

CLASS NOTICE

A federal court authorized this notice. This is not a solicitation from a lawyer.

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

If you now or used to own or lease certain Volkswagen vehicles equipped with a factory installed timing chain or timing chain tensioner, you may be entitled to benefits afforded by a class action settlement. This notice is being mailed to you because you have been identified as owning or leasing a Settlement Class Vehicle.

- **This class action claimed that some timing chains or timing chain tensioners in certain Volkswagen vehicles can fail. The class action, pending in the United States District Court for the District of New Jersey, is entitled *In Re Volkswagen Timing Chain Product Liability Litigation*, Civil Action No. 16-2765(JLL)(JAD) (the “Action” or “Lawsuit”).**
- **The parties have agreed to settle the Action. This Notice explains the Lawsuit, the Settlement, your legal rights, available benefits, who is eligible for them, and how to get them. As a Settlement Class Member, you have various options that you may exercise before the Court decides whether to approve the Settlement. Additional information is available online at www.TimingChainLitigation.com.**
- **Your legal rights are affected whether you act or don’t act. Read this Notice carefully.**
- **The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and after appeals, if any, are resolved.**

Questions? Call 1-855-206-9873 or visit www.TimingChainLitigation.com

BASIC INFORMATION

1. Why you received this notice.

According to Volkswagen Group of America, Inc.'s ("VWGoA") records, you are a current or past owner or lessee of a Volkswagen vehicle with a 2.0L EA888 engine ("Settlement Class Member") from the following model/model year:

- certain 2012–2014 model year Beetle
- certain 2012–2014 model year Beetle Convertible
- certain 2009–2012 model year CC
- certain 2009–2012 model year Eos
- certain 2008–2012 model year GTI
- certain 2008–2010 and 2012–2014 model year Jetta Sedan
- certain 2009 model year Jetta SportWagen
- certain 2008–2010 model year Passat Sedan
- certain 2008–2010 model year Passat Wagon
- certain 2009–2013 model year Tiguan

(hereinafter, collectively, "Settlement Class Vehicles"). A class action lawsuit was filed claiming that there was a defect that caused some timing chains and/or timing chain tensioners in the Settlement Class Vehicles to fail, sometimes requiring repair or replacement. Volkswagen has denied the claims and maintains the timing chains and timing chain tensioners function in a proper manner.

The Lawsuit has been resolved through a Settlement under which the following benefits will be provided:

I. Warranty Extension

VWGoA's New Vehicle Limited Warranty will be extended to cover repair or replacement of failed timing chains and/or timing chain tensioners of Settlement Class Vehicles during a period of ten (10) years or one hundred thousand (100,000) miles from the date the vehicle was first placed into service, whichever comes first. The warranty extension will be subject to the terms and conditions of the applicable New Vehicle Limited Warranty and will include the timing chain tensioner, timing chain, and any parts and labor necessary to effectuate a repair. This warranty extension will apply to all Settlement Class Vehicles irrespective of whether the vehicle has been repaired on or before the Effective Date of the Settlement. The warranty, as extended, is fully transferable to subsequent owners. Repair or replacement under this extended warranty must be performed by an authorized Volkswagen dealer.

II. Reimbursement of Out-of-Pocket Expenses for Repair or Replacement of Timing Chain and/or Timing Chain Tensioner

Settlement Class Members may be entitled to reimbursement for out-of-pocket expenses incurred for repair or replacement of failed timing chains and/or timing chain tensioners of Settlement Class Vehicles during the period of ten (10) years or one hundred thousand (100,000) miles from the date the vehicle was first placed into service, whichever occurs first, as follows:

A. Timing Chain Tensioner Repair/Replacement

- If the timing chain tensioner was repaired or replaced at an authorized Volkswagen dealer, the Settlement Class Member will receive a one-hundred-percent (100%) refund of the paid dealer invoice amount for the covered part(s) and labor.
- If the timing chain tensioner was repaired or replaced at an independent service center and not an authorized Volkswagen dealer, the Settlement Class Member will receive a refund of the paid invoice for the covered parts and labor, but no more than \$1,100.00.

B. Timing Chain Repair/Replacement

- If the timing chain was repaired or replaced at an authorized Volkswagen dealer, the Settlement Class Member will receive a one-hundred-percent (100%) refund of the paid dealer invoice amount for the covered part(s) and labor.
- If the timing chain was repaired or replaced at an independent service center and not an authorized Volkswagen dealer, the Settlement Class Member will receive a refund of the paid invoice amount for the covered parts and labor, but no more than \$1,500.00.
- When the timing chain is replaced, the warranty coverage includes oil change, oil filter, and cleaning of oil pan, which includes reimbursement to Settlement Class Members for payments previously made for these items in connection with a timing chain repair or replacement.

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- The above relief is subject to certain limitations and proof requirements which are set forth in Section IV below and in the Settlement Agreement, which can be found at www.TimingChainLitigation.com.

C. Simultaneous Timing Chain and Timing Chain Tensioner Repair/Replacement

- If the timing chain and timing chain tensioner were both simultaneously repaired or replaced at an authorized Volkswagen dealer, the Settlement Class Member will receive a one-hundred-percent (100%) refund of the dealer invoice amount for the covered part(s) and labor.
- If the timing chain and timing chain tensioner were both simultaneously repaired or replaced at an independent service center, the Settlement Class Member will receive a refund of the invoice for the covered parts and labor, but no more than \$2,000.00.
- The above relief is subject to certain limitations and proof requirements which are set forth in Section IV below and in the Settlement Agreement, which can be found at www.TimingChainLitigation.com.

III. Reimbursement of Out-of-Pocket Expenses to Repair or Replace a Damaged or Failed Engine Due to Failure of the Timing Chain Tensioner and/or Timing Chain

In addition to the reimbursements and warranty extension set forth above, Settlement Class Members may be entitled to reimbursement of out-of-pocket expenses incurred to repair or replace a failed or damaged engine due to the failure of the timing chain tensioner and/or timing chain within ten (10) years or one hundred thousand (100,000) miles from the date the Settlement Class Vehicle was placed into service, whichever occurs first, as follows:

- If the engine was repaired or replaced at an authorized Volkswagen dealer, a refund of the paid dealer invoice amount subject to the time/mileage parameters in Table 1, below.
- If the engine was repaired or replaced at an independent service center and not an authorized Volkswagen dealer, the maximum reimbursement amount is \$6,500.00, subject to the time/mileage parameters in Table 1, below.

TABLE 1: REIMBURSEMENT FOR OUT-OF-POCKET EXPENSES FOR DAMAGED OR FAILED ENGINE DUE TO TIMING CHAIN TENSIONER/TIMING CHAIN FAILURE

Time from in-service date	Less than 60,000 miles	60,001 to 75,000 miles	75,001 to 85,000 miles	85,001 to 100,000 miles
5 years or less	100%	70%	60%	45%
5–7 years	70%	60%	50%	35%
7–10 years	60%	50%	40%	25%

IV. Limitations and Required Proof

A. Limitations

- Any reimbursement will be reduced by goodwill or other concession paid by an authorized Volkswagen dealer or any other entity (including insurers and providers of extended warranties).
- VWGoA will not be responsible for, and will not warrant, repair or replacement work performed at an independent service center. If the Volkswagen replacement covered part(s), purchased by the Settlement Class Member or the independent service center from an authorized Volkswagen dealer, fails within one (1) year or 12,000 miles (whichever occurs first) of installation, VWGoA will provide a free replacement of the covered part(s) only.
- Any replacement engine will be subject to the replacement part warranty terms and conditions accompanying that replacement engine. This Settlement does not modify the terms, conditions, restrictions, or limitations of that warranty.

B. Required Proof

In order to obtain the benefits provided for in this section, the Settlement Class Member shall provide documentation sufficient for the Claims Administrator to process the claim, such as:

- Repair invoice containing the Settlement Class Member’s name, make, model year, vehicle identification number (VIN) of the Settlement Class Vehicle, name and address of the authorized Volkswagen dealer or servicing center that performed the repair, date of repair, description of repair, mileage at repair, part(s) replaced, that the repair or replacement was due to the failure of the timing chain tensioner and/or timing chain, the cost (parts and labor) of repair/replacement, and proof of payment of same or such other proof sufficient to establish the repair.

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- Documents evidencing Settlement Class Member’s good faith adherence to the relevant aspects of the vehicle maintenance schedule during the time he/she owned the Settlement Class Vehicle, in particular, scheduled oil changes, up to the date/mileage of repair/replacement. However, in the event maintenance records cannot be obtained despite a good faith effort to obtain them, the Settlement Class Member may submit a sworn declaration detailing why the records are not available, and attesting to adherence to the vehicle maintenance schedule and, in particular, scheduled oil changes, up to the date/mileage of replacement/repair, within the variance set forth above.

2. Why is this a class action settlement?

In a class action lawsuit, one or more persons, called Class Representatives, sue on behalf of other people who have similar claims. All of these people are Class Members. The Class Representatives and all Settlement Class Members are called the Plaintiffs and the companies they sued are called the Defendants. One court resolves the issues for all Settlement Class Members, except for those who exclude themselves from the Class. U.S. District Judge Jose L. Linares is in charge of this class action.

The Court has not decided in favor of Plaintiffs or Defendants. Instead, both sides agreed to a Settlement with no decision or admission of who is right or wrong. That way, all parties avoid the risks and cost of a trial, and the people affected (the Settlement Class Members) will get compensation quickly. The Class Representatives and the attorneys think the Settlement is best for the Settlement Class.

WHO IS PART OF THE SETTLEMENT?

3. Am I in this Settlement Class?

Judge Linares conditionally approved the following definition of a Settlement Class Member: All present or former purchasers and/or lessees of a Volkswagen Settlement Class Vehicle enumerated below, originally equipped with factory installed timing chain or timing chain tensioner, who reside in the United States of America and Puerto Rico:

- certain 2012–2014 model year Beetle
- certain 2012–2014 model year Beetle Convertible
- certain 2009–2012 model year CC
- certain 2009–2012 model year Eos
- certain 2008–2012 model year GTI
- certain 2008–2010 and 2012–2014 model year Jetta Sedan
- certain 2009 model year Jetta SportWagen
- certain 2008–2010 model year Passat Sedan
- certain 2008–2010 model year Passat Wagon
- certain 2009–2013 model year Tiguan

Excluded from the Settlement Class are (a) anyone claiming personal injury, property damage, and/or subrogation; (b) all Judges who have presided over the Action, and their spouses; (c) all current employees, officers, directors, agents, and representatives of Volkswagen Group Companies, and their family members; (d) any affiliate, parent or subsidiary of Defendants and any entity in which Defendants have a controlling interest; (e) anyone who purchased a Settlement Class Vehicle for the purpose of commercial resale; (f) anyone who purchased a Settlement Class Vehicle with salvaged title and/or any insurance company who acquired a Settlement Class Vehicle as a result of a total loss; (g) any insurer of a Settlement Class Vehicle; (h) any owners or lessees of Settlement Class Vehicles that were not manufactured for export specifically into the United States of America or Puerto Rico and were not imported or distributed by VWGoA; and (i) any Settlement Class Member that files a timely and proper request for exclusion from the Settlement Class.

4. I’m still not sure if I am included.

If you are still not sure whether you are included, you can get more information. You can call 1-855-206-9873 or visit www.TimingChainLitigation.com for more information.

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SETTLEMENT BENEFITS – WHAT YOU GET

5. What does the Settlement provide?

The benefits afforded by the Settlement are described in Question 1. More details are provided in the next three sections.

6. How does the extended warranty work?

Beginning on August 28, 2018, VWGoA's New Vehicle Limited Warranty will be extended for all Settlement Class Vehicles to cover repair or replacement of a failed timing chain and/or timing chain tensioner by an authorized Volkswagen dealer if, at the time you bring your vehicle to the dealer for repair, it is within ten (10) years or one hundred thousand (100,000) miles (whichever occurs first) from the date the Settlement Class Vehicle was first placed into service. The rights and procedures generally available under the New Vehicle Limited Warranty will apply to repairs during this extended warranty period. The extended warranty is subject to the same terms and conditions of the New Vehicle Limited Warranty.

7. Who can send in a claim for cash payments?

Any United States or Puerto Rico resident who purchased or leased a Settlement Class Vehicle can send in a claim for cash reimbursement for money spent within the time/mileage parameters and prior to the date of this Notice as described in Question 1.

8. How do I send in a claim for a cash reimbursement?

To submit a claim for a cash reimbursement, you must do the following:

I. Online

- A. Complete an online Claim Form and upload supporting documentation (i.e., repair record[s], receipts, proof of payment, and proof of compliance with maintenance requirements) at the Settlement website, www.TimingChainLitigation.com.

II. By mail

- A. Complete, sign, and date a Claim Form (there is one enclosed with these materials and you can also download one at www.TimingChainLitigation.com). It is recommended that you keep a copy of the completed Claim Form; and
- B. Mail the Claim Form and your supporting documentation (i.e., repair record[s], receipts, proof of payment, and proof of compliance with maintenance requirements) by First-Class mail, **postmarked no later than January 25, 2019**, to the address provided on the Claim Form. The information that must be reflected in your records can be found on the Claim Form. It is recommended that you keep a copy of your repair records.

If you fail to submit the Claim Form and supporting documents by the required deadline, you will not get paid.

9. When do I get my reimbursement or learn whether I will receive a payment?

If the Claims Administrator determines your claim is valid, your reimbursement will be mailed to you after the Settlement becomes final. The Court will hold a Fairness Hearing on November 19, 2018, to decide whether to approve the Settlement as fair, reasonable, and adequate. Information about the progress of the case will be available at www.TimingChainLitigation.com.

If the Claims Administrator determines your claim should not be paid, you will be mailed a letter telling you this. If the reason for rejecting your claim is due to a deficiency in your Claim Form and/or supporting proof, the letter will notify you of the deficiency in your claim and what needs to be submitted to correct the deficiency. To check on the status of your claim, you can call 1-855-206-9873.

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10. What am I giving up to get a cash reimbursement and stay in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit about the same matters and legal issues in this case (except for claims of personal injury or property damage). It also means that all of the Court's orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE SETTLEMENT

11. How do I get out of this Settlement?

To exclude yourself from the Settlement, you must send a letter by U.S. mail **postmarked no later than October 12, 2018**, stating that you want to be excluded from the Settlement. Be sure to include your full name, address, telephone number, signature, model year, VIN of your vehicle, and the approximate date(s) of purchase or lease. You must mail your exclusion request **postmarked no later than October 12, 2018**, to each of the following:

Claim Administrator	Class Counsel	Defense Counsel
Volkswagen Timing Chain Settlement Claim Administrator PO Box 3656 Portland, OR 97208-3656	James E. Cecchi CARELLA BYRNE CECCHI OLSTEIN BRODY & AGNELLO, P.C. 5 Becker Farm Road Roseland, NJ 07068	Jeffrey L. Chase CHASE KURSHAN HERZFELD & RUBIN LLC 354 Eisenhower Parkway Suite 1100 Livingston, NJ 07039

You cannot exclude yourself on the phone or by email. If you submit your request to be excluded by U.S. mail or express mail, you will not get any benefits of the Settlement and you cannot object to the Settlement. You will not be legally bound by anything that happens in this Lawsuit.

12. If I don't exclude myself, can I sue later?

No, not for the same matters and legal claims at issue here, unless your claim is for personal injury or property damage.

13. If I exclude myself, can I get the benefits of this Settlement?

No, if you exclude yourself from the Settlement Class, you won't get any money or benefits from this Settlement, and you should not submit a Claim Form. You cannot do both.

14. Do I have a lawyer in this case?

The Court has appointed the law firms of Carella Byrne Cecchi Olstein Brody & Agnello, P.C.; Kessler Topaz Meltzer & Check, LLP; and Kantrowitz, Goldhamer & Graifman, Esqs. Together these law firms are called "Class Counsel."

15. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. But, if you want your own lawyer, you may hire one at your own cost.

16. How will the lawyers be paid, and will the Plaintiff Settlement Class Representatives receive incentive awards?

Class Counsel have prosecuted this case on a contingency basis. They have not received any fees or reimbursement for any of the costs and expenses associated with this case. Class Counsel will request an award of reasonable attorney fees and reasonable costs and expenses of this Lawsuit ("Fees and Expenses") from the Court in an amount no greater than twenty-two million five hundred thousand dollars (\$22,500,000.00). Defendants will have the opportunity to oppose the amount of Class Counsel's requested Fees and Expenses. You won't have to pay these Fees and Expenses. Any Fees and Expenses awarded to Class Counsel will not affect your Settlement amount.

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Class Counsel will also apply to the Court for incentive awards to the named Plaintiffs, who have conditionally been approved as Settlement Class Representatives, in the amount of \$2,500.00 each, for their efforts in pursuing this litigation for the benefit of the Settlement Class. Any award for Class Counsel Fees and Expenses and any incentive awards will be paid by Defendants and will not reduce any benefits available to you under the Settlement.

Class Counsel’s motion for fees and expenses and Settlement Class Representative incentive awards will be filed by September 27, 2018, and will be made available for review at www.TimingChainLitigation.com.

SUPPORTING OR OBJECTING TO THE SETTLEMENT

17. How do I tell the Court that I like or dislike the Settlement?

If you are a member of the Settlement Class and do not request to be excluded, you can tell the Court you like the Settlement and it should be approved, or that you object to the Settlement or Class Counsel’s requests for fees and expenses and Settlement Class Representative incentive award, if you do not like a part of it. You are not required to submit anything to the Court unless you are objecting or wish to be excluded from the Settlement.

To object, you must send a letter to the Court with copies to the Class Counsel and defense counsel listed below, saying that you are objecting to the Settlement *In Re Volkswagen Timing Chain Product Liability Litigation*, Civil Action No. 16-2765(JLL)(JAD), and your objection must include your full name, current address and telephone number, the model year and VIN of your vehicle and proof that you own(ed) or lease(d) it, a statement of all your factual and legal grounds for objecting, any documents and/or briefs supporting your objection, a statement of whether you intend to appear at the Fairness Hearing, and your signature. Any Settlement Class Member objecting to the Settlement must also provide a detailed list of any other objections submitted by the objector, or the objector’s counsel, to any class action Settlements submitted in any court in the previous five (5) years, or affirmatively state that the Settlement Class Member or his or her counsel has not objected to any other class action Settlement in the previous five (5) years, in the written materials provided with the objection. If you intend to appear at the Fairness Hearing through counsel, your comment must also state the identity of all attorneys representing you who will appear at the Fairness Hearing. Be sure to send your objection to the three different places set forth below such that it is **postmarked no later than October 12, 2018**.

Court	Class Counsel	Defense Counsel
Clerk of the Court, United States District Court for the District of New Jersey Martin Luther King, Jr. Federal Building and U.S. Courthouse 50 Walnut Street Newark, NJ 07101	James E. Cecchi CARELLA BYRNE CECCHI OLSTEIN BRODY & AGNELLO, P.C. 5 Becker Farm Road Roseland, NJ 07068	Jeffrey L. Chase CHASE KURSHAN HERZFELD & RUBIN LLC 354 Eisenhower Parkway Suite 1100 Livingston, NJ 07039

The filing of an objection allows Class Counsel or Counsel for Defendants to notice such objecting person for and take his or her deposition consistent with the Federal Rules of Civil Procedure at an agreed-upon location before the Fairness Hearing, and to seek any documentary evidence or other tangible things that are relevant to the objection. Failure by an objector to comply with discovery requests may result in the Court striking said objector’s objection and otherwise denying that person the opportunity to make an objection or be further heard.

If you do not submit a written comment on or objection to the proposed Settlement or the application of Class Counsel for incentive awards or attorney fees and expenses in accordance with the deadline and procedure set forth above, you will waive your right to be heard at the Fairness Hearing and to appeal from any order or judgment of the Court concerning the matter.

18. What is the difference between objecting and excluding myself?

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

Questions? Call 1-855-206-9873 or visit www.TimingChainLitigation.com

FAIRNESS HEARING

19. When and where will the Court decide to approve the Settlement?

The Court will hold a Fairness Hearing at 11:00 a.m. on November 19, 2018, at the United States District Court for the District of New Jersey, Martin Luther King, Jr. Federal Building and U.S. Courthouse, 50 Walnut Street, Newark, New Jersey 07101, to determine whether the Settlement should be finally approved. At this Fairness Hearing, the Court will consider whether the Settlement is fair, reasonable and adequate. The Court will also consider Class Counsel's application for Fees and Expenses and incentive awards to Class Representatives.

20. Do I have to come to the Fairness Hearing?

No. Class Counsel will answer questions the Court may have. But, you are welcome to come at your own expense provided you have not excluded yourself from the Settlement. If you send an objection, you do not have to come to Court to talk about it. You may also pay your own lawyer to attend, but it is not necessary.

21. May I speak at the Fairness Hearing?

If you do not exclude yourself, you may ask the Court's permission to speak at the Fairness Hearing concerning the proposed Settlement or the application of Class Counsel for attorneys' Fees and Expenses and Settlement Class Representative incentive awards. To do so, you must send in a letter notice saying that it is your intention to appear at the Fairness Hearing in *In Re Volkswagen Timing Chain Product Liability Litigation*, Civil Action No. 16-2765(JLL) (JAD). The letter notice must state the position you intend to present at the Fairness Hearing, state the identities of all attorneys who will represent you (if any), and must include your full name, current address, telephone number, model year and VIN of your vehicle(s), and your signature. You must send your letter notice to the Clerk of the Court, Class Counsel, and defense counsel at the three addresses listed under Question 17 above, such that it is **postmarked no later than October 12, 2018**. You may combine this notice and your comment (described under Question 17) in a single letter. You cannot speak at the Fairness Hearing if you excluded yourself from the Settlement.

IF YOU DO NOTHING

22. What happens if I do nothing at all?

If you do nothing, you will be bound by the Settlement if the Court approves it.

MORE INFORMATION

23. Where can I get more information?

Visit the website at www.TimingChainLitigation.com where you can submit a claim online, find extra Claim Forms and more information on this litigation and Settlement. Updates regarding the case will be available at www.TimingChainLitigation.com. You may also call the Claims Administrator at 1-855-206-9873 or email info@TimingChainLitigation.com.

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