

Exhibit 1A

Settlement Benefits for 3.0-Liter Class Members with Generation One Vehicles (Model Years 2009-2012)

SETTLEMENT BENEFITS FOR 3.0-LITER CLASS MEMBERS WITH GENERATION ONE VEHICLES

Introduction. As described more fully below, this Exhibit sets out how Class Members who own, owned, lease, or leased a Generation One vehicle will be compensated under the 3.0-liter Class Action Settlement Program. **The only Generation One vehicles are model year 2009-2012 Audis and Volkswagens.** Benefits pursuant to the 3.0-liter Class Action Settlement Program are available only to Class Members who do not opt out of the Class. All defined terms in this document have the meanings ascribed to them in the 3.0-liter Class Action Agreement.

A. Options for Owners and Lessees of Generation One Vehicles

1. Eligible Owners shall be offered a choice among three options: (1) a Buyback plus Owner Restitution, including Loan Forgiveness as set forth in paragraph 21 below; (2) a Trade-In plus Owner Restitution, including Loan Forgiveness as set forth in paragraph 23 below; or (3) if available, a Reduced Emissions Modification plus Owner Restitution.
2. Class Members whose vehicles (i) are damaged after January 31, 2017 in a manner that renders them a total loss (*i.e.*, “totaled”), and (ii) are transferred to an insurance company or otherwise permanently removed from commerce, and who otherwise qualify as Eligible Owners, shall be offered Owner Restitution only, and not a Buyback, Trade-In, or Reduced Emissions Modification.
3. Eligible Lessees who held a lease of a Generation One Eligible Vehicle on September 18, 2015 and/or November 2, 2015, and continue to hold that lease, shall be offered the choice between (1) a Lease Termination plus Lessee Restitution; or (2) a Reduced Emissions Modification plus Lessee Restitution.
4. Eligible Lessees who return or have returned their Eligible Vehicle at the conclusion of the lease and Eligible Former Lessees shall be offered Lessee Restitution.
5. Eligible Lessees who obtained ownership of their previously leased Eligible Vehicle after January 31, 2017, and who still own their Eligible Vehicle when they participate in the 3.0-liter Class Action Settlement Program, shall be offered a Reduced Emissions Modification and Lessee Restitution. A lessee who obtained ownership of his, her, or its previously leased Eligible Vehicle on or before January 31, 2017 and still owns the vehicle when they participate in the 3.0-liter Class Action Settlement Program shall be treated as an Eligible Owner.
6. Eligible Former Owners shall be offered Former Owner Restitution. There may be no more than two Eligible Former Owners for an Eligible Vehicle who will share the Former Owner Restitution amount in equal portions.
7. Former owners of an Eligible Vehicle as of September 18, 2015 and/or November 2, 2015 whose Eligible Vehicles (i) were damaged between September 18, 2015 and January 31, 2017 in a manner that rendered them a total loss (*i.e.*, “totaled”), and (ii) are transferred to an insurance company or otherwise sold to a third party and permanently removed from commerce, shall be treated as Eligible Former Owners and offered Former Owner Restitution.

B. Class Member Benefits for Owners and Lessees of Generation One Vehicles

8. **Benefits for Eligible Owners.** Eligible Owners who choose the **Buyback Option** shall receive the Vehicle Value plus Owner Restitution, as further defined below (together, the “Buyback Amount”). “Vehicle Value” is an amount intended to reflect the market value of the surrendered vehicle, including options and mileage, described in more detail in § C below. Eligible Owners who choose the **Trade-In Option** shall receive the Vehicle Value plus Owner Restitution in the form of a trade-in credit (the “Trade-In Credit”) at a participating Authorized Dealer equal to the Buyback Amount. Eligible Owners who choose the **Reduced Emissions Modification Option** shall receive a Reduced Emissions Modification free of charge and Owner Restitution. An Eligible Owner whose Eligible Vehicle is totaled after January 31, 2017 and transferred to an insurance company or otherwise permanently removed from commerce before the vehicle is surrendered in a Buyback or Trade-In, or receives a Reduced Emissions Modification, shall receive Owner Restitution only, and not the Vehicle Value.

i. **Buyback Compensation.** Owner Restitution is composed of a fixed dollar amount that is the same for all Generation One Eligible Vehicles (the “fixed component”), and a variable dollar amount (the “variable component”).

a) For an Eligible Owner who acquired a new vehicle at any point in time or a used vehicle on or before September 18, 2015, the fixed component is \$5,155.00, and the variable component is: (i) the amount by which Vehicle Clean Retail Value exceeds Vehicle Value; plus (ii) state and average local taxes on the Vehicle Clean Retail Value using the tax table attached to this Exhibit. If Owner Restitution would otherwise be less than \$6,000, the variable component will include an additional amount sufficient to raise Owner Restitution to \$6,000.

b) For an Eligible Owner who acquired a used vehicle after September 18, 2015, Owner Restitution is the same amount described in the immediately preceding paragraph, unless (i) one or more Eligible Former Owners timely file a valid claim related to the same vehicle, or (ii) the Eligible Vehicle was previously leased by someone other than the Eligible Owner and the Eligible Former Lessee timely files a valid claim. In those cases, Owner Restitution will be half the amount described in the immediately preceding paragraph, but no less than the amount necessary to ensure that the Buyback Amount is at least equal to or exceeds Retail Replacement Value as defined in the DOJ 3.0-liter Consent Decree. If potential Eligible Former Owners timely identify themselves or if Volkswagen identifies potential Eligible Former Lessees for a given Eligible Vehicle, the Eligible Owner initially will receive half (50%) of the Owner Restitution that would be due if there were no Eligible Former Owner or Eligible Former Lessee for that vehicle. If all identified potential Eligible Former Owners or Eligible Former Lessees for that vehicle ultimately fail to submit claims or are determined not to have valid claims, the Eligible Owner will be

entitled to an additional amount necessary to raise Owner Restitution to the amount due under paragraph 8(i)(a) above.

Example:

Vehicle ID	100001
Description	2009 Q7 TDI Premium Plus
Vehicle Value	\$22,825 (assumes standard mileage)
Vehicle Clean Retail Value	\$25,550 (assumes standard mileage)
State and Local Tax Rate	Connecticut 6.35%
Tax on Vehicle Clean Retail Value	6.35% of \$25,550 = \$1,622.43
Difference between Vehicle Clean Retail Value and Vehicle Value	\$25,550 - \$22,825 = \$2,725
Owner Restitution	\$5,155.00 [fixed component] + \$4,347.43 [variable component: amount by which Vehicle Clean Retail Value exceeds Vehicle Value (\$2,725), plus tax (\$1,622.43)] + \$0 [amount necessary to bring total Owner Restitution to \$6,000] = \$9,502.43
Buyback Amount	\$22,825 + \$9,502.43 = \$32,327.43
Minimums	Owner Restitution is greater than \$6,000, and the Buyback Amount is greater than Retail Replacement Value, so the minimums are not implicated.

- ii. **Trade-In Compensation.** For an Eligible Owner who selects the Trade-In Option, the Trade-In Credit will be equal to the Buyback Amount. As set forth in paragraph 23 below, the Trade-In Credit will be increased by up to 30% of the Buyback Amount in the event that the Eligible Vehicle is subject to a Loan Obligation in excess of the Buyback Amount. In the event that the Trade-In Credit exceeds the retail transaction price of the newly acquired vehicle (which may include, but is not limited to, vehicle price, accessories, fees, taxes, registration, and other dealer products), the Eligible Owner is entitled to the difference between the transaction price and the Trade-In Credit, in whatever form is negotiated between the Eligible Owner and the Authorized Dealer, including, but not limited to, a check for the remaining amount. All Trade-Ins of a Volkswagen vehicle must be at a participating Volkswagen Authorized Dealer, and all Trade-Ins of an Audi vehicle must be at a participating Audi Authorized Dealer.

- iii. **Reduced Emissions Modification Compensation.** For an Eligible Owner who obtains a Reduced Emissions Modification, the Owner Restitution shall be the same as the Owner Restitution that the Eligible Owner would be entitled to in a Buyback, as described in paragraph 8(i) above. Because Eligible Owners receiving a Reduced Emissions Modification will retain possession of their vehicles, such Eligible Owners will receive Owner Restitution, but not Vehicle Value.
9. **Eligible Lessees and Eligible Former Lessees.** Eligible Lessees who have an active lease and who choose the **Lease Termination Option** shall receive a Lease Termination and Lessee Restitution. Eligible Lessees who have an active lease, or who own the vehicle, and who choose the **Reduced Emissions Modification Option** shall receive a Reduced Emissions Modification free of charge and Lessee Restitution. Eligible Lessees who no longer lease or own the Eligible Vehicle and Eligible Former Lessees shall receive Lessee Restitution only.
- i. Lessee Restitution is composed of a fixed dollar amount that is the same for all leased Generation One Eligible Vehicles (the “fixed component”), and a variable dollar amount (the “variable component”). The fixed component is \$2,577.50. The variable component is one half of: (i) the amount by which Vehicle Clean Retail Value exceeds Vehicle Value, plus (ii) state and average local sales taxes on the Vehicle Clean Retail Value using the tax table attached to this Exhibit.

Example:

Vehicle ID	124776
Description	2012 Q7 TDI Premium Plus
Vehicle Value	\$35,600
Vehicle Clean <i>Retail</i> Value	\$39,350
State and Local Tax Rate	Arizona 8.25%
Tax on Vehicle Clean Retail Value	8.25% of \$39,350 = \$3,246.38
Lessee Restitution	\$2,577.50 [fixed component] + ½ of \$6,996.38 [variable component: amount by which Vehicle Clean Retail Value exceeds Vehicle Value (\$3,750), plus tax (\$3,246.38)] = \$6,075.69

- ii. If an Eligible Lessee selects a Lease Termination, Volkswagen shall pay all amounts necessary to achieve a Lease Termination without penalty to the Eligible Lessee, including, without limitation, early termination fees owed to third parties, provided, however, the Eligible Lessee remains obligated to pay, and Volkswagen may deduct from the Lessee Restitution, fees for excess wear and use and excess mileage at the point of vehicle surrender, and other

amounts due, such as delinquent lease payments and related late payment fees or costs associated with tickets and tolls, as defined by the lease contract.

10. **Eligible Former Owners.** Eligible Former Owners shall receive Former Owner Restitution. There can be no more than two Eligible Former Owners for any given Generation One Eligible Vehicle.

i. **One Eligible Former Owner.** If only one Eligible Former Owner of a given Generation One Eligible Vehicle timely files a valid and complete claim, Former Owner Restitution for that Eligible Former Owner shall be one half (50%) of the sum of (a) a fixed dollar amount of \$5,155.00; (b) the amount by which Vehicle Clean Retail Value exceeds Vehicle Value; and (c) state and average local taxes on Vehicle Clean Retail Value. If the Former Owner would otherwise receive less than \$3,000, Former Owner Restitution shall be \$3,000.

ii. **Two Eligible Former Owners.** If two Eligible Former Owners of a given Generation One Eligible Vehicle timely file a valid and complete claim, Former Owner Restitution for each Eligible Former Owner shall be half (50%) the amount in paragraph 10(i) above.

iii. **No Eligible Former Owner or Eligible Former Lessee.** If no Eligible Former Owner or Eligible Former Lessee timely files a valid and complete claim, then 100% of the Owner Restitution will be paid to the Eligible Owner.

11. **No Double Compensation.** Once (i) an Eligible Vehicle has received a Reduced Emissions Modification, and (ii) Owner Restitution has been paid to the Eligible Owner (and, if applicable, Former Owner Restitution to the Eligible Former Owner or Owners, or Lessee Restitution has been paid to the Eligible Former Lessee) or Lessee Restitution has been paid to the Eligible Lessee, then Volkswagen shall not have any obligation to pay any additional restitution (or any Vehicle Value) for that Eligible Vehicle.

C. Vehicle Value for Generation One Vehicles

12. **Base Clean Retail Value.** The Base Clean Retail Value for each Eligible Vehicle is the Clean Retail value for the NADA Vehicle Identification Code (“VIC”) corresponding to that vehicle in the September 2015 NADA Used Car Guide published in or around August 2015, based on the NADA Region that includes the state of the Eligible Vehicle’s last known vehicle registration as of November 2015.

13. **Vehicle Clean Retail Value.** The Vehicle Clean Retail Value is the Base Clean Retail Value adjusted for certain options and, in the case of Eligible Owners and Eligible Former Owners, for mileage. Specifically, the Vehicle Clean Retail Value of each Generation One Eligible Vehicle is as follows:

i. for Eligible Owners, Vehicle Clean Retail Value equals the Base Clean Retail Value adjusted for options and actual mileage at the time of surrender or modification with an allowance for estimated mileage since September 18, 2015, as described below in paragraphs 16 and 17;

- ii. for Eligible Former Owners, Vehicle Clean Retail Value equals Base Clean Retail Value adjusted for options and the estimated mileage as of September 18, 2015, as described below in paragraphs 16 and 17; and
 - iii. for Eligible Lessees and Eligible Former Lessees, Vehicle Clean Retail Value equals Base Clean Retail Value adjusted for options, as described below in paragraph 16, but not for mileage.
14. **Base Clean Trade Value.** The Base Clean Trade Value for each Eligible Vehicle is the Clean Trade value for the NADA VIC corresponding to that vehicle in the September 2015 NADA Used Car Guide published in or around August 2015, based on the NADA Region that includes the state of the Eligible Vehicle's last known vehicle registration as of November 2015.
15. **Vehicle Clean Trade Value (or "Vehicle Value").** The Vehicle Clean Trade Value is the Base Clean Trade Value adjusted for certain options and, in the case of Eligible Owners and Eligible Former Owners, for mileage. Specifically, the Vehicle Clean Trade Value of each Generation One Eligible Vehicle is as follows:
- i. for Eligible Owners, Vehicle Clean Trade Value equals Base Clean Trade Value adjusted for options and actual mileage at the time of surrender with an allowance for estimated mileage since September 18, 2015, as described below in paragraphs 16 and 17;
 - ii. for Eligible Former Owners, Vehicle Clean Trade Value equals Base Clean Trade Value adjusted for options and the estimated mileage as of September 18, 2015, as described below in paragraphs 16 and 17; and
 - iii. for Eligible Lessees and Eligible Former Lessees, Vehicle Clean Trade Value equals Base Clean Trade Value adjusted for options as described below in paragraph 16, but not for mileage.
16. **Options Adjustments.** The options adjustments to Base Clean Trade and Base Clean Retail Values made to derive the Vehicle Clean Trade and Vehicle Clean Retail Values are based only on Volkswagen or Audi OEM-installed options that are valued in the September 2015 NADA Used Car Guide, using the NADA "Clean Trade-In" and "Clean Retail" values of those options, respectively.
17. **Mileage Adjustments.** The mileage adjustments made to derive Vehicle Clean Trade and Vehicle Clean Retail Values, pursuant to paragraph 13(i)-(ii) above, shall be made using the mileage adjustment table in the September 2015 NADA Used Car Guide.
- i. For Eligible Owners, the mileage adjustment shall be determined based on the actual mileage at the time the vehicles are surrendered in a Buyback or Trade-In or brought in for a Reduced Emissions Modification with an allowance of 15,000 miles per year after September 2015, prorated monthly to the month of surrender or modification. Thus, a vehicle returned or modified in April 2017 would receive a mileage allowance of 23,750 miles (19 months * 1,250 miles per month). In this example, the mileage to look up in the NADA table would be actual mileage when the vehicle is modified or bought back minus 23,750.

- ii. For Eligible Former Owners, the adjustment will be made based on the estimated mileage in September 2015 used by the parties to estimate the maximum total compensation amount set forth in Section H.

D. Additional Benefits for Class Members

18. Extended Vehicle Warranties and Vehicle Service Contracts or Plans.

Volkswagen will offer to refund to Eligible Owners selecting a Buyback any unused and otherwise nonrefundable portion of the purchase price of extended vehicle warranties and/or vehicle service contracts or plans purchased from Authorized Dealers, including any termination fees, provided that the warranty or service contract or plan was purchased prior to January 31, 2017. The refund, if any, shall be prorated to account for any unused months (if the warranty or service contract or plan is time-based), service/maintenance events (if the warranty or service contract or plan is based on service events), or mileage (if the warranty or service contract or plan is mileage-based), as applicable. Volkswagen will not be required to make any payments to consumers that will result in the consumers receiving double recovery of any portion of the purchase price of any extended vehicle warranty or vehicle service contract or plan. The process for submitting a claim for reimbursement of unused, nonrefundable portions of such warranties and/or service contracts or plans is set forth in Exhibit 4A. To the extent that a warranty or service contract or plan contains a provision prohibiting reimbursement of any unused portion of the warranty or service contract or plan from the warranty or plan provider, that provision shall not prevent an Eligible Owner from obtaining a refund for any such unused, otherwise nonrefundable, amount from Volkswagen.

19. **AdBlue Refill and Oil Change.** Any Class Member who owns or actively leases an Eligible Vehicle shall be entitled to one AdBlue refill and one oil change (including motor oil, motor oil filter, and associated labor) free of charge for that Eligible Vehicle at a participating Authorized Dealer of the same brand as the Eligible Vehicle. Any Class Member who obtains a Buyback or Lease Termination prior to claiming an AdBlue refill and oil change shall no longer be entitled to that AdBlue refill and oil change. The process for obtaining an AdBlue refill and oil change is set forth in Exhibit 4A.

E. Treatment of Loan Obligations for Class Members Selecting a Buyback

20. **Loan Obligations.** Loan Obligation refers to any debt incurred by an Eligible Owner and secured by an Eligible Vehicle, whether through VW Credit, Inc. or any other lender. If the Eligible Vehicle of an Eligible Owner choosing the Buyback is subject to an outstanding Loan Obligation in an amount less than or equal to the Buyback Amount, Volkswagen shall pay to the Eligible Owner's lender the portion of the Buyback Amount required to pay off the Loan Obligation and shall pay to the Eligible Owner any remaining portion of the Buyback Amount.

Example: An Eligible Owner of an Eligible Vehicle that she acquired on or before September 18, 2015 chooses the Buyback and surrenders her vehicle on July 1, 2018. The Vehicle Value is \$23,000 and the Owner Restitution is \$7,000, for a total Buyback Amount of \$30,000. The Eligible Owner has a Loan Obligation of \$10,000,

so Volkswagen pays \$10,000 to the lender and the remaining \$20,000 directly to the Eligible Owner.

21. **Loan Forgiveness for Eligible Owners.** If the Eligible Vehicle of an Eligible Owner who selects a Buyback is subject to an outstanding Loan Obligation in an amount greater than the Buyback Amount, Volkswagen shall pay that Eligible Owner's lender the full amount required to pay off the outstanding Loan Obligation for the Eligible Vehicle, up to, but no more than, 130% of the Buyback Amount. Loan Forgiveness refers to the amount of the payment that exceeds the Buyback Amount. Loan Forgiveness shall not exceed 30% of the sum of the Vehicle Value and Owner Restitution. Loan Forgiveness shall not be available for any portion of the Loan Obligation that becomes delinquent after June 28, 2016 (or any related costs and fees), or for any portion of the Loan Obligation, including new loans, incurred after June 28, 2016. If the amount paid to the lender by Volkswagen under this provision is not sufficient to satisfy the outstanding Loan Obligation, the Eligible Owner must, at the time of the transfer of ownership and possession, pay any remaining balance of the Loan Obligation required to transfer all of the Eligible Owner's interest in, ownership of, title to, and possession of the Eligible Vehicle to Volkswagen. Below are several examples of how Loan Forgiveness might work. These examples assume that no portion of the Eligible Owner's Loan Obligation became delinquent after June 28, 2016 and that the Eligible Owner has not entered into additional loans after that date.

Example 1: An Eligible Owner of an Eligible Vehicle that he acquired on or before September 18, 2015 chooses the Buyback and surrenders his vehicle on July 1, 2018. The Vehicle Value is \$23,000 and the Owner Restitution is \$7,000. The Eligible Owner qualifies for Loan Forgiveness for the amount of the Loan Obligation as of July 1, 2018 that exceeds \$30,000, but not any amount that exceeds 130% of \$30,000, or \$39,000. The Eligible Owner has a Loan Obligation of \$33,000, so Volkswagen pays \$33,000 to the lender, including \$30,000 as Vehicle Value and Owner Restitution (the Buyback Amount) plus \$3,000 as Loan Forgiveness. Volkswagen pays nothing directly to the Eligible Owner.

Example 2: Assume the same facts as Example 1, except that the Eligible Owner has a Loan Obligation of \$40,000. Volkswagen pays \$39,000 to the lender, including \$30,000 as Vehicle Value and Owner Restitution (the Buyback Amount) plus an additional 30% of that amount, or \$9,000, as Loan Forgiveness. The owner must pay off the remaining balance of the Loan Obligation, \$1,000, at the time of the transfer of ownership and possession. Volkswagen pays nothing directly to the Eligible Owner.

F. Treatment of Loan Obligations for Class Members Selecting a Trade-In

22. **Loan Obligations.** If the Eligible Vehicle of an Eligible Owner who selects a Trade-In is subject to an outstanding Loan Obligation, responsibility for satisfying that Loan Obligation (such that all interest in, ownership of, title to, and possession of the Eligible Vehicle are transferred to the participating Authorized Dealer through the Trade-In) shall be subject to negotiation between the Eligible Owner and the participating Authorized Dealer at which the Trade-In occurs. The manner in which

the Loan Obligation is satisfied likewise is subject to negotiation between the Eligible Owner and the participating Authorized Dealer.

23. **Loan Forgiveness.** If the Eligible Vehicle of an Eligible Owner who selects a Trade-In is subject to an outstanding Loan Obligation in an amount greater than the Buyback Amount, the Eligible Owner's trade-in credit shall be (1) the Buyback Amount, and (2) an amount equal to the Loan Forgiveness to which the Eligible Owner would be entitled under the Buyback Option, as provided in paragraph 21, up to 30% of the Buyback Amount. In other words, the trade-in credit shall be sufficient to offset a Loan Obligation equal to 130% of the Buyback Amount.

Example 1: An Eligible Owner of an Eligible Vehicle that he acquired before September 18, 2015 chooses the Trade-In and surrenders his vehicle on July 1, 2018. The Vehicle Value is \$23,000 and the Owner Restitution is \$7,000. The Eligible Owner qualifies for Loan Forgiveness for the amount of the Loan Obligation as of July 1, 2018 that exceeds \$30,000, but not any amount that exceeds 130% of \$30,000, or \$39,000. The Eligible Owner has a Loan Obligation of \$33,000, so the Eligible Owner's trade-in credit is \$33,000, including \$30,000 as Vehicle Value and Owner Restitution (the Buyback Amount) and \$3,000 as Loan Forgiveness.

Example 2: Assume the same facts as Example 1, except that the Eligible Owner has a Loan Obligation of \$40,000. The Eligible Owner's trade-in credit is \$39,000, including \$30,000 as Vehicle Value and Owner Restitution (the Buyback Amount) plus an additional 30% of that amount, or \$9,000, as Loan Forgiveness.

G. Reduced Emissions Modification For Generation One Vehicles

24. Eligible Owners and Eligible Lessees (who retain possession of their vehicles) may choose to have the emissions system of their Generation One Eligible Vehicle modified if Volkswagen submits, and EPA and CARB approve, an Emissions Modification for their vehicles. The expected and final dates for Volkswagen to submit proposed Emissions Modifications for each vehicle engine Sub-Generation are shown in the table below and are detailed more fully in Appendix B to the DOJ 3.0-liter Consent Decree.

Sub-Generation	Expected Submittal Date	Final Submittal Date
1.1	August 25, 2017	November 10, 2017
1.2	August 25, 2017	November 10, 2017

25. Class Members will receive VW Class Updates to keep them apprised of this process. If an Emissions Modification is approved for a Class Member's vehicle and the Class Member chooses to have his, her, or its Eligible Vehicle modified, the Class Member also will receive the Restitution Payment and a Reduced Emissions Modification Extended Warranty described in Section 7.4 of the 3.0-liter Class Action Agreement. If there is no Reduced Emissions Modification available for a Class Member's Eligible Vehicle by August 1, 2018, that Eligible Owner or Lessee shall have a second opportunity, from August 1, 2018 until September 1, 2018, to withdraw from the 3.0-liter Class Action Agreement.

H. Generation One Maximum Compensation.

26. Assuming a 100% Buyback of 19,605 vehicles and 100% Class Member participation (including all Eligible Owners, Eligible Lessees, Eligible Former Owners, and Eligible Former Lessees), the maximum total compensation amount for Generation One 3.0-liter Class Members is \$789,663,305, and includes designated amounts as follows:
- i. **Designated Vehicle Value/Restitution Amount:** \$779,653,305 designated to pay Vehicle Value and/or Owner, Lessee, or Former Owner Restitution to Class Members as appropriate on a claims-made basis;
 - ii. **Designated Extended Vehicle Warranties/Vehicle Service Contracts Amount:** \$6,000,000 designated to reimburse consumers on a claims-made basis for the unused portion of nonrefundable extended vehicle warranties and vehicle service contracts;
 - iii. **Designated Maintenance Amount:** \$4,000,000 designated to pay for AdBlue and oil change services for Class Members' Eligible Vehicles; and
 - iv. **Designated Loan Forgiveness Amount:** \$10,000 designated to fund Loan Forgiveness for those Eligible Owners who qualify for it, if any.
27. This is a claims-made settlement, and Volkswagen shall retain (and shall not be required to pay) any unclaimed portion of designated compensation amounts.
28. With respect to Vehicle Value and Owner, Lessee, and Former Owner Restitution, Volkswagen will not be required for any given Eligible Vehicle to pay more than (or otherwise provide compensation in excess of) the Buyback Amount that would be due to an Eligible Owner who purchased the vehicle new, except to the extent such additional payment in Excess of the Buyback Amount results from: (i) the application of an estimated mileage adjustment in making a Former Owner Restitution Payment; (ii) the lack of a mileage adjustment in making a Lessee Restitution Payment to a former lessee whose vehicle was purchased by an Eligible Owner other than that former lessee; or (iii) payment of an amount to ensure that the Buyback Amount is at least equal to or in excess of Retail Replacement Value as defined in the DOJ 3.0-liter Consent Decree.
29. Volkswagen shall not be responsible for paying to all participating Class Members more in aggregate Vehicle Value and Owner, Lessee, and Former Owner Restitution than the maximum total compensation amount set forth in paragraph 26 above. Volkswagen shall, however, be responsible for the additional cost if the designated amounts in paragraph 26(ii)-(iv) above are insufficient to cover the cost of Volkswagen's corresponding obligations for Generation One vehicles under the 3.0-liter Class Action Agreement related to extended vehicle warranties/vehicle service contracts, maintenance, and Loan Forgiveness only.

Exhibit 1B

Settlement Benefits for

3.0-Liter Class Members with

Generation Two Vehicles

(Model Years 2013-2016)

SETTLEMENT BENEFITS FOR 3.0-LITER CLASS MEMBERS WITH GENERATION TWO VEHICLES

Introduction. As described more fully below, this Exhibit sets out how Class Members who own, owned, lease, or leased a Generation Two vehicle will be compensated under the 3.0-liter Class Action Settlement Program. **The only Generation Two vehicles are model year (“MY”) 2013-2016 Audis, Volkswagens, and Porsches.** Benefits pursuant to the 3.0-liter Class Action Settlement Program are available only to Class Members who do not opt out of the Class. All defined terms in this document have the meanings ascribed to them in the 3.0-liter Class Action Agreement.

A. Options for Owners and Lessees of Generation Two Vehicles

1. The benefits available to a Class Member who owns, owned, leases, or leased a Generation Two vehicle depend on whether Volkswagen and/or Porsche timely makes available a Reduced Emissions Modification that meets the Certified Exhaust Emissions Standards set forth in the DOJ 3.0-liter Consent Decree (an “Emissions Compliant Repair”).
2. As set forth in greater detail in Section 6 of the 3.0-liter Class Action Agreement, an Emissions Compliant Repair for a given Eligible Vehicle shall be considered timely if it is available (i) on or before the Decision Date for the Sub-Generation to which that Eligible Vehicle belongs, (ii) on or before any subsequent date set by the Court, or (iii) during any 30-day extension period (of which there may be up to three) for which Volkswagen agrees to make an Extension Payment.
3. **Emissions Compliant Repair Timely Available.** If an Emissions Compliant Repair is *timely made available* for a particular Sub-Generation or part of a Sub-Generation (including, but not limited to, EPA test groups or model years, as listed in paragraph 2.40 of the 3.0-liter Class Action Agreement) of Generation Two Eligible Vehicles, Class Members who own, owned, lease, or leased an Eligible Vehicle belonging to that Sub-Generation or part thereof shall be entitled to benefits as follows, in addition to any other benefits available to them under the Settlement Agreement:
 - i. Eligible Owners shall be offered an Emissions Compliant Repair and an Emissions Compliant Repair Payment for Owners (an “Owner Repair Payment”). If one or more Eligible Former Owners timely file a valid Claim with respect to a particular Eligible Vehicle, the Owner Repair Payment will be reduced by half for the Eligible Owner of that vehicle. If an Eligible Former Lessee timely files a valid Claim with respect to the vehicle, the Owner Repair Payment shall be reduced by \$2,000.
 - ii. Class Members whose vehicles (i) are damaged after January 31, 2017 in a manner that renders them a total loss (*i.e.*, “totaled”), and (ii) are transferred to an insurance company or otherwise permanently removed from commerce, and who otherwise qualify as Eligible Owners, shall be offered an Owner Repair Payment, but not an Emissions Compliant Repair.
 - iii. Eligible Lessees who (i) held a lease of a Generation Two Eligible Vehicle on September 18, 2015 and/or November 2, 2015, and continue to hold that lease, or (ii) obtained ownership of their previously leased Eligible Vehicle after

January 31, 2017 and retain ownership, shall be offered an Emissions Compliant Repair and an Emissions Compliant Repair Payment for Lessees (a “Lessee Repair Payment”). A lessee who obtained ownership of his, her, or its previously leased Eligible Vehicle on or before January 31, 2017 and still owns the vehicle when he, she, or it participates in the Settlement Program shall be treated as an Eligible Owner.

- iv. Eligible Lessees who return or have returned their Eligible Vehicle at the conclusion of the lease and Eligible Former Lessees shall be offered a Lessee Repair Payment.
 - v. Eligible Former Owners shall be offered an Emissions Compliant Repair Payment for Former Owners (a “Former Owner Repair Payment”). There may be no more than two Eligible Former Owners for an Eligible Vehicle who will share the Former Owner Repair Payment in equal portions.
 - vi. Current or former owners of an Eligible Vehicle as of September 18, 2015 and/or November 2, 2015 whose vehicles (i) were damaged between September 18, 2015 and January 31, 2017 in a manner that rendered them a total loss (*i.e.*, “totaled”), and (ii) are transferred to an insurance company or otherwise sold to a third party and permanently removed from commerce, shall be treated as Eligible Former Owners and offered a Former Owner Repair Payment.
4. **Extension Payments.** As described more fully in Section 6 of the 3.0-liter Class Action Agreement, the Decision Dates for an Emissions Compliant Repair for each Sub-Generation of Generation Two Eligible 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

If, after the Decision Date for a particular Sub-Generation has passed, Volkswagen and/or Porsche, as applicable, have not yet obtained approval from EPA/CARB for that Sub-Generation or any part thereof, and the Court, on motion by Plaintiffs, rules that good cause does not exist to delay offering the Buyback Option for the Sub-Generation or part thereof for which approval has not been obtained, then Volkswagen may extend the Decision Date for that Sub-Generation or part thereof for a maximum of 90 days from the date the Court issues its ruling on Plaintiffs’ motion in order to gain additional time to obtain an approval. For each 30-day extension period, Volkswagen must pay an “Extension Payment” of \$500 for each Eligible Vehicle of that Sub-Generation or part thereof that is owned when that 30-day extension period begins, and \$500 for each Eligible Vehicle of that Sub-Generation or part thereof that is leased when that 30-day extension period begins. If an Emissions Compliant Repair becomes available during the middle of a 30-day extension period,

Volkswagen shall be responsible for the full Extension Payment for that 30-day extension period. For avoidance of doubt, an Emissions Compliant Repair shall be considered timely if it becomes available during an extension period for which an Extension Payment will be made.

5. **Timing of Extension Payments.** An Extension Payment will be payable, if at all, to the Eligible Owner in possession of the Eligible Vehicle at the time he, she, or it is due any remaining Owner Repair Payment or Owner Restitution not paid as part of a Repair Participation Payment. An Extension Payment will be payable, if at all, to the Eligible Lessee of an Eligible Vehicle at the time he, she, or it is due any remaining Lessee Repair Payment or Lessee Restitution not paid as part of a Repair Participation Payment. Eligible Former Owners are not entitled to Extension Payments. Eligible Lessees who did not own or lease an Eligible Vehicle affected by the extension at the time the obligation to pay an Extension Payment for a 30-day extension period accrued are not entitled to an Extension Payment for that 30-day extension period. Extension Payments, if any, will be in addition to, and cannot be used to offset, any other amount owed to Class Members by Volkswagen.
6. **Emissions Compliant Repair *Not Timely Available*.** In the alternative to paragraph 3, if an Emissions Compliant Repair is *not timely made available* for a particular Sub-Generation or part of a Sub-Generation (including, but not limited to, test groups or model years) of Generation Two Eligible Vehicles, Class Members who own, owned, lease, or leased an Eligible Vehicle belonging to that Sub-Generation or part thereof shall be entitled to benefits as follows:
 - i. Eligible Owners shall be offered a choice among three options: (1) a Buyback plus Owner Restitution, including Loan Forgiveness as set forth in paragraph 29 below; (2) a Trade-In plus Owner Restitution, including Loan Forgiveness as set forth in paragraph 29 below; or (3) if available, a Reduced Emissions Modification (or Emissions Compliant Repair) plus Owner Restitution.
 - ii. Class Members whose vehicles (i) are damaged after January 31, 2017 in a manner that renders them a total loss (*i.e.*, “totaled”), and (ii) are transferred to an insurance company or otherwise permanently removed from commerce, and who otherwise qualify as Eligible Owners, shall be offered Owner Restitution only, and not a Buyback, Trade-In, or Reduced Emissions Modification (or Emissions Compliant Repair).
 - iii. Eligible Lessees who held a lease of a Generation Two Eligible Vehicle on September 18, 2015 and/or November 2, 2015, and continue to hold that lease, shall be offered the choice between (1) a Lease Termination plus Lessee Restitution; or (2) a Reduced Emissions Modification (or Emissions Compliant Repair) plus Lessee Restitution. A lessee who obtained ownership of his, her, or its previously leased Eligible Vehicle on or before January 31, 2017 and still owns the vehicle when he, she, or it participates in the 3.0-liter Class Action Settlement Program shall be treated as an Eligible Owner.
 - iv. Eligible Lessees who return or have returned their Eligible Vehicle at the conclusion of the lease and Eligible Former Lessees shall be offered Lessee Restitution.

- v. Eligible Lessees who obtained ownership of their previously leased Eligible Vehicle after January 31, 2017, and who still own their Eligible Vehicle, shall be offered a Reduced Emissions Modification (or Emissions Compliant Repair) and Lessee Restitution.
- vi. Eligible Former Owners shall be offered Former Owner Restitution. There may be no more than two Eligible Former Owners for an Eligible Vehicle who will share the Former Owner Restitution amount in equal portions.
- vii. Former owners of an Eligible Vehicle as of September 18, 2015 and/or November 2, 2015 whose Eligible Vehicles (i) were damaged between September 18, 2015 and January 31, 2017 in a manner that rendered them a total loss (*i.e.*, “totaled”), and (ii) are transferred to an insurance company or otherwise sold to a third party and permanently removed from commerce, shall be treated as Eligible Former Owners and offered Former Owner Restitution.

B. Class Member Benefits for the Emissions Compliant Repair Option

- 7. An Emissions Compliant Repair shall be available for a particular Sub-Generation or part of a Sub-Generation of Generation Two vehicles if, and only if, it is approved by EPA/CARB. If an Emissions Compliant Repair is timely available for any particular Sub-Generation or part of a Sub-Generation, then Eligible Owners, Eligible Lessees, Eligible Former Owners, and Eligible Former Lessees of Eligible Vehicles belonging to that Sub-Generation or part of a Sub-Generation will be entitled to benefits as set forth in paragraphs 8-10 below. At least some portion of these benefits shall be available prior to approval of an Emissions Compliant Repair.
- 8. **Eligible Owners.** Generation Two Eligible Owners shall be entitled to an Emissions Compliant Repair free of charge and an Owner Repair Payment. For an Eligible Owner who acquired a new vehicle at any point in time or a used vehicle on or before September 18, 2015, the Owner Repair Payment will be 10% of the Base Vehicle Retail Value of the Eligible Vehicle, adjusted for options but not mileage, plus \$3,596.74. For an Eligible Owner who acquired a used vehicle after September 18, 2015, the Owner Repair Payment will be the same amount described above, unless (i) one or more Eligible Former Owners timely file a valid claim related to the same vehicle, or (ii) the Eligible Vehicle was previously leased by someone other than the Eligible Owner and an Eligible Former Lessee timely files a valid claim. If an Eligible Former Owner timely files a claim, the Owner Repair Payment shall be half of the amount described above for the owner of the vehicle who acquired it on or before September 18, 2015. If an Eligible Former Lessee timely files a claim, the Owner Repair Payment shall be the amount described above for the owner of the vehicle who acquired it before September 18, 2015, less \$2,000. If potential Eligible Former Owners timely identify themselves or if Volkswagen identifies potential Eligible Former Lessees for a given Eligible Vehicle, and those potential Eligible Former Owners or Eligible Former Lessees ultimately do not submit claims or are determined not to have valid claims, the Owner Repair Payment for that vehicle will be paid in two parts, as described in Exhibit 4B.

- i. **Owner Repair Participation Payment.** An Eligible Owner may, in accordance with the claims procedures set forth in Exhibit 4B, obtain half (50%) of the Owner Repair Payment prior to approval of an Emissions Compliant Repair for that Eligible Owner’s vehicle (an “Owner Repair Participation Payment”). If potential Eligible Former Owners timely identify themselves or if Volkswagen identifies potential Eligible Former Lessees for a given Eligible Vehicle, the Owner Repair Participation Payment will be equal to one half (50%) of the Owner Repair Participation Payment that would be due for an Eligible Vehicle with no Eligible Former Owner or Eligible Former Lessee. If all identified potential Eligible Former Owners or Eligible Former Lessees fail to submit claims or ultimately are determined not to have valid claims, the Eligible Owner will be entitled to the remaining amount necessary to raise his, her, or its Owner Repair Participation Payment to one half (50%) of the Owner Repair Payment that would be due for an Eligible Vehicle with no Eligible Former Owner or Eligible Former Lessee. Eligible Owners who accept an Owner Repair Participation Payment will forego the right to opt out of the Class at any later point in time, if any, unless and until they return the payment amount. For vehicles whose Eligible Owners accept the Owner Repair Participation Payment, the remaining half of the Owner Repair Payment shall be paid to the Eligible Owner who owns the Eligible Vehicle when it receives the Emissions Compliant Repair.
 - ii. **Compensation Follows Ownership.** Compensation shall follow ownership and possession of the vehicle, such that if the vehicle changes hands between the time of the Owner Repair Participation Payment and the payment of the remainder of the Owner Repair Payment, the second payment, and any Extension Payments due, shall be made to the Eligible Owner who owns the Eligible Vehicle at the time it receives the Emissions Compliant Repair. Alternatively, if the Owner Repair Participation Payment is not claimed, the full amount of the Owner Repair Payment shall be paid to the Eligible Owner who owns the Eligible Vehicle at the time it receives the Emissions Compliant Repair. The decision to accept an Owner Repair Participation Payment and not opt out of the Class is binding on subsequent owners of the same Eligible Vehicle.
9. **Eligible Lessees and Eligible Former Lessees.** Eligible Lessees of Generation Two vehicles who have an active lease or own the Eligible Vehicle shall be entitled to an Emissions Compliant Repair free of charge and an Emissions Compliant Repair Payment for Lessees (a “Lessee Repair Payment”) of \$2,000. Eligible Lessees who no longer lease and do not own the Eligible Vehicle and Eligible Former Lessees shall be entitled to a Lessee Repair Payment of \$2,000, and not the Emissions Compliant Repair.
 - i. **Lessee Repair Participation Payment.** An Eligible Lessee who has an active lease or who owns the Eligible Vehicle may, in accordance with the claims procedures set forth in Exhibit 4B, obtain half of the Lessee Repair Payment prior to approval of an Emissions Compliant Repair for that Eligible Lessee’s vehicle (a “Lessee Repair Participation Payment”). Eligible Lessees

who accept a Lessee Repair Participation Payment will forego their right to opt out of the Class at any later point in time, if any, unless and until they return the payment amount. For Eligible Lessees who accept the Lessee Repair Participation Payment, the remaining half of the Lessee Repair Payment shall be paid to the Eligible Lessee who leases or owns the Eligible Vehicle at the time the vehicle (i) is brought in for an Emissions Compliant Repair, or (ii) is surrendered at the conclusion of the lease.

- ii. **No Active Lease.** An Eligible Lessee who no longer has an active lease and does not own the Eligible Vehicle or an Eligible Former Lessee may obtain, in accordance with the claims procedures set forth in Exhibit 4B, the full Lessee Repair Payment regardless of whether an Emissions Compliant Repair has yet become available.

10. **Eligible Former Owners.** Generation Two Eligible Former Owners shall receive a Former Owner Repair Payment. Eligible Former Owners may, in accordance with the claims procedures set forth in Exhibit 4B, obtain the full Former Owner Repair Payment regardless of whether an Emissions Compliant Repair has yet become available.

- i. **One Eligible Former Owner.** If only one Eligible Former Owner of a given Generation Two Eligible Vehicle timely files a valid and complete claim, the Former Owner Repair Payment for that Eligible Former Owner shall be half (50%) of the sum of (a) a fixed dollar amount of \$3,596.74; and (b) 10% of the Base Vehicle Clean Retail Value of the Eligible Vehicle, adjusted for options but not mileage.
- ii. **Two Eligible Former Owners.** If two Eligible Former Owners of a given Generation Two Eligible Vehicle timely file valid and complete claims, the Former Owner Repair Payment for each Eligible Former Owner shall be half (50%) the amount in paragraph 10(i) above.
- iii. **No Eligible Former Owner or Eligible Former Lessee.** If no Eligible Former Owner or Eligible Former Lessee files a timely and valid claim, then 100% of the Owner Repair Payment shall be paid to the Eligible Owner.

11. **Reduced Performance Payments.** In the event that the Emissions Compliant Repair causes Reduced Performance of the Eligible Vehicle, Volkswagen will make an additional payment of \$500 for each affected Eligible Vehicle, as set forth in paragraph 7.5 of the 3.0-liter Class Action Settlement. A Reduced Performance payment, if any, shall be made to the Eligible Owner or Eligible Lessee who owned or leased the Eligible Vehicle at the time it received the Emissions Compliant Repair.

C. Class Member Benefits for the Buyback, Trade, Approved Emissions Modification, Lessee Restitution, and Former Owner Restitution Options

12. As set forth in paragraph 3 above, if an Emissions Compliant Repair for a particular Sub-Generation or part of a Sub-Generation of Generation Two Eligible Vehicle is timely available to Class Members, then Eligible Owners, Eligible Lessees, Eligible Former Owners, and Eligible Former Lessees of Eligible Vehicles belonging to that Sub-Generation or part of a Sub-Generation will have only the Emissions Compliant

Repair Option. If, however, an Emissions Compliant Repair for a particular Sub-Generation or part of a Sub-Generation of Generation Two Eligible Vehicle does not timely become available, then Eligible Owners, Eligible Lessees, Eligible Former Owners, and Eligible Former Lessees of Eligible Vehicles belonging to that Sub-Generation or part of a Sub-Generation will be entitled benefits as set forth in paragraphs 13-15 below. As explained in further detail below, in the event that a Buyback is triggered for that Class Member's Eligible Vehicle, any Emissions Compliant Repair Payment or portion thereof (*i.e.*, an Owner Repair Participation Payment or a Lessee Repair Participation Payment) paid to a Class Member as set forth in § B shall be credited against (*i.e.*, deducted from) the compensation amounts provided for under this § C.

13. **Benefits for Eligible Owners.** Eligible Owners who choose the **Buyback Option** shall receive the Vehicle Value plus Owner Restitution, as further defined below (together, the "Buyback Amount"). "Vehicle Value" is an amount intended to reflect the market value of the surrendered vehicle, including options and mileage, described in more detail in § D below. Eligible Owners who choose the **Trade-In Option** shall receive the Vehicle Value plus Owner Restitution in the form of a trade-in credit at a participating Authorized Dealer equal to the Buyback Amount. Eligible Owners who choose the **Approved Emissions Modification Option** shall receive a Reduced Emissions Modification (or Emissions Compliant Repair, if such repair is eventually made available) free of charge and Owner Restitution. An Eligible Owner whose Eligible Vehicle is totaled after January 31, 2017 and transferred to an insurance company or otherwise permanently removed from commerce before the vehicle is surrendered in a Buyback or Trade-In, or receives an Approved Emissions Modification, shall receive Owner Restitution only, and not the Vehicle Value.

i. **Buyback Compensation.** Owner Restitution is composed of a fixed dollar amount that is the same for all Generation Two Eligible Vehicles of each brand (the "fixed component"), and a variable dollar amount (the "variable component").

a) For an Eligible Owner who acquired a new vehicle at any point in time or a used vehicle on or before September 18, 2015 and who selects a Buyback, the fixed component is \$8,728.00 for Volkswagen vehicles, \$9,728.00 for Audi vehicles, or \$11,228.00 for Porsche vehicles. The variable component is comprised of: (i) the amount by which Vehicle Clean Retail Value exceeds Vehicle Value; (ii) state and average local taxes on the Vehicle Clean Retail Value using the tax table attached to this Exhibit. For MY 2013-2015 vehicles, the variable component also will include an additional amount based on the manufacturer's suggested retail price ("MSRP") of the vehicle's Volkswagen, Audi, or Porsche OEM-installed options, if any, that had an initial MSRP of at least \$1,000 and that were not valued in the September 2015 NADA Used Car Guide.

b) For an Eligible Owner who acquired a used vehicle after September 18, 2015, Owner Restitution is the same amount described in the immediately preceding paragraph, unless (i) one or more Eligible

Former Owners timely file a valid claim related to the same vehicle, or (ii) the Eligible Vehicle was previously leased by someone other than the Eligible Owner and the Eligible Former Lessee timely files a valid claim. In those cases, Owner Restitution will be half the amount described in the immediately preceding paragraph, but no less than the amount necessary to ensure that the Buyback Amount exceeds Retail Replacement Value as defined in the DOJ 3.0L Consent Decree. If potential Eligible Former Owners timely identify themselves or if Volkswagen identifies potential Eligible Former Lessees for a given Eligible Vehicle, the Eligible Owner initially will receive half (50%) of the Owner Restitution that would be due if there were no Eligible Former Owner, Eligible Lessee, or Eligible Former Lessee for that vehicle. If all identified potential Eligible Former Owners and Eligible Former Lessees for that vehicle ultimately fail to submit claims or are determined not to have valid claims, the Eligible Owner will be entitled to the amount necessary to raise Owner Restitution to the amount due under paragraph 13(i)(a) above.

Example:

Vehicle ID	102553
Description	2014 Audi Q5 TDI Premium Plus
Vehicle Value	\$41,875 (assumes standard mileage)
Vehicle <i>Clean Retail Value</i>	\$45,250 (assumes standard mileage)
State and Local Tax Rate	California 8.48%
Tax on Vehicle Clean Retail Value	$\$45,250 * 8.48\% = \$3,837.20$
Difference between Vehicle Clean Retail Value and Vehicle Value	$\$45,250 - \$41,875 = \$3,375$
Non-NADA Option Amount	\$0
Owner Restitution assuming no Eligible Former Owner	$\$9,728.00$ [fixed component] + $\$7,212.20$ [variable component: amount by which Vehicle Clean Retail Value exceeds Vehicle Value (\$3,375), plus sales tax (\$3,837.20)] $= \$16,940.20$
Buyback Amount	$\$41,875 + \$16,940.20 = \$58,815.20$
Minimum	The Buyback Amount is greater than Retail Replacement Value, so the minimum is not implicated.

- ii. **Trade-In Compensation.** For an Eligible Owner who selects the Trade-In Option, the Trade-In Credit will be equal to the Buyback Amount. As set forth in paragraph 27 below, the Trade-In Credit will be increased by up to 30% of the Buyback Amount in the event that the Eligible Vehicle is subject to a Loan Obligation in excess of the Buyback Amount. The Eligible Owner shall be entitled to the full value of the Trade-In Credit. In the event that the Trade-In Credit exceeds the retail transaction price of the newly acquired vehicle (which may include, but is not limited to, vehicle price, accessories, fees, taxes, registration, and other dealer products), Class Members are entitled to the difference between the transaction price and the Trade-In Credit, in whatever form is negotiated between the Class Member and the Authorized Dealer including, but not limited, to a check for the remaining amount. All Trade-Ins of a Volkswagen vehicle must be at a participating Volkswagen Authorized Dealer; all Trade-Ins of an Audi vehicle must be at a participating Audi Authorized Dealer; and all Trade-Ins of a Porsche vehicle must be at a participating Porsche Authorized Dealer.
- iii. **Approved Emissions Modification Compensation.** For an Eligible Owner who obtains a Reduced Emissions Modification (or Emissions Compliant Repair, if ultimately available), the Owner Restitution shall be the same as the Owner Restitution that the Eligible Owner would be entitled to in a Buyback, as described in paragraph 13(i) above. Because Eligible Owners receiving a Reduced Emissions Modification (or Emissions Compliant Repair) will retain possession of their vehicles, such Eligible Owners will receive Owner Restitution, but not Vehicle Value.

14. Eligible Lessees and Eligible Former Lessees. Generation Two Eligible Lessees who have an active lease and who choose the **Lease Termination Option** shall receive a Lease Termination and Lessee Restitution. Eligible Lessees who have an active lease, or who own the vehicle, and who choose the **Approved Emissions Modification Option** shall receive a Reduced Emissions Modification (or Emissions Compliant Repair, if ultimately available) free of charge and Lessee Restitution. Eligible Lessees who no longer lease or own the vehicle and Eligible Former Lessees shall receive Lessee Restitution, and not a Lease Termination or Reduced Emissions Modification (or Emissions Compliant Repair).

- i. Lessee Restitution is composed of a fixed dollar amount that is the same for all leased Generation Two Eligible Vehicles (the “fixed component”), and a variable dollar amount (the “variable component”). The fixed component is \$4,364. The variable component is one half of: (i) the amount by which Vehicle Clean Retail Value exceeds Vehicle Value, plus (ii) state and average local sales taxes on the Vehicle Clean Retail Value using the tax table attached to this Exhibit.

Vehicle ID	101140
Description	2013 Audi Q7 TDI Premium
Vehicle Value	\$35,075

Vehicle Clean Retail Value	\$38,725
Difference between Vehicle Clean Retail Value and Vehicle Value	\$3,650
State and Local Tax Rate	Idaho 6%
Tax on Vehicle Clean Retail Value	6% of \$38,725 = \$2,323.50
Lessee Restitution	\$4,364.00 [fixed component] + ½ of \$5,973.50 [variable component: amount by which Vehicle Clean Retail Value exceeds Vehicle Value (\$3,650), plus sales tax (\$2,323.50)] = \$7,350.75

- ii. If an Eligible Lessee selects a Lease Termination, Volkswagen shall pay all amounts necessary to achieve a Lease Termination without penalty to the Eligible Lessee, including, without limitation, early termination fees owed to third parties, provided, however, the Eligible Lessee remains obligated to pay, and Volkswagen may deduct from the Lessee Restitution, fees for excess wear and use and excess mileage at the point of vehicle surrender, and other amounts due, such as delinquent lease payments and related late payment fees or costs associated with tickets and tolls, as defined by the lease contract.

15. Eligible Former Owners. Eligible Former Owners shall receive Former Owner Restitution. There can be no more than two Eligible Former Owners for any given Generation Two Eligible Vehicle.

- i. **One Eligible Former Owner.** If only one Eligible Former Owner of a given Generation Two Eligible Vehicle timely files a valid and complete claim, Former Owner Restitution for that Eligible Former Owner shall be one half (50%) of the sum of (a) a fixed dollar amount; (b) the amount by which the Vehicle Clean Retail Value exceeds the Vehicle Value; and (c) state and average local taxes on the Vehicle Clean Retail Value. The fixed dollar amount in (a) is \$8,728.00 for Volkswagen vehicles, \$9,728.00 for Audi vehicles, and \$11,228.00 for Porsche vehicles. For MY 2013-2015 vehicles, the variable component also will include half (50%) of any additional amount for Volkswagen, Audi, or Porsche OEM-installed options as described in paragraph 13(i)(a) above.
- ii. **Two Eligible Former Owners.** If two Eligible Former Owners of a given Generation Two Eligible Vehicle timely file a valid and complete claim, Former Owner Restitution for each Eligible Former Owner shall be half (50%) the amount in paragraph 14(i) above.
- iii. **No Eligible Former Owner or Eligible Former Lessee.** If no Eligible Former Owner or Eligible Former Lessee files a timely and valid claim, then 100% of the Owner Repair Payment shall be paid to the Eligible Owner.

- 16. Credit for Emissions Compliant Repair Payments.** In the event that an Eligible Owner, Eligible Lessee, Eligible Former Owner, or Eligible Former Lessee receives an Emissions Compliant Repair Payment or any portion thereof (including an Owner Repair Participation Payment or Lessee Repair Participation Payment) before a Buyback becomes available for that Class Member's Eligible Vehicle, such Emissions Compliant Repair Payment or portion thereof shall be credited against the compensation to which that Class Member is entitled under this Section. For example, if an Eligible Owner would be entitled to a Buyback Amount of \$50,000, but already has received an Owner Repair Participation Payment of \$5,000, the Buyback Amount will be reduced to \$45,000. Similarly, if an Eligible Former Owner would be entitled to Former Owner Restitution of \$4,000, but already has received a Former Owner Repair Participation Payment of \$3,000, the Former Owner Restitution will be reduced to \$1,000.
- 17. No Double Compensation.** Once (i) an Eligible Vehicle has received a Reduced Emissions Modification or Emissions Compliant Repair, and (ii) Owner Restitution or an Owner Repair Payment has been paid to the Eligible Owner (and, if applicable, Former Owner Restitution or a Former Owner Repair Payment has been paid to the Eligible Former Owner or Former Owners, or Lessee Restitution or a Lessee Repair Payment has been paid to the Eligible Former Lessee) or Lessee Restitution or a Lessee Repair Payment has been paid to the Eligible Lessee, then Defendants shall not have any obligation to pay any additional restitution (or any Vehicle Value) for that Eligible Vehicle.

D. Vehicle Value for Generation Two Vehicles

- 18. Base Clean Retail Value.** The Base Retail Value for each Eligible Vehicle is the Clean Retail value for the NADA Vehicle Identification Code ("VIC") corresponding to that vehicle in the September 2015 NADA Used Car Guide published in or around August 2015, based on the NADA Region that includes the state of the Eligible Vehicle's last known vehicle registration as of November 2015.
- i. The September 2015 NADA Used Car Guide does not include values for certain MY 2015 vehicles. For these MY 2015 vehicles, the Base Clean Retail Value agreed upon by the parties is shown in the table below. The Base Clean Retail Value for these vehicles is not distinguished by NADA Region.

Model	Base Clean Retail Value
2015 Audi Q5 Premium Plus S-Line	\$47,358
2015 Audi Q5 Prestige S-Line	\$53,783
2015 Audi Q5 Prestige	\$51,453
2015 Audi Q5 Premium Plus	\$45,031
2015 Audi Q7 Prestige S-Line	\$58,505
2015 Audi Q7 Prestige	\$57,566
2015 Audi Q7 Premium	\$48,922
2015 Porsche Cayenne	\$61,089
2015 VW Touareg Lux	\$47,399
2015 VW Touareg Executive	\$53,231

2015 VW Touareg Sport Technology	\$44,570
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- ii. The September 2015 NADA Used Car Guide does not include values for any MY 2016 vehicles. For those vehicles, the Base Clean Retail Value is calculated as a percentage of the actual MSRP for each vehicle. The percentages used vary based on the vehicle's make.

Model	Base Clean Retail Value
2016 Audi Q5 Premium Plus S-Line	92% of MSRP
2016 Audi Q5 Prestige S-Line	92% of MSRP
2016 Audi Q5 Prestige	92% of MSRP
2016 Audi Q5 Premium Plus	92% of MSRP
2016 Audi A6 Premium Plus	92% of MSRP
2016 Audi A6 Prestige	92% of MSRP
2016 Audi A7 Premium Plus	92% of MSRP
2016 Audi A7 Prestige	92% of MSRP
2016 Audi A8 L	92% of MSRP
2016 Porsche Cayenne	93% of MSRP
2016 VW Touareg Lux	91% of MSRP
2016 VW Touareg Executive	91% of MSRP
2016 VW Touareg Sport Technology	91% of MSRP

19. Vehicle Clean Retail Value. The Vehicle Clean Retail Value is the Base Clean Retail Value adjusted for certain options and, in the case of Eligible Owners and Eligible Former Owners, for mileage. Specifically, the Vehicle Clean Retail Value of each MY 2013-2015 Generation Two Eligible Vehicle is as follows:

- i. for Eligible Owners, Vehicle Clean Retail Value equals the Base Clean Retail Value adjusted for options and actual mileage at the time of surrender or modification with an allowance for estimated mileage since September 18, 2015, as described below in paragraphs 22 and 23;
- ii. for Eligible Former Owners, Vehicle Clean Retail Value equals Base Clean Retail Value adjusted for options and the estimated mileage as of September 18, 2015, as described below in paragraphs 22 and 23; and
- iii. for Eligible Lessees and Eligible Former Lessees, Vehicle Clean Retail Value equals Base Clean Retail Value adjusted for options, as described below in paragraph 21, but not for mileage.

MY 2016 Generation Two Eligible Vehicles are not subject to options or mileage adjustments. Therefore, for each MY 2016 Eligible Vehicle, the Vehicle Clean Retail Value is the same as the Base Clean Retail Value.

20. Base Clean Trade Value. The Base Clean Trade Value for each Eligible Vehicle is the Clean Trade value for the NADA VIC corresponding to that vehicle in the September 2015 NADA Used Car Guide published in or around August 2015, based

on the NADA Region that includes the state of the Eligible Vehicle's last known vehicle registration as of November 2015.

- i. The September 2015 NADA Used Car Guide does not include values for certain MY 2015 vehicles. For these MY 2015 vehicles, the Base Clean Trade Value agreed upon by the parties is shown in the table below. The Base Clean Trade Value for these vehicles is not distinguished by NADA Region.

Model	Base Clean Trade Value
2015 Audi Q5 Premium Plus S-Line	\$44,451
2015 Audi Q5 Prestige S-Line	\$50,588
2015 Audi Q5 Prestige	\$48,347
2015 Audi Q5 Premium Plus	\$42,225
2015 Audi Q7 Prestige S-Line	\$53,864
2015 Audi Q7 Prestige	\$53,030
2015 Audi Q7 Premium	\$45,129
2015 Porsche Cayenne	\$58,251
2015 VW Touareg Lux	\$42,775
2015 VW Touareg Executive	\$48,572
2015 VW Touareg Sport Technology	\$40,281

- ii. The September 2015 NADA Used Car Guide does not include values for any MY 2016 vehicles. For those vehicles, the Base Clean Trade Value is calculated as a percentage of the Base Clean Retail Value. The percentages used vary based on the vehicle's make, model, and trim as shown in the table below.

Model	Base Clean Trade Value
2016 Audi Q5 Premium Plus S-Line	93.86% of Base Clean Retail
2016 Audi Q5 Prestige S-Line	94.06% of Base Clean Retail
2016 Audi Q5 Prestige	93.96% of Base Clean Retail
2016 Audi Q5 Premium Plus	93.77% of Base Clean Retail
2016 Audi A6 Premium Plus	90.40% of Base Clean Retail
2016 Audi A6 Prestige	90.89% of Base Clean Retail
2016 Audi A7 Premium Plus	91.62% of Base Clean Retail
2016 Audi A7 Prestige	92.14% of Base Clean Retail
2016 Audi A8 L	89.87% of Base Clean Retail
2016 Porsche Cayenne	95.35% of Base Clean Retail
2016 VW Touareg Lux	90.24% of Base Clean Retail
2016 VW Touareg Executive	91.25% of Base Clean Retail
2016 VW Touareg Sport Technology	90.38% of Base Clean Retail

21. **Vehicle Clean Trade Value (or "Vehicle Value").** The Vehicle Clean Trade Value is the Base Clean Trade Value adjusted for certain options and, in the case of Eligible

Owners and Eligible Former Owners, for mileage. Specifically, the Vehicle Clean Trade Value of each MY 2013-2015 Generation Two Eligible Vehicle is as follows:

- i. for Eligible Owners, Vehicle Clean Trade Value equals Base Clean Trade Value adjusted for options and actual mileage at the time of surrender with an allowance for estimated mileage since September 18, 2015, as described below in paragraphs 22 and 23;
- ii. for Eligible Former Owners, Vehicle Clean Trade Value equals Base Clean Trade Value adjusted for options and the estimated mileage as of September 18, 2015, as described below in paragraphs 22 and 23; and
- iii. for Eligible Lessees and Eligible Former Lessees, Vehicle Clean Trade Value equals Base Clean Trade Value adjusted for options as described below in paragraph 22, but not for mileage.

MY 2016 Eligible Vehicles are not subject to options or mileage adjustments. Therefore, for each MY 2016 Eligible Vehicle, the Vehicle Clean Trade Value is the same as the Base Clean Trade Value.

22. **Options Adjustments.** The options adjustments to Base Clean Trade and Base Clean Retail Values made to derive the Vehicle Clean Trade and Vehicle Clean Retail Values for MY 2013-2015 Eligible Vehicles are based only on Volkswagen, Audi, or Porsche OEM-installed options that are valued in the September 2015 NADA Used Car Guide or, for some MY 2015 vehicle options, later editions of the NADA Used Car Guide, using the NADA “Clean Trade-In” and “Clean Retail” values of those options, respectively. Because the Base Clean Trade and Base Clean Retail Values for MY 2016 Generation Two Eligible Vehicles incorporate the value of all OEM-installed options, no options adjustments are required for those vehicles.
23. **Mileage Adjustments.** The mileage adjustments made to derive Vehicle Clean Trade and Vehicle Clean Retail Values, pursuant to paragraph 18(i)-(ii) above, shall be made using the mileage adjustment table in the September 2015 NADA Used Car Guide, except that no mileage adjustment shall be made for MY 2016 Eligible Vehicles.
- i. For Eligible Owners, the mileage adjustment shall be determined based on the actual mileage at the time the vehicles are surrendered in a Buyback or Trade-In or brought in for a Reduced Emissions Modification with an allowance of 15,000 miles per year after September 2015, prorated monthly to the month of surrender or modification. Thus, a MY 2013-2015 Eligible Vehicle returned or modified in April 2017 would receive a mileage allowance of 23,750 miles (19 months * 1,250 miles per month). In this example, the mileage to look up in the NADA table would be actual mileage when the vehicle is modified or bought back minus 23,750.
 - ii. For Eligible Former Owners, the adjustment will be made based on the estimated mileage in September 2015 used by the parties to estimate the maximum total compensation amount set forth in § I.

E. Additional Benefits for Class Members in the Event That No Emissions Compliant Repair Is Available

- 24. Extended Vehicle Warranties and Vehicle Service Contracts or Plans.** Volkswagen will offer to refund to Eligible Owners selecting a Buyback any unused and otherwise nonrefundable portion of the purchase price of extended vehicle warranties and/or vehicle service contracts or plans purchased from Authorized Dealers, including any termination fees, provided that the warranty or service contract or plan was purchased prior to January 31, 2017. The refund, if any, shall be prorated to account for any unused months (if the warranty or service contract or plan is time-based), service/maintenance events (if the warranty or service contract or plan is based on service events), or mileage (if the warranty or service contract or plan is mileage-based), as applicable. Volkswagen will not be required to make any payments to consumers that will result in the consumers receiving double recovery of any portion of the purchase price of any extended vehicle warranty or vehicle service contract or plan. The process for submitting a claim for reimbursement of unused, nonrefundable portions of such warranties and/or service contracts or plans is set forth in paragraph 15 of Exhibit 4B. To the extent that a warranty or service contract or plan contains a provision prohibiting reimbursement of any unused portion of the warranty or service contract or plan from the warranty or plan provider, that provision shall not prevent an Eligible Owner from obtaining a refund for any such unused, otherwise nonrefundable amount from Volkswagen.
- 25. AdBlue Refill and Oil Change.** If an Emissions Compliant Repair for a particular Sub-Generation or part of a Sub-Generation of Generation Two Eligible Vehicle does not timely become available, then any Class Member who owns or actively leases an Eligible Vehicle shall be entitled to one AdBlue refill and one oil change (including motor oil, motor oil filter, and associated labor) free of charge for that Eligible Vehicle at a participating Authorized Dealer of the same brand as the Eligible Vehicle. Any Class Member who obtains a Buyback or Lease Termination prior to claiming an AdBlue refill and oil change shall no longer be entitled to that AdBlue refill and oil change. The process for obtaining an AdBlue refill and oil change is set forth in Exhibit 4B.

F. Treatment of Loan Obligations for Class Members Selecting a Buyback

- 26. Loan Obligations.** Loan Obligation refers to any debt incurred by an Eligible Owner and secured by an Eligible Vehicle, whether through VW Credit, Inc., Porsche Financial Services, Inc., or any other lender. If the Eligible Vehicle of an Eligible Owner choosing the Buyback is subject to an outstanding Loan Obligation in an amount less than or equal to the Buyback Amount, Volkswagen shall pay to the Eligible Owner's lender the portion of the Buyback Amount required to pay off the Loan Obligation and shall pay to the Eligible Owner any remaining portion of the Buyback Amount.

Example: An Eligible Owner of an Eligible Vehicle that she acquired on or before September 18, 2015 chooses the Buyback and surrenders her vehicle on July 1, 2018. The Vehicle Value is \$23,000 and the Owner Restitution is \$7,000, for a total Buyback Amount of \$30,000. The Eligible Owner has a Loan Obligation of \$10,000,

so Volkswagen pays \$10,000 to the lender and the remaining \$20,000 directly to the Eligible Owner.

- 27. Loan Forgiveness for Eligible Owners.** If the Eligible Vehicle of an Eligible Owner who selects a Buyback is subject to an outstanding Loan Obligation in an amount greater than the Buyback Amount, Volkswagen shall pay that Eligible Owner's lender the full amount required to pay off the outstanding Loan Obligation for the Eligible Vehicle, up to, but no more than, 130% of the Buyback Amount. Loan Forgiveness refers to the amount of the payment that exceeds the Buyback Amount. Loan Forgiveness shall not exceed 30% of the sum of the Vehicle Value and Owner Restitution. Loan Forgiveness shall not be available for any portion of the Loan Obligation that becomes delinquent after June 28, 2016 (or any related costs and fees), or for any portion of the Loan Obligation, including new loans, incurred after June 28, 2016. If the amount paid to the lender by Volkswagen under this provision is not sufficient to satisfy the outstanding Loan Obligation, the Eligible Owner must, at the time of the transfer of ownership and possession, pay any remaining balance of the Loan Obligation required to transfer all of the Eligible Owner's interest in, ownership of, title to, and possession of the Eligible Vehicle to Volkswagen and/or Porsche. Below are several examples of how Loan Forgiveness might work. These examples assume that no portion of the Eligible Owner's Loan Obligation became delinquent after June 28, 2016 and that the Eligible Owner has not entered into additional loans after that date.

Example 1: An Eligible Owner of an Eligible Vehicle that he acquired on or before September 18, 2015 chooses the Buyback and surrenders his vehicle on July 1, 2018. The Vehicle Value is \$23,000 and the Owner Restitution is \$7,000. The Eligible Owner qualifies for Loan Forgiveness for the amount of the Loan Obligation as of July 1, 2018 that exceeds \$30,000, but not any amount that exceeds 130% of \$30,000, or \$39,000. The Eligible Owner has a Loan Obligation of \$33,000, so Volkswagen pays \$33,000 to the lender, including \$30,000 as Vehicle Value and Owner Restitution (the Buyback Amount) plus \$3,000 as Loan Forgiveness. Volkswagen pays nothing directly to the Eligible Owner.

Example 2: Assume the same facts as Example 1, except that the Eligible Owner has a Loan Obligation of \$40,000. Volkswagen pays \$39,000 to the lender, including \$30,000 as Vehicle Value and Owner Restitution (the Buyback Amount) plus an additional 30% of that amount, or \$9,000, as Loan Forgiveness. The owner must pay off the remaining balance of the Loan Obligation, \$1,000, at the time of the transfer of ownership and possession. Volkswagen pays nothing directly to the Eligible Owner.

G. Treatment of Loan Obligations for Class Members Selecting a Trade-In

- 28. Loan Obligations.** If the Eligible Vehicle of an Eligible Owner who selects a Trade-In is subject to an outstanding Loan Obligation, responsibility for satisfying that Loan Obligation (such that all interest in, ownership of, title to, and possession of the Eligible Vehicle are transferred to the participating Authorized Dealer through the Trade-In) shall be subject to negotiation between the Eligible Owner and the participating Authorized Dealer at which the Trade-In occurs. The manner in which

the Loan Obligation is satisfied likewise is subject to negotiation between the Eligible Owner and the participating Authorized Dealer.

29. **Loan Forgiveness.** If the Eligible Vehicle of an Eligible Owner who selects a Trade-In is subject to an outstanding Loan Obligation in an amount greater than the Buyback Amount, the Eligible Owner's trade-in credit shall be (1) the Buyback Amount, and (2) an amount equal to the Loan Forgiveness to which the Eligible Owner would be entitled under the Buyback Option, as provided in paragraph 27, up to 30% of the Buyback Amount. In other words, the trade-in credit shall be sufficient to offset a Loan Obligation equal to 130% of the Buyback Amount.

Example 1: An Eligible Owner of an Eligible Vehicle that he acquired before September 18, 2015 chooses the Trade-In and surrenders his vehicle on July 1, 2018. The Vehicle Value is \$23,000 and the Owner Restitution is \$7,000. The Eligible Owner qualifies for Loan Forgiveness for the amount of the Loan Obligation as of July 1, 2018 that exceeds \$30,000, but not any amount that exceeds 130% of \$30,000, or \$39,000. The Eligible Owner has a Loan Obligation of \$33,000, so the Eligible Owner's trade-in credit is \$33,000, including \$30,000 as Vehicle Value and Owner Restitution (the Buyback Amount) and \$3,000 as Loan Forgiveness.

Example 2: Assume the same facts as Example 1, except that the Eligible Owner has a Loan Obligation of \$40,000. The Eligible Owner's trade-in credit is \$39,000, including \$30,000 as Vehicle Value and Owner Restitution (the Buyback Amount) plus an additional 30% of that amount, or \$9,000, as Loan Forgiveness.

H. Approved Emissions Modification for Generation Two Vehicles

30. Eligible Owners and Eligible Lessees who retain possession of their vehicles may choose to have the emissions system of their Generation Two Eligible Vehicle modified if Volkswagen and/or Porsche, as applicable, submits, and the EPA and CARB approve, an Emissions Modification for their vehicles. The expected and final dates for Defendants to submit proposed Emissions Modifications for each vehicle engine Sub-Generation are shown in the table below and are detailed more fully in Appendix B to the DOJ 3.0-liter Consent Decree.

Sub-Generation	Expected Submittal Date	Final Submittal Date
2.1	February 24, 2017	May 12, 2017
2.2 SUV	February 11, 2017	April 25, 2017
2 PC	April 7, 2017	June 23, 2017

31. Class Members will receive VW Class Updates to keep them apprised of this process. If an Emissions Modification is approved for a Class Member's vehicle and the Class Member chooses to have his, her, or its Eligible Vehicle modified, the Class Member also will receive the Restitution Payment and an Approved Emissions Modification Extended Warranty described in paragraph 7.4 of the 3.0-liter Class Action Agreement. If no Approved Emissions Modification is available for an Eligible Owner's or Eligible Lessee's Eligible Vehicle by August 1, 2018, then that Class

Member shall have an opportunity, between August 1, 2018 and September 1, 2018, to withdraw from the 3.0-liter Class Action Agreement. To withdraw under this provision, the Eligible Owner or Eligible Lessee must return to Volkswagen any Repair Participation Payment he, she, or it received.

I. Generation Two Maximum Compensation

32. Emissions Compliant Repair Timely Available. If an Emissions Compliant Repair is timely made available for all Sub-Generations of Generation Two Eligible Vehicles, and assuming 100% Class Member participation (including all Eligible Owners, Eligible Lessees, Eligible Former Owners, and Eligible Former Lessees), the maximum total Emissions Compliant Repair compensation amount for Generation Two 3.0-liter Class Members is \$433,680,000.

- i. This maximum total Emissions Compliant Repair compensation amount includes only the amount necessary to make Owner, Lessee, or Former Owner Repair Payments to all Generation Two Class Members, as applicable, on a claims-made basis.
- ii. The maximum Emissions Compliant Repair compensation amount includes designated amounts for each Sub-Generation of Generation Two Eligible Vehicles. The amount designated for any particular Sub-Generation or part thereof shall not be applied to any other Sub-Generation or part thereof. In other words, no Class Member whose Eligible Vehicle falls within one Sub-Generation or part thereof (*e.g.*, test group or model/model year) is entitled to claim amounts designated for another Sub-Generation or part thereof. The amounts designated for each Sub-Generation are as follows:
 - a) \$219,955,222 for Generation 2.1 SUV;
 - b) \$49,250,991 for Generation 2.2 SUV; and
 - c) \$164,473,786 for Generation 2 PC.

33. This is a claims-made settlement, and Defendants shall retain (and shall not be required to pay) any unclaimed portion of the maximum total Emissions Compliant Repair compensation amount. Defendants shall not be required for any given Eligible Vehicle to pay more than (or otherwise provide compensation in excess of) the Owner Repair Payment that would be due to an Eligible Owner who purchased the vehicle new, and Defendants shall not be responsible for paying to all participating Class Members more in aggregate Emissions Compliant Repair Payments than the amount set forth in paragraph 32 above.

34. Emissions Compliant Repair Modification *Not* Timely Available. If *no* Emissions Compliant Repair is timely available for any Sub-Generation or part of any Sub-Generation of Generation Two Eligible Vehicles, and assuming a 100% Buyback and 100% Lease Termination of 57,824 vehicles and 100% Class Member participation (including all Eligible Owners, Eligible Lessees, Eligible Former Owners, and Eligible Former Lessees), the maximum total compensation for Generation Two 3.0-liter Class Members is \$3,249,583,428, and includes designated amounts as follows:

- i. **Designated Vehicle Value / Restitution Amount:** \$3,209,533,428 designated to pay Vehicle Value and/or Owner, Lessee, or Former Owner Restitution to Class Members, as appropriate, on a claims-made basis. The Designated Vehicle Value / Restitution Amount designated for any particular Sub-Generation or part thereof shall not be applied to any other Sub-Generation or part thereof. In other words, no Class Member whose Eligible Vehicle falls within one Sub-Generation or part thereof is entitled to claim amounts designated for another Sub-Generation or part thereof. The amounts designated for each Sub-Generation are as follows:
 - a) \$1,625,047,951 for Generation 2.1 SUV;
 - b) \$382,783,780 for Generation 2.2 SUV; and
 - c) \$1,201,701,697 for Generation 2 PC.
 - ii. **Designated Extended Vehicle Warranties / Vehicle Service Contracts Amount:** \$10,000,000 designated to reimburse consumers on a claims-made basis for the unused portion of nonrefundable extended vehicle warranties and vehicle service contracts;
 - iii. **Designated Maintenance Amount:** \$30,000,000 designated to pay for AdBlue and oil change services for Class Members' Eligible Vehicles; and
 - iv. **Designated Loan Forgiveness Amount:** \$50,000 designated to fund Loan Forgiveness for those Eligible Owners who qualify for it, if any.
 - v. The maximum total compensation for a Generation Two Buyback and Lease Termination indicated in paragraph 34 does not include any amount necessary to pay Extension Payments or payments for Reduced Performance, if any.
35. This is a claims-made settlement, and Defendants shall retain (and shall not be required to pay) any unclaimed portion of designated compensation amounts in paragraph 34.
36. With respect to Vehicle Value and Owner, Lessee, and Former Owner Restitution, Volkswagen will not be required for any given Eligible Vehicle to pay more than (or otherwise provide compensation in excess of) the Buyback Amount that would be due to an Eligible Owner who purchased the vehicle new, except to the extent such additional payment in Excess of the Buyback Amount results from: (i) the application of an estimated mileage adjustment in making a Former Owner Restitution Payment; (ii) the lack of a mileage adjustment in making a Lessee Restitution Payment to an Eligible Former Lessee whose vehicle was purchased by an Eligible Owner other than that Eligible Former Lessee; or (iii) payment of an amount to ensure that the Buyback Amount is in excess of Retail Replacement Value as defined in the DOJ 3.0-liter Consent Decree.
37. Defendants shall not be responsible for paying to all participating Class Members more in aggregate Vehicle Value and Owner, Lessee, and Former Owner Restitution than the maximum total compensation amount set forth in paragraph 34 above. Volkswagen shall, however, be responsible for the additional cost if the designated amounts in paragraph 34(ii)-(iv) above are insufficient to cover the cost of

Volkswagen's corresponding obligations for Generation Two vehicles under the 3.0-liter Class Action Agreement related to extended vehicle warranties/vehicle service contracts, maintenance, and Loan Forgiveness only.

38. If an Emissions Compliant Repair for some, but not other, Generation Two vehicles is available, the maximum compensation for Generation Two 3.0-liter Class Members, and the designated amounts within the maximum compensation amount, will be reduced accordingly.
39. If any Class Member has received a payment pursuant to paragraph 2 above while awaiting the Emissions Compliant Repair, and such repair is not timely approved for that Class Member's Eligible Vehicle, the amount previously paid will be credited against any additional amount due the Class Member.