

Joint Press Release

FOR IMMEDIATE RELEASE

VOLKSWAGEN AND CONSUMER CLASS CONFIRM AGREEMENT IN CANADA INVOLVING 3.0L DIESEL VEHICLES

- Proposed nationwide class settlement in Canada provides benefits for approximately 20,000 3.0L Volkswagen, Audi and Porsche diesel vehicles.
- Cash payments available to owners and lessees of affected model year 2013-2016 vehicles who receive the recall for an emissions repair to bring their vehicle into full compliance with originally certified emissions standards.
- Cash payments also available to owners and lessees of affected model year 2009-2012 vehicles, as well as additional options that include buyback, trade-in, early lease termination or, if approved by the U.S. EPA and available by recall in Canada, a modification to reduce emissions.

Ajax, ON; Toronto, ON; Montreal, QC – January 12, 2018 – Volkswagen and Canadian class counsel today confirmed their agreement to resolve consumer claims in Canada regarding approximately 20,000 affected 3.0L diesel vehicles, subject to court approval. The full agreement and summaries of its terms are available as of today at www.VWCanadaSettlement.ca. As noted in last month’s announcement of the agreement, the proposed settlement provides for cash payments and other benefits to eligible 3.0L diesel owners and lessees. It has a total value of up to CAD \$290.5 million.

This result was reached by Volkswagen and Canadian class counsel in consultation with the Commissioner of Competition in Canada. In addition, Volkswagen Group Canada has agreed with the Commissioner to resolve related civil consumer protection concerns with the agreed benefits in the proposed class settlement, as well as with a CAD \$2.5 million civil penalty.

“This is an important milestone towards making things right for all of our customers with affected diesel vehicles in Canada,” said Daniel Weissland, President and CEO of Volkswagen Group Canada. “We are making good progress with our 2.0L settlement program and continue to dedicate substantial resources to ensure that the process runs as smoothly as possible. We thank our 3.0L customers for their continued patience as a settlement for their vehicles moves towards approval and all parties for their constructive efforts in achieving this agreement.”

“We’re pleased and proud to have been able to achieve such an excellent result for Class Members,” said Reidar Mogerman, a partner at Camp Fiorante Matthews Mogerman LLP and co-lead counsel for Settlement Class Members in Canada outside of Québec.

His fellow co-lead counsel, Michael Peerless, a partner at McKenzie Lake Lawyers LLP, added that, “The defendants should be commended for dealing with this issue in a fair and considered manner. This settlement will bring finality for the 3.0L Settlement Class Members who have patiently awaited this conclusion.”

Sylvie De Bellefeuille, Legal Advisor at Option consommateurs, the Representative Plaintiff for the Volkswagen and Audi Québec Settlement Class, said that “This settlement is a great outcome for Canadian consumers and we hope it sends a strong message towards the industry. We thank our lawyers, Belleau Lapointe, for their excellent work.”

David Assor, a lawyer from Lex Group Inc., representing Porsche Québec Settlement Class Members, added that, “We are very pleased with the value and benefits that the settlement will offer to our clients – the Porsche Cayenne Diesel owners and lessees in Québec.”

Proposed 3.0L Settlement Program in Canada

The proposed nationwide 3.0L settlement is subject to approval by both the Ontario and Québec courts. Approval hearings will take place in April 2018 before the Ontario Superior Court of Justice in Toronto and the Superior Court of Québec in Montreal.

If approved, the 3.0L settlement program in Canada will include the following benefits:

Model Year 2013-2016 Volkswagen, Audi and Porsche 3.0L Diesel Vehicles

- Cash payments to approximately 15,000 owners and lessees of model year 2013-2016 Volkswagen, Audi and Porsche 3.0L diesel vehicles (so-called Generation Two vehicles) who receive the recall for an emissions repair to bring their vehicle into full compliance with originally certified emissions standards, as well as an extended emissions warranty.

Model Year 2009-2012 Volkswagen and Audi 3.0L Diesel Vehicles

- Cash payments to approximately 5,000 owners and lessees of model year 2009-2012 Volkswagen and Audi 3.0L diesel vehicles (so-called Generation One vehicles).
- Eligible owners and lessees of Generation One vehicles can also choose to sell their vehicle to Volkswagen (the buyback option) or terminate their lease without penalty, or, if a modification to reduce emissions is approved by the U.S. EPA and available by recall in Canada, choose to keep their vehicle and have it modified at no charge and receive an extended emissions warranty.
- Eligible owners can also choose to trade in their Generation One vehicle and receive a trade-in credit towards the purchase of a new or used Volkswagen or Audi vehicle from a Volkswagen or Audi dealership in Canada.

Current and former Canadian and U.S. drivers of 3.0L diesel vehicles that were first sold or leased in Canada may be Settlement Class Members eligible for benefits. These owners and lessees may begin to take steps to determine their eligibility for benefits under the proposed Canadian 3.0L settlement by visiting the “Check My Eligibility” and “Vehicle Look-Up” sections

at www.VWCanadaSettlement.ca, or by calling 1-888-670-4773 for assistance with these steps. In addition, starting on or around January 17, 2018, notices summarizing the terms of the proposed 3.0L settlement will be published online, in newspapers, and sent to potential Settlement Class Members. Please note that owners who sell their vehicle on or after January 17, 2018 will lose any benefits for which they are eligible.

Current and former owners and lessees who wish to make a claim for benefits under the 3.0L settlement do not need to take any action at this time. The period to submit a claim will not begin until after the proposed settlement receives approval by the Courts.

However, owners and lessees in possession of a Generation Two (model year 2013-2016) vehicle do not need to wait to receive the emissions repair that has already been approved by the U.S. EPA. Notice is being provided when recalls for those repairs launch in Canada and are available at authorized Volkswagen, Audi and Porsche dealerships. Owners and lessees who choose to receive this emissions repair before the 3.0L claims program begins will not lose any right to an eligible cash payment under the proposed settlement.

More detailed information about the options available to Settlement Class Members is available at www.VWCanadaSettlement.ca.

Notes to Editors:

The following 3.0L diesel engine vehicles are included in the proposed settlement program:

Generation One Vehicles

Brand / Diesel Model	Model Years
Volkswagen Touareg	2009-2012
Audi Q7	2009-2012

Generation Two Vehicles

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

Amounts for legal fees and expenses of class counsel that are subject to approval by the Courts will be paid by Volkswagen and will not reduce the benefits available to Settlement Class Members.

By its terms, the proposed 3.0L settlement is not intended to apply to or affect Volkswagen’s obligations under the laws or regulations of any jurisdiction outside Canada. Emission regulations and vehicle standards vary from country to country. Regulations governing nitrogen oxide (NOx) emissions limits for vehicles in Canada and the United States are stricter than those in other parts of the world and diesel engine variants also differ significantly.

About Volkswagen Group Canada Inc.:

Founded in 1952, Volkswagen Group Canada Inc. is headquartered in Ajax, Ontario, and the largest volume European automotive nameplate in Canada. It is a subsidiary of Volkswagen AG, headquartered in Wolfsburg, Germany. Volkswagen is one of the world's largest producers of passenger cars and is Europe's largest automaker.

About Option consommateurs:

Option consommateurs is a not-for-profit organization whose mission is to promote and defend the rights and interests of consumers. Amongst other tools to achieve its goals, Option consommateurs undertakes class actions. Option consommateurs is interested in various issues, namely business practices, financial services, energy, agro food and health.

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