

Authorized by the U.S. District Court for the Southern District of Florida

If You Currently or Previously Owned, Purchased, or Leased Certain Volkswagen or Audi Vehicles, You Could Get a Cash Payment and Other Benefits from a Class Action Settlement.

THIS IS NOT A VEHICLE RECALL NOTICE.

Your vehicle may not be recalled, or may be recalled at a later date. Please see www.nhtsa.gov/equipment/takata-recall-spotlight#for-consumers-overview for further details about whether your vehicle is recalled and, if so, what you should do.

Para ver este aviso en español, visita www.AutoAirbagSettlement.com

- There is a proposed settlement in a class action lawsuit involving automotive companies to whom Takata Corporation and its affiliates supplied certain airbag products. The settlement resolves certain claims against Volkswagen AG, Volkswagen Group of America, Inc., VW Credit, Inc., Audi AG, and Audi of America, LLC (collectively “Volkswagen”¹) that were based on the inclusion of those Takata airbag products in certain Volkswagen and Audi vehicles. Those people included in the settlement have legal rights, options and deadlines by which they must exercise them.
- You are included if you own or owned, or lease or leased certain Volkswagen or Audi vehicles (which are listed in Question 3 below) as of certain dates specified below.
- The proposed settlement provides for several benefits, including, among other things, an Enhanced Rental Car/Loaner Program, Out-of-Pocket Claims Process, Customer Support Program, and Residual Distribution. There is also an Outreach Program which encourages Volkswagen and Audi customers to participate in a recall of Takata airbag inflators.

If you have received a separate recall notice for your Volkswagen or Audi vehicle and have not yet had your airbags replaced, you should do so as soon as possible.

Please read this Notice carefully. Your legal rights are affected, whether you act or do not act. You are encouraged to periodically check the website, www.AutoAirbagSettlement.com, because it will be updated with additional information.

A. BASIC INFORMATION

1. What is this Notice about?

A Court authorized this Notice because you have a right to know about a proposed settlement of a class action lawsuit and about all of your options and associated deadlines before the Court decides whether to give final approval to the settlement. The name of the lawsuit is *In Re: Takata Airbag Product Liability Litigation*, No. 15-MD-2599-FAM. Takata and several automotive companies were named as defendants in the litigation, including Volkswagen. This Notice explains the lawsuit, the proposed settlement, and your legal rights. You are NOT being sued. The Court still has to decide whether to finally approve the settlement. Payments and other benefits will be distributed only if the Court finally approves the settlement and, subject to the terms of the Settlement, the settlement approval is upheld after any appeals. Please be patient and check the website identified in this Notice regularly. Please do not contact Volkswagen or Audi Dealers regarding the details of this settlement while it is pending before the Court.

¹ Capitalized terms have the definitions and meanings accorded to them in the Settlement Agreement.

*Your legal rights may be affected even if you do not act.
Please read this Notice carefully.*

YOUR RIGHTS AND CHOICES

YOU MAY:		DATE/CLAIM PERIOD
<p>File a registration / claim form(s)</p>	<p>This is the only way that you can receive cash payments for which you may be eligible from the Out-of-Pocket Claims Process or the Residual Distribution, if any funds remain, prior to the Final Claim/Registration Deadline.</p> <p>There are different deadlines to file a claim depending on your situation. The column to the right explains those deadlines.</p>	<p><i>(a) Class Members who, before November 10, 2021, sold or returned, pursuant to a lease, a Subject Vehicle prior to November 10, 2021, will have one year from the Effective Date to submit a Registration/Claim Form.</i></p> <p><i>(b) Class Members who owned or leased a Subject Vehicle on November 10, 2021, shall have one year from the Effective Date or one year from the date of the performance of the Recall Remedy on their Subject Vehicle, whichever is later, to submit a Registration/Claim Form, but no Registration/Claim Forms may be submitted after the Final Registration/Claim Deadline.</i></p> <p><i>The Effective Date and Final Registration/Claim Deadline, when known, will be posted on the Settlement website.</i></p>
<p>Obtain Other Settlement Benefits</p>	<p>If you are a Class Member, you may also be eligible to participate in the Enhanced Rental Car/Loaner Program and/or receive benefits from the Customer Support Program.</p> <p>As part of the Enhanced Rental Car/Loaner Program, Volkswagen shall provide a rental/loaner vehicle to Class Members while they are waiting for the Recall Remedy to be performed on their Subject Vehicles.</p> <p>Volkswagen shall provide the Customer Support Program that will provide prospective coverage for repairs and adjustments for the Takata phase-</p>	

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	<p>stabilized ammonium nitrate or “PSAN” inflators replaced through the Recall Remedy.</p> <p>There is an Outreach Program that is designed to maximize completion of the Recall Remedy.</p>	
Object	Write to the Court about why you do not like the proposed settlement.	<i>February 14, 2022</i>
Exclude Yourself	Ask to get out (opt out) of the proposed settlement. If you do this, you are not entitled to any of the settlement benefits, but you keep your right to sue Volkswagen about the issues in your own lawsuit.	<i>February 14, 2022</i>
Appear in the Lawsuit or Go to the Fairness Hearing	<p>You are not required to enter an appearance in the lawsuit in order to participate in the proposed settlement, but you may enter an appearance on your own or through your own lawyer in addition to filing an objection if you do not opt out. You can also ask to speak in Court at the Fairness Hearing about the proposed settlement, if you have previously filed an objection and submitted a timely notice of intention to appear at the Fairness Hearing.</p>	<p><i>Appearance deadline - February 14, 2022</i></p> <p><i>Fairness Hearing - March 7, 2022, at 10:00 a.m.</i></p>
Do Nothing	You may not receive certain settlement benefits that you may otherwise be eligible for and you give up the right to sue Volkswagen about the issues in the lawsuit.	

2. What is the lawsuit about?

The lawsuit alleges that certain automotive companies, including Volkswagen, manufactured, distributed, or sold certain vehicles containing allegedly defective Takata airbag inflators manufactured by Takata Corporation and TK Holdings, Inc. that allegedly could, upon deployment, rupture and expel debris or shrapnel into the occupant compartment and/or otherwise affect the airbag’s deployment, and that the plaintiffs sustained economic losses as a result thereof.

The lawsuit claims violations of various state consumer protection statutes, among other claims. You can read the Second Amended Consolidated Class Action Complaint by visiting www.AutoAirbagSettlement.com. Volkswagen denies that it has violated any law, and denies that it engaged in any wrongdoing with respect to the manufacture, distribution, or sale of the Subject

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Vehicles. The parties agreed to resolve these matters before these issues were decided by the Court.

This settlement does not involve claims of personal injury or property damage to any property other than the Subject Vehicles.

On October 27, 2014, Craig Dunn, Pam Koehler, Zulmarie Rivera, Tru Value Auto Malls, LLC, David M. Jorgensen, Anna Marie Brechtell Flattmann, Robert Redfearn, Jr., Tasha R. Severio, Kenneth G. Decie, Gregory McCarthy, Nicole Peaslee, Karen Switkowski, Anthony D. Dark, Lemon Auto Sales, Inc., Nathan Bordewich, Kathleen Wilkinson, Haydee Masisni, and Nancy Barnett filed a class action complaint in *Craig Dunn, et al. v. Takata Corp., et al.*, No. 1:14-cv-24009 (S.D. Fla.), alleging, among other things, that certain automotive companies manufactured, distributed, or sold certain vehicles containing allegedly defective airbag inflators manufactured by Defendants Takata Corporation and TK Holdings, Inc. that allegedly could, upon deployment, rupture and expel debris or shrapnel into the occupant compartment and/or otherwise affect the airbag's deployment, and that the plaintiffs sustained economic losses as a result thereof.

The Judicial Panel on Multidistrict Litigation subsequently consolidated the *Craig Dunn, et al.* action for pretrial proceedings with additional class and individual actions alleging similar or identical claims in *In re Takata Airbag Products Liability Litigation*, No. 1:15-md-02599-FAM (S.D. Fla.) (MDL 2599) (the "*Takata MDL*"), pending before the Honorable Judge Federico A. Moreno in the United States District Court for the Southern District of Florida.

On March 17, 2015, the Court entered an Order Appointing Plaintiffs' Counsel and Setting Schedule, which designated Peter Prieto of Podhurst Orseck, P.A. as Chair Lead Counsel, David Boies of Boies Schiller and Flexner LLP, and Todd A. Smith of Smith Lacion, as Co-Lead Counsel in the Economic Loss track; Curtis Miner of Colson Hicks Eidson as Lead Counsel for the Personal Injury track; and Roland Tellis of Baron & Budd, P.C., James Cecchi of Carella, Byrne, Cecchi, Olstein, Brody & Agnello P.C., and Elizabeth Cabraser of Lieff Cabraser Heimann & Bernstein, LLP as Plaintiffs' Steering Committee members.

Certain Plaintiffs filed a complaint naming Volkswagen Group of America, Inc. as a Defendant on August 8, 2017. Other Plaintiffs filed another complaint naming Audi of America, LLC as a Defendant on March 14, 2018. On April 23, 2021, Plaintiffs filed a Second Amended Consolidated Class Action Complaint against Volkswagen Group of America, Inc. and Audi of America, LLC, which is the operative pleading for Plaintiffs' Claims at this time.

A detailed description of the legal proceedings, including motions to dismiss, is set forth in the Settlement Agreement, which is on the settlement website www.AutoAirbagSettlement.com.

On January 13, 2017, Defendant Takata Corporation signed a criminal plea agreement in which it admitted, among other things, that it "knowingly devised and participated in a scheme to obtain money and enrich Takata by, among other things, inducing the victim OEMs [Original Equipment Manufacturers] to purchase airbag systems from Takata that contained faulty, inferior, nonperforming, non-conforming, or dangerous PSAN inflators by deceiving the OEMs through the submission of false and fraudulent reports and other information that concealed the true and accurate test results for the inflators which the OEMs would not have otherwise purchased as they were." *United States v. Takata Corp.*, No. 2:16-cr-20810 GCS EAS, Dkt. No. 23 at B-6, B-7 (E.D. Mich. Feb. 27, 2017). On the same day, an indictment of three Takata employees on related charges was unsealed. Takata entered a guilty plea to one count of wire fraud before U.S. District Judge George Caram Steeh, as part of a settlement with the U.S. Department of Justice. *See id.* at 2-3.

Written discovery and extensive document productions have taken place (millions of pages of

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documents have been produced), Volkswagen has taken 17 depositions of class representatives and related individuals; and Plaintiffs have deposed at least 18 Takata witnesses and 5 Volkswagen witnesses.

3. What vehicles are included in the settlement?

The following Volkswagen and Audi vehicles (called the “Subject Vehicles”) distributed for sale or lease in the United States, the District of Columbia, Puerto Rico or any other United States territories or possessions are included:

<u>Model Years</u>	<u>Make and Model</u>
2009-2017	Volkswagen CC
2010-2016	Volkswagen Eos
2010-2014	Volkswagen Golf
2012-2015	Volkswagen Passat
2006-2008, 2010	Volkswagen Passat Sedan
2006-2008, 2010	Volkswagen Passat Wagon
2012-2019	VW Beetle
2012-2019	VW Beetle Convertible
2006-2013	Audi A3
2005-2008	Audi A4 Avant
2007-2009	Audi A4 Cabriolet
2005-2008	Audi A4 Sedan
2010-2012	Audi A5 Cabriolet
2006-2011	Audi A6 Avant
2005-2011	Audi A6 Sedan
2009-2012	Audi Q5
2017	Audi R8 Coupe
2017	Audi R8 Spyder
2008	Audi RS 4 Cabriolet

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2007-2008	Audi RS 4 Sedan
2005-2008	Audi S4 Avant
2007-2009	Audi S4 Cabriolet
2005-2008	Audi S4 Sedan
2010-2012	Audi S5 Cabriolet
2007-2011	Audi S6 Sedan
2016-2017	Audi TT Coupe
2016-2017	Audi TT Roadster

4. Why is this a class action?

In a class action, people called “class representatives” sue on behalf of other people who have similar claims. All of these people together are the “Class” or “Class Members” if the Court approves this procedure. Once approved, the Court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

5. Why is there a settlement?

Both sides in the lawsuit agreed to a settlement to avoid the cost and risk of further litigation, including a potential trial, and so that the Class Members can get benefits, in exchange for releasing Volkswagen and the Released Parties from liability. The settlement does not mean that Volkswagen broke any laws or did anything wrong, and the Court did not decide which side was right. This settlement has been preliminarily approved by the Court, which authorized the issuance of this Notice. The Class representatives/named plaintiffs and the lawyers representing them (called “Settlement Class Counsel”) believe that the settlement is in the best interests of all Class Members.

The essential terms of the settlement are summarized in this Notice. The Settlement Agreement along with all exhibits and addenda sets forth in greater detail the rights and obligations of the parties. If there is any conflict between this Notice and the Settlement Agreement, the Settlement Agreement governs.

B. WHO IS IN THE SETTLEMENT?

To see if you are affected or if you can get money or benefits, you first have to determine whether you are a Class Member.

6. How do I know if I am part of the settlement?

You are part of the settlement if you are:

- (1) a person or entity who or which owned and/or leased a Subject Vehicle distributed for sale or lease in the United States or any of its territories or possessions, as of November 10, 2021, or
- (2) a person or entity who or which formerly owned and/or leased a Subject Vehicle distributed for

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sale or lease in the United States or any of its territories or possessions, and who or which sold or returned, pursuant to a lease, a Subject Vehicle after February 9, 2016 through November 10, 2021.

This is called the “Class.” Excluded from this Class are: (a) Volkswagen, its officers, directors, and employees and outside counsel; its affiliates and affiliates’ officers, directors and employees; its distributors and distributors’ officers, directors and employees; and Volkswagen’s Dealers and their officers and directors; (b) Settlement Class Counsel, Plaintiffs’ counsel and their employees; (c) judicial officers and their immediate family members and associated court staff assigned to this case, any of the cases listed on Exhibit 1 to the Settlement Agreement, or the 11th Circuit Court of Appeals; (d) Automotive Recyclers and their outside counsel and employees; and (e) persons or entities who or which timely and properly exclude themselves from the Class.

7. I’m still not sure if I’m included in the settlement.

If you are not sure whether you are included in the Class, you may call 1-888-735-5596. Please do not contact Volkswagen or Audi Dealers regarding the details of this settlement while it is pending before the Court as the Court has ordered that all questions be directed to the Settlement Notice Administrator.

C. THE SETTLEMENT BENEFITS—WHAT YOU GET AND HOW TO GET IT

8. What does the settlement provide?

If you are a Class Member, what you are eligible to receive depends on several factors. The settlement benefits are outlined generally below, and more information can be found on the settlement website. The Court still has to decide whether to finally approve the settlement.

The proposed settlement benefits include, among other components, (i) Enhanced Rental/Car Loaner Program, (ii) Out-of-Pocket Claims Process, (iii) Customer Support Program, and (iv) Residual Distribution, if funds remain.

We do not know when the Court will finally approve the settlement, if it does so, or whether there will be any appeals that would have to be resolved in favor of the settlement before certain benefits would be provided, so we do not know precisely when any benefits may be available. Please check www.AutoAirbagSettlement.com regularly for updates regarding the settlement.

Please note that you may have to take action within certain deadlines to receive certain benefits, such as completing and submitting a Registration/Claim Form. If you do nothing, you may not receive certain benefits from the settlement, and, as a Class Member, you will not be able to sue the Released Parties about the issues in the lawsuit.

a. How will Volkswagen fund the settlement and all of its components?

As part of this settlement, Volkswagen agrees to pay a total of \$42,000,000.00 less the 20% Enhanced Rental Car/Loaner Program Credit (explained in Question 8(b), below), into a Qualified Settlement Fund (“QSF”). The settlement amount is to be used to fund the settlement programs, excluding the Customer Support Program, and to make all other payments, including, but not limited to, notice, administrative, tax preparation, escrow fees and costs and other expenses related to the settlement. The settlement fund will also be used to pay attorneys’ fees and costs and incentive awards to class representatives, if any, as awarded by the Court.

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Initial Payment: Volkswagen will make the first payment into the QSF not later than 30 calendar days after the Court issues the Preliminary Approval Order (the “Initial Payment”). The Initial Payment shall include:

- i. \$5,040,000 (12% of the total Settlement Amount), which is intended to be sufficient to pay for the first 12 months of the Outreach Program, and the first 12 months of the Settlement Special Administrator’s costs and administrative costs.

Second Payment: Volkswagen will pay into the QSF the amount sufficient to pay for notice costs, as directed by the Settlement Special Administrator, not later than 21 days after receipt of such direction from the Settlement Special Administrator.

Third Payment: Not later than 14 calendar days after the Court issues the Final Order, Volkswagen will deposit into the QSF the amount of attorneys’ fees and expenses awarded by the Court.

Year One Payment: Volkswagen will deposit into the QSF, not later than 14 calendar days after the Effective Date, 30% of the amount remaining of the \$42,000,000, after subtracting the Initial Payment, the Second Payment, and the Third Payment, and further reduced by the applicable portion of the 20% Enhanced Rental Car/Loaner Program Credit.

Year Two Payment: Volkswagen will deposit into the QSF, not later than one year after the Effective Date, 30% of the amount remaining of the \$42,000,000, after subtracting the Initial Payment, the Second Payment, and the Third Payment, and further reduced by the applicable portion of the 20% Enhanced Rental Car/Loaner Program Credit.

Year Three Payment: Volkswagen will deposit into the QSF, not later than two years after the Effective Date, 20% of the amount remaining of the \$42,000,000, after subtracting the Initial Payment, the Second Payment, and the Third Payment, and further reduced by the applicable portion of the 20% Enhanced Rental Car/Loaner Program Credit.

Year Four Payment: Volkswagen will deposit into the QSF, not later than three years after the Effective Date, the full amount remaining of the \$42,000,000, after subtracting the amounts above and further reduced by the applicable portion of the 20% Enhanced Rental Car/Loaner Program Credit.

b. Enhanced Rental Car/ Loaner Program

To address the potential inconvenience of waiting at a Volkswagen or Audi Dealer for Recall Repairs to be performed and to address the claimed anxiety, emotional distress or fear of driving a Subject Vehicle with an unrepaired recalled Takata inflator expressed by some owners and lessees, Volkswagen will adopt and implement a policy to provide a loaner/rental car free of charge to owners and lessees who request a vehicle, under the terms of the Enhanced Rental Car/Loaner Program.

Under the Enhanced Rental Car/Loaner Program, Volkswagen will provide a rental/loaner vehicle to every owner or lessee who (i) brings a Subject Vehicle that has been recalled (*i.e.*, there is an open and active NHTSA recall campaign covering the Subject Vehicle’s inflators) to a Volkswagen or Audi Dealer for completion of the Recall Remedy and (ii) requests a rental/loaner vehicle while awaiting the Recall Remedy, while the Recall Remedy is in progress, or if there is a delay in performing the Recall Remedy on the recalled Subject Vehicle. The owner or lessee shall provide adequate proof of insurance, and if a rental car (as opposed to a loaner) is provided, the owner or lessee must meet the applicable rental car company’s guidelines. The rental/loaner vehicle shall be

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made available until a Recall Remedy is performed on the Subject Vehicle, at which time the rental/loaner vehicle must be promptly returned to the provider of the rental/loaner vehicle in the same condition (excepting ordinary wear and tear) as received. Absent extenuating circumstances, the rental/loaner vehicle shall be returned when the Recall Remedy is completed. But in no event shall Volkswagen's obligation to pay rental costs or provide a loaner under this paragraph persist for more than 7 days after notification that the Recall Remedy has been performed on the Subject Vehicle.

Volkswagen will institute the Enhanced Rental Car/Loaner Program no later than 30 calendar days following the date of the issuance of the Preliminary Approval Order.

Volkswagen shall receive a credit of 20% (\$8,400,000) of the overall Settlement Fund for providing the Enhanced Rental Car/Loaner Program. This credit shall be: (a) automatically applied at the beginning of the settlement program year for the Year One Payment, Year Two Payment, Year Three Payment and Year Four Payment; and (b) divided into four equal amounts for these yearly payments. Every six months following the initiation of the Enhanced Rental Car/Loaner Program, Volkswagen shall certify to the Settlement Special Administrator that Volkswagen is complying with the Enhanced Rental Car/Loaner Program. The Settlement Special Administrator shall have the right to audit and confirm such compliance.

c. Out-of-Pocket Claims Process

If the settlement is finally approved, including resolving any appeals in favor of upholding the settlement, you can ask to be reimbursed for certain reasonable out-of-pocket expenses related to the Takata Airbag Inflator Recalls. To be eligible for reimbursement, you must submit a timely and fully completed Registration/Claim Form. The Registration/Claim Form is attached to this Notice and is also available on the settlement website www.AutoAirbagSettlement.com. In no event shall a Class Member be entitled to more than one reimbursement payment per Recall Remedy performed on each Subject Vehicle they own(ed) or lease(d).

The Settlement Special Administrator will oversee the administration of the Out-of-Pocket Claims Process, including, but not limited to, the determination of types of reimbursable costs and the eligibility of claims for reimbursement. The types of eligible reimbursable costs are listed in the Registration/Claim Form, which also contains a statement that the Settlement Special Administrator may approve and pay for other reimbursable claims that the Settlement Special Administrator deems to be a reasonable out-of-pocket expense.

Reimbursable out-of-Pocket expenses: Volkswagen and Plaintiffs, through their respective counsel, will make recommendations to the Settlement Special Administrator on what types of reasonable out-of-pocket expenses are reimbursable. Based on these recommendations, the Settlement Special Administrator shall consider those recommendations and develop a claim review protocol that will allow for reimbursement from the Settlement Fund to eligible Class Members for reasonable out-of-pocket expenses related to the Takata Airbag Inflator Recalls. The Parties agree that the following preliminary list of types of reasonable expenses may be reimbursed:

- (i) reasonable unreimbursed rental car and transportation expenses, after requesting and while awaiting the Recall Remedy from a Volkswagen or Audi Dealer;
- (ii) reasonable towing charges to a Volkswagen or Audi Dealer for completion of the Recall Remedy;
- (iii) reasonable childcare expenses necessarily incurred while the Recall Remedy is being performed on the Subject Vehicle by a Volkswagen or Audi Dealer;
- (iv) reasonable unreimbursed out-of-pocket costs associated with repairing driver or

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- (v) passenger front airbags containing Takata PSAN inflators;
- (v) reasonable lost wages resulting from lost time from work directly associated with the drop off and/or pickup of a Subject Vehicle at a Volkswagen or Audi Dealer for performance of the Recall Remedy; and
- (vi) reasonable fees incurred for storage of a Subject Vehicle after requesting and while awaiting a Recall Remedy part.

The Parties recognize that there may be additional categories of out-of-pocket expenses that may be reimbursed, as determined by the Settlement Special Administrator. The Settlement Special Administrator may not use any funds from the Out-of-Pocket Claims Process for payments to Class Members due to property damage, including vehicle damage, or personal injury allegedly from the deployment or non-deployment of a Takata airbag.

Timing for and review of out-of-pocket claims to be reimbursed: Pursuant to the Settlement Special Administrator's Claims Review Protocol, Class Members who have submitted timely and fully completed Registration/Claim Forms and: (a) are determined to be eligible to receive reimbursement for reasonable out-of-pocket expenses, shall be reimbursed for these reasonable out-of-pocket expenses; or (b) have been either determined not to be eligible to receive reimbursement for claimed out-of-pocket expenses or only registered for a residual payment, shall be placed into a group of Class Members that may be eligible to receive funds from the Residual Distribution, if any, subject to certain conditions.

The first set of reimbursements to eligible Class Members who have completed and filed a claim form shall be made on a rolling basis by the Settlement Special Administrator no later than 180 days after the Effective Date. Reimbursements for following years shall be made on a rolling basis as claims are submitted and approved.

For the reimbursements that occur in years one through three, reimbursements shall be made on a first-in-first-out basis until the Settlement Fund is depleted for that year. If there are no more funds to reimburse eligible Class Members in that particular year, then those Class Members will be moved to subsequent years for reimbursement.

For reimbursements to eligible Class Members that are to occur in year four and until the Final Registration/Claim Deadline, out-of-pocket payments shall be made for the amount approved by the Settlement Special Administrator, unless the approved reimbursements to eligible Class Members exceed the amount available. If this event occurs, then reimbursements shall be made on a *pro rata* basis until the available amount is exhausted.

Submitting more than one claim for out-of-pocket expenses: Class Members may submit one claim for out-of-pocket expenses attributable to each Recall Remedy performed on each Subject Vehicle they own(ed) or lease(d). For example, a Class Member with two Subject Vehicles may submit two claims, one for each vehicle, but the claims for the unreimbursed expenses can not be duplicative.

Finality of decision: The Settlement Special Administrator's decisions regarding claims for reimbursement of out-of-pocket expenses submitted by Class Members shall be final and not appealable.

d. Residual Distribution

The settlement program will be implemented over at least four years. Any funds that remain at the end of each of the first four settlement program years, after all Outreach Program and out-of-pocket expense payments for that year have been made, shall be distributed to each Class Member who (a) submitted claims in that year or prior program years that were previously rejected; or (b) sought to

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register for a residual payment only. Subject to certain exceptions discussed below, no Class Member eligible for a Residual Distribution payment shall receive a payment(s) totaling more than \$250 from the Residual Distribution for the first four settlement program years. Subject to certain exceptions discussed below, any funds remaining after payment of the maximum residual payment to all Class Members in any given year shall be rolled over into the following year's settlement program.

Unless it is administratively unfeasible, any funds that remain at the end of the last settlement program year after the Residual Distribution, if any, is made, shall be distributed on a *per capita* basis to Class Members who: (a) submitted claims in this or prior program years that were previously paid; (b) submitted claims in this or prior program years that were previously rejected and have not received any prior claims payments under this settlement program; or (c) sought to register for a residual payment only. No Class Member shall receive a payment of more than \$250 from this residual payment from this last settlement program year.

Any funds remaining in the Settlement Fund after making the payments described above shall be distributed to all Class Members on a *per capita* basis, unless it is administratively unfeasible, in which case such funds shall be distributed *cy pres*, subject to the agreement of the Parties, through their respective counsel, and Court approval.

Notwithstanding the above, after the Final Registration/Claim Deadline, the Parties and the Settlement Special Administrator may agree to spend any funds remaining in the QSF on continued Outreach Program activities rather than on a final Residual Distribution or *cy pres* payment as described above to fulfill the purposes of the Settlement Agreement.

Any Class Member who submits a claim that the Settlement Special Administrator determines is fraudulent shall not receive any payment from the Settlement Fund.

e. Customer Support Program

If the Court issues an order finally approving the settlement, as part of the compensation Volkswagen is paying in exchange for a release of claims against it in the Action, Volkswagen shall provide Class Members a Customer Support Program.

Customer Support Program benefits: The Customer Support Program will provide prospective coverage for repairs and adjustments (including parts and labor) needed to correct damaged and/or defective materials, if any, and defective workmanship, if any, of replacement driver or passenger inflators installed pursuant to the Takata Airbag Recall in the Subject Vehicles. This benefit will be automatically transferred and will remain with the Subject Vehicle regardless of ownership. The normal deployment of a replacement airbag inflator shall terminate this benefit as to a Subject Vehicle. To permit Volkswagen to coordinate with Volkswagen and Audi Dealers to provide benefits pursuant to the Customer Support Program under the Agreement, eligible Class Members may begin seeking such benefits no earlier than 30 days from the date of the Court's issuance of the Final Order. Nothing in the previous sentence shall affect the calculation of periods of time for which Volkswagen will provide coverage under the Customer Support Program.

The Customer Support Program shall not give Class Members a right to demand that Volkswagen recall unrecalled inflators or a claim against Volkswagen for breach of warranty for failure to recall inflators based on their use of PSAN as a propellant.

Customer Support Program timeline and duration: If the Subject Vehicle has been recalled and the Recall Remedy has been completed as of November 10, 2021, then the Customer Support Program will last for 10 years measured from the date the Recall Remedy was performed on the Subject

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Vehicle, or 150,000 miles measured from the date the Subject Vehicle was originally sold or leased by a Volkswagen or Audi Dealer (“Date of First Use”), whichever comes first. However, each eligible vehicle will receive coverage for at least 75,000 miles measured from the date the Recall Remedy was performed on the Subject Vehicle or two years measured from the date of the issuance of the Court’s Preliminary Approval Order, whichever is later.

If the Subject Vehicle has been or will be recalled and the Recall Remedy has not been completed as of November 10, 2021, then the Customer Support Program will last for (a) 10 years from the Date of First Use or if the Recall Remedy is subsequently performed on the Subject Vehicle, the date the Recall Remedy is performed, or (b) 150,000 miles measured from the Date of First Use, whichever comes first. However, each eligible vehicle will receive coverage for at least 75,000 miles measured from the date the Recall Remedy was performed on the Subject Vehicle, or two years of coverage measured from the date of the issuance of the Court’s Preliminary Approval Order (or from the date the Recall Remedy is subsequently performed on the applicable Subject Vehicle, if it is), whichever is later.

Ineligible vehicles: Inoperable vehicles and vehicles with a salvaged, rebuilt or flood-damaged title are not eligible for the Customer Support Program.

f. When will I get paid for a submitted claim for reimbursement for out-of-pocket expenses or from the residual distribution?

The Settlement Special Administrator will use its best efforts to pay your Claim in a timely manner. The first set of reimbursements to eligible Class Members who have completed and filed a Registration/Claim form shall be made on a rolling basis by the Settlement Special Administrator no later than 180 days after the Effective Date. Reimbursements for following years shall be made on a rolling basis as claims are submitted and approved in subsequent years.

For the reimbursements that occur in years one through three, reimbursements shall be made on a first-in-first-out basis until the Settlement Fund is depleted for that year. If there are no more funds to reimburse eligible Class Members in that particular year, then those Class Members will be moved to subsequent years for reimbursement.

For reimbursements to eligible Class Members that are to occur in year four and until the Final Registration/Claim Deadline, out-of-pocket payments shall be made for the amount approved by the Settlement Special Administrator, unless the approved reimbursements to eligible Class Members exceeds the amount available. If this event occurs, then reimbursements shall be made on a *pro rata* basis until the available amount is exhausted.

Deadline to Submit Registration/Claim Form: In order to receive reimbursement for a Claim, eligible Class Members must complete and submit the Registration/Claim Form during the Claim Period. Class Members who, before November 10, 2021, sold or returned, pursuant to a lease, a Subject Vehicle, will have one year from the Effective Date to submit a Registration/Claim Form. Class Members who owned or leased a Subject Vehicle on November 10, 2021 will have one year from the Effective Date or one year from the date of the performance of the Recall Remedy on their Subject Vehicle, whichever is later, to submit a Registration/Claim Form, but no Registration/Claim Forms may be submitted after the Final Registration/Claim Deadline.

Obtaining, Completing and Submitting the Registration/Claim Form: You can complete and submit a Registration/Claim Form online at www.AutoAirbagSettlement.com. Alternatively, hard copy Registration/Claim Forms can be requested from the Settlement Special Administrator or from

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the Settlement Notice Administrator. You can also obtain a Registration/Claim Form from the settlement website, print it out, complete it, and timely mail it to the Settlement Notice Administrator at Auto Airbag Settlement, P.O. Box 5650, Portland, OR 97208-5650.

g. Outreach Program

The Settlement Special Administrator shall oversee and administer the Outreach Program with the goal of maximizing, to the extent practicable, completion of the Recall Remedy in Subject Vehicles for the Takata Airbag Inflator Recalls. The Parties will recommend various programs to the Settlement Special Administrator that are intended to effectuate these goals. In order to effectuate these goals, the Outreach Program shall be designed to significantly increase Recall Remedy completion rates via traditional and non-traditional outreach efforts, including by expanding those currently being used by Volkswagen and conducted in connection with NHTSA's November 3, 2015 Coordinated Remedy Order and amendments thereto (the "Coordinated Remedy Order"). The budget for the Outreach Program is not to exceed 33% of the Settlement Amount, but the budget of the Outreach Program may be adjusted subject to the agreement of the Parties, through their respective counsel. The Parties, in consultation with the Settlement Special Administrator, will meet at least once a year to consider whether the above-referenced presumptive budget for the Outreach Program should be increased or decreased, and whether any money in the QSF should be set aside to finance the Outreach Program or the Out-of-Pocket Claims Process in future years. The Settlement Special Administrator shall engage certain consultants and staff, as agreed to by the Parties, through their respective counsel, to assist in the design, effectuation and implementation of the Outreach Program. The Settlement Special Administrator shall exercise his discretion to make reasonable efforts to confer with NHTSA, the Independent Monitor for Takata, and State Attorneys General, and consider compliance with the Coordinated Remedy Program before finalizing the Outreach Program. In addition, the Settlement Special Administrator and the Parties may confer directly with NHTSA, the Independent Monitor for Takata, and other parties, including State Attorneys General, to solicit input and seek collaboration in efforts to increase recall rates. Volkswagen shall be included in or notified of all communications between the Settlement Special Administrator and NHTSA, the Independent Monitor for Takata, State Attorneys General, or other regulatory bodies that specifically pertain to Volkswagen's recall completion. Updates to the Outreach Program will be posted on the Settlement website.

The Outreach Program for the Takata Airbag Inflator Recalls—which shall be subject to approval by Volkswagen—may include, but is not limited to, the following agreed-upon components: (a) direct contact of Class Members via U.S. Mail, telephone, social media, e-mail, texting, and canvassing; (b) contact of Class Members by third parties (e.g., independent repair shops); and (c) multi-media campaigns, such as through print, television, radio, and the internet. The Outreach Program may also include towing Subject Vehicles to Volkswagen or Audi Dealers for completion of the Recall Remedy and the delivery of Subject Vehicles to Class Members following completion of the Recall Remedy, the completion of the Recall Remedy by Volkswagen or Audi Dealers or other authorized entities at locations other than Volkswagen or Audi Dealers via mobile units capable of performing the Recall Remedy, incentives for Class Members to bring their Subject Vehicles to Volkswagen or Audi Dealers for the completion of the Recall Remedy, incentives for dealers to perform the Recall Remedy, incentives for independent repair shops to refer Class Members to Volkswagen or Audi Dealers to perform the Recall Remedy, and the use of data appending resources to identify Subject Vehicles that have not obtained the Recall Remedy.

The Settlement Special Administrator shall work in good faith with the consultants and the Parties, through their respective counsel, on the Outreach Program, including, but not limited to, the programs,

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timing, necessary outreach messages, amounts, and support. The Settlement Special Administrator shall correspond and coordinate the Outreach Program with Volkswagen to ensure to the extent practicable that the outreach is consistent with Recall Remedy parts and service availability.

Once the Parties have provided their recommendations, the Settlement Special Administrator will then make a final, binding determination regarding the details and scope of the Outreach Program. The Settlement Special Administrator will periodically report to the Court and the Parties, through their respective counsel, the results of the implementation of the Outreach Program.

If the Effective Date does not occur during the first 12 months of the Outreach Program, the Parties, through their respective counsel, shall discuss continuing and funding the Outreach Program until the Effective Date. The Outreach Program is intended to be a program that will adjust and change its methods of outreach as is required to achieve its goal of maximizing completion of the Recall Remedy. It is not intended to be a static program with components that are fixed for the entire settlement period.

Volkswagen may propose to continue the Outreach Program beyond 12 months following the Year Four Payment if it finds it necessary to maximize recall rates among the population of Subject Vehicles that will, or may be, recalled. If Settlement Class Counsel do not agree to continue the Outreach Program beyond 12 months following the Year Four Payment, the Parties may each submit a recommendation to the Settlement Special Administrator. The Settlement Special Administrator will then make a final, binding determination. If the Outreach Program is continued beyond 12 months following the Year Four Payment, a portion of Volkswagen's QSF may be set aside to pay for Outreach Program costs for the extended period.

9. What am I giving up in exchange for the settlement benefits?

If the settlement becomes final, Class Members who do not exclude themselves from the Class will release Volkswagen and the Released Parties from liability and will not be able to sue the Released Parties about the issues in the lawsuit. The Settlement Agreement at Section VII describes the released claims in necessary legal terminology, so read it carefully. For ease of reference, we also attach the full release section and the definition of Released Parties in Appendix A to this Notice. The Settlement Agreement is available at www.AutoAirbagSettlement.com. You can talk to one of the lawyers listed in Question 13 below for free or you can, of course, talk to your own lawyer at your own expense if you have questions about the released claims or what they mean.

D. EXCLUDING YOURSELF FROM THE SETTLEMENT

If you want to keep the right to sue or continue to sue Volkswagen or the Released Parties over the legal issues in the lawsuit, then you must take steps to exclude yourself from this settlement. This is also known as "opting out" of the Class.

10. If I exclude myself, can I get anything from this settlement?

If you exclude yourself, you cannot receive settlement benefits. If you ask to be excluded, you cannot object to the settlement. But, if you timely and properly request exclusion, the settlement will not prevent you from suing, continuing to sue or remaining or becoming part of a different lawsuit against Volkswagen or the Released Parties in the future about the issues in the lawsuit. If you exclude yourself, you will not be bound by anything that happens in this lawsuit and you may not object to the settlement.

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11. If I do not exclude myself, can I sue later?

Unless you exclude yourself, you give up the right to sue the Released Parties for the claims resolved by this settlement. If the settlement is finally approved, you will be permanently enjoined and barred from initiating or continuing any lawsuit or other proceeding against the Released Parties about the issues in the lawsuit, as set forth in the full release attached in Exhibit A to this Notice.

12. How do I get out of the settlement?

To exclude yourself from the settlement, you **must** mail a written request for exclusion to the Settlement Notice Administrator saying that you want to be excluded from the settlement in *In Re: Takata Airbag Products Liability Litigation (Economic Loss Actions)*, and mention the case number (1:15-md-2599-FAM).

The letter **must** be signed by you or the entity seeking to be excluded from the Class and include the following information: (i) your full name, telephone number, and address; (ii) a statement affirming you are a member of the Class and providing your Subject Vehicle's Model, Model Year, and Vehicle Identification Number ("VIN"); (iii) an explicit and unambiguous statement that you wish to be excluded from the Volkswagen Settlement in the *In re Takata Airbag Products Liability Litigation, 15-md-02599-FAM*, and (iv) be individually and personally signed by you (and your counsel if you are represented by counsel). You cannot ask to be excluded over the phone or at the settlement website. To be valid and timely, opt-out requests **must be postmarked on or before February 14, 2022**, the last day of the Opt-Out Period (the "Opt-Out Deadline"). You **must** mail your request for exclusion **postmarked no later than February 14, 2022**, to:

Auto Airbag Settlement
Settlement Notice Administrator
P.O. Box 5650
Portland, OR 97208-5650

The deadlines found in this Notice may be changed by the Court. Please check www.AutoAirbagSettlement.com regularly for updates regarding the settlement.

E. THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in the case?

Yes. The Court has appointed lawyers to represent you and other Class Members. These lawyers are called "Settlement Class Counsel": Peter Prieto of Podhurst Orseck, P.A., is Chair Lead Counsel, and David Boies of Boies Schiller & Flexner LLP and Todd A. Smith of Smith Lacion LLP are Co-Lead Counsel for the economic damages track. Roland Tellis of Baron & Budd P.C., James Cecchi of Carella, Byrne, Cecchi, Olstein, Brody & Agnello P.C., and Elizabeth Cabraser of Lieff Cabraser Heimann & Bernstein, LLP are the Plaintiffs' Steering Committee members. If you want to be represented by another lawyer, you may hire one to appear in Court for you at your own expense. Their contact information is as follows:

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<p>Peter Prieto PODHURST ORSECK, P.A. SunTrust International Center One S.E. 3rd Avenue, Suite 2300 Miami, FL 33131 Tel: (305) 358-2800 Email: pprieto@podhurst.com URL: www.podhurst.com Chair Lead Counsel</p>	<p>David Boies BOIES SCHILLER & FLEXNER, LLP 55 Hudson Yards, 20th Floor New York, NY 10001 Tel: (212) 446-2300 Email: dboies@bsflp.com URL: www.bsflp.com Co-Lead Counsel for the Economic Loss Track</p>
<p>Todd A. Smith SMITH LACIEN, L.L.P. 70 West Madison St., Suite 5770 Chicago, IL 60602 Tel: (312) 509-8900 Email: tsmith@smithlacienc.com Co-Lead Counsel for the Economic Loss Track</p>	<p>Roland Tellis BARON & BUDD, P.C. 15910 Ventura Blvd. #1600 Encino, CA 91436 Tel: (818) 839-2333 Email: rtellis@baronbudd.com URL: www.baronandbudd.com Plaintiffs' Steering Committee</p>
<p>James E. Cecchi CARELLA, BYRNE, CECCHI, OLSTEIN, BRODY & AGNELLO, P.C. 5 Becker Farm Road Roseland, NJ 07068 Tel: (973) 994-1700 Email: jcecchi@carellabyrne.com URL: www.carellabyrne.com Plaintiffs' Steering Committee</p>	<p>Elizabeth J. Cabraser LIEFF CABRASER HEIMANN & BERNSTEIN, LLP 275 Battery Street, Suite 2900 San Francisco, CA 94111 Tel: (415) 956-1000 Email: ecabraser@lchb.com URL: www.lieffcabraser.com Plaintiffs' Steering Committee</p>

14. How will the lawyers be paid? What about awards to the named plaintiffs/class representatives?

The Parties did not begin to negotiate Attorneys' Fees and Expenses until after agreeing to the principal terms set forth in this Settlement Agreement. Settlement Class Counsel agrees to file, and Volkswagen agrees not to oppose, an application for an award of Attorneys' Fees and Expenses of not more than 30% of the Settlement Amount. The Court will determine the amount of Attorneys' Fees and Expenses to be awarded. This award, which shall be paid from the Settlement Fund, shall be the sole compensation paid by Volkswagen for all plaintiffs' counsel in the Actions.

Any order or proceedings solely relating to the Attorneys' Fees and Expenses application, or any appeal from any order related thereto, or reversal or modification thereof, will not operate to terminate or cancel this Agreement, or affect or delay the Effective Date.

Settlement Class Counsel may petition the Court for incentive awards of up to \$5,000 per Plaintiff. The purpose of such awards shall be to compensate the Plaintiffs for efforts undertaken by them on behalf of the Class. Any incentive awards made by the Court shall be paid from the Settlement Fund within 30 days of the date the Court grants Settlement Class Counsel's petition for fees, if it does so.

Volkswagen shall not be liable for, or obligated to pay, any attorneys' fees, expenses, costs, or disbursements, either directly or indirectly, in connection with the Actions or the Agreement, other than as set forth above.

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F. OBJECTING TO THE SETTLEMENT

You can tell the Court if you do not agree with the settlement or some part of it.

15. How do I tell the Court if I do not like the settlement?

If you are a Class Member, and you do not exclude yourself from the Class, you can object to the settlement if you do not like some part of it or all of it. You can give reasons why you think the Court should not approve it. To object, you must deliver to Settlement Class Counsel and to Volkswagen's Counsel (see addresses below), and file with the Court, on or before **February 14, 2022**, a written statement of your objections.

The written objection of any Class Member must include:

- a) a heading which refers to the *Takata* MDL and an indication that the objection is to the Volkswagen Settlement;
- b) the objector's full name, telephone number, and address (the objector's actual residential address must be included);
- c) an explanation of the basis upon which the objector claims to be a Class Member, including the VIN(s) of the objector's Subject Vehicle(s);
- d) all grounds for the objection, accompanied by any legal support for the objection known to the objector or his or her counsel;
- e) the number of times the objector has objected to a class action settlement within the five years preceding the date that the objector files the objection, the caption of each case in which the objector has made such objection, and a copy of any orders related to or ruling upon the objector's prior such objections that were issued by the trial and appellate courts in each listed case;
- f) if represented by counsel, the full name, telephone number, and address of all counsel, including any former or current counsel who may be entitled to compensation for any reason related to the objection to the Settlement or fee application;
- g) the number of times the objector's counsel and/or counsel's law firm have objected to a class action settlement within the five years preceding the date that the objector files the objection, the caption of each case in which the counsel or the firm has made such objection, and a copy of any orders related to or ruling upon counsel's or the firm's prior such objections that were issued by the trial and appellate courts in each listed case;
- h) any and all agreements that relate to the objection or the process of objecting – whether written or verbal – between objector or objector's counsel and any other person or entity;
- i) whether the objector intends to appear at the Fairness Hearing on his or her own behalf or through counsel;
- j) the identity of all counsel representing the objector who will appear at the Fairness Hearing;
- k) a list of all persons who will be called to testify at the Fairness Hearing in support of the objection; and
- l) the objector's dated, handwritten signature (an electronic signature or the objector's counsel's signature is not sufficient).

Any documents supporting the objection must also be attached to the objection.

The objection must be received by Settlement Class Counsel and Volkswagen's Counsel no later than **February 14, 2022**. To have your objection considered by the Court, you also must file the objection with the Clerk of Court (identified below) so that it is received and filed no later than **February 14, 2022**.

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Objections must be mailed to:

<u>Clerk of the Court</u> Wilkie D. Ferguson, Jr. U.S. Courthouse 400 North Miami Avenue Miami, FL 33128	<u>Settlement Class Counsel</u> Peter Prieto PODHURST ORSECK, P.A. SunTrust International Center One S.E. 3 rd Ave, Suite 2300 Miami, FL 33131	<u>Volkswagen's Counsel</u> Robert J. Giuffra Jr. Sullivan & Cromwell LLP 125 Broad Street New York, NY 10004
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16. What is the difference between objecting and excluding?

Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the settlement no longer affects you. Objecting is telling the Court that you do not like something about the settlement. You can object only if you stay in the Class.

If you are a Class Member and you do nothing, you will remain a Class Member and all of the Court's orders will apply to you, you will be eligible for the settlement benefits described above as long as you satisfy the conditions for receiving each benefit, and you will not be able to sue the Released Parties over the issues in the lawsuit, as set forth in the full release attached in Exhibit A to this Notice.

G. THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to grant final approval to the settlement, sometimes called the "Fairness Hearing." If you have filed an objection on time and attend the hearing, you may ask to speak (provided you have previously filed a timely notice of intention to appear), but you do not have to attend or speak.

17. When and where will the Court decide whether to grant final approval of the settlement?

The Court will hold a Fairness Hearing at **10:00 a.m. on March 7, 2022** at the Wilkie D. Ferguson, Jr. United States District Courthouse, Southern District of Florida, 400 North Miami Avenue, Miami, FL 33128. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will only listen to people who have met the requirement to speak at the hearing (*See* Question 19 below). After the hearing, the Court will decide whether to grant final approval of the settlement, and, if so, how much to pay the lawyers representing Class Members. We do not know how long these decisions will take.

18. Do I have to come to the hearing?

No. Settlement Class Counsel will answer any questions the Court may have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it – but you can if you provide advance notice of your intention to appear (*See* Question 19 below). As long as you filed a written objection with all of the required information on time with the Court, the Court will consider it. You may also pay another lawyer to attend, but it is not required.

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19. May I speak at the hearing?

You or your attorney may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter saying that it is your “Notice of Intent to Appear in *In Re: Takata Airbag Products Liability Litigation (Economic Loss Actions)*, No. 1:15-md-2599-FAM” to Settlement Class Counsel and Volkswagen’s Counsel identified above (see Question 15) so that they receive it no later than **February 14, 2022**. You must also file such a Notice with the Clerk of Court so that it is received and filed no later than **February 14, 2022**. You must include your name, address, telephone number, the year, make and model and VIN number of your vehicle, and your signature. Anyone who has requested permission to speak must be present at the start of the Fairness Hearing at **10:00 a.m. on March 7, 2022**. You cannot speak at the hearing if you excluded yourself from the Class.

H. GETTING MORE INFORMATION

20. How do I get more information?

This Notice summarizes the proposed settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement and other information about the settlement and the Registration/Claim Forms, at www.AutoAirbagSettlement.com. You can also call the toll-free number, 1-888-735-5596, or write the Settlement Notice Administrator at Auto Airbag Settlement, P.O. Box 5650, Portland, OR 97208-5650. You can also look at the documents filed in the lawsuit at the Court at the address provided above in response to Question 15.

21. When will the settlement be final?

The settlement will not be final unless and until the Court grants final approval of the settlement at or after the Fairness Hearing and after any appeals are resolved in favor of the settlement. Please be patient and check the website identified in this Notice regularly. Please do not contact Volkswagen or Volkswagen or Audi Dealers as the Court has ordered that all questions be directed to the Settlement Notice Administrator.

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Appendix A

Section VII from the Settlement Agreement – Release and Waiver

A. The Parties agree to the following release and waiver, which shall take effect upon entry of the Final Judgment.

B. In consideration for the relief provided above, Plaintiffs and each Class Member, on behalf of themselves and any other legal or natural persons and entities who or which may claim by, through or under them, including their executors, administrators, heirs, assigns, privies, predecessors and successors, agree to fully, finally and forever release, relinquish, acquit, discharge and hold harmless the Released Parties² from the Claims and any and all other claims, demands, suits, petitions, liabilities, causes of action, rights, losses and damages and relief of any kind or type regarding the subject matter of the Actions, including, but not limited to, compensatory, exemplary, statutory, punitive, restitutionary, expert or attorneys' fees and costs, whether past, present, or future, mature or not yet mature, known or unknown, suspected or unsuspected, contingent or non-contingent, derivative, vicarious or direct, asserted or un-asserted, and whether based on federal, state or local law, statute, ordinance, rule, regulation, code, contract, tort, physical property damage to the Subject Vehicle, fraud or misrepresentation, common law, violations of any state's or territory's deceptive, unlawful, or unfair business or trade practices, false, misleading or fraudulent advertising, consumer fraud or consumer protection statutes, or other laws, unjust enrichment, any breaches of express, implied or any other warranties, violations of any state's Lemon Laws, the Racketeer Influenced and Corrupt Organizations Act, or the Magnuson-Moss Warranty Act, or any other source, or any claims under the Trade Regulation Rule Concerning the Preservation of Consumers' Claims and Defenses 16. C.F.R. § 433.2, or any claim of any kind, in law or in equity, arising from, related to, connected with, or in any way involving the Claims or the Actions, the Subject Vehicles' driver or passenger front airbag modules containing desiccated or non-desiccated Takata PSAN inflators, and any and all claims involving the Takata Airbag Inflator Recalls that are, or could have been, alleged, asserted or described in the *Alters* Complaint, the *McBride* Complaint, the Consolidated Class Action Complaint, the Amended Consolidated Class Action Complaint, the Second Amended Consolidated Class Action Complaint, the Actions or any amendments of the Actions.

C. If a Class Member who does not opt out commences, files, initiates, or institutes any new legal action or other proceeding against a Released Party for any claim released in this Settlement in any federal or state court, arbitral tribunal, or administrative or other forum, such legal action or proceeding shall be dismissed with prejudice at that Class Member's cost.

D. Notwithstanding the Release set forth in Section VII of this Agreement, Plaintiffs and Class Members are not releasing and are expressly reserving all rights relating to claims for bodily injury, wrongful death or physical property damage (other than to the Subject Vehicle) arising from an incident involving a Subject Vehicle, including the deployment or non-deployment of a driver or

² "Released Parties" or "Released Party" means Volkswagen, and each of its past, present and future parents, predecessors, successors, spin-offs, assigns, holding companies, joint-ventures and joint-venturers, partnerships and partners, members, divisions, stockholders, bondholders, subsidiaries, related companies, affiliates, officers, directors, employees, associates, dealers, including Volkswagen AG, Audi AG, Volkswagen Group of America Chattanooga Operations, LLC, VW Credit, Inc., Volkswagen de México S.A. de C.V., the Volkswagen Dealers, representatives, suppliers, vendors, advertisers, marketers, service providers, distributors and subdistributors, repairers, agents, attorneys, insurers, administrators and advisors. The Parties expressly acknowledge that each of the foregoing is included as a Released Party even though not identified by name herein. Notwithstanding the foregoing, "Released Parties" does not include the Excluded Parties.

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passenger front airbag with a Takata PSAN inflator.

E. Notwithstanding the Release set forth in Section VII of this Agreement, Plaintiffs and Class Members are not releasing and are expressly reserving all rights relating to claims against Excluded Parties.

F. The Final Order and Final Judgment will reflect these terms.

G. Plaintiffs and Class Members shall not now or hereafter institute, maintain, prosecute, assert, instigate, and/or cooperate in the institution, commencement, filing, or prosecution of any suit, action, claim and/or proceeding, whether legal, administrative or otherwise against the Released Parties, either directly or indirectly, on their own behalf, on behalf of a class or on behalf of any other person or entity with respect to the claims, causes of action or any other matters released through this Settlement.

H. In connection with this Agreement, Plaintiffs and Class Members acknowledge that they may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those that they now know or believe to be true concerning the subject matter of the Actions or the Release herein. Nevertheless, it is the intention of Settlement Class Counsel and Class Members in executing this Agreement fully, finally and forever to settle, release, discharge, acquit and hold harmless all such matters, and all existing and potential claims against the Released Parties relating thereto which exist, hereafter may exist, or might have existed (whether or not previously or currently asserted in any action or proceeding) with respect to the Claims or the Actions, their underlying subject matter, and the Subject Vehicles, except as otherwise stated in this Agreement.

I. Plaintiffs expressly understand and acknowledge, and all Plaintiffs and Class Members will be deemed by the Final Order and Final Judgment to acknowledge and waive Section 1542 of the Civil Code of the State of California, which provides that:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiffs and Class Members expressly waive and relinquish any and all rights and benefits that they may have under, or that may be conferred upon them by, the provisions of Section 1542 of the California Civil Code, or any other law of any state or territory that is similar, comparable or equivalent to Section 1542, to the fullest extent they may lawfully waive such rights.

J. Plaintiffs represent and warrant that they are the sole and exclusive owners of all claims that they personally are releasing under this Agreement. Plaintiffs further acknowledge that they have not assigned, pledged, or in any manner whatsoever sold, transferred, assigned or encumbered any right, title, interest or claim arising out of or in any way whatsoever pertaining to the Claims or the Actions, including without limitation, any claim for benefits, proceeds or value under the Actions, and that Plaintiffs are not aware of anyone other than themselves claiming any interest, in whole or in part, in the Claims or the Actions or in any benefits, proceeds or values under the Actions. Class Members submitting a Registration/Claim Form shall represent and warrant therein that they are the sole and exclusive owners of all claims that they personally are releasing under the Settlement and that they have not assigned, pledged, or in any manner whatsoever sold, transferred, assigned or encumbered any right, title, interest or claim arising out of or in any way whatsoever pertaining to the Claims or the Actions, including without limitation, any claim for benefits, proceeds or value under the Actions, and that the Class Member(s) are not aware of anyone other than themselves claiming any interest, in

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whole or in part, in the Claims or the Actions or in any benefits, proceeds or values under the Actions.

K. Without in any way limiting its scope, and, except to the extent otherwise specified in the Agreement, this Release covers by example and without limitation, any and all claims for attorneys' fees, costs, expert fees, or consultant fees, interest, or litigation fees, costs or any other fees, costs, and/or disbursements incurred by any attorneys, Settlement Class Counsel, Plaintiffs or Class Members who claim to have assisted in conferring the benefits under this Settlement upon the Class.

L. Settlement Class Counsel and any other attorneys who receive attorneys' fees and costs from this Settlement acknowledge that they have conducted sufficient independent investigation and discovery to enter into this Settlement Agreement and, by executing this Settlement Agreement, state that they have not relied upon any statements or representations made by the Released Parties or any person or entity representing the Released Parties, other than as set forth in this Settlement Agreement.

M. Pending final approval of this Settlement via issuance by the Court of the Final Order and Final Judgment, the Parties agree that any and all outstanding pleadings, discovery, deadlines and other pretrial requirements are hereby stayed and suspended as to Volkswagen. Upon the occurrence of final approval of this Settlement via issuance by the Court of the Final Order and Final Judgment, the Parties expressly waive any and all such pretrial requirements as to Volkswagen.

N. Nothing in this Release shall preclude any action to enforce the terms of the Agreement, including participation in any of the processes detailed herein.

O. Plaintiffs and Settlement Class Counsel hereby agree and acknowledge that the provisions of this Release together constitute an essential and material term of the Agreement and shall be included in any Final Order and Final Judgment entered by the Court.

**QUESTIONS? CALL TOLL FREE 1-888-735-5596 OR VISIT www.AutoAirbagSettlement.com
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