

**EXECUTIVE SUMMARY OF PROPOSED
CLASS SETTLEMENT PROGRAM**

The goal of the Volkswagen Class Settlement Program is to compensate everyone who owned or leased a Volkswagen or Audi 2.0-liter TDI vehicle (“Eligible Vehicle”) on September 18, 2015 (the date the emissions allegations became public), or who now owns an Eligible Vehicle. Volkswagen has agreed to create a single funding pool of a maximum of \$10,033,000,000 from which Class Members will be compensated under the Class Settlement Program.

Cars sometimes change hands, so Class Members are grouped into three different categories: Eligible Owners, Eligible Sellers, and Eligible Lessees.

Most Class Members owned an Eligible Vehicle on September 18, 2015, and still have possession of that car. These Class Members have two options: (1) have Volkswagen buy back the car (“Buyback”) immediately, or (2) wait to see whether the EPA and CARB approve a modification of the vehicle to reduce emissions (“Approved Emissions Modification”) for the car’s engine type, and then decide whether to sell their car back to Volkswagen or accept a free Approved Emissions Modification.

Class Members who had an active lease for an Eligible Vehicle on September 18, 2015 also have two options: (1) terminate their lease with no early termination penalty (“Lease Termination”), or (2) keep their car and receive an emissions modification to the vehicle, if approved by the EPA and CARB (“Approved Emissions Modification”).

Class Members who do not exclude themselves from the Class Settlement Program will receive a cash payment in addition to either the Buyback / Lease Termination or the free Approved Emissions Modification, as described below. If you exclude yourself from the Class, you may still obtain an Approved Emissions Modification if available for your car, but you cannot receive a Buyback or Lease Termination, and you will not receive any cash payment.

Benefits to Owners / Lessees

Buyback

If a Class Member who owns a car chooses a Buyback, the price Volkswagen will pay for that car is the September 2015 National Automobile Dealers Association (“NADA”) Clean Trade In value of the car adjusted for options and mileage

("Vehicle Value"). This figure is the value of the car in September 2015, before the emissions accusations became public. Owners receive their Vehicle Value, **plus** an additional cash payment ("Owner Restitution"). The Owner Restitution payment is calculated at 20% of the Vehicle Value plus \$2,986.73. The minimum Owner Restitution payment for any Class Member—to be paid on top of the Vehicle Value—will be \$5,100. Some Class Members may receive as much as approximately \$10,000 in Owner Restitution.

Because a car may have more than one owner during the relevant period, for those cars that changed hands after September 18, 2015 and during the claims period, the settlement equitably divides the Owner Restitution payment approximately 50/50 between the owner as of September 18, 2015 who later sold the car ("Eligible Seller") and the current owner ("Eligible Owner"). To qualify for an Eligible Seller restitution payment, you will have at least 45 days from the entry of the Preliminary Approval Order to identify yourself. If preliminary approval is granted by the Court on July 26, 2016 (the date of the preliminary approval hearing), you will have until September 16, 2016, to identify yourself. Note that if you sell your car after June 28, 2016, you will not be an Eligible Seller (or an Eligible Owner).

Lease Termination

Eligible Lessees who choose a Lease Termination will have their leases terminated with no early termination fee, plus receive a Lessee Restitution payment of approximately half of what a Class Member who owns an identical car would receive as Owner Restitution.

Approved Emissions Modification

The Environmental Protection Agency ("EPA"), the California Air Resources Board ("CARB") and Volkswagen have negotiated a timeline that allows Volkswagen to submit (according to engine type) proposed emissions modifications to EPA/CARB for approval. The submission, testing, and approval process take time, so Class Members may not know whether their cars have an Approved Emissions Modification immediately upon final approval of the settlement, and possibly not until May 1, 2018.

If a modification for a particular engine type ultimately is approved, Class Members who own those cars will be notified when the modification is ready, and will be able to bring their cars into a Volkswagen or Audi dealership to have the

Approved Emissions Modification performed free of charge. They will also receive the same Owner Restitution or Lessee Restitution payment as available to owners or lessees who choose a Buyback or Lease Termination.

Class Members who choose an Approved Emissions Modification will receive disclosures about the effects of the modification on performance and durability, an Extended Emissions Warranty, and a Lemon Law-type remedy that covers the Approved Emissions Modification.

If no modification is approved for your car before May 1, 2018, you will be notified that no emissions modification is available. At that point, you will have until June 1, 2018, to accept a Buyback or to exclude yourself from the Class.

If you own a vehicle for which an approved modification does become available, you will be able to receive that modification free of charge, but the restitution payment will be paid **only** to those who choose to participate in the Class Settlement Program and who do not opt out.

How to Obtain Settlement Benefits

If preliminary approval is granted by the Court, on July 26, 2016 (the date of the preliminary approval hearing), the settlement website will allow Class Members to enter their Vehicle Identification Number (“VIN”) and mileage to see the expected Vehicle Value and Owner or Lessee Restitution payment for their vehicle, based on its model year, trim line, actual equipment and options. To see a non-binding estimate of the range of compensation you might receive through the Class Settlement Program, please review the attached chart.

Volkswagen has agreed to begin the Class Settlement Program immediately after the Court grants final approval and enters the DOJ Consent Decree.

Volkswagen will complete (1) a Buyback of an Eligible Vehicle within 90 days of an Eligible Owner’s acceptance of Volkswagen’s Buyback offer, (2) a Lease Termination of an Eligible Vehicle within 45 days of an Eligible Lessee’s acceptance of Volkswagen’s Lease Termination offer, and (3) once approved by the EPA/CARB, an Approved Emissions Modification to an Eligible Vehicle within 90 days of an Eligible Owner’s or Eligible Lessee’s acceptance of Volkswagen’s Approved Emissions Modification Offer. States that accept money through the EPA/CARB settlement cannot refuse to register your vehicle as a result of the emissions problems at issue in this case. If any state does not accept money

through the EPA/CARB settlement, it will not be bound by these settlements, but it is anticipated that Class Members will be allowed to drive their cars legally through the course of the Class Settlement Program, while they await their Buyback or Approved Emissions Modification.

Under the related settlement between Volkswagen and the United States Department of Justice (“DOJ”) on behalf of the Environmental Protection Agency, and the State of California by and through the California Air Resources Board and the California Attorney General (“CA AG”), owners and lessees who choose to exclude themselves (“opt out”) from the Class Settlement Program can still obtain an Approved Emissions Modification at no cost if one becomes available, but they will not be eligible for the restitution payments or Buyback / Lease Termination provided for by the Class Settlement Program.

Environmental Relief

On top of the compensation described above, under settlements with EPA and CARB, Volkswagen will pay \$2.7 billion into a Trust. The purpose of the Trust is to support environmental programs throughout the country that will reduce NOx in the atmosphere by an amount equal to or greater than the combined NOx pollution caused by the cars that are the subject of this lawsuit. In addition, Volkswagen must spend \$2 billion to promote non-polluting cars (“zero emissions vehicles” or “ZEV”), over and above any amount Volkswagen previously planned to spend on such technology. EPA and CARB will oversee and monitor, and the Court will enforce, Volkswagen’s compliance with the Trust payment and the ZEV investment.

Attorneys' Fees

In class actions, the court must approve all plaintiffs' attorneys' fees and costs. Volkswagen has agreed to pay the attorneys' fees and costs that the court approves in addition to the settlement benefits described above. This means that Class Members will receive 100% of the compensation described in this Executive Summary, and that their compensation will not be reduced by attorneys' fees or costs.

Summary

This Class Settlement Program gives Volkswagen or Audi 2.0-liter TDI vehicle owners and lessees a choice between (1) a Buyback (based on pre-September 18, 2015 market value) or Lease Termination and (2) a free Approved Emissions Modification **plus** (3) a cash payment ranging, for most owners, from \$5,100 to approximately \$10,000 per vehicle.

Please note that this is only a summary of the settlement benefits. The Class Settlement Program and the related government settlements are comprehensive agreements that address the concerns of hundreds of thousands of owners/lessees and several governmental entities, so there are many points that are not included in this summary. The full details of the Class Settlement Program and the texts of the government settlements will be available online at www.VWCourtSettlement.com.

The Class Settlement Program and the related government settlements are subject to the Court's approval.

Settlement Payments to Owners

The tables below show the range of possible payment amounts to owners under the Class Action Settlement. The amount you will be offered depends on whether you choose a Buyback or an Approved Emissions Modification and your car's model year, model, trim level, and factory options. The Approved Emissions Modification option will only be available if a modification is approved by the EPA and CARB.

If you choose the Buyback option, you will receive your car's September 2015 Clean Trade Vehicle Value, plus a cash payment, ranging from a minimum of \$5,100 to nearly \$10,000, depending on your vehicle. If you choose the emissions modification option, you will receive a free modification plus the same cash payment. The range of total cash payments is summarized in the chart below.

Your payment will be adjusted if your car has higher or lower than standard mileage when you bring it into a dealership to participate in the settlement program. If your payment is subject to a mileage adjustment, the amount you receive may be different from what is shown below, but not less than \$5,100.

These tables assume that you owned your car when the emissions accusations became public on September 18, 2015, and that you still own it. If you no longer have your car or if you purchased it after September 18, 2015, then you will be offered a lesser amount, assuming you qualify for the settlement.

Beginning July 26, 2016, you can see the exact Buyback and Approved Emissions Modification payments for your car by visiting www.VWCourtSettlement.com and entering your Vehicle Identification Number (VIN), mileage, and other required information.

Instructions
Find your car's
Model Year, Model,
and Trim below

Option 1
Sell your car back to
VW plus a cash
payment for a
combined total of:

Option 2
Keep your car, get a
free modification to
reduce emissions plus
a cash payment of:

Volkswagen Owners

MODEL YEAR	MODEL AND TRIM	BUYBACK	APPROVED EMISSIONS MODIFICATION
2009	VW Jetta Sedan TDI	\$12,475 - \$14,025	\$5,100 - \$5,100
	VW Jetta SportWagen TDI	\$13,600 - \$15,125	\$5,100 - \$5,100
2010	VW Golf Hatchback 2D TDI	\$15,025 - \$16,877	\$5,100 - \$5,302
	VW Golf Hatchback 4D TDI	\$15,500 - \$17,447	\$5,100 - \$5,397
	VW Jetta Sedan TDI	\$13,675 - \$15,350	\$5,100 - \$5,100
	VW Jetta Sedan TDI Cup Street Edition	\$15,625 - \$17,087	\$5,100 - \$5,337
	VW Jetta SportWagen TDI	\$14,775 - \$16,607	\$5,100 - \$5,257
	VW Jetta SportWagen TDI	\$14,775 - \$16,607	\$5,100 - \$5,257
2011	VW Golf Hatchback 2D TDI	\$17,657 - \$19,817	\$5,432 - \$5,792
	VW Golf Hatchback 4D TDI	\$18,497 - \$20,657	\$5,572 - \$5,932
	VW Jetta Sedan TDI	\$16,217 - \$18,347	\$5,192 - \$5,547
	VW Jetta SportWagen TDI	\$18,227 - \$20,357	\$5,527 - \$5,882
2012	VW Golf Hatchback 2D TDI	\$19,457 - \$21,707	\$5,732 - \$6,107
	VW Golf Hatchback 4D TDI	\$20,267 - \$22,517	\$5,867 - \$6,242
	VW Jetta Sedan TDI	\$18,317 - \$20,867	\$5,542 - \$5,967
	VW Jetta SportWagen TDI	\$19,907 - \$22,097	\$5,807 - \$6,172
	VW Passat Sedan TDI SE	\$19,007 - \$21,467	\$5,657 - \$6,067
	VW Passat Sedan TDI SEL	\$23,267 - \$23,387	\$6,367 - \$6,387
2013	VW Beetle Coupe TDI	\$20,627 - \$23,447	\$5,927 - \$6,397
	VW Beetle Convertible TDI	\$24,047 - \$26,147	\$6,497 - \$6,847
	VW Golf Hatchback 2D TDI	\$20,657 - \$23,117	\$5,932 - \$6,342
	VW Golf Hatchback 4D TDI	\$21,377 - \$23,837	\$6,052 - \$6,462
	VW Jetta Sedan TDI	\$20,777 - \$23,897	\$5,952 - \$6,472
	VW Jetta SportWagen TDI	\$23,357 - \$25,727	\$6,382 - \$6,777
	VW Passat Sedan TDI SE	\$21,587 - \$24,257	\$6,087 - \$6,532
	VW Passat Sedan TDI SEL	\$26,807 - \$26,927	\$6,957 - \$6,977
2014	VW Beetle Coupe TDI	\$22,907 - \$25,847	\$6,307 - \$6,797
	VW Beetle Convertible TDI	\$27,047 - \$29,237	\$6,997 - \$7,362
	VW Golf Hatchback 4D TDI	\$23,957 - \$26,177	\$6,482 - \$6,852
	VW Jetta Sedan TDI	\$21,137 - \$26,117	\$6,012 - \$6,842
	VW Jetta SportWagen TDI	\$26,657 - \$29,117	\$6,932 - \$7,342
	VW Passat Sedan TDI SE	\$26,117 - \$28,877	\$6,842 - \$7,302
	VW Passat Sedan TDI SEL	\$28,847 - \$28,967	\$7,297 - \$7,317

MODEL YEAR	MODEL AND TRIM	BUYBACK	APPROVED EMISSIONS MODIFICATION
2015	VW Beetle Coupe TDI	\$24,156 - \$31,686	\$6,515 - \$7,770
	VW Beetle Convertible TDI	\$27,937 - \$33,835	\$7,145 - \$8,128
	VW Golf Hatchback 4D TDI S	\$21,806 - \$26,700	\$6,123 - \$6,939
	VW Golf Hatchback 4D TDI SE	\$24,022 - \$29,306	\$6,493 - \$7,373
	VW Golf Hatchback 4D TDI SEL	\$24,022 - \$31,728	\$6,493 - \$7,777
	VW Golf SportWagen TDI S	\$24,043 - \$28,588	\$6,496 - \$7,254
	VW Golf SportWagen TDI SE	\$26,282 - \$30,743	\$6,869 - \$7,613
	VW Golf SportWagen TDI SEL	\$24,022 - \$32,876	\$6,493 - \$7,968
	VW Jetta Sedan TDI S	\$21,410 - \$24,696	\$6,057 - \$6,605
	VW Jetta Sedan TDI SE	\$22,800 - \$26,458	\$6,289 - \$6,899
	VW Jetta Sedan TDI SEL	\$24,809 - \$30,149	\$6,624 - \$7,514
	VW Passat Sedan TDI SE	\$28,367 - \$31,127	\$7,217 - \$7,677
	VW Passat Sedan TDI SEL	\$32,747 - \$32,867	\$7,947 - \$7,967

Audi Owners

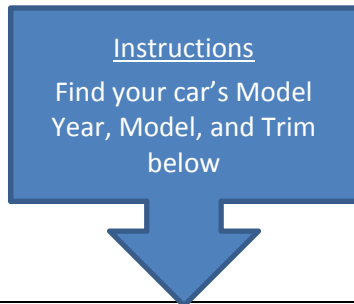
MODEL YEAR	MODEL AND TRIM	BUYBACK	APPROVED EMISSIONS MODIFICATION
2010	Audi A3 TDI Premium	\$18,947 - \$20,627	\$5,647 - \$5,927
	Audi A3 TDI Premium Plus	\$20,627 - \$23,267	\$5,927 - \$6,367
2011	Audi A3 TDI Premium	\$21,287 - \$23,267	\$6,037 - \$6,367
	Audi A3 TDI Premium Plus	\$23,297 - \$26,867	\$6,372 - \$6,967
2012	Audi A3 TDI Premium	\$23,717 - \$25,727	\$6,442 - \$6,777
	Audi A3 TDI Premium Plus	\$26,357 - \$30,077	\$6,882 - \$7,502
2013	Audi A3 TDI Premium	\$25,517 - \$27,647	\$6,742 - \$7,097
	Audi A3 TDI Premium Plus	\$29,357 - \$33,287	\$7,382 - \$8,037
2015	Audi A3 TDI Premium	\$31,805 - \$39,413	\$7,790 - \$9,058
	Audi A3 TDI Premium Plus	\$34,064 - \$43,998	\$8,166 - \$9,822
	Audi A3 TDI Prestige	\$39,076 - \$44,176	\$9,002 - \$9,852

Settlement Payments to Lessees

The tables below show the range of possible payment amounts to lessees under the Class Action Settlement. The amount you will be offered depends on your car’s model year, model, trim level, and factory options. The amount you will be offered will be the same whether you choose a Lease Termination or an Approved Emissions Modification or no longer have an active lease. The Approved Emissions Modification option will only be available if a modification is approved by the EPA and CARB.

These tables assume that you had a leased car with VW Credit, Inc. when the emissions accusations became public on September 18, 2015, and that you did not purchase that car on or before June 28, 2016. If you purchased your leased car on or before June 28, 2016, then you are considered an owner and should use the tables on the previous two pages to find your payment range.

Beginning July 26, 2016, you can see the exact Lessee Restitution payment amount for your car by visiting www.VWCourtSettlement.com and entering your Vehicle Identification Number (VIN) and other required information.



Volkswagen Lessees

MODEL YEAR	MODEL AND TRIM	LESSEE PAYMENT
2011	VW Jetta Sedan TDI	\$2,634 - \$2,807
	VW Jetta SportWagen TDI	\$2,877 - \$2,922
2012	VW Golf Hatchback 2D TDI	\$2,902 - \$3,062
	VW Golf Hatchback 4D TDI	\$2,969 - \$3,157
	VW Jetta Sedan TDI	\$2,807 - \$3,019
	VW Jetta SportWagen TDI	\$2,939 - \$3,122
	VW Passat Sedan TDI SE	\$2,864 - \$3,069
	VW Passat Sedan TDI SEL	\$3,219 - \$3,229
	2013	VW Beetle Coupe TDI
	VW Beetle Convertible TDI	\$3,284 - \$3,459
	VW Golf Hatchback 2D TDI	\$3,002 - \$3,207

MODEL YEAR	MODEL AND TRIM	LESSEE PAYMENT
	VW Golf Hatchback 4D TDI	\$3,062 - \$3,267
	VW Jetta Sedan TDI	\$3,012 - \$3,272
	VW Jetta SportWagen TDI	\$3,227 - \$3,424
	VW Passat Sedan TDI SE	\$3,079 - \$3,302
	VW Passat Sedan TDI SEL	\$3,514 - \$3,524
2014	VW Beetle Coupe TDI	\$3,189 - \$3,434
	VW Beetle Convertible TDI	\$3,537 - \$3,717
	VW Golf Hatchback 4D TDI	\$3,277 - \$3,462
	VW Jetta Sedan TDI	\$3,042 - \$3,457
	VW Jetta SportWagen TDI	\$3,502 - \$3,707
	VW Passat Sedan TDI SE	\$3,457 - \$3,687
	VW Passat Sedan TDI SEL	\$3,684 - \$3,694
2015	VW Beetle Coupe TDI	\$3,314 - \$3,915
	VW Beetle Convertible TDI	\$3,650 - \$4,052
	VW Golf Hatchback 4D TDI S	\$3,064 - \$3,364
	VW Golf Hatchback 4D TDI SE	\$3,348 - \$3,689
	VW Golf Hatchback 4D TDI SEL	\$3,553 - \$3,886
	VW Golf SportWagen TDI S	\$3,284 - \$3,471
	VW Golf SportWagen TDI SE	\$3,528 - \$3,834
	VW Golf SportWagen TDI SEL	\$3,713 - \$4,008
	VW Jetta Sedan TDI S	\$3,064 - \$3,446
	VW Jetta Sedan TDI SE	\$3,239 - \$3,468
	VW Jetta Sedan TDI SEL	\$3,406 - \$3,755
	VW Passat Sedan TDI SE	\$3,644 - \$3,874
	VW Passat Sedan TDI SEL	\$4,009 - \$4,019

Audi Lessees

MODEL YEAR	MODEL AND TRIM	LESSEE PAYMENT
2012	Audi A3 TDI Premium	\$3,287 - \$3,344
	Audi A3 TDI Premium Plus	\$3,534 - \$3,782
2013	Audi A3 TDI Premium	\$3,439 - \$3,519
	Audi A3 TDI Premium Plus	\$3,729 - \$4,052
2015	Audi A3 TDI Premium	\$3,931 - \$4,616
	Audi A3 TDI Premium Plus	\$4,122 - \$4,955
	Audi A3 TDI Prestige	\$4,536 - \$4,899