

**FUEL RATING SETTLEMENT IN CANADA FOR ELIGIBLE
2013-2017 GASOLINE AUDI, BENTLEY, PORSCHE AND VOLKSWAGEN VEHICLES**

FREQUENTLY ASKED QUESTIONS

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1. What class actions are addressed by the proposed Settlement?

The Plaintiffs (on behalf of customers) and the Defendant automobile companies have reached a Settlement valued at \$4,950,000 to resolve class actions alleging that the gasoline-powered Audi, Bentley, Porsche and Volkswagen vehicles listed in the attached Schedule and originally sold or leased in Canada (the “Eligible Vehicles”) are equipped with transmission software resulting in fuel ratings and greenhouse gas emissions of the Eligible Vehicles being higher than advertised. Under the Settlement, the Defendants do not admit any wrongdoing, and none of the allegations against them have been proven.

The class actions are known as *Renk v. Audi Canada Inc., et al.*, Ontario Superior Court of Justice, File No. CV-16-564517-00CP, and *Gagnon, et al. v. Audi Canada Inc., et al.*, Superior Court of Québec, File No. 500-06-000828-166.

The Settlement was reached years after the class actions were commenced and following extensive negotiations between the parties. The amount of the Settlement factors in, among other things, the approximately 10,000 Eligible Vehicles, the increase in the average fuel rating of the Eligible Vehicles as determined through testing and other methods, and the price of premium fuel covering the period for the model year 2013-2017 Eligible Vehicles.

The Settlement is subject to approval by the Ontario and Québec courts (see Question #10).

2. Who is a “Class Member” affected by the Settlement?

Class Members consist of anyone (including individuals and entities), except for the Excluded Persons listed below, who currently reside in Canada or the United States and, as of October 5, 2020, own or owned an Eligible Vehicle or, alternatively, lease or leased an Eligible Vehicle from Volkswagen Finance, Audi Finance or Porsche Financial Services Canada (including PFSC GP d/b/a Bentley Financial Services Canada).

The Eligible Vehicles must have been originally sold or leased in Canada. The makes and models of the Eligible Vehicles are set out in the attached Schedule.

The following persons are excluded from the Settlement and cannot receive compensation under the Settlement:

- a. Defendants’ officers, directors and employees and participants in Defendants’ internal leasing programs; Defendants’ affiliates and those affiliates’ officers, directors and employees;
- b. Distributors of the Eligible Vehicles or parts therefrom, such as dealerships, insurance companies, and salvage yards, and those distributors’ officers, directors and employees;
- c. Judicial officers assigned to the class actions and their immediate family members and associated court staff; and
- d. Class Members who or which timely and properly exclude themselves (see Question #9) from the class actions.

3. How will the \$4,950,000 Settlement proceeds be distributed?

If the Settlement is approved by the courts (see Question #10), the compensation received by Class Members would be paid out of the funds remaining from the \$4,950,000 after deducting the court-approved legal fees and disbursements of Class Counsel (see Question #12), the costs of administering and distributing the Settlement, and amounts owing to Ontario’s Class Proceedings Fund (see Question #12).

4. What payment will current owners receive under the Settlement?

As different vehicles have different fuel ratings, the compensation payable under the Settlement is tailored for the various Eligible Vehicles. The Maximum Per Vehicle Payments available for the Eligible Vehicles, as set out in the attached Schedule, provide compensation for additional fuel costs covering 96 months from the Eligible Vehicles’ in-service date. The Maximum Per Vehicle Payments are determined by multiplying the difference between the original and restated average fuel rating (known as the Combined rating) of the Eligible Vehicles by 1,666.67 km/month, 96 months, and a negotiated fuel price of \$1.35/L, plus an additional goodwill payment of 15% for any inconvenience to Class Members.

Class Members who owned their Eligible Vehicle as of October 5, 2020 are entitled to compensation for the months they owned their Eligible Vehicle and/or previously leased it, and, subject to proof of continued ownership as of the date of their claim (see Question #13), any future time remaining on the 96-month period.

Please note that compensation from the Settlement will be paid out to Class Members proportionately based on the number of participating Class Members up to the amount of the Maximum Per Vehicle Payments. Because of this proportionate distribution, it is not possible to estimate the individual payments to Class Members until all of the claims have been received and reviewed.

5. What payment will current lessees receive under the Settlement?

As different vehicles have different fuel ratings, the compensation payable under the Settlement is tailored for the various Eligible Vehicles. The Maximum Per Vehicle Payments available for the Eligible Vehicles, as set out in the attached Schedule, provide compensation for additional fuel costs covering 96 months from the Eligible Vehicles’ in-service date. The Maximum Per Vehicle Payments are determined by multiplying the difference between the original and restated average fuel rating (known as the Combined rating) of the Eligible

Vehicles by 1,666.67 km/month, 96 months, and a negotiated fuel price of \$1.35/L, plus an additional goodwill payment of 15% for any inconvenience to Class Members.

Class Members who hold active leases as of October 5, 2020 are entitled to compensation for the full duration of their lease.

Please note that compensation from the Settlement will be paid out to Class Members proportionately based on the number of participating Class Members up to the amount of the Maximum Per Vehicle Payments. Because of this proportionate distribution, it is not possible to estimate the individual payments to Class Members until all of the claims have been received and reviewed.

6. What payment will former owners and former lessees receive under the Settlement?

As different vehicles have different fuel ratings, the compensation payable under the Settlement is tailored for the various Eligible Vehicles. The Maximum Per Vehicle Payments available for the Eligible Vehicles, as set out in the attached Schedule, provide compensation for additional fuel costs covering 96 months from the Eligible Vehicles' in-service date. The Maximum Per Vehicle Payments are determined by multiplying the difference between the original and restated average fuel rating (known as the Combined rating) of the Eligible Vehicles by 1,666.67 km/month, 96 months, and a negotiated fuel price of \$1.35/L, plus an additional goodwill payment of 15% for any inconvenience to Class Members.

If Class Members either leased their Eligible Vehicle with such lease having ended before October 5, 2020, and/or purchased and sold their Eligible Vehicle before October 5, 2020, such Class Members are entitled to a payment based on the number of months they possessed it, up to a total of 96 months.

Please note that compensation from the Settlement will be paid out to Class Members proportionately based on the number of participating Class Members up to the amount of the Maximum Per Vehicle Payments. Because of this proportionate distribution, it is not possible to estimate the individual payments to Class Members until all of the claims have been received and reviewed.

7. Why is the Settlement recommended to Class Members?

Class Counsel and the Settlement Class Representatives recommend the Settlement because it will provide more than reasonable monetary compensation in the near future to Class Members for their additional fuel costs, weighed against the further delays, risks and unknown results, and a potential unfavourable finding, if the litigation were to proceed.

8. Can I support or object to the Settlement?

Class Members who wish to participate in the Settlement nevertheless have the option, but are not required, to advise whether they support or object to the Settlement, including (but not limited to) the \$4,950,000 Settlement proceeds and the distribution of those proceeds.

If you wish to express support or an objection for consideration by the courts, you must complete the Object/Support Form available at www.VWFuelEconomySettlement.ca and upload it to the site or mail it to Renk v. Audi Canada Inc. et al, c/o RicePoint Administration Inc., P.O. Box 4454, Toronto Station A, 25 The Esplanade, Toronto, ON M5W 4B1 postmarked by December 4, 2020.

The Object/Support Forms received by the deadline will be collected by an administrator and shared with Class Counsel, the Defendants' lawyers, and the courts in advance of the Settlement approval hearings (see Question #11).

The information required by the Object/Support Form includes:

- a. Your name, mailing address, telephone number and, if applicable, email address;
- b. The make, model, model year and vehicle identification number (VIN) of your Eligible Vehicle (which VIN will be redacted from any copy of your objection filed publicly as part of the Settlement approval process);
- c. A brief statement of the reasons why you support or object to the proposed Settlement; and
- d. Whether you wish to attend one of the Settlement approval hearings and whether you (or your legal representative) wish to make oral submissions to the court regarding the proposed Settlement.

9. How do I exclude myself from the Settlement?

Class Members not wishing to participate in the class actions and the Settlement, or who wish to bring their own lawsuit against the Defendants, will be required to exclude themselves (i.e., opt out). The deadline to exclude yourself is December 4, 2020.

If the Settlement is approved, Class Members who opt out cannot receive a payment under the Settlement. While those Class Members will retain the right to bring their own lawsuit against the Defendants, Class Counsel will not provide legal advice about the deadline by which such a lawsuit must be initiated.

In order to opt out, you must complete the Opt-Out Form available at www.VWFuelEconomySettlement.ca and upload it to the site or mail to Renk v. Audi Canada Inc. et al, c/o RicePoint Administration Inc., P.O. Box 4454, Toronto Station A, 25 The Esplanade, Toronto, ON M5W 4B1 postmarked by December 4, 2020. In addition, Class Members who reside in Québec must also send the Opt Out Form to the Clerk of the Superior Court of Quebec, Palais de Justice, 1, Notre-Dame Street East, Montreal (Quebec) H2Y 1B6, Court file No. 500-06-000828-166.

The Opt-Out Forms received by the deadline will be collected by an administrator and shared with Class Counsel, the Defendants' lawyers, and the courts in advance of the Settlement approval hearings (see Question #11).

The information required by the Opt-Out Form includes:

- a. Your name, mailing address, telephone number and, if applicable, email address;
- b. The make, model, model year and vehicle identification number (VIN) of your Eligible Vehicle (which VIN will be redacted from any information filed publicly as part of the Settlement approval process); and
- c. A statement confirming your election to be excluded from the Settlement.

In addition, it is encouraged, but not required, that you include with your Opt-Out Form a copy of the proof of your ownership or lease of the Eligible Vehicle.

10. What is the purpose of the Settlement approval hearings?

Courts in Ontario and Québec will decide whether to approve the Settlement. The courts do not have the authority to change the terms of the Settlement. If the courts do not approve the Settlement, Plaintiffs' class actions against the Defendants may continue. In that case, it could take several more years for the class actions to reach a final resolution. The Plaintiffs may not be successful in the pre-trial stage, at trial or on any appeal from the trial result. Even if successful, the Class Members may not necessarily receive more compensation than under the Settlement. Class Counsel will appear at the Settlement approval hearings (see Question #11) to recommend that the courts approve the Settlement.

11. When and where will the Settlement approval hearings be held?

Courts in Ontario and Québec will decide whether to approve the Settlement. These court hearings will be held before the Ontario Superior Court of Justice on December 14, 2020 at 10 a.m. ET, and before the Superior Court of Québec on December 15, 2020 at 9:30 a.m. ET. These hearings are open to the public. In light of the COVID-19 situation, the hearings may proceed by videoconference. Please regularly check www.VWFuelEconomySettlement.ca for updates.

12. Who are the lawyers representing Class Members and how are they paid?

The law firms of Roy O’Connor LLP and Koskie Minsky LLP, referred to hereinafter as National Class Counsel, represent Class Members outside of Québec. The Consumer Law Group Inc., referred to hereinafter as Québec Class Counsel, represents Québec Class Members. Class Counsel can be reached through the following contacts:

Class Members Outside Québec	Québec Class Members
Demi Cartwright KOSKIE MINSKY LLP 20 Queen Street West Suite 900, Box 52 Toronto, ON M5H 3R3 Email: dcartwright@kmlaw.ca Tel: (416) 595-2266	Jeff Orenstein CONSUMER LAW GROUP INC. 1030 rue Berri, Suite 102 Montréal, QC H2L 4C3 Email: jorenstein@clg.org Tel: 1-888-909-7863 ext. 3
Adam Dewar ROY O’CONNOR LLP 1920 Yonge Street, Suite 300 Toronto, ON M4S 3E2 Email: jad@royoconnor.ca Tel: (416) 362-1989	

Class Members will not have to pay Class Counsel for the work that they have done or for the disbursements that they have incurred since the class actions began. Class Members will, however, be responsible for the legal costs of any other lawyers they independently choose to consult, including in regards to potentially bringing their own legal action against the Defendants if they choose to opt out of the Settlement (see Question #9).

The Settlement Class Representatives have entered into contingency fee agreements with Class Counsel providing that Class Counsel will be paid only in the event of a successful recovery pursuant to a settlement or trial judgment and, in the case of such successful recovery, Class Counsel will be paid a percentage of the recovery (plus disbursements and taxes).

Given that the recovery is a nationwide Settlement in two class actions, one filed in Québec (the “Québec Action”) and one filed in Ontario for the rest of Canada (the “Ontario Action”), National Class Counsel will be asking the court to approve legal fees of 33% of the portion of the Settlement attributed to the Ontario Action plus disbursements and applicable taxes, and Québec Class Counsel will be asking the court to approve legal fees of 33 1/3% of the portion of the Settlement attributed to the Québec Action plus disbursements and applicable taxes.¹ The percentages set out above are the percentages agreed to in the contingency fee

¹ Given that the percentage of the Eligible Vehicles first sold or leased in Québec was 19.8% and 80.2% were first sold or leased elsewhere in Canada, Class Counsel has stipulated that: (a) \$980,100 of the Settlement (i.e., 19.8% of the total \$4,950,000) is attributed to the Québec Action; and (b) \$3,969,900 of the Settlement (i.e., 80.2% of the total \$4,950,000) is attributed to the Ontario Action covering the rest of Canada.

agreements entered into between the Ontario Settlement Class Representative and National Class Counsel, on the one hand, and between the Québec Settlement Class Representative and Quebec Class Counsel, on the other hand. Approval of the Settlement will not be contingent upon court approval of these legal fees. Any approved legal fees and disbursements will be paid out of the \$4,950,000 Settlement proceeds.

In this case, the National Class Counsel received financial support from Ontario's Class Proceedings Fund (the "Fund"), which is a body created by statute and designed to allow access to the Ontario courts through class actions. The Fund agreed to reimburse the National Class Counsel for some disbursements incurred in pursuing the Ontario Action. The Fund would also have been responsible for costs that could have been awarded against the Plaintiffs in prosecuting the Ontario Action. In exchange for taking on this exposure, the Fund is entitled to recover under the Settlement the amount of its funded disbursements, as well as 10% of the total amount available as compensation to Class Members outside of Québec. The payments to the Fund will be paid out of the portion of the Settlement attributed to the Ontario Action.

13. How do I claim a payment under the Settlement?

Unless they opt out, Class Members will be bound by the Settlement if approved by the courts, including the distribution of the Settlement proceeds. Class Members will need to submit a claim form with proof of their ownership and/or lease of an Eligible Vehicle to receive a payment.

An online claims portal will be the main channel for Class Members to submit their claim. If a Class Member is unable to electronically submit a claim using the claims portal, the Class Member can register over the telephone with an administrator, and the administrator will send the Class Member a hardcopy claim form by mail.

Details for when and how to submit a claim will be provided at www.VWFuelEconomySettlement.ca. Please regularly check www.VWFuelEconomySettlement.ca for updates. Class Members who do not submit a claim by the deadline will not receive a Settlement payment, and will not have the right to bring their own lawsuit against the Defendants if they did not opt-out (see Question #9).

14. How will I receive my Settlement payment?

An administrator will pay approved claims by cheque, which will be sent by regular mail to the mailing address provided by Class Members when they submit their claim (see Question #13). Cheques not cashed within 6 months of issuance will become stale-dated and not eligible for redemption. There will be no obligation to reissue stale-dated cheques. All payments will be made in Canadian dollars.

15. What are the terms of the Settlement?

This notice contains a summary of some of the terms of the Settlement. If there is a conflict between the information in this notice and the Settlement, the terms of the Settlement will prevail.

16. Where can I find more information about the Settlement?

For further information about the Settlement, please visit www.VWFuelEconomySettlement.ca or contact the Administrator at info@vwfueleconomysettlement.ca or toll-free 1-866-761-1380.

PLEASE DO NOT CONTACT AUDI, BENTLEY, PORSCHE,
VOLKSWAGEN OR THE COURT FOR INFORMATION.

Schedule of Eligible Vehicle and Maximum Payments

The Maximum Per Vehicle Payments are determined by multiplying the difference between the original and restated average fuel rating (known as the Combined rating) of the Eligible Vehicles by 1,666.67 km/month, 96 months, and a negotiated premium fuel price of \$1.35/L, plus an additional goodwill payment of 15% for any inconvenience to Class Members.

Make	Model	Engine	Model Year	Original Combined Rating (L/100 KM)	Restated Combined Rating (L/100 KM)	Combined Difference (L/100 KM)	Maximum Per Vehicle Payments (CAD \$)
Audi	A8L	6.3L	2013	15.0	15.5	0.5	\$1,242.00
Audi	A8L	6.3L	2015	14.2	14.6	0.4	\$993.60
Audi	A8L	6.3L	2016	14.2	14.6	0.4	\$993.60
Audi	RS7	4L	2014	12.3	12.5	0.2	\$496.80
Audi	RS7	4L	2015	13.1	13.3	0.2	\$496.80
Audi	RS7	4L	2016	13.1	13.3	0.2	\$496.80
Audi	S8	4L	2013	12.6	12.8	0.2	\$496.80
Audi	S8	4L	2014	12.6	12.8	0.2	\$496.80
Audi	S8	4L	2016	12.6	12.8	0.2	\$496.80
Bentley	Continental GT	4L	2013	12.9	13.4	0.5	\$1,242.00
Bentley	Continental GT	4L	2014	12.9	13.4	0.5	\$1,242.00
Bentley	Continental GT	4L	2015	12.7	13.1	0.4	\$993.60
Bentley	Continental GT	4L	2016	12.7	13.1	0.4	\$993.60
Bentley	Continental GT	4L	2017	12.7	13.1	0.4	\$993.60
Bentley	Continental GTC	4L	2013	13.6	14.1	0.5	\$1,242.00
Bentley	Continental GTC	4L	2014	13.6	14.2	0.6	\$1,490.40
Bentley	Continental GT Convertible	4L	2015	13.8	14.4	0.6	\$1,490.40
Bentley	Continental GT Convertible	4L	2016	13.8	14.4	0.6	\$1,490.40

Make	Model	Engine	Model Year	Original Combined Rating (L/100 KM)	Restated Combined Rating (L/100 KM)	Combined Difference (L/100 KM)	Maximum Per Vehicle Payments (CAD \$)
Bentley	Continental GT Convertible	4L	2017	13.8	14.4	0.6	\$1,490.40
Bentley	Flying Spur	6L	2014	16.0	16.5	0.5	\$1,242.00
Bentley	Flying Spur	6L	2015	16.0	16.5	0.5	\$1,242.00
Bentley	Flying Spur	4L	2015	13.8	14.2	0.4	\$993.60
Bentley	Flying Spur	6L	2016	16.0	16.5	0.5	\$1,242.00
Bentley	Flying Spur	4L	2016	13.8	14.2	0.4	\$993.60
Porsche	Cayenne	3.6L	2013	12.3	12.6	0.3	\$745.20
Porsche	Cayenne	3.6L	2014	12.0	12.4	0.4	\$993.60
Porsche	Cayenne	3.6L	2016	11.5	11.8	0.3	\$745.20
Porsche	Cayenne GTS	4.8L	2013	13.9	14.4	0.5	\$1,242.00
Porsche	Cayenne GTS	4.8L	2014	13.8	14.4	0.6	\$1,490.40
Porsche	Cayenne GTS	3.6L	2016	12.6	12.8	0.2	\$496.80
Porsche	Cayenne S	4.8L	2013	13.0	13.3	0.3	\$745.20
Porsche	Cayenne S	4.8L	2014	12.9	13.2	0.3	\$745.20
Porsche	Cayenne S	3.6L	2015	12.0	12.2	0.2	\$496.80
Porsche	Cayenne S	3.6L	2016	12.0	12.2	0.2	\$496.80
Porsche	Cayenne Turbo S	4.8L	2014	14.9	15.2	0.3	\$745.20
Volkswagen	Touareg	3.6L	2013	12.2	12.6	0.4	\$993.60
Volkswagen	Touareg	3.6L	2014	12.2	12.6	0.4	\$993.60
Volkswagen	Touareg	3.6L	2015	12.2	12.4	0.2	\$496.80
Volkswagen	Touareg	3.6L	2016	12.2	12.4	0.2	\$496.80