OFFICIAL COURT COMMUNICATION

A NATIONWIDE SETTLEMENT HAS BEEN REACHED IN CANADA TO BENEFIT CERTAIN OWNERS AND LESSES OF VOLKSWAGEN AND AUDI VEHICLES:

IF YOU OWN/OWNED OR LEASE/ LEASED ONE OF THESE VEHICLES YOU COULD GET BENEFITS FROM A CLASS ACTION SETTLEMENT

FOR MORE INFORMATION, VISIT canadianwaterpumpsettlement.ca OR CALL THE CLAIMS
ADMINISTRATOR AT
1-866-642-0774

YOU MAY ALSO CONTACT CLASS COUNSEL FOR AFFECTED VEHICLE OWNERS AND LESSES AT WATERPUMP@MERCHANTLAW.COM OR 1-306-791-2178

A nationwide settlement has been reached with certain current and former owners and lessees of Volkswagen and Audi vehicles ("Settlement"). This Settlement was reached following negotiations between Volkswagen, Audi, and class action lawyers for the owners and lessees.

The Settlement must be approved by Courts to become effective.

If approved, Volkswagen and Audi have agreed to offer in Canada the following benefits under the Settlement:

Reimbursement of Past Repairs

-and/or-

Extended Warranty

Your rights and options—and the deadlines to exercise them—are explained in this Notice. Additional information is available at canadianwaterpumpsettlement.ca or by calling the Claims Administrator at 1-866-642-0774.

PLEASE READ THIS NOTICE CAREFULLY.
YOUR RIGHTS UNDER THE SETTLEMENT ARE AFFECTED EVEN IF YOU DO NOTHING.

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CLASS ACTION QUESTIONS

A. WHAT ARE MY OPTIONS IN THE SETTLEMENT?

If you think you are included in the Settlement, you have the following options:

	STEP 1: Visit canadianwaterpumpsettlement.ca
LEARN MORE ABOUT THE SETTLEMENT AND	STEP 2: Determine whether your vehicle is included in the Settlement by contacting 1-866-642-0774. You will need your Vehicle Identification Number ("VIN") for this step.
WHETHER YOU MAY BE ELIGIBLE	STEP 3: Determine whether you may be eligible under the Settlement, and learn more about the estimated benefits that you may be eligible for by reviewing this notice and/or calling Class Counsel.
COURT APPROVAL OF THE SETTLEMENT	The Settlement is subject to Court approval. An approval hearing has been scheduled for December 1, 2023 before the Saskatchewan Court. These hearings are public and you are welcome to attend at your own cost.
OBJECT TO THE SETTLEMENT BEFORE IT IS APPROVED	If you do not like the Settlement, you may provide your views in writing so they are received by the Notice Administrator by November 30, 2023. Your objection will be delivered to the Court and considered at the approval hearing for the Settlement.
EXCLUDE YOURSELF FROM THE SETTLEMENT (OPT OUT) BEFORE IT IS APPROVED	If you do not want to participate in the Settlement or be bound by it, you must exclude yourself by opting out. Your opt-out request must be received by November 30, 2023 . If you opt out, you will <u>not</u> be eligible to receive any benefits under the Settlement and you will <u>not</u> be able to object to the Settlement, but you <u>will</u> keep any right you have to separately sue Volkswagen or Audi at your own cost.
PARTICIPATE IN THE SETTLEMENT	If you wish to make a claim for benefits under the Settlement, you do not need to take any action at this time. The period to submit a claim will not begin until after the Settlement is approved by the Court. If approved, additional details will be provided regarding when and how claims can be submitted.
IF YOU TAKE NO STEPS	If you do not opt out <u>and</u> do not submit a claim after the Settlement is approved by the Courts, you will not receive any benefits from the Settlement and you will give up any rights you currently have to separately sue Volkswagen or Audi for the claims being resolved by the Settlement.

B. WHAT IS THE CLASS ACTION ABOUT?

The class action seeks damages and other relief on behalf of consumers with affected vehicles alleging that the primary engine water pump of these vehicles is defective. The primary engine water pump means the primary coolant module including the engine water (coolant) pump and the controller unit.

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This class action is *Blaine Covill v. Volkswagen Group Canada, Inc. et al, Court File No. QBG 2776 of 2018* before the Court of Queen's Bench for Saskatchewan.

C. WHY AM I RECEIVING THIS NOTICE?

This Notice summarizes the Settlement, which affects your legal rights if you are a Settlement Class Member. You have received this Notice because you are a past or current owner or lessee of an affected vehicle. Receipt of this Notice does not mean that you are a Settlement Class Member.

If you are a Settlement Class Member, this Notice informs you of your legal rights and options. These options include participating in the Settlement and, if you wish, objecting to the Settlement, or excluding yourself ("opting out") from the Settlement. You can also attend the upcoming public hearings before the Courts, which will determine whether the Settlement should be approved.

CLASS MEMBERSHIP QUESTIONS

D. AM I INCLUDED IN THE SETTLEMENT?

You may be included in the Settlement if:

- You own/owned or lease/leased an Eligible Vehicle; and
- You are a Settlement Class Member.

E. IS MY VEHICLE AN "ELIGIBLE VEHICLE"?

Only Eligible Vehicles are included in the Settlement.

You may have an Eligible Vehicle if it is included in the below list of Volkswagen or Audi vehicles:

VOLKSWAGEN			AUDI		
Model	Model Years	1	Model	Model Years	
Beetle	2012-2019	Α	.3	2008-2013, 2015-2020	
Beetle Convertible	2014-2019	S	3	2015-2020	
Super Beetle	2013-2015	A	4	2009-2020	
Arteon	2019-2020	A	.5	2010-2020	
Atlas	2018-2021	A	.6	2013-2018, 2020	
CC	2013-2016	C	(3	2015-2020	
Passat CC	2009-2012	C	(5	2011-2021	
Eos	2009-2015	C)7	2017-2019	
Golf	2015-2018	T	Τ	2009-2020	
GTI	2009-2013, 2015-2021	T	TS	2016-2020	
Golf R	2016-2019				
Golf Sportwagon	2015-2019				
Jetta	2009-2010, 2014-2017				
Jetta GLI	2009, 2012-2017, 2019-2021				
Passat	2008-2010, 2014-2021				
Passat Wagon	2008-2010				
Tiguan	2009-2021				

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In addition, Eligible Vehicles:

- Must have been originally sold or leased in Canada; and
- Must be confirmed, by reference to their VIN, to be an affected vehicle.

You can determine whether your vehicle is included in the Settlement by contacting 1-866-642-0774. You will need your Vehicle Identification Number, also known as a VIN. Additional eligibility requirements apply in order to participate in the Settlement.

A VIN is a unique identification number for a vehicle. It contains a combination of 17 numbers and letters. You can find it on the province vehicle registration, vehicle insurance card or the vehicle itself—either on the driver's side of the dashboard at the bottom of the windshield or on the driver's side door jamb. A VIN will never include the letter 'i' or the letter 'o', but may include the number '1' or the number '0'.

F. AMIA "SETTLEMENT CLASS MEMBER"?

You may be a Settlement Class Member and included in the Settlement if:

- You are or were the registered owner of an Eligible Vehicle; or
- You are or were a lessee of an Eligible Vehicle.

G. WHO IS EXCLUDED FROM THE SETTLEMENT?

Excluded Persons from the settlement include:

- All those who timely and properly exclude themselves (opt out) from the Settlement;
- Owners of a totalled vehicle, including insurance companies;
- Issuers of extended vehicle warranties and service contracts;
- VW and Audi's current officers, directors and employees and participants in its internal lease program; VW and Audi's affiliates and their officers, directors and employees; and authorized VW dealers and their officers and directors;
- Any Settlement Class Member seeking reimbursement for repairs relating to the Water Pump System matter who, prior to the date of the Settlement Agreement, settled with and released the defendants or any Released Parties from any Released Claims for those repairs;
- The Judge overseeing the Class Action; and
- Counsel of record in the Class Actions who represent the Settlement Class Members.

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SETTLEMENT BENEFIT QUESTIONS

H. WHAT BENEFITS CAN I RECEIVE?

If approved by the Courts, the Settlement will provide Settlement Class Members with Reimbursement of Past Repairs and/or Warranty Extension.

You may be eligible for **Reimbursement of Past Repairs** if you are a Settlement Class Member and you have **previously paid out-of-pocket** to repair or replace an Eligible Vehicle's primary engine water pump due to failure.

You may be eligible for a **Warranty Extension** if you are a Settlement Class Member and you own or lease an Eligible Vehicle.

I. IF I CLAIM FOR REIMBURSEMENT OF PAST REPAIRS, WHAT BENEFITS CAN I CLAIM?

The settlement will provide two possible types of reimbursement of past repairs:

- Reimbursement for past repairs/replacement of the primary engine water pump; and/or
- Reimbursement for past repairs/replacement of a failed or damaged engine due to the failure of the primary engine water pump.

(1) Reimbursement of Past Repairs – Primary Engine Water Pump

If you are a Settlement Class Member and have previously repaired your **primary engine water pump** due to a failure you may be entitled to Reimbursement of Past Repairs for **unreimbursed out-of-pocket expenses** occurring prior to the introduction of the Warranty Extension, as follows:

For certain 2008-2014 vehicles, within 10 years or 160,000 kilometres, whichever occurs first;

- (a): if within 8 years or 125,000 kilometres, 100% refund (if repair/replacement completed by a VW/Audi dealer, or up to \$1,150 if completed by a non-VW/Audi dealer); or
- (b): if after 8 years or 125,000 kilometres, but within 10 years or 160,000 kilometres, 70% refund (if repair/replacement completed by a VW/Audi dealer, or up to \$805 if completed by a non-VW/Audi dealer).

For certain 2014-2021 vehicles, within 8 years or 125,000 kilometres, whichever occurs first;

(a): 100% refund (if repair/replacement completed by a VW/Audi dealer, or up to \$1,275 if completed by a non-VW/Audi dealer).

(2) Reimbursement of Past Repairs – Damaged or Failed Engine

If you are a Settlement Class Member and have previously repaired or replaced a **failed or damaged engine** due to a failure of the primary engine water pump, you may be entitled to Reimbursement of Past Repairs for **unreimbursed out-of-pocket expenses** occurring prior to the

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introduction of the Warranty Extension, as follows:

For certain 2008-2014 vehicles, within 10 years or 160,000 kilometres, whichever occurs first;

- (a): if **completed by a VW/Audi dealer**, up to 100% reimbursement, subject to the time/mileage paramaters and reimbursement limits set out in Table A, below;
- (b): if **completed by a non-VW/Audi dealer**, up to 100% reimbursement to a maximum of \$4,842, subject to the time/mileage paramaters and reimbursement limits set out in Table A, below.

For certain 2014-2021 vehicles, within 8 years or 125,000 kilometres, whichever occurs first;

- (a): if **completed by a VW/Audi dealer**, up to 100% reimbursement, subject to the time/mileage paramaters and reimbursement limits set out in Table B, below;
- (b): if **completed by a non-VW/Audi dealer**, up to 100% reimbursement to a maximum of \$5,203, subject to the time/mileage paramaters and reimbursement limits set out in Table B, below.

Table A
EARLY MODEL ELIGIBLE VEHICLES

Reimbursement Limits for Damaged or Failed Engine Due to Primary Engine Water Pump Failure

Time from Original In- Service Date	80,000 kilometres or less	80,001 to 95,000 kilometres	95,001 to 110,000 kilometres	110,001 to 125,000 kilometres	125,001 to 160,000 kilometres
4 years or less	100% (under original warranty)	70%	50%	40%	25%
4-5 years*	70%	50%	40%	30%	20%
5-6 years	50%	40%	35%	25%	15%
6-7 years	40%	30%	25%	20%	10%
7-8 years	30%	25%	20%	15%	10%
8-10 years	25%	20%	15%	10%	5%

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Table B LATE MODEL ELIGIBLE VEHICLES

Reimbursement Limits for Damaged or Failed Engine Due to Primary Engine Water Pump Failure

Time from Original In- Service Date	80,000 kilometres or less	80,001 to 95,000 kilometres	95,001 to 110,000 kilometres	110,001 to 125,000 kilometres
4 years or less	100% (under original warranty)	80%	60%	55%
4-5 years*	80%	60%	50%	40%
5-6 years	60%	50%	40%	25%
6-7 years	50%	35%	25%	10%
7-8 years	30%	20%	10%	5%

Certain limitations apply. For more detail, please review the Settlement Agreement posted online at canadianwaterpumpsettlement.ca.

J. IF I HAVE AN ELIGIBLE VEHICLE, WHAT WARRANTY EXTENSION DO I GET?

If you are a Settlement Class Member and you own/owned or lease/leased an Eligible Vehicle, you may be entitled to a warranty extension to cover one repair or replacement of a failed primary engine water pump (and repair or replacement of an engine if due to the failure of the primary engine water pump), as follows:

For certain 2008-2014 vehicles, within 10 years or 160,000 kilometres, whichever occurs first;

- (a): for repair and/or replacement of a primary engine water pump, 100% reimbursement;
- (b): for repair and/or replacement of an engine due to a failure of the primary engine water pump, up to 100% reimbursement, subject to the time/mileage paramaters and reimbursement limits set out in Table A, above.

For certain 2014-2021 vehicles, within 8 years or 125,000 kilometres, whichever occurs first;

- (a): for repair and/or replacement of a primary engine water pump, 100% reimbursement;
- (b): for repair and/or replacement of an engine due to a failure of the primary engine water pump, up to 100% reimbursement, subject to the time/mileage paramaters and reimbursement limits set out in Table B, above.

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K. HOW CAN I MAKE A CLAIM IN THE SETTLEMENT?

If you wish to claim the Extended Warranty for your Eligible Vehcile as set out in Section J, above, you do not need to make a claim for benefits. The Extended Warranty will automatically be applied to your vehicle.

If you wish to claim for reimbursement of out-of-pocket expenses as set out in Section I, above, you must make a claim as set out in this section.

Claims for benefits under the Settlement cannot be made at this time. The period to submit a claim will not begin until after the Settlement is approved by the Court. If the Settlement is approved, notice and additional details will be provided regarding when claims can begin to be submitted and the steps you will need to take to make a claim.

If you wish to ensure that you receive notice of when claims may be made, please telephone the Claims Administrator at 1-866-642-0774. Once claims begin to be accepted, you will have 4 months to submit a claim.

L. WHAT SUPPORTING DOCUMENTS WILL BE NEEDED TO MAKE A CLAIM?

To submit a claim for Reimbursement of Past Repairs under the Settlement, you will need to provide the following information and supporting documents:

- Valid driver's license or other government-issued photo identification;
- Dates you owned or leased your vehicle; and
- Proof of vehicle ownership (in the case of an owned vehicle, a copy of the vehicle's registration certificate or bill of sale, and in the case of a leased vehicle, a copy of the lease agreement).
- Repair invoice containing claimant's name, date of repair, make model and VIN of the Eligible Vehicle, mileage at repair, name and address of dealer or servicing center, description of the work performed, and proof of payment.
- Documents evidencing claimant's good faith adherence to the relevant aspects of the vehicle maintenance schedule as relevant to the coolant system during the time they owned the vehicle.

Further details are available in the Settlement Agreement posted online at canadianwaterpumpsettlement.ca.

SETTLEMENT PROCESS QUESTIONS

M. IF I AM A SETTLEMENT CLASS MEMBER, WHAT RIGHTS AM I GIVING UP?

A settlement is an agreement to resolve legal claims, and usually involves compromises by both sides. Settlements end all or part of a lawsuit while allowing the parties to avoid the costs and risks of a trial. A settlement also allows the parties to avoid the very significant time delays of litigation.

If the Settlement is approved by the Courts, you will release Volkswagen and Audi from the claims

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related to the Class Action. Releasing someone from a claim means giving up the right to sue them. If you do not opt out of the Class Action, you will release Volkswagen and Audi from the claims related to the Class Action for any Eligible Vehicle that you currently or previously own/owned or lease/leased.

All Settlement Class Members are bound by a general release that will take effect whether they claim benefits or not. Settlement Class Members who wish to participate in the settlement program must make their claim before the Claims Period Deadline. You will have at least **4 months** to submit a claim.

The above is only a summary of the general release. The Settlement Agreement sets out and describes the general release, so read it carefully. If you have any questions, you can talk to Class Counsel for free. You can also talk to your another lawyer, at your own expense, if you have questions about what this means. The Settlement Agreement is available at canadianwaterpumpsettlement.ca.

Note: The Settlement does not release Volkswagen or Audi for claims of personal injury or wrongful death.

N. I HAVE AN INDIVIDUAL LAWSUIT AGAINST VOLKSWAGEN OR AUDI. WHAT DO I NEED TO DO TO PARTICIPATE IN THE SETTLEMENT?

If you do not validly opt out of the Settlement, you will be a Settlement Class Member and eligible for Settlement benefits. In exchange, you will give up your right to sue Volkswagen or Audi separately for any of the claims resolved by the Settlement.

Settlement Class Members who reside in a province/territory other than Québec and who have an individual lawsuit pending as against Volkswagen/Audi relating to the same facts underlying the claims resolved by the Settlement, must take steps to bring the action to an end, with prejudice where available.

If you reside in Québec and have an individual lawsuit pending against Volkswagen/Audi relating to the same facts underlying the claims resolved by the Settlement, you will be automatically considered as having opted out of the Settlement. As such, you will not be eligible to submit a claim for Settlement benefits unless you discontinue your indidivual lawsuit.

If you have questions, you can contact Class Counsel for free at 1-866-642-0774.

O. HOW CAN I OBJECT TO THE SETTLEMENT?

If you are a Settlement Class Member and have comments about, or disagree with, any aspect of the Settlement that applies to you, you may express your views to the Courts by submitting a personally signed written objection as provided below. You may object only if you do not exclude yourself from (*i.e.*, opt out of) the Settlement.

Before objecting, it is recommended that you visit canadianwaterpumpsettlement.ca or call the Claims Administrator at 1-866-642-0774 to get more information about the Settlement or speak to Class Counsel for free. You can also speak to another lawyer at your own expense.

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Your objection must include:

- Your name, mailing address, telephone number and e-mail address (if applicable);
- The brand, model, model year and VIN of your vehicle, with proof that you owned or leased the vehicle:
- A statement of the nature and reason for the objection to the Settlement;
- Whether you intend to appear in person or through a lawyer at a Settlement approval hearing, and if appearing through a lawyer, the name, address, telephone number and email address of your lawyer; and
- Your signature.

Your objection must be received by no later than November 30, 2023 at:

Mail or Courier to:	RicePoint Administration c/o Engine Water Pump Settlement 1480 Richmond St. #204, London, ON N6G 0J4	E-Mail to: canadianwaterpumpsettlement.ca		
DO NOT SEND OBJECTIONS DIRECTLY TO THE COURTS				

Note: Objecting to the Settlement simply means telling the Court that you do not like something about the Settlement. Objecting does not disqualify you from making a claim nor does it make you ineligible to receive benefits under the Settlement. You cannot opt out of and also object to the Settlement. If you do both, only your opt-out request will apply and your objection will be considered withdrawn.

If you deliver an objection to the Settlement, you do not have to come to Court to talk about it. As long as you submit your written objection on time, the Court will receive it. Should you wish to speak at a hearing, you must indicate your wish to do so in your written objection. You can hire a lawyer to appear on your behalf at your own expense.

P. HOW CAN I OPT OUT OF THE SETTLEMENT?

If you do not want to participate in the Settlement or be bound by it, you must exclude yourself by opting out. If you opt out, you will <u>not</u> be eligible to receive any benefits under the Settlement and you will <u>not</u> be able to object to the Settlement, but you <u>will</u> keep any right you have to separately sue Volkswagen/Audi at your own cost.

Before excluding yourself by opting out of the Settlement, it is recommended that you visit canadianwaterpumpsettlement.ca or call the Claims Administrator at 1-866-642-0774 to get more information about the Settlement or speak to Class Counsel for free. You can also speak to another lawyer at your own expense.

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Your opt-out request must include:

- Your name, mailing address, telephone number and e-mail address (if applicable);
- The brand, model, model year and VIN of your vehicle;
- A statement that you wish to be excluded from the Settlement;
- A copy of the vehicle's registration certificate or bill of sale, and if you lease/leased your vehicle, a copy of the lease agreement; and
- Your signature.

Your opt-out request must be received by no later than November 30, 2023 at:

Mail or Courier to:	RicePoint Administration c/o Engine Water Pump Settlement 1480 Richmond St. #204, London, ON N6G 0J4	E-Mail to: canadianwaterpumpsettlement.ca		
DO NOT SEND OPT-OUT REQUESTS DIRECTLY TO THE COURTS				

Requests that are not personally signed, or that are received after November 30, 2023 will be invalid and will not operate to exclude you from the Settlement.

Note: You cannot opt out of and also object to the Settlement. If you do both, only your optout request will apply and your objection will be considered withdrawn. If you opt-out, you are telling the Courts that you do not want to participate in the Settlement. Therefore, you will not be eligible to receive any benefits from the Settlement and you will not be able to object to the Settlement.

Q. CAN I ATTEND THE SETTLEMENT APPROVAL HEARINGS?

Yes. Before determining whether to approve the Settlement, the Courts will hold the following hearings:

• The Court of Queen's Bench, Saskatchewan will hold a Settlement approval hearing on December 1, 2023.

The hearings may move to a different date or time. Visit canadianwaterpumpsettlement.ca or call Class Counsel for current information.

At these hearings, the Courts will consider whether the Settlement is fair, reasonable and in the best interests of the Settlement Class. Class Counsel will answer any questions the Courts may have about the Settlement. If there are objections, the Courts will consider them at that time. After the hearing, the Courts will decide whether to approve the Settlement. We do not know how long these decisions will take.

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You are welcome to attend the hearings at your own expense, but you are not required to attend.

R. WHO IS MY LAWYER / CLASS COUNSEL?

The law firm representing all Settlement Class Members is listed below:

MERCHANT LAW GROUP LLP

2401 Saskatchewan Drive Regina, SK S4P 4H8

You will not be charged for contacting these lawyers. Class Counsel can be reached by email at waterpump@merchantlaw.com or telephone at 1-306-791-2178.

S. HOW WILL CLASS COUNSEL BE PAID?

In addition to the Settlement benefits described above, Volkswagen has agreed to pay the legal fees and costs of Class Counsel that are approved by the Court. This means that Settlement Class Members will receive 100% of their eligible benefits described in this Notice and their compensation will not be reduced by legal fees or costs.

T. HOW DO I GET MORE INFORMATION?

This Notice is only a summary of some of the terms of the Settlement Agreement. If there is a conflict between this Notice and the Settlement Agreement, the Settlement Agreement applies.

For more information about your legal rights under the Settlement, you may also consult Class Counsel at no charge by email at waterpump@merchantlaw.com or telephone at 1-306-791-2178.

In addition, information about the options Settlement Class Members may have, is available at canadianwaterpumpsettlement.ca or by calling the Claims Administrator at 1-866-642-0774. To get more information about the Settlement or speak to Class Counsel at no charge, email waterpump@merchantlaw.com or telephone 1-306-791-2178. You can also speak to another lawyer at your own expense.