

**Volkswagen / Audi Settlement in Canada**  
OFFICIAL COURT COMMUNICATION

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A NATIONWIDE SETTLEMENT HAS BEEN REACHED IN CANADA TO BENEFIT MANY OWNERS AND LESSEES 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 [www.timingchainsettlement.ca](http://www.timingchainsettlement.ca)**

**OR CALL 1-833-451-8811**

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

The Courts have approved the Settlement, and benefits are available beginning on May 25, 2020.

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 [www.timingchainsettlement.ca](http://www.timingchainsettlement.ca)

**PLEASE READ THIS NOTICE CAREFULLY.**

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**CLASS ACTION QUESTIONS**

**A. WHAT ARE THE CLASS ACTIONS ABOUT?**

The class actions seek damages and other relief on behalf of consumers with affected vehicles. They allege that the Timing Chain System of these vehicles is defective. The Timing Chain System means the system comprised of the timing chain tensioner, timing chain, chain sprockets, guide rails, and tensioning rail.

These class actions consist of the following actions: *Shawn Panacci v. Volkswagen Group Canada Inc. et al*, Court File No. CV-16-559393-00CP before the Ontario Superior Court of Justice, *Covill v. Volkswagen Group Canada Inc. et al*, Court File No. QBG 2749 of 2016 before the Court of Queen’s Bench for Saskatchewan, and *Tremblay v. Volkswagen Group Canada, Inc. et al*, Court File No. 500-06-000868-170 before the Superior Court of Québec.

**B. WHAT ARE MY OPTIONS IN THE SETTLEMENT?**

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

<b>LEARN MORE ABOUT THE SETTLEMENT AND WHETHER YOU MAY BE ELIGIBLE</b>	<p><b>STEP 1:</b> Visit <a href="http://www.timingchainsettlement.ca">www.timingchainsettlement.ca</a>.</p> <p><b>STEP 2:</b> Determine whether your vehicle is included in the Settlement by contacting 1-833-451-8811. You will need your Vehicle Identification Number (“VIN”) for this step.</p> <p><b>STEP 3:</b> Determine whether you may be eligible under the Settlement, and learn more about the benefits that you may be eligible for by reviewing this notice and/or calling Class Counsel.</p>
<b>COURT APPROVAL OF THE SETTLEMENT</b>	<p>The nationwide Settlement has been approved by the Ontario Superior Court and the Superior Court of Québec.</p>
<b>PARTICIPATE IN THE SETTLEMENT</b>	<p>If you are a Settlement Class Member, you may submit a claim for benefits beginning on May 25, 2020. For additional information about how to submit a claim, please review the rest of this document. You may also visit <a href="http://www.timingchainsettlement.ca">www.timingchainsettlement.ca</a> or contact the Claims Administrator at 1-833-451-8811 for more information.</p>
<b>IF YOU TAKE NO STEPS</b>	<p>If you do not submit a claim for Reimbursement of Past Repair Expenses before January 25, 2021, you will not receive any benefits from the Settlement. The Extended Warranty will automatically be applied to Eligible Vehicles. You do not need to submit a claim to receive the Extended Warranty.</p>

**CLASS MEMBERSHIP QUESTIONS**

**C. 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.

**D. 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:

<b>VOLKSWAGEN</b>		<b>AUDI</b>	
<b>Model</b>	<b>Model Years</b>	<b>Model</b>	<b>Model Years</b>
Beetle Convertible	2014	A3	2008-2012
Beetle Coupe	2012-2014	A4 Avant	2009-2012
CC	2009-2012	A4 Sedan	2009-2012
CC (Face Lift)	2013	A5 Cabriolet	2010-2012
Eos	2009-2012	A5 Coupe	2010-2012
GTI (A5)	2009	Q5	2011-2012
GTI (A6)	2010-2012	TT Coupe	2009-2012
Jetta (A5)	2009-2010	TT Roadster	2009-2012
Jetta (A6)	2012-2014		
Passat Sedan	2008-2010		
Passat Wagon	2008-2010		
Tiguan	2009-2012		

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 1-833-451-8811. 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’.

**E. AM I A “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 (see Question D); or
- ) You are or were a lessee of an Eligible Vehicle.

**F. WHO IS EXCLUDED FROM THE SETTLEMENT?**

Excluded Persons from the settlement include:

- ) All those who timely and properly excluded themselves (opted out) from the Settlement;
- ) Insurance companies;
- ) Volkswagen’ and Audi’s officers, directors and employees and participants in the Internal Lease Program; Volkswagen’ 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 Timing Chain System Matter who, prior to the date of this Settlement Agreement, settled with and released Defendants or any Released Parties from any Released Claims for those repairs;
- ) The Judges overseeing the Class Actions; and
- ) Counsel of record in the Class Actions who represent the Settlement Class Members.

**SETTLEMENT BENEFIT QUESTIONS**

**G. WHAT BENEFITS CAN I RECEIVE?**

The Settlement provides Settlement Class Members with **Reimbursement of Past Repairs** and/or **Extended Warranty**.

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 your timing chain, timing chain tensioner and/or engine due to timing chain tensioner and/or timing chain failure.

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

**H. 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:

- (1) Reimbursement for past repairs/replacement of timing chains and/or timing chain tensioners; and/or

- (2) Reimbursement for past repairs/replacement of a failed or damaged engine caused by the failure of the timing chain and/or timing chain tensioner.

**(1) Reimbursement of Past Repairs – Timing Chain/Timing Chain Tensioner**

If you are a Settlement Class Member and have previously repaired your **timing chain and/or timing chain tensioner** 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 Extended Warranty and within 10 years or 160,000 kilometres from the In-Service Date of the vehicle, whichever occurs first, as follows:

A. Timing Chain Tensioner Repair/Replacement:

- i. If the timing-chain tensioner was repaired or replaced at an authorized VW dealer due to a failure, the Settlement Class Member will receive a one-hundred percent (100%) refund of the dealer invoice amount for the covered part(s) and labour, including applicable taxes.
- ii. If the timing chain tensioner was repaired or replaced at a non-VW dealer due to a failure, the Settlement Class Member will receive a refund of the invoice for the covered parts and labour, including applicable taxes, but no more than \$1,430.

B. Timing Chain Repair/Replacement:

- i. If the timing chain was repaired or replaced at an authorized VW dealer due to a failure, the Settlement Class Member will receive a one-hundred percent (100%) refund of the dealer invoice amount for the covered part(s) and labour, including applicable taxes.
- ii. If the timing chain was repaired or replaced at a non-VW dealer due to a failure, the Settlement Class Member will receive a refund of the invoice for the covered parts and labour, including applicable taxes, but no more than \$1,950.
- iii. Where 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.

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

- i. If the timing chain and timing chain tensioner were both simultaneously repaired or replaced at an authorized VW dealer due to a failure, the Settlement Class Member will receive a one-hundred percent (100%) refund of the dealer invoice amount for the covered part(s) and labour, including applicable taxes.
- ii. If the timing chain and timing chain tensioner were both simultaneously repaired or replaced at a non-VW dealer due to a failure, the Settlement Class Member will receive a refund of the invoice for the covered parts and labour, including applicable taxes, but no more than \$2,600.

D. Limitations:

- i. Any reimbursement will be reduced by goodwill or other concession paid by an authorized VW dealer or any other entity (including insurers and providers of extended warranties), up to no reimbursement if the Settlement Class Member received a replacement or repair at no charge.
- ii. Defendants will not be responsible for, and will not warrant, repair/replacement work performed at a non-VW dealer. If the Audi or VW replacement covered part(s), purchased by the customer or the non-VW dealer from a dealer fails within one year or 20,000 kilometres (whichever occurs first) of installation, defendants will provide a replacement of the covered part(s) only, at no charge.
- iii. If the timing chain or timing chain tensioner fails after the Extended Warranty is introduced and within 10 years or 160,000 kilometres (whichever occurs first) from the In-Service Date of the vehicle, the Settlement Class Member must take the vehicle to an Authorized VW dealer for repair pursuant to the terms of the Extended Warranty.

**(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 timing chain and/or timing chain tensioner failure you will be entitled to Reimbursement of Past Repairs for **unreimbursed out-of-pocket expenses** occurring prior to the introduction of the Extended Warranty and within 10 years or 160,000 kilometres from the In-Service Date of the vehicle, whichever occurs first, as follows:

- A. Reimbursement for valid out-of-pocket expenses to repair or replace a failed or damaged engine due to timing chain tensioner and/or timing chain failure will include the cost of a repair or replacement of the timing chain tensioner and/or timing chain as required.
- B. If the engine was repaired or replaced at an authorized VW dealer due to a failure, a refund of the invoice amount subject to the time/mileage parameters in the table below.
- C. If the engine was repaired or replaced at a non-VW dealer due to a failure, the maximum reimbursement amount is \$8,450, subject to the time/mileage parameters in the table below:

**Table A**  
**Reimbursement Limits for Damaged or Failed Engine Due to Timing Chain /Timing Chain Tensioner Failure**

<b>Time from in-service date</b>	<b>Less than 95,000</b>	<b>95,001 to 120,000</b>	<b>120,001 to 135,000</b>	<b>135,001 to 160,000</b>
5 years	100%	70%	60%	45%
5-7 years	70%	60%	50%	35%
7-10 years	60%	50%	40%	25%

D. Limitations

- i. Any reimbursement will be reduced by goodwill or other concession paid by an authorized VW dealer or any other entity (including insurers and providers of extended warranties), up to no reimbursement if a Settlement Class Member received a replacement or repair at no charge.
- ii. Defendants will not be responsible for, and will not warrant, repair or replacement work performed at a non-VW dealer. If the Audi or VW replacement covered part(s), purchased by the customer or the non-VW dealer from a dealer fails within one year or 20,000 kilometres (whichever occurs first) of installation, defendants will provide a replacement of the covered part(s) only, at no charge.
- iii. If an Eligible Vehicle's engine is damaged or fails as a result of the failure of a timing chain or timing chain tensioner after the Extended Warranty is introduced and within 10 years or 160,000 kilometres (whichever occurs first) from the In-Service Date of the vehicle, the Settlement Class Member must take the vehicle to an Authorized VW dealer for repair pursuant to the terms of the Extended Warranty.
- iv. Any replacement engine will be subject to the warranty terms and conditions accompanying that replacement engine, and nothing in the Settlement Agreement modifies that warranty.

**I. IF I HAVE AN ELIGIBLE VEHICLE, WHAT EXTENDED WARRANTY DO I GET?**

If you are a Settlement Class Member and you own or lease an Eligible Vehicle you will be entitled to the Extended Warranty. The Extended Warranty extends an Eligible Vehicle's New Vehicle Limited Warranty to cover timing chain and timing chain tensioner repairs or replacement, by an Authorized VW Dealer, during a period of ten (10) years or one hundred sixty thousand (160,000) kilometres from the Original In-Service Date of the Eligible Vehicle (whichever occurs first).

The Extended Warranty is subject to the terms and conditions of the applicable New Vehicle Limited Warranty and includes the timing chain tensioner, timing chain and any parts and labour necessary to effect the repair.

The Extended Warranty **will also cover**, subject to the terms and conditions of the applicable New Vehicle Limited Warranty, a percentage of the cost of repair or replacement (parts and labour), by an authorized VW dealer, of a **damaged or failed engine** of an Eligible Vehicle that is determined to have been directly caused by the failure of the vehicle's timing chain and/or timing chain tensioner, within **10 years or 160,000 kilometres** from the In-Service Date of the vehicle, whichever comes first, and subject to the following time/mileage percentage limits:



**Table B**  
**Extended Warranty Limits for Engine Repairs or Replacements due to Timing Chain/Timing Chain Tensioner Failure**

<b>Time from in-service date</b>	<b>Less than 95,000</b>	<b>95,001 to 120,000</b>	<b>120,001 to 135,000</b>	<b>135,001 to 160,000</b>
5 years	100%	70%	60%	45%
5-7 years	70%	60%	50%	35%
7-10 years	60%	50%	40%	25%

The Extended Warranty is effective as of May 25, 2020 and is fully transferable to subsequent owners.

**J. HOW CAN I MAKE A CLAIM IN THE SETTLEMENT?**

Claims for the Extended Warranty are not required. The Extended Warranty will be automatically applied to Eligible Vehicles by authorized VW dealers.

Beginning on May 25, 2020, Settlement Class Members may make a claim for reimbursement of past repairs. The process for making a claim is as follows:

- 1) Visit [www.timingchainsettlement.ca](http://www.timingchainsettlement.ca) or contact the Claims Administrator at 1-833-451-8811 for more information about the options that may be available.
- 2) Submit a Claim Form to the Claims Administrator before the Claims Period Deadline (**January 25, 2021**) including required information and documentation. The Claim Form requires a Settlement Class Member to sign, whether electronically or by hand, and declare that information and material submitted is true and correct based on knowledge and belief. The Claim Form can be found online at [www.timingchainsettlement.ca](http://www.timingchainsettlement.ca).
- 3) The Settlement Class Member's eligibility or ineligibility to participate in the Claims Program will be determined by the Claims Administrator, and an offer will be made if the Settlement Class Member is deemed an Eligible Claimant.
- 4) Eligible Claimants will receive their benefits under the Settlement Agreement.

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

Claims for the Extended Warranty are not required. The Extended Warranty will be automatically applied to Eligible Vehicles by authorized VW dealers.

To submit a claim for reimbursement of past repairs, 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

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- J 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).
- J Repair invoice containing claimant's name VIN, name and address of dealer or servicing center, date of repair, description of repair, mileage at repair, part(s) replaced, and cost of repair/replacement and proof of payment of same or such other proof sufficient to establish the repair.
- J Documents evidencing claimant's good faith adherence to the relevant aspects of the vehicle maintenance schedule during the time they owned the vehicle, in particular, scheduled oil changes, up to date/mileage of replacement/repair, within a variance of 10% of the scheduled time/mileage maintenance requirements. However, in the event maintenance records cannot be obtained despite a good faith effort to obtain them, the claimant may submit a declaration detailing what efforts were made, who he/she communicated with and when, 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.
- J A standard Vehicle Maintenance Declaration form can be found at [www.timingchainsettlement.ca](http://www.timingchainsettlement.ca). It provides guidance regarding the requirements for a sworn declaration in the event that you are unable to obtain the scheduled vehicle maintenance records despite a good faith effort to obtain them.

Disputes as to the sufficiency of documentation verifying the reimbursement claim shall be submitted to the Claims Administrator.

Additional documentation may be required to verify your eligibility for benefits depending on the nature of your claim. Once your claim is submitted, the Claims Administrator will provide a list of all required documentation.

**SETTLEMENT PROCESS QUESTIONS**

**L. 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.

The nationwide Settlement has been approved by the Ontario Superior Court and the Superior Court of Québec. If you did not opt out of the Class Actions, you are entitled to the benefits set out in the Settlement Agreement, and in exchange, you have released Volkswagen and Audi from the claims related to those alleged in the Class Actions (see Section 5 of the Settlement Agreement). This release (the "Settlement Class Release") is in effect whether you claim benefits or not. Settlement Class Members who wish to claim benefits must make their claim before the Claims Period Deadline (**January 25, 2021**).

The above is only a summary of the Settlement Class Release. The Settlement Agreement sets out Settlement Class Release in more detail. If you have any questions, you can talk to Class Counsel for free. You can also talk to your own lawyer, at your own expense, if you have questions about what this means. The Settlement Agreement is available at [www.timingchainsettlement.ca](http://www.timingchainsettlement.ca).

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

**M. WHO IS MY LAWYER / CLASS COUNSEL?**

The law firms representing all Settlement Class Members are listed below:

<b>Lenczner Slaght Royce Smith Griffin LLP</b> 130 Adelaide Street West, Suite 2600 Toronto, ON M5H 3P5	<b>Koskie Minsky LLP</b> 20 Queen St. West, Suite 900 Box 52 Toronto, ON M5H 3R3
<b>Merchant Law Group LLP</b> 200 – 10 Notre-Dame E. Montreal, QC H2Y 1B7	

You will not be charged for contacting these lawyers. Class Counsel can be reached by telephone at 1-833-630-1781.

**N. 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 as approved by the Courts. 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.

**O. HOW DO I GET MORE INFORMATION?**

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

For more information about whether your vehicle is an Eligible Vehicle, or about the Settlement process, call 1-833-451-8811.

For more information about your legal rights under the Settlement, you may also consult Class Counsel at no charge by calling 1-833-630-1781.

Additional information about the options Settlement Class Members may have is available at [www.timingchainsettlement.ca](http://www.timingchainsettlement.ca).