settlement Class Member and have comments about, or disagree with, any aspect of the Settlement which applies to you, you may express your views to the Courts by submitting a personally signed written objection as provided below. There is also an Objection Form available at [www.VWCanadaSettlement.ca](http://www.VWCanadaSettlement.ca). You may object only if you do not exclude yourself from the Settlement.

Your objection must include:

- Your name, mailing address, telephone number and e-mail address (if applicable);
- The brand, model, model year and VIN of your vehicle;
- A statement that you object to the Settlement;
- The reasons you object to the Settlement, along with any supporting materials;
- Whether you intend to appear in person or through a lawyer at a Settlement approval hearing (see Question V), and if appearing through a lawyer, the name, address, telephone number and e-mail address of your lawyer; and

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- Your signature.

Your objection must be received by no later than **March 4, 2017** at:

Mail or Courier to: Volkswagen Class Action Administration P.O. Box 7071 31 Adelaide Street East Toronto, ON M5C 3H2	E-Mail to: <a href="mailto:vw@ricepoint.com">vw@ricepoint.com</a>
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**DO NOT SEND OBJECTIONS DIRECTLY TO THE COURTS**

**Note: Objecting to the Settlement simply means telling the Courts that you do not like something about the Settlement. Objecting does not disqualify you from making a claim nor does it make you ineligible to receive benefits under the Settlement. You cannot opt out of and also object to the Settlement. If you do both, only your opt-out request will apply and your objection will be considered withdrawn.**

If you send an objection to the Settlement, you do not have to come to Court to talk about it. As long as you submit your written objection on time, the Courts will consider it. Should you wish to speak at a hearing, you must indicate your wish to do so in your written objection. You can hire a lawyer to appear on your behalf at your own expense.

#### **U. HOW CAN I OPT OUT OF THE SETTLEMENT?**

Before excluding yourself by opting out of the Settlement, it is recommended that you visit [www.VWCanadaSettlement.ca](http://www.VWCanadaSettlement.ca) to get more information about the Settlement. You can talk to Class Counsel (see Question W) for free or you can, of course, talk to your own lawyer.

If you do not want to participate in the Settlement or to be bound by it, you must exclude yourself by opting out. If you opt out, you will not be eligible to receive any benefits under the Settlement and you will not be able to object to the Settlement, but you will keep any right you have to separately sue Volkswagen at your own cost.

To opt out, you must submit a personally signed written request as provided below. There is also an Opt-Out Form available at [www.VWCanadaSettlement.ca](http://www.VWCanadaSettlement.ca).

Your opt-out request must include:

- Your name, mailing address, telephone number and e-mail address (if applicable);
- The brand, model, model year and VIN of your vehicle;
- A statement that you wish to be excluded from the Settlement;

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- If you own your vehicle, a copy of the vehicle's registration certificate or bill of sale, and if you lease your vehicle from VCCI, a copy of the lease agreement with VCCI; and
- Your signature.

Your opt-out request must be received by no later than **March 4, 2017** at:

Mail or Courier to: Volkswagen Class Action Administration P.O. Box 7071 31 Adelaide Street East Toronto, ON M5C 3H2	E-Mail to: <a href="mailto:vw@ricepoint.com">vw@ricepoint.com</a>
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**DO NOT SEND OPT-OUT REQUESTS DIRECTLY TO THE COURTS**

Opt Out requests may only be made by a representative on behalf of Settlement Class Members who are minors, incapable persons or deceased. See the Opt-Out section of the Settlement Website [www.VWCanadaSettlement.ca](http://www.VWCanadaSettlement.ca) for information.

Requests that are not personally signed, or that are not received on or before the **March 4, 2017** deadline will be invalid and will not operate to exclude you from the Settlement.

**Note: You cannot opt out of and also object to the Settlement. If you do both, only your opt-out request will apply and your objection will be considered withdrawn. If you opt-out, you are telling the Courts that you do not want to participate in the Settlement. Therefore, you will not be eligible to receive any benefits from the Settlement and you will not be able to object to the Settlement.**

If, in any Canadian province except Québec, you have an action (other than the Class Actions) pending against Volkswagen relating to the same facts underlying the claims being resolved by the Settlement, you must take the above steps if you do not want to participate in the Settlement.

If, in Québec, you have an action (other than the Class Actions) pending against Volkswagen relating to the same facts underlying the claims being resolved by the Settlement, you will be treated as having opted out of the Settlement unless you discontinue the litigation on or before **March 4, 2017**.

If you change your mind after opting-out and wish to participate in the settlement, you may send a request to the VW Class Action Administrator asking to rejoin the Settlement Class as long as it is received by March 4, 2017.

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**V. CAN I ATTEND THE SETTLEMENT APPROVAL HEARINGS?**

Yes. Before determining whether to approve the Settlement, the Courts will hold the following hearings:

- The Ontario Superior Court of Justice will hold a Settlement approval hearing at 130 Queen Street West, Toronto on March 31, 2017; and
- The Superior Court of Québec will hold a Settlement approval hearing in room 2.08 of the Montréal Courthouse on March 22, 2017.

The hearings may move to a different date or time. Visit [www.VWCanadaSettlement.ca](http://www.VWCanadaSettlement.ca) or call the Claims Administrator at 1-888-670-4773 for current information.

At these hearings, the Courts will consider whether the Settlement is fair, reasonable and adequate. Class Counsel will answer any questions the Courts may have about the Settlement. If there are objections, the Courts will consider them at that time. After the hearing, the Courts will decide whether to grant approval to the Settlement. We do not know how long these decisions will take.

You are welcome to attend the hearings at your own expense, but you are not required to attend.

**W. WHO IS MY LAWYER (CLASS COUNSEL)?**

The law firms representing all Settlement Class Members are listed below:

<b>Sutts, Strosberg LLP (Co-Lead Counsel)</b> 600-251 Goyeau St. Windsor, ON N9A 6V4	<b>Siskinds LLP (Co-Lead Counsel)</b> 302-100 Lombard St. Toronto, ON M5C 1M3	<b>Belleau Lapointe LLP (Québec Class Counsel)</b> 306 D'Youville Place (B-10) Montréal, QC H2Y 2B6
<b>Roy O'Connor LLP</b> 2300-200 Front St. W. Toronto, ON M5V 3K2	<b>Koskie Minsky LLP</b> 900-20 Queen St. W., Box 52 Toronto, ON M5H 3R3	<b>Camp Fiorante Matthews Mogerman</b> 400-856 Homer St. Vancouver, BC V6B 2W5
<b>Rochon Genova LLP</b> 900-121 Richmond St. W. Toronto, ON M5H 2K1	<b>McKenzie Lake Lawyers LLP</b> 1800-140 Fullarton St. London, ON N6A 5P2	<b>Branch MacMaster LLP</b> 1410-777 Hornby St. Vancouver, BC V6Z 1S4

You will not be charged for contacting these lawyers. Class Counsel can be reached by telephone at:

- Canadian residents except for Québec: 1-866-881-2292 or 1-844-425-2934; and
- Québec residents and French inquiries: 1-888-987-6701.

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**X. HOW WILL CLASS COUNSEL BE PAID?**

In addition to the Settlement benefits described above, Volkswagen has agreed to pay the legal fees and costs of Class Counsel that are approved by the courts. This means that, if eligible, Settlement Class Members will receive 100% of the compensation described in this Notice and their compensation will not be reduced by legal fees or costs.

**Y. HOW DO I GET MORE INFORMATION?**

This Notice is only a summary of some of the terms of the Settlement. If there is a conflict between this Notice and the Settlement, the Settlement applies.

If you are a non-Volkswagen dealer or a leasing company, your rights could be affected by the Settlement in a manner not described in this Notice. You should consult the Settlement Agreement, which is available at [www.VWCanadaSettlement.ca](http://www.VWCanadaSettlement.ca).

In addition, registration to receive updates about the status of the Settlement, and more detailed information about the options Settlement Class Members may have, is available at [www.VWCanadaSettlement.ca](http://www.VWCanadaSettlement.ca) and by calling the Claims Administrator at 1-888-670-4773.