

Schedule I

**Claims Program
and
Administration**

In this Schedule, Volkswagen, Audi and Porsche Authorized Dealers are referred to as “Dealerships”. Claimants will be able to choose the Dealership where they wish to attend for any of the processes described below, subject to their eligibility, their preferred Dealership’s availability and the following requirements:

- *Vehicles must be surrendered, or receive an Approved Emissions Modification through a Recall, at a Dealership located in Canada, unless the Eligible Claimant is located in the U.S., in which case they can receive a Buyback, an Approved Emissions Modification, or a Surrender For Inoperability from an authorized Dealership located in the U.S.*
- *Claimants must choose a Dealership of the same brand as their Eligible Vehicle, except in the case of a Buyback With Trade-In. A Buyback With Trade-In should take place at the Dealership from which the replacement new or used VW or Audi vehicle is being purchased, even if the Eligible Vehicle being surrendered is of a different brand.*

Unless otherwise provided in this Schedule, capitalized terms have the meanings set forth in the Settlement Agreement.

SCHEDULE “I”

CLAIMS PROGRAM AND ADMINISTRATION

The Claims Process. Unless the Claims Period is extended in accordance with the Settlement Agreement, Claimants will have until May 31, 2019 to submit a complete and valid Claim pursuant to the Settlement Agreement (the “Settlement”) and, if eligible, until August 31, 2019 to obtain their chosen benefit (the “Claims Process”).

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

- At **Step 1**, based on information they provide online or by telephone, a Claimant will obtain information about their available benefits. During the Claims Process, Claimants can proceed at their chosen pace. For example, if a Claimant is certain of the benefit they wish to select, they can immediately proceed to submitting the required documentation in Step 2 below. If a Claimant wishes to take time to consider their options further before proceeding, they can pause the Claims Process at Step 1, with the understanding that they will have until May 31, 2019 to submit a complete and valid Claim and, if eligible, until August 31, 2019 to obtain their chosen benefit.
- At **Step 2**, once a Claimant is ready to proceed with the Claims Process, the Claimant will submit a Claim Form that contains certain information about his or her vehicle along with required documentation, which varies depending on the benefit selected. Because the benefits require different documentation to be submitted, the Claim Form will prompt the Claimant to make a benefit selection that can later be changed.

- At **Step 3**, the Claims Administrator will obtain information about the Claimant's outstanding Loan Obligation (if and as applicable), verify the documents sent by the Claimant, separately audit such documents using a process approved by VW and Lead Class Counsel, and determine the Claimant's eligibility or ineligibility to participate in the Settlement. Claimants who are determined to be eligible are Eligible Claimants.
- At **Step 4**, an offer that details the benefit chosen by the Eligible Claimant will be generated by the Claims Portal and verified by the Claims Administrator, which will also separately audit such offer using a process approved by VW and Lead Class Counsel. The offer will be delivered to the Eligible Claimant by the Claims Administrator. The offer will be conditional in the case of a Buyback or Buyback With Trade-In.
- At **Step 5**, the Eligible Claimant will confirm their benefit selection by accepting the offer, execute an Individual Release, and, if necessary, schedule an appointment at their preferred Dealership. In the case of a Buyback or Buyback With Trade-In, an Eligible Claimant will have the Pre-Surrender Confirmation Call and receive an adjustment to their conditional offer if applicable.
- At **Step 6**, the Eligible Claimant will obtain their benefit.

Details about the Steps of the Claims Process

STEP 1: Obtaining Information about Available Benefits

As part of the Claims Process, Claimants will receive information about the benefits that may be available to them. This information will remain available throughout the Claims Period on the Settlement Website and through the Settlement Phone Number. Claimants can take their time to consider that information. They will have until May 31, 2019 to submit a complete and valid Claim and, if eligible, until August 31, 2019 to obtain their benefit.

- a) **Obtaining Information Electronically Via the Settlement Website (Preferred).** Claimants who wish to receive general information may visit the Settlement Website during the Claims Period to receive updates.

Online Claim registration, which is expected to make the process of submitting a Claim easier and faster, will also be available via the Settlement Website and may require the Claimant to provide the Claims Administrator with information and documentation to (a) verify their identity, (b) establish their eligibility to participate in the Claims Program, and (c) enable the Claims Portal to generate an estimate of their settlement benefits. The information may include:

- (i) Claimant's name
- (ii) Contact information, including email, mailing address, and

- phone number
- (iii) Vehicle registration information or other proof of ownership
- (iv) Vehicle Identification Number (VIN)
- (v) Vehicle mileage (if the Claimant is a current owner/lessee of a Generation One vehicle)
- (vi) Information regarding any outstanding vehicle financing or lease information and documentation including term of lease and lease payments, as applicable (if the Claimant is a current owner/lessee)
- (vii) Estimated monthly mileage and estimated surrender date (if the Claimant owns a Generation One vehicle).

Confirmation of the Claimant's Online Claim registration will be sent by email by the Claims Administrator as soon as the first registration step is completed. After the Claimant has registered and provided the required information, an individualized preliminary non-binding summary of benefits and estimated amounts that may be available for that Claimant according to the information provided will be generated by the Claims Portal (the "Summary of Benefits"). The Claimant may pause to consider his or her options or continue with submitting a Claim. Claimants should bear in mind the May 31, 2019 deadline to submit a complete and valid Claim and, if eligible, the August 31, 2019 deadline to obtain their chosen benefit.

Obtaining Information over the Phone. Claimants may also obtain information about their available benefits over the phone by calling the Claims Administrator at 1-888-670-4773. Claimants who wish to learn about their available benefits over the phone will need to provide the same information that is required to be provided through the Settlement Website.

STEP 2: Submitting a Claim

The next step is to formally submit a Claim. At this step, Claimants will provide to the Claims Administrator additional information and documentation based on the choice of benefits presented. Dealerships shall not influence a Claimant's choice of benefit. Claimants have two different options for submitting a Claim to participate in the Settlement: online via the Settlement Website or by mail. Claimants who submit a Claim online will receive a "Claim Number" by email once their initial submission has been processed. Claimants who submit a Claim Form by mail will receive a Claim Number by mail once their Claim Form is received and their initial submission has been processed.

- a) Claimants have Two Options for Submitting a Claim.
- i. **Option One (Preferred) – Submit a Claim Electronically.** Claimants who have registered online may submit an online Claim Form to the Claims Administrator. To do so, the Claimant will upload required information and documentation based on their benefit selection. Documentation required may include (if applicable) a driver's license or other government-issued photo identification, the dates that the Claimant owned or leased their vehicle, current vehicle registration and financial consent forms. Additional documentation may be required to verify eligibility depending on the nature of the Claim. Confirmation that all necessary documentation in support of the Claimant's Claim has been received will be sent by email by the Claims Administrator to a Claimant who submits a Claim electronically. Claimants who submit a Claim electronically will be able to ascertain what documents are missing by consulting the Claims Portal.
 - ii. **Option Two – Submit a Claim by Mail.** Claimants may submit a Claim to the Claims Administrator by completing a paper Claim Form and submitting it by mail along with all required documentation. The paper Claim Form will require the same information and documentation as the online Claim Form.

Special Circumstances. Different and additional documentation may be required to establish eligibility for Claimants in special circumstances including, but not limited to, military or government personnel continuing to serve overseas at the time of submitting a claim, decedent estates or any issues arising with respect to liens, bankruptcy and stolen vehicles.

STEP 3: Verification

Outstanding Loan Balance (Buyback, Buyback With Trade-In and Surrender For Inoperability only). If the Claimant has selected a Buyback, Buyback With Trade-In or Surrender For Inoperability, and their vehicle is subject to a Loan Obligation, the Claims Administrator will contact the lender to receive the loan balance and payoff instructions. In some cases, the accountholder, who is typically the Claimant, may need to assist the Claims Administrator in determining the loan information and payoff instructions. The Claims Administrator will notify the Claimant if the accountholder's assistance is required.

Document Review. The Claims Administrator will review the Claim Form, verify the documents sent by the Claimant for completeness and adequacy, and perform an audit to determine whether there are any issues or deficiency in the Claimant's documents or information. If an issue or deficiency is identified with the Claimant's documents or information, or additional information is needed to confirm the Claimant's eligibility, the Claimant will be notified by the Claims Administrator that additional document(s) and/or information is needed.

Eligibility Determination. Based on information and documents collected from Claimants, a determination will be made by the Claims Administrator about the Claimant's eligibility (or ineligibility) to participate in the Settlement. Once a Claimant's eligibility is verified, the Claimant becomes an Eligible Claimant. Claimants who are not deemed eligible to receive benefits will be sent a decision in writing by the Claims Administrator within 15 days of the determination being made.

STEP 4: Offer

An offer will be generated by the Claims Portal, in accordance with the objective criteria set out in the Settlement Agreement, and will be verified by the Claims Administrator, which will also separately audit the offer using a process approved by VW and Lead Class Counsel. The offer will be conditional in the case of a Buyback or Buyback With Trade-In. The offer will include (a) in relation to Claims for a Buyback or Buyback With Trade-In of a Generation One Eligible Vehicle, the Eligible Claimant's Vehicle Value, Fair Market Value, Damages Payment, Outstanding Loan Amount and Loan Forgiveness amount, as applicable, (b) in relation to Claims for a Surrender For Inoperability, the Eligible Claimant's Damages Payment or Repair Payment and Outstanding Loan Amount, as applicable, (c) in relation to Claims for an Early Lease Termination, the Eligible Claimant's Damages Payment, with the understanding that the Eligible Claimant remains responsible for any amounts owed per the terms of their Lease Agreement, including any fees for excess mileage, wear and tear and any late lease payments, and (d) in relation to all other Claims, the Eligible Claimant's Damages Payment or Repair Payment, as applicable. Once verified and audited, the offer will be sent by the Claims Administrator to the Eligible Claimant. Eligible Claimants who submit a Claim online will be notified by email that their offer is available online and, if they so choose, will receive their offer by email. Eligible Claimants who submit a Claim by mail will receive their notification and offer by mail or, if they so choose, by email.

If an Eligible Claimant is in possession of their Generation One Eligible Vehicle, the Claims Administrator will deliver to the Eligible Claimant a voucher for one AdBlue[®] refill and one oil change (including engine oil, engine oil filter, and associated labor) with delivery of an offer to the Eligible Claimant. The voucher will be redeemable for that Eligible Vehicle at a Dealership of the same brand as the Eligible Vehicle. An Eligible Claimant who surrenders their Generation One Eligible Vehicle prior to redeeming the voucher will no longer be entitled to that AdBlue[®] refill and oil change.

STEP 5: Acceptance of Offer and Scheduling Appointments

Accepting the Offer or Selecting a Different Benefit. Once an offer is made, Eligible Claimants may confirm their choice to the Claims Administrator and accept the offer online (if they submit their Claim online) or by submitting a paper acceptance form (if they submit their Claim by mail). They will need to provide the Claims Administrator with an executed Individual Release at the time they accept the offer. The offer will state clearly that the Individual Release does not become effective until the benefit/payment is received by the Eligible Claimant.

If a conditional offer is made, Eligible Claimants may defer final selection of their chosen benefit or select a different benefit, if available. Eligible Claimants will have the ability to change their benefit selection until Step 5 is completed, even if they have accepted their conditional offer. Changing benefit options will affect the timing of any benefit received and may require the Eligible Claimant to resubmit documentation and information and/or submit additional documentation to the Claims Administrator to verify eligibility to receive the alternative benefit.

As noted previously, the deadline for submitting a complete and valid claim to the Claims Administrator is **May 31, 2019** and for obtaining a chosen benefit is **August 31, 2019**.

Scheduling. For Eligible Claimants in possession of an Eligible Vehicle, a visit to a Dealership will be required to obtain their chosen benefit under the Settlement, unless a Recall for an Approved Emissions Modification has already been completed. Appointments for a Buyback, Buyback With Trade-In, Surrender For Inoperability, or Approved Emissions Modification (where available) will be arranged as expeditiously as possible but, in any event, appointments within 90 days of an Eligible Claimant's acceptance of an offer will be offered. Appointments for an Early Lease Termination will also be arranged as expeditiously as possible but, in any event, appointments within 45-60 days of acceptance will be offered. When an appointment to obtain the selected benefit becomes available, the Eligible Claimant will be notified by email and/or mail, depending on the Eligible Claimant's stated preference. The Eligible Claimant may then schedule an appointment online or directly over the phone at 1-888-670-4773, and, in the case of an Approved Emissions Modification, directly with their preferred Dealership.

- a) **Pre-Surrender Confirmation Call.** To determine their Vehicle Value and Fair Market Value (if applicable), Eligible Claimants choosing a Buyback or Buyback With Trade-In must provide the Claims Administrator with confirmation of their vehicle's then current mileage no more than 20 days before surrendering their vehicle to a Dealership. The Claims Administrator will contact Eligible Claimants by telephone at a time agreed upon, and Eligible Claimants must make themselves available to receive the telephone call and provide the required confirmation. The Claims Administrator will advise Claimants that an updated offer will be prepared and give them information on how it will be communicated to them. If the mileage confirmation is not provided by Eligible Claimants despite reasonable efforts by the Claims Administrator, Eligible Claimants will be required to book a new appointment based on Dealership availability through the Claims Portal or by telephone at 1-888-670-4773. Such changes will affect how quickly their Claim can be completed.

- b) **Offer Adjustments.** In the case of a Buyback and Buyback With Trade-In, after the Pre-Surrender Confirmation Call, an updated offer will be generated by the Claims Portal, which will either confirm or adjust the conditional offer amount. The Claims Administrator will verify and separately audit the updated offer in a timely manner so that it can be presented to the Eligible Claimant as soon as possible after the Pre-Surrender Confirmation Call. Eligible Claimants who submitted a Claim online will be notified by email that their updated offer is available online and, if they so choose, will receive their updated offer by email. Eligible Claimants who submitted a Claim by mail may receive their updated offer by contacting the Claims Administrator at 1-888-670-4773.
- c) **Buyback, Buyback With Trade-In, Surrender For Inoperability and Early Lease Termination Scheduling.** Although the Buyback, Buyback With Trade-In, Surrender For Inoperability and Early Lease Termination will take place at a Dealership, the appointments must be scheduled with the Claims Administrator either online through the Claims Portal or via phone at 1-888-670-4773 in order to ensure that appointments are coordinated properly with Dealerships. Dealerships will not be able to schedule appointments directly with Eligible Claimants for a Buyback, Buyback With Trade-In, Surrender For Inoperability or Early Lease Termination.
- d) **Approved Emissions Modification Scheduling.** In the case of an Emissions Compliant Repair and Reduced Emissions Modification (collectively, the “Approved Emissions Modifications”), appointments must be scheduled by the Eligible Claimant directly with a Dealership of the same brand as their Eligible Vehicle in order to ensure the availability of service department staff. If the Approved Emissions Modification has not yet been completed at the time of accepting their offer, Eligible Claimants can call their preferred Dealership directly to set up an appointment.

STEP 6: Obtaining a Benefit

An Eligible Claimant will complete their Claim and receive their benefit in accordance with the Settlement Agreement.

- a) **Buyback, Surrender For Inoperability or Early Lease Termination.** On the appointed day, an Eligible Claimant will meet with a VW/Audi representative at a Dealership to complete the Buyback, Surrender For Inoperability or Early Lease Termination. The representative will verify the identity of the Eligible Claimant and Eligible Vehicle, confirm the then current mileage of the Eligible Vehicle (if applicable), collect necessary or outstanding documentation, take possession of the Eligible Vehicle and, subject to Schedule “B” (Mileage Allowance), deliver payment to the Eligible Claimant (and trigger payment to the lender(s), if applicable and directed in writing by the Eligible Claimant).

- b) **Buyback With Trade-In.** Completion of the Buyback With Trade-In will require, among other things, the following steps to take place: (i) communicate with the Dealership to consider a replacement vehicle; (ii) finalize the Buyback With Trade-In decision online or by mail; and (iii) schedule the Buyback With Trade-In appointment with the Claims Administrator online through the Claims Portal or via phone at 1-888-670-4773. Upon attendance at the Dealership for the Buyback With Trade-In appointment, the Dealership will verify the identity of the Eligible Claimant and Eligible Vehicle, confirm the then current mileage of the Eligible Vehicle, collect necessary or outstanding documentation, and, subject to Schedule "B", accept the trade-in of the Eligible Vehicle at its Fair Market Value, apply the Fair Market Value towards the purchase of a replacement vehicle, deliver payment to the Eligible Claimant if applicable of any amount due (and trigger payment to the lender(s), if applicable and directed in writing by the Eligible Claimant).
- c) **Loan Obligations.** In the case of a Buyback, Buyback With Trade-In and Surrender For Inoperability, if the Eligible Vehicle is under a Loan Obligation, it will be the responsibility of the Eligible Claimant to ensure the vehicle's title is clear of any and all liens or security registrations. It is also the Eligible Claimant's responsibility to ensure that any unpaid Québec traffic tickets and fines are resolved. VW will be authorized to communicate with the Eligible Claimant's bank in advance of a Buyback, Buyback With Trade-In or Surrender For Inoperability, pursuant to a written consent form executed by the Eligible Claimant, to collect all information that may be required to confirm the title is clear or can be cleared through the Claims Process, and arrange payment to the lender(s), if applicable and directed in writing by the Eligible Claimant.
- d) **Reimbursement of Unused Warranties.** An Eligible Claimant who has completed a Buyback or Buyback With Trade-In may submit a claim to receive a reimbursement of the unused and otherwise nonrefundable portions of the purchase price of the following extended vehicle warranties and/or vehicle service contract or plans purchased from VW or Audi Dealerships located in Canada prior to January 17, 2018, including any termination fees: (i) mechanical breakdown protection contracts, and (ii) Audi Care Prepaid Maintenance contracts (the "Extended Vehicle Warranties"). The reimbursement, if any, shall be prorated to account for any unused months (if the Extended Vehicle Warranty is time-based), service/maintenance events (if the Extended Vehicle Warranty is based on service events), or mileage (if the Extended Vehicle Warranty is mileage-based), as applicable. VW will not be required to make any payments to Eligible Claimants that will result in them receiving double recovery of any portion of the purchase price of any Extended Vehicle Warranty. Eligible Claimants seeking a pro-rated refund of Extended Vehicle Warranties must submit a complete and valid claim within 90 days after the Buyback or Buyback With Trade-In is completed,

unless the Buyback or Buyback With Trade-In occurs after the Claims Submission Deadline, in which case within 60 days after the Buyback or Buyback With Trade-In is completed.

Claims for reimbursement of an Extended Vehicle Warranty from Volkswagen Canada or Audi Canada will be validated by VW, the Claims Administrator, or a third-party claims validator designated by VW. (If VW chooses to act as the claims validator or if it designates a third-party claims validator other than the Claims Administrator, the claims validator will be approved by the Courts if requested by Lead Class Counsel.) For any Extended Vehicle Warranty not from Volkswagen Canada or Audi Canada, the Eligible Claimant will need to contact their warranty provider to receive a validated refund analysis, which must be submitted with their claim for reimbursement. In addition, in the case of an Extended Vehicle Warranty not from Volkswagen Canada or Audi Canada, the Eligible Claimant must follow the procedures laid out in their contract to obtain a refund of any portion of the Extended Vehicle Warranty that is refundable thereunder.

- e) **Reduced Emissions Modification.** All Reduced Emissions Modifications will be received through a Recall. An Eligible Claimant receiving the Reduced Emissions Modification will bring their Generation One Eligible Vehicle to their preferred Dealership to obtain the modification (either before, during or after submission of a Claim). In accordance with Recall procedures, if the Reduced Emissions Modification is scheduled to last longer than three hours, a loaner vehicle will be made available at no cost. After completing the Reduced Emissions Modification, the Eligible Claimant will receive an Extended Emissions Warranty through the Recall. In addition, upon completion of the Reduced Emissions Modification and the Claims Administrator's receipt of the Eligible Claimant's accepted offer (including the Individual Release), payment of the Damages Payment will be triggered.
- f) **Emissions Compliant Repair.** All Emissions Compliant Repairs will be received through a Recall. An Eligible Claimant receiving the Emissions Compliant Repair will bring their Generation Two Eligible Vehicle to their preferred Dealership to obtain the repair (either before, during or after submission of a Claim). In accordance with Recall procedures, if the Emissions Compliant Repair is scheduled to last longer than three hours, a loaner vehicle will be made available at no cost. After completing the Emissions Compliant Repair, the Eligible Claimant will receive an Extended Emissions Warranty through the Recall. In addition, upon completion of the Emissions Compliant Repair and the Claims Administrator's receipt of the Eligible Claimant's accepted offer (including the Individual Release), payment of the Repair Payment will be triggered.
- g) **Payments.** Payments of settlement benefits will be made by cheque.

- h) **Cheque.** For an Eligible Claimant who does not require a Dealership appointment to receive their benefit, a cheque will be sent by mail within 15 days of accepting an offer and executing and submitting an Individual Release.

For an Eligible Claimant who opts for a Buyback, Buyback With Trade-In, Surrender For Inoperability or Early Lease Termination, a cheque will be available at the Dealership, subject to Schedule B. If a lower payment is applicable, no cheque will be delivered and the Eligible Claimant will be required to book a new appointment based on Dealership availability through the Claims Portal or by phone at 1-888-670-4773. Alternatively, instead of booking another appointment, an Eligible Claimant who has elected the Buyback may surrender their Eligible Vehicle to the Dealership, obtain a receipt confirming the surrender of their vehicle, and receive their cheque by mail within 15 days.

A Recall for the Emissions Compliant Repair or, if approved, Reduced Emissions Modification can be obtained before, during or after submission of a Claim. In the case of both of those Approved Emissions Modifications, a cheque for the applicable Repair Payment or Damages Payment will be mailed within 15 days of the occurrence of both the completion of the Approved Emissions Modification and the Claims Administrator's receipt of the Eligible Claimant's accepted offer (including the Individual Release).

i) **Release and Receipt.**

- i. **Release.** All Eligible Claimants are required to execute an Individual Release in exchange for receipt of benefits/payment under the Settlement. The Individual Release will not become effective until the benefits/payment are received by the Eligible Claimant.
- ii. **Receipt.** An Eligible Claimant will be issued a receipt at the final stage of receiving a benefit under the Settlement, indicating the details of their benefit, which may include verification that they surrendered their Eligible Vehicle or received an Approved Emissions Modification, the applicable Vehicle Value in the case of a Buyback and Buyback With Trade-In, the Fair Market Value applied in the case of a Buyback With Trade-In, and identification of the amount of any benefits and Loan Forgiveness paid directly to the Eligible Claimant's lender.

Contested Claims. If a Claimant contests a decision made about their eligibility or about whether their benefit was accurately calculated, that Claimant may in certain circumstances appeal the decision. For more information, visit www.VWCanadaSettlement.ca or call the Claims Administrator at 1-888-670-4773.

Claim Period. Unless the Claims Period is extended in accordance with the Settlement Agreement, Claimants will have until May 31, 2019 to submit a complete

and valid Claim, including all information and documentation necessary to establish eligibility, and, if eligible, until August 31, 2019 to accept an offer and, if necessary, visit a Dealership to obtain their benefit.