

Timing Chain Class Action and Warranty Extension Dealer FAQ

Settlement

- **How should my dealership respond to questions regarding the terms of the settlement?**

If you receive a contact from a Settlement Class Member (customer) regarding questions/concerns regarding the details of this settlement or any applicable procedures or deadlines, please refer them to the Settlement Claim Administrator at Volkswagen Timing Chain Settlement, 1-855-206-9873, info@TimingChainLitigation.com, and/or to visit the settlement website at www.TimingChainLitigation.com, which will contain copies of the Class Notice and other necessary information.

- **What is the process for owner reimbursement?**

If you receive a contact from a Settlement Class Member (customer) regarding reimbursement of out-of-pocket expenses for past repairs, please refer them to the Settlement Claim Administrator at Volkswagen Timing Chain Settlement, [1-855-206-9873](tel:1-855-206-9873), info@TimingChainLitigation.com, and/or to visit the settlement website at www.TimingChainLitigation.com, which will contain copies of the Class Notice and other necessary information.

- **Is my vehicle affected?**

If you receive a contact from a Settlement Class Member (customer) asking if their vehicle is included in the Settlement and/or warranty extension, please refer them to the Settlement Claim Administrator at Volkswagen Timing Chain Settlement, 1-855-206-9873, info@TimingChainLitigation.com, and/or to visit the settlement website at www.TimingChainLitigation.com, which will contain copies of the Class Notice and other necessary information. The settlement website will also enable them to input their vehicle's VIN to see whether it is included in the settlement and/or warranty extension.

- **What do I need to provide in order to obtain a reimbursement for a prior repair, and what are the deadline and procedures to file a claim for reimbursement?**

If you receive a contact from a Settlement Class Member (customer) regarding reimbursement of out-of-pocket expenses for prior repairs, or the deadline or procedures for filing a reimbursement claim, please refer them to the Settlement Claim Administrator at Volkswagen Timing Chain Settlement, [1-855-206-9873](tel:1-855-206-9873), info@TimingChainLitigation.com, and/or to visit the settlement website at www.TimingChainLitigation.com, which will contain copies of the Class Notice and other necessary information.

- **I am not satisfied with the amount of the reimbursement for my past repair?**

All questions regarding reimbursement for past repairs should be directed to the Settlement Claim Administrator at Volkswagen Timing Chain Settlement, 1-855-206-9873, info@TimingChainLitigation.com, and/or to visit the settlement website at www.TimingChainLitigation.com, which will contain copies of the Class Notice and other necessary information.

Warranty Extension

- **What is the effective date of the Warranty Extension?**

The Warranty Extension effective date is 8/27/18. Any repair order opened prior to 8/27/18, would need to be reviewed by the Claim Administrator for possible reimbursement and is not able to be claimed as warranty under the extension. Claiming instructions for this warranty extension can be found within Warranty Communication VWP-18-07.

- **What is covered under the Warranty Extension?**

The extended warranty covers the repair or replacement of a failed Settlement Class Vehicle Timing Chain and/or Timing Chain Tensioner, by an authorized VW dealer, during a period of ten (10) years or one hundred thousand (100,000) miles (whichever occurs first) from the original In-Service Date of the Settlement Class Vehicle, *provided that the Settlement Class member submits, to the dealer, Proof of Adherence to the Vehicle's Maintenance Schedule (hereinafter, the "Extended Warranty" or "Warranty Extension")*.

The Warranty Extension will also cover a percentage of the Settlement Class Member's repair costs (parts and labor), by an authorized VW dealer, of consequential engine damage to a Settlement Class Vehicle that was directly caused by the failure of the Timing Chain and/or Timing Chain Tensioner within the above 10 year or 100,000 mile (whichever occurs first) Extended Warranty period, subject to the following time/mileage percentage limits:

| Time from original 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% Covered | 70% Covered | 60% Covered | 45% Covered |
| 5-7 Years | 70% Covered | 60% Covered | 50% Covered | 35% Covered |
| 7-10 Years | 60% Covered | 50% Covered | 40% Covered | 25% Covered |

To aid in administering the above Warranty Extension coverage Matrix, please consider the following when evaluating the time/mileage percentage limits:

5 years or less = In-service date through last day of fourth year in service

5-7 Years = First day of fifth year in-service through last day of sixth year in-service

7-10 Years = First day of seventh year in-service through last day of ninth year in-service

- **Why is only a percentage of the repair cost for consequential engine damage covered by the Warranty Extension?**

VWGoA has agreed to expand the scope of this specific Warranty Extension. This is an added benefit to Settlement Class Members and subject to the sliding scale based upon the time from In-Service Date and mileage of the particular vehicle. If customers have questions regarding what is being covered under the Warranty Extension per the Class Action Settlement, please refer them to the Settlement Claim Administrator at Volkswagen Timing Chain Settlement, 1-855-206-9873, info@TimingChainLitigation.com, and/or to visit the settlement website at www.TimingChainLitigation.com, which will contain copies of the Class Notice and other necessary information.

- **What is considered acceptable maintenance?**

In order to obtain a repair/replacement under the Extended Warranty, the Settlement Class Member (customer) must provide, to the dealer, proof of reasonable adherence to the engine oil maintenance requirements of the vehicle's maintenance schedule during the Settlement Class Member (customer)'s ownership/lease of the vehicle. Reasonable adherence is considered to be within a 10% variance of scheduled time and mileage engine oil maintenance requirements.

- **What documents are required to substantiate maintenance?**

Documents [i.e., maintenance records, invoices, receipts, etc.] evidencing the Settlement Class Member (customer)'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, within the 10% variance set forth above.

In the event such maintenance records cannot be obtained despite a good faith effort to obtain them, the Settlement Class Member (customer) may submit a sworn declaration detailing what efforts were made to obtain the records, 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 10% variance set forth above.

A "Vehicle Maintenance Declaration" form is provided within the Warranty Communication VWP-18-07 and can be provided to customers if requested. Settlement Class Member (customer)'s are not required to submit this exact form, but they must submit a written statement, signed under penalty of perjury, containing the information that is requested in this form.

- **What should a dealer do with customer maintenance records and/or a sworn declaration form (Vehicle Maintenance Declaration)?**

All supporting documentation for the Warranty Extension including maintenance records, invoices, receipts and sworn declaration forms should be retained with the dealer repair order records.

- **Can the dealer sign-off on the declaration if the Settlement Class Member (customer) is unable to?**

No, the Settlement Class Member (customer) is required to provide the signed declaration.

- **If a Settlement Class Member (customer) is a subsequent owner of the vehicle, what is required in terms of maintenance records?**

Settlement Class Member (customer) needs only show compliance "during the time he/she owned and/or leased the vehicle."

- **Are dealer owned vehicles eligible for the Warranty Extension?**

Per the Settlement Agreement, "anyone who purchased a Settlement Class Vehicle for purpose of commercial resale" is excluded from the Settlement Class. This would apply to authorized VW dealers or any other commercial reseller.

However, if the dealer kept a Class Vehicle for purposes such as use as a loaner vehicle, it would be covered by the Warranty Extension.

- **Are independent shop owned vehicles eligible for the Warranty Extension?**

The Settlement Agreement excludes "anyone acting as a used car dealer" from the Settlement Agreement.

However, if the independent shop purchased or leased the vehicle for its own use, then it would be entitled to the Warranty Extension.

- **Is the Warranty Extension transferrable?**

The warranty, as extended, is fully transferable to subsequent owners, excluding those for purpose of commercial resale.

- **Is a VTA ticket required at any point?**

A VTA ticket is not required. This Extended Warranty should be administered following all existing Warranty Policy and Procedures.

- **Are towing costs covered under this Extended Warranty?**

No, towing costs are not covered under this Extended Warranty.

- **Will there be a Loaner car provision / reimbursement as part of the extension?**

No, there is no loaner car provision/reimbursement specific to this Warranty Extension. Alternate transportation can be considered under the existing VW Customer Mobility Program Loaner Vehicle Policy.

- **Does the Warranty Extension apply to timing chains and/or timing chain tensioners that have not failed?**

No, like the original warranty, failure of the timing chain and/or timing chain tensioner would be required for the extended warranty to apply.

- **Where do I find the Vehicle Maintenance Declaration?**

WISE>Resource Center>Forms>Vehicle Maintenance Declaration. This is also located on the settlement website at www.TimingChainLitigation.com.

- **Where do I find the Proration Calculator?**

WISE>Claim Input Assistance>Proration Calculators

- **What if the repairs are within the prorated amount but the customer has an active CPO contract?**

The dealer should use any applicable warranties before charging the customer for the repairs. If the CPO Contract is still valid and the failure is a covered component, then repairs should be submitted under CPO coverage. Customer would be responsible for the \$50 CPO deductible.

- **When did the sliding scale take effect?**

Reception date of October 11th 2018.

- **What if the replacement engine comes with a new Timing Chain/Timing Chain Tensioner?**

The Customer pay portion will be reduced **up to** \$2,000.00. If the customer pay portion is **less than** \$2,000.00, then the deduction will offset the outstanding amount and no monies will be given to the customer.

- **What if a customer already paid for an engine replacement that contained a new Timing Chain/Timing Chain Tensioner?**

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Claim Administration

SAGA Claim Entry Example: Vehicle was 6 years from the original in-service date with 74,500 miles. The timing chain was defective, causing damage to the cylinder head.

Claim line 01: 110 Claim Type - Timing chain/Tensioner (100% coverage - dealer does not enter any percentage)

| Vehicle information Claim Control Damage information Labour/Material Outside labour/material Claim values Credit Note Information Comment Claim state Changes Criteria Driver information Goodwill share | | | | | | | | | |
|--|-------------|----|--|------------|------------|---------------|--------|-------------------|--|
| Labour <input type="checkbox"/> Maintain the DMS sorting of operations | | | | | | | | | |
| V | LO number | AZ | Text/description | Technician | Claimed TU | Calculated TU | Amount | Calculated amount | |
| <input type="checkbox"/> | 13 90 19 70 | | Chain for balance shaft rem+reins | 032 | 20 | 20 | 15.80 | 15.80 | |
| <input type="checkbox"/> | 15 02 01 20 | | Valve timing checked | 032 | 190 | 190 | 150.10 | 150.10 | |
| <input type="checkbox"/> | 15 33 20 20 | | Chain housing covers removed+reinstalled | 032 | 450 | 450 | 355.50 | 355.50 | |
| <input type="checkbox"/> | 15 36 19 70 | | Chain tensioner removed+reinstalled | 032 | 30 | 30 | 23.70 | 23.70 | |

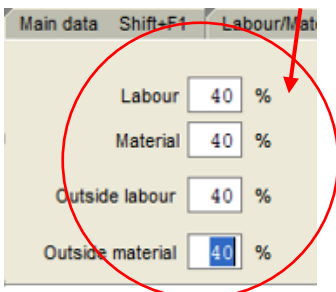
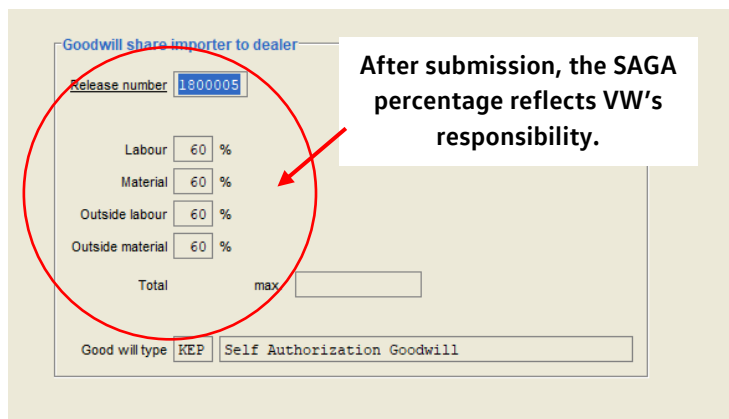
| Material | | | | | | | | | |
|-------------------------------------|---------------|-------------------|-----------|----------|------|--------|-------------------|--|--|
| V | SP number | Description | Attribute | Quantity | Unit | Amount | Calculated amount | | |
| <input checked="" type="checkbox"/> | 07K 109 217 E | TENSIONER - CHAIN | | 1.00 | Each | 83.00 | 83.00 | | |
| <input type="checkbox"/> | 07K 109 231 A | TIMING CHAIN | | 1.00 | Each | 161.67 | 161.67 | | |

Claim line 02: 2WA Claim Type - Consequential damage; parts and labor calculated at 60% VW / 40% Customer (Refer to the sliding scale percentages for pro-ration coverage located in VWP-18-07 in WISE)

| Labour <input type="checkbox"/> Maintain the DMS sorting of operations | | | | | | | | | |
|--|-------------|-------------------------------------|---|------------|------------|---------------|--------|-------------------|--|
| V | LO number | AZ | Text/description | Technician | Claimed TU | Calculated TU | Amount | Calculated amount | |
| <input checked="" type="checkbox"/> | 15 70 53 99 | <input checked="" type="checkbox"/> | Replace Cylinder Head as Consequential Damage | 032 | 540 | 324 | 426.60 | 235.56 | |

| Material | | | | | | | | | |
|-------------------------------------|----------------|--|-----------|----------|------|--------|-------------------|--|--|
| V | SP number | Description | Attribute | Quantity | Unit | Amount | Calculated amount | | |
| <input type="checkbox"/> | 06D 103 385 D | BOLT, WITH POLYGON SOCKET HD. (COMBI.) | | 10.00 | Each | 26.60 | 15.96 | | |
| <input type="checkbox"/> | 06H 103 064 FX | COMPLETE CYLINDER HEAD (WITHOUT CAMSHAFT | | 1.00 | Each | 994.25 | 596.55 | | |
| <input type="checkbox"/> | 06H 103 383 AF | GASKET | | 1.00 | Each | 28.43 | 17.06 | | |
| <input checked="" type="checkbox"/> | 07K 109 217 E | TENSIONER - CHAIN | | 0.00 | Each | 0.00 | 0.00 | | |
| <input type="checkbox"/> | D 154 103 A1 | SEALANT | | 0.50 | Each | 48.50 | 29.10 | | |

Dealer must enter the percentage of the customer's responsibility.

Engine replacement is required and includes a new Timing Chain/Timing Chain Tensioner (Timing Chain is not a separate part number) –

SAGA Claim Entry Examples:

2WA Claim Type - Dealer must enter Labor Operation A0000000 for **up to** \$2,000.00 in Outside Labor.

Example scenario 1:

Vehicle was 6 years from the original in-service date with 86,500 miles. The timing chain was defective, causing damage to the engine.

Engine replacement costs \$10,000 with 35% prorated VW coverage -

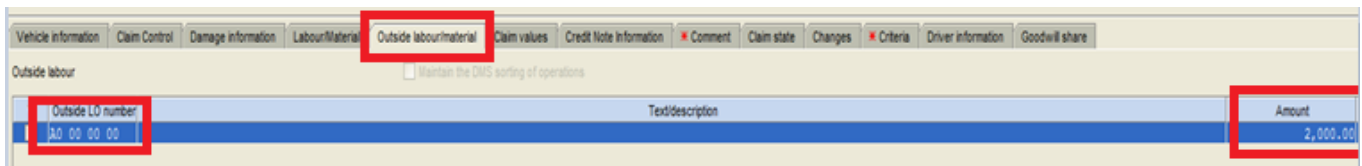
VW contribution = \$3,500.00

\$6,500 Customer Responsibility

less \$2,000 Timing Chain

= **\$4,500 Customer's Final Out-Of-Pocket Expense**

Example scenario 2:



The screenshot shows the SAGA software interface for an 'Outside labour' entry. The 'Outside LO number' is 'A0 00 00 00' and the 'Amount' is '2,000.00'. The 'Text/Description' field is empty.

Vehicle was 4 years from the original in-service date with 74,500 miles. The timing chain was defective, causing damage to the engine.

Engine replacement costs \$6,000.00 with 70% prorated VW Coverage

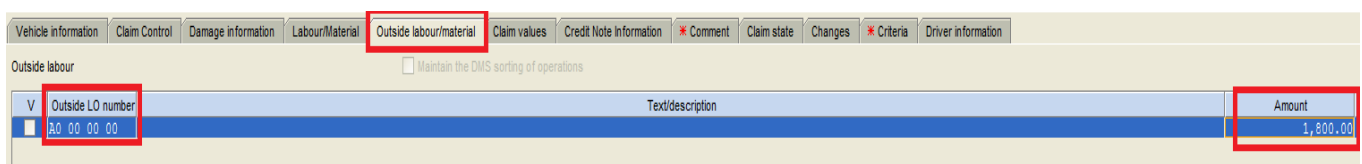
VW contribution = \$4,200.00

\$1,800 Customer Responsibility

less \$2,000 Timing Chain

= **\$0 Customer's Final Out-Of-Pocket Expense**

Since the customer contribution is less than \$2,000.00, the dealer will only enter \$1,800.00 in Outside Labor in SAGA.



The screenshot shows the SAGA software interface for an 'Outside labour' entry. The 'Outside LO number' is 'A0 00 00 00' and the 'Amount' is '1,800.00'. The 'Text/Description' field is empty.