

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Class Action)

No.: 200-06-000193-154

**ASSOCIATION QUÉBÉCOISE DE LUTTE
CONTRE LA POLLUTION
ATMOSPHÉRIQUE**

Plaintiff/Class Representative

and

ANDRÉ BÉLISLE

Designated Person

v.

VOLKSWAGEN GROUP CANADA INC.
and
**VOLKSWAGEN GROUP OF AMERICA
INC.**

and

**VOLKSWAGEN
AKTIENGESELLSCHAFT (AG)**

and

AUDI CANADA INC.

and

AUDI OF AMERICA INC.

and

AUDI OF AMERICA LLC

and

AUDI AKTIENGESELLSCHAFT (AG)

Defendants

SETTLEMENT AGREEMENT

(the “Settlement Agreement”)

Dated as of November 25, 2021

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1. PREAMBLE

WHEREAS on January 24, 2018, the Action was authorized as a class action by the Honourable Mr. Justice Daniel Dumais of the Superior Court for the District of Québec on behalf of the following Class: “Any natural person residing or having resided in Québec at any time between January 1, 2009 and September 21, 2015”.

WHEREAS following the authorization of the Action, Volkswagen AG pleaded guilty to 60 offences under the *Canadian Environmental Protection Act* (S.C. 1999, ch. 33), resulting in a fine of 196.5 million Canadian dollars, of which 50 million Canadian dollars was allocated to support environmental projects in Québec as administered by the Environmental Damages Fund. The Environmental Damages Fund (EDF) is a purposive fund administered by Environment and Climate Change Canada (ECCC) on behalf of the Government of Canada, to be used as a mechanism for investing the funds resulting from the fines, Court orders and voluntary contributions in priority projects that will benefit the country’s natural environment.

WHEREAS the Parties, on or about May 7, 2021, pursuant to a mediation, concluded an agreement to settle the Action without admission of liability in either fact or law, and accepting the same basis of settlement of the Action, namely, the carrying out of environmental projects in Québec, which this Agreement is intended to implement.

WHEREAS the matters addressed in this Settlement Agreement relate solely to proceedings instituted by Québec residents in the Action as defined in this Agreement, and nothing in this Settlement Agreement is intended to apply to or affect the Defendants’ obligations other than those contemplated by the Action.

2. DEFINITIONS

The capitalized terms in this Settlement Agreement have the following meanings, unless this Settlement Agreement specifically provides otherwise. Other capitalized terms used in this Settlement Agreement that are not defined in this Section 2 shall have the meanings ascribed to them elsewhere in this Settlement Agreement.

2.1 “**Action**” means the class action designated as follows: l’Association Québécoise De Lutte Contre La Pollution Atmosphérique et al. v. Volkswagen Group Canada Inc. et al., Superior Court of Québec, Court File No. 200-06-000193-154, and claiming punitive damages.

2.2 “**Administration Expenses**” means the reasonable costs, plus applicable taxes, incurred to administer the Notice Program, including translation costs and any other expenses or costs incurred to administer or relating to the Settlement Agreement and Settlement Fund.

2.3 “**Approval Order**” means the Court’s order and/or judgment approving this Settlement Agreement.

2.4 “**Audi**” means Audi Canada, Inc., Audi of America Inc., Audi of America LLC and Audi Aktiengesellschaft (AG).

2.5 “**Class Counsel**” means Bouchard + Avocats Inc.

2.6 “**Counsel Fees**” means such funds/amounts as may be approved or awarded by the Court to Class Counsel as reasonable compensation for their fees, disbursements and applicable taxes and also including those of the Counsel and experts, as well as the disbursements of the Class Representative, the whole with respect to the Action and its authorization and the proceedings relating thereto in the Court of Appeal and the Supreme Court of Canada and the settlement thereof, which funds/amounts shall be approved, awarded and determined in accordance with the existing case law and principles generally applied by the Court in the context of the resolution of the fees and disbursements in class actions.

2.7 “**Court**” means the Superior Court of Québec.

2.8 “**Defendants**” means Audi and VW.

2.9 “**Effective Date**” means thirty (30) days after the Approval Order has been rendered if no appeals have filed, or if any appeals have been instituted, the date upon which such appeals are finally resolved in such manner as to permit the Settlement to take effect in accordance with the terms and conditions of the Agreement.

2.10 “**Emission Control Device Matter**” means the subject matter of the Action and the events or allegations connected therewith regarding the Vehicles and relating to:

(a) the installation or presence of any software or auxiliary emission control device in any one or more of Defendants’ Vehicles;

(b) the design, manufacture, assembly, testing, or development of any software or auxiliary emission control device used or for use in any one or more of such Vehicles;

(c) the marketing or advertisement of one or more of such Vehicles as “green”, ecological and/or compliant with Canadian emissions regulations;

(d) the alleged noncompliance of one or more of such Vehicles with Canadian emissions regulations.

2.11 **“Escrow Agent”** means the person agreed to by the Parties to hold and administer the Trust Account.

2.12 **“Notice Program”** means a reasonable notice program for distributing Settlement Notices in English and French, consistent with the notice already published in respect of authorization and the right to opt out, approved by the Court.

2.13 **“Parties”** means the Defendants and the Settlement Class Representative collectively, and “Party” means one of them.

2.14 **“Pre-Approval/Approval Motions”** means all motions or applications brought in the Action and before the Court by Class Counsel as part of the process of seeking an Approval Order.

2.15 **“Pre-Approval Notice”** means the English and French versions of the summary and long-form notices.

2.16 **“Pre-Approval Notice Date”** means the date on which the Pre-Approval Notice in summary form is first distributed in Québec.

2.17 **“Settlement Approval Hearing”** means the hearing or hearings before the Court for the purpose of determining whether to issue an Approval Order.

2.18 **“Settlement Class”** means a class of all natural persons residing or having resided in Québec at any time between January 1, 2009 and September 21, 2015.

2.19 **“Settlement Class Member”** means a member of the Settlement Class.

2.20 **“Settlement Class Representative”** means l’Association Québécoise De Lutte Contre La Pollution Atmosphérique.

2.21 **“Designated Person”** means Mr. André Belisle.

2.22 “**Settlement Fund**” means the CAD \$6.7 million to be paid by or on behalf of the Defendants as consideration for settlement of the Action as reflected in this Settlement Agreement. The Settlement Fund shall be all-inclusive of Administration Expenses, Counsel Fees, and any other costs and interest. Under no circumstances will the Defendants be required to pay more than the Settlement Fund. No portion of the Settlement Fund shall revert to the Defendants.

2.23 “**Settlement Notices**” means the English and French versions of the Pre-Approval Notice and any other notice provided for in the Notice Program.

2.24 “**Settlement Website**” means the English and French website maintained by Bouchard + Avocats Inc. for the purposes of providing Settlement Class Members with information on the Settlement Agreement and the Settlement Notices.

2.25 “**Trust Account**” means a trust account under the control of the Escrow Agent for the benefit of the purposes of the Settlement.

2.26 “**VW**” means, individually and collectively, Volkswagen Group Canada Inc., Volkswagen Group of America Inc., and Volkswagen Aktiengesellschaft (AG).

2.27 “**Vehicle**” means the list of vehicles appearing in the Schedule to this Agreement.

3. FOR SETTLEMENT PURPOSES

3.1 **No Admission of Liability.** The Settlement Agreement, and any and all negotiations, documents, discussions and proceedings associated with the Settlement Agreement, shall not be deemed, construed or interpreted to be an admission of any violation of any statute or law, or of any wrongdoing or liability by the Defendants, or of the truth of any of the claims or allegations contained in the Action or any other pleading filed by Class Counsel.

3.2 **The Agreement shall not constitute evidence of any liability or any admission.**

The Settlement Agreement, and any and all negotiations, documents, discussions and proceedings associated with the Settlement Agreement, and any action taken to carry out the Settlement Agreement, shall not be referred to, offered as evidence, or received in evidence in any pending or future action or proceeding, except in a proceeding to approve and/or enforce the Settlement Agreement, or to defend against the assertion of Released Claims (as defined in Section 6), or as otherwise required by law.

4. APPROVAL OF SETTLEMENT AGREEMENT

4.1 The Parties shall use their best efforts to obtain prompt approval of this Settlement Agreement by the Court, including through Class Counsel's submission of Pre-Approval/Approval Motions.

4.2 The Parties agree that the Pre-Approval/Approval Motions submitted to the Court shall seek approval of the Notice Program and an Approval Order. To the extent that a proposed Approval Order is submitted to the Court, the Parties agree to collaborate and cooperate on its form.

4.3 This Settlement Agreement shall only become final on the Effective Date.

5. SETTLEMENT

5.1 The parties have now agreed to fully and finally settle the Action. The Defendants shall pay CAD \$6.7 million to the Trust Account in complete satisfaction of their financial obligations as described herein.

5.2 The Parties agree, in conformity with the object of the present action, that all funds, following the payment of fees, taxes and any and all other obligations, should be for the purpose of environmental projects in the Province of Québec, the whole in conformity with orders from the Court.

6. RELEASE AND WAIVER

6.1 The Parties agree to the following release and waiver (the "**Settlement Class Release**"), which shall take effect upon the Effective Date.

6.2 **Released Parties.** "**Released Parties**" means any person who, or entity that, is or could be responsible or liable in any way whatsoever, whether directly or indirectly, for the Emission Control Device Matter and the Action. The Released Parties are the VW entities including, without limitation, (a) Volkswagen Aktiengesellschaft, Audi Aktiengesellschaft, Volkswagen Group Canada Inc., Audi Canada Inc., Volkswagen Group of America, Inc. (d/b/a Volkswagen of America, Inc. or Audi of America, Inc.), Audi of America, Inc., Audi of America, LLC, and any former, present and future owners, shareholders, directors, officers, employees, affiliates, parent companies, subsidiaries, predecessors, lawyers, agents, insurers, representatives, successors, heirs, and assigns (individually and collectively, the "**Released Entities**"); (b) any and all contractors, subcontractors, and suppliers of the Released Entities in connection with the subject of the Emission Control Device Matter; (c) any and all persons and entities

indemnified by any Released Entity with respect to the Emission Control Device Matter; (d) any and all other persons and entities involved in the design, research, development, manufacture, assembly, testing, sale, leasing, repair, warranting, marketing, advertising, public relations, promotion, or distribution of any Vehicle with respect to the subject matter of the Emission Control Device Matter, even if such persons are not specifically named in this Section, including without limitation all authorized dealers and non-authorized dealers and sellers; and (e) for each of the foregoing, their respective former, present, and future affiliates, parent companies, subsidiaries, predecessors, successors, shareholders, indemnitors, subrogees, spouses, joint ventures, general or limited partners, lawyers, assigns, principals, officers, directors, employees, members, agents, representatives, trustees, insurers, reinsurers, heirs, beneficiaries, wards, estates, executors, administrators, receivers, conservators, personal representatives, divisions, dealers, and suppliers.

6.3 **Settlement Class Release.** In consideration for the Settlement Agreement, Settlement Class Members, on behalf of themselves and their agents, heirs, executors and administrators, successors, assigns, insurers, lawyers (including any lawyer engaged by Settlement Class Members who is not Class Counsel), representatives, shareholders, owners' associations, and any other legal or natural persons who may claim by, through, or under them with respect to the Emission Control Device Matter (the "**Releasing Parties**"), fully, finally, irrevocably, and forever release, waive, discharge, relinquish, settle, and acquit any and all claims, demands, actions, or causes of action, whether known or unknown, that they may have, purport to have, or may have hereafter against any Released Party, as defined above, arising out of the Emission Control Device Matter facts alleged in the Action. This Settlement Class Release applies to any and all claims, demands, actions, or causes of action of any kind or nature whatsoever, whether in law or in equity, contractual, quasi-contractual or statutory, known or unknown, direct, indirect or consequential, liquidated or unliquidated, past, present or future, foreseen or unforeseen, developed or undeveloped, contingent or non-contingent, suspected or unsuspected, arising from the Emission Control Device Matter, including without limitation (1) any claims that were or could have been asserted in the Action; (2) any claims for fines, penalties, economic damages, environmental damages, punitive damages, exemplary damages, injunctive relief arising, in each of the cases hereinabove enumerated, from facts connected with the Emission Control Device Matter, as well as lawyers' fees, or other litigation fees or costs, except the Counsel Fees awarded by the Court in connection with this Settlement Agreement; and (3) any other liabilities that were or could have been asserted in any civil, administrative, or other proceeding, including any arbitration arising, in each of the cases hereinabove enumerated, from facts connected with the Emission Control Device Matter (the "**Released Claims**"). This Settlement Class Release applies to any and all Released Claims regardless of the legal or equitable theory or nature under which they are based or

advanced including without limitation legal and/or equitable theories under any federal, provincial, territorial, municipal, local, administrative, or international law, or statute, ordinance, code, regulation, contract, common law, equity, or any other source, and also including any environmental enforcement action advanced pursuant to provincial or federal statute.

6.4 **Possible Future Claims.** For the avoidance of doubt, Settlement Class Members expressly understand and acknowledge that they may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those that they now know or believe to be true, related to the Emission Control Device Matter, the Action, and/or the Settlement Class Release herein. Nevertheless, it is the intention of Class Counsel and the Settlement Class Representative in executing this Settlement Agreement to fully, finally, irrevocably, and forever release, waive, discharge, relinquish, settle, and acquit all such matters, and all claims relating thereto with respect to the Emission Control Device Matter, the Action and/or the Released Claims.

6.5 **Actions or Proceedings Involving Released Claims.** Settlement Class Members who did not opt out expressly agree that this Settlement Class Release, and the Approval Order, are, will be, and may be raised as a complete defence to, and will preclude, any action or proceeding specified in, or involving claims encompassed by, this Settlement Class Release. To the extent that they have initiated, or caused to be initiated, any suit, action, or proceeding not already encompassed by the Action, Settlement Class Members who did not opt out shall cause such suit, action, or proceeding to come to an end, with prejudice where available. Class Counsel will take such steps as are reasonably necessary and appropriate, or where appropriate will cooperate with the Defendants' efforts, to give effect to this Settlement Agreement and will not seek any additional relief on behalf of Settlement Class Members who did not opt out with respect to the Emission Control Device Matter and/or the Released Claims.

6.6 **Basis for Entering Release.** The Settlement Class Representative acknowledge, agrees, and specifically represents and warrants that he has discussed with Class Counsel the terms of this Settlement Agreement and has received legal advice with respect to the advisability of entering into this Settlement Agreement and the Settlement Class Release, and the legal effect of this Settlement Agreement and the Settlement Class Release. The representations and warranties made throughout the Settlement Agreement shall survive the execution of the Settlement Agreement and shall be binding upon the respective heirs, representatives, successors and assigns of the Parties.

6.7 **Released Parties' Release of Settlement Class Representative, the Settlement Class, and Class Counsel.** Upon the Effective Date, the Released Parties absolutely and unconditionally

release and forever discharge the Settlement Class Representative, Settlement Class Members, Counsel for the Defendants and the members, officers, directors, employees, agents, experts and Class Counsel and the Representative's Counsel from any and all claims relating to the institution or prosecution of the Action.

6.8 **Jurisdiction.** The Court shall retain exclusive and continuing jurisdiction over the Parties and this Settlement Agreement to resolve any dispute that may arise regarding this Settlement Agreement or in relation to the Action, including any dispute regarding validity, performance, interpretation, administration, enforcement, enforceability, or annulment of the Settlement Agreement and no Party shall oppose the Court's jurisdiction to rule on any dispute relating to the reopening and reinstatement of the Action for the purposes of effecting Section 6 of the Settlement Agreement.

7. PAYMENT OF SETTLEMENT FUND

7.1 The Released Parties have no obligation, for any reason, to pay any amount beyond the Settlement Fund pursuant to or in furtherance of this Settlement Agreement.

7.2 **Responsibility for Settlement Fund Payment.** Volkswagen AG shall bear the ultimate responsibility for all required payments owed by the Defendants under the Settlement Agreement. Any legal successor or assign of Volkswagen AG shall assume Volkswagen AG's liability and remain jointly and severally liable for the payment and other performance obligations herein. Volkswagen AG shall include an agreement to so remain liable in the terms of any sale, acquisition, merger or other transaction changing the ownership or control of any of its successor or assigns. No change in the ownership or control of any such entity shall affect the obligations herein of Volkswagen AG without modification of the Settlement Agreement.

7.3 Within 30 business days after the Effective Date, the Settlement Fund shall be paid into the Trust Account, which payment shall be in full satisfaction of all payment obligations of the Defendants under this Settlement Agreement and in total satisfaction of all of the Released Claims against the Released Parties.

7.4 The Escrow Agent shall maintain the Trust Account. The Escrow Agent shall not pay out all or part of the monies in the Trust Account except in accordance with the Settlement Agreement or in accordance with an order of the Court.

7.5 Taxes and Interest

- (a) Subject to Section 7.5(c), all interest earned on the Settlement Fund shall accrue to the benefit of the Settlement Class and shall become and remain part of the Trust Account.
- (b) Subject to Section 7.5(c), VW shall not be liable for all taxes payable on any interest which accrues on the Settlement Fund in the Trust Account or otherwise in relation to the Settlement Fund. The Escrow Agent shall be responsible to fulfill all tax reporting and payment requirements arising from the Settlement Fund in the Trust Account, including any obligation to report taxable income and make tax payments. All taxes (including interest and penalties) due with respect to the income earned on the Settlement Fund shall be paid from the Trust Account.
- (c) The Defendants shall have no responsibility to make any tax filings relating to the Trust Account and will have no responsibility to pay tax on any income earned by the Settlement Fund or pay any taxes on the monies in the Trust Account, unless this Settlement Agreement is annulled or invalidated, in which case the interest earned on the Settlement Fund in the Trust Account or otherwise shall be paid to Volkswagen AG, which, in such case, shall be responsible for the payment of all taxes on such interest.

7.6 Once all payments for fees, taxes and costs duly executed in conformity with Court orders, the Escrow agent will submit a report of same and seek and obtain approval from the Court to execute final payment of residual sums for the purpose of environmental projects.

8. COOPERATION OF THE PARTIES

8.1 The Parties will cooperate in the preparation of any press release announcing this Settlement Agreement.

8.2 The Parties agree to make all reasonable efforts to ensure the timely and expeditious administration and implementation of this Settlement Agreement and to ensure that the costs and expenses incurred are reasonable.

8.3 The Parties and their successors, assigns, and Counsel for the Defendants and Class Counsel undertake to implement the terms of this Settlement Agreement in good faith, and to use good faith in resolving any disputes that may arise in the implementation of the terms of this Settlement Agreement. The Parties shall instruct Counsel for the Defendants and Class Counsel, upon the request of the other, to confer by telephone to discuss the implementation of this Settlement Agreement and to attempt to resolve

any issues raised by the Parties, the Settlement Class Members, or any potential Administrator, should one be appointed by the Court.

8.4 The Parties reserve the right to agree to any reasonable extensions of time that might be necessary to carry out any of the provisions of this Settlement Agreement.

8.5 After entry of the Approval Order, the Parties may, without further notice to the Settlement Class or further order of the Court, amend, modify or expand the terms and provisions of the Settlement Agreement by written agreement provided any such changes are consistent with the Approval Order and do not frustrate the intent of the Settlement Agreement.

8.6 In the event that the Parties are unable to reach agreement on the form or content of any document needed to implement this Settlement Agreement, or on any supplemental provisions that may become necessary to implement the terms of this Settlement Agreement, counsel to the Defendants and Class Counsel may seek the assistance of the Court.

9. NOTICE TO SETTLEMENT CLASS

9.1 **Role of Class Counsel.** Class Counsel will be responsible for the administration of the Notice Program, including developing and maintaining the Settlement Website.

9.2 **Settlement Notices.** The Settlement Notices published in English and French shall include notice of the Settlement Approval Hearing,.

9.2.1 The form of the Settlement Notices referred to in Section 9.2 and the manner of their distribution shall be agreed to by the Parties and consistent with the Notice Program approved by the Court.

9.3 All of the costs of the Notice Program, including costs for printing, mailing, postage, translation, and to establish and maintain the Settlement Website, shall be paid from the Settlement Fund.

10. SETTLEMENT OBJECTIONS/SUPPORT

10.1 Objections to the Settlement Agreement must be sent in writing by pre-paid mail, courier, or email to Class Counsel. An objection to the Settlement Agreement will only be effective if:

- (a) It is sent to Class Counsel;
- (b) It is received or post-marked on or before the Objection Deadline; and

- (c) It is on behalf of a single Settlement Class Member or on behalf of multiple Settlement Class Members residing at the same address.

10.2 All written objections to the Settlement Agreement must be personally signed by the Settlement Class Member and shall include the following:

- (a) The Settlement Class Member's name, mailing address, telephone number, and email address (if available);
- (b) A brief statement of the nature of and reason for the objection to of the Settlement Agreement, as applicable; and
- (c) Whether the Settlement Class Member intends to appear at the Settlement Approval Hearing, and if appearing by counsel, the name, address, telephone number, and email address of counsel.

10.2.1 Any Settlement Class Member who elected to opt out of the Settlement Class may not also object to the Settlement Agreement. If a Settlement Class Member opted out of the Settlement Class and objects to the Settlement Agreement, the opt-out election shall supersede and the objection/support shall be deemed withdrawn.

10.3 **Consequences of Failure to Opt Out.** All Settlement Class Members who did not validly opt out will be bound by the Settlement Agreement and Approval Order.

10.4 Class Counsel shall provide copies of all objections to the Defendants and Class Counsel within three (3) business days of receipt. Wherever reasonably possible, such copies shall be provided in electronic form.

10.5 Class Counsel shall, five (5) business days before the Settlement Approval Hearing, provide to the Defendants and Class Counsel and file with the Court an affidavit compiling all of the objections received on or before the Objection Deadline.

11. COUNSEL FEES

11.1 **Counsel Fees.** Counsel Fees as defined shall be paid exclusively from the Settlement Fund. Class Counsel will seek approval of their Counsel Fees from the Court. The Defendants will not oppose any request for Counsel Fees provided it reasonably accords with the case law and principles generally applied by the Court with respect to such class counsel fees. The Counsel Fees will become

payable after ten (10) business days following the later of (a) the date of the Court's order on Counsel Fees and (b) the Effective Date. In the event that the amount of Counsel Fees awarded by the Court is reduced on appeal, Class Counsel shall, within thirty (30) days of such appellate order, cause the difference between the amount paid and the amount awarded on appeal to be returned to the Settlement Fund for purposes of the distribution of funds in the Action.

12. ANNULMENT OF SETTLEMENT AGREEMENT

12.1 Subject to Section 12.2, this Settlement Agreement shall be annulled at the discretion of either the Defendants, Class Counsel, or the Settlement Class Representatives in the event that:

- (a) The Court declines to approve the Settlement Agreement or any material part thereof; or
- (b) The Court approves the Settlement Agreement in a materially modified form; or

12.2 It is expressly agreed that any failure or refusal of the Court to grant or approve, in whole or in part, a request for Counsel Fees as defined, as provided in Section 11.1, shall not be deemed to be a refusal or failure by the Court to approve this Settlement Agreement or any material part thereof, nor be deemed to be a material modification of all, or a part, of this Settlement Agreement, and shall not provide any basis for the modification or annulment of this Settlement Agreement.

12.3 If an option to withdraw from and annulment of this Settlement Agreement arises under Section 12.1, the Parties will be returned to their positions status quo ante with respect to the Action as if this Settlement Agreement was not entered into.

12.4 If, but only if, this Settlement Agreement is annulled pursuant to Section 12.1 or is otherwise invalidated, then:

- (a) This Settlement Agreement, including the Settlement Class Release, shall be null and void and shall have no force or effect, and no Party to this Settlement Agreement shall be bound by any of its terms except as expressly provided in Section 12;
- (b) All of the provisions of this Settlement Agreement, and all negotiations, statements and proceedings relating to it, shall be without prejudice to any position that any of the Parties may later take on any issue in the Action or any other litigation; and

- (c) Within ten (10) business days of such annulment or invalidation, Class Counsel shall return, or cause to be returned, to Volkswagen AG any and all amounts paid from the Settlement Fund in respect of the Counsel Fees under Section 11.1.

12.5 If the Settlement Agreement is annulled or invalidated, the Escrow Agent shall pay to Volkswagen AG the Settlement Fund amount plus all accrued interest thereon, less any incurred costs and expenses paid therefrom, within thirty (30) days of the Escrow Agent being advised in writing that the Settlement Agreement has been annulled or invalidated in accordance with its terms.

12.6 If this Settlement Agreement is annulled or invalidated, the provisions of Sections 1, 3, 7.2, 7.5, 12 and 13 shall survive the annulment and continue in full force and effect and a report shall be filed under Section 7.6. The definitions shall survive only for the limited purpose of the interpretation of these surviving sections within the meaning of the Settlement Agreement, but for no other purposes. All other provisions of this Settlement Agreement and all other obligations pursuant to this Settlement Agreement shall cease immediately.

12.7 The Parties expressly reserve all of their respective rights if this Settlement Agreement is annulled or invalidated.

13. OTHER TERMS AND CONDITIONS

13.1 **Released Parties Have No Liability for Administration.** The Released Parties have no responsibility for and no liability whatsoever with respect to the administration of the Settlement Agreement or the distribution of the Settlement Fund.

13.2 **Motions for Directions.** Class Counsel may apply to the Court for directions in respect of the distribution of the Settlement Fund. All motions contemplated by or referred to in this Settlement Agreement shall be on notice to the Defendants.

13.3 **Ongoing Jurisdiction.** The Court shall retain exclusive jurisdiction over the Action, the Parties thereto, and the determination of Counsel Fees in the Action.

13.4 This Settlement Agreement shall be binding upon, and ensure to the benefit of the Defendants, the Settlement Class Representative, all Settlement Class Members, the Released Parties and the Releasing Parties, and their respective agents, heirs, executors, administrators, successors, transferees, and assigns.

13.5 Class Counsel represent that (a) Class Counsel are authorized by the Settlement Class Representative to enter into this Settlement Agreement; and (b) Class Counsel are seeking to protect the interests of the Settlement Class. Counsel for the Defendants represent that they are authorized by their clients to enter into this Settlement Agreement.

13.6 The waiver by one Party of any breach of this Settlement Agreement by another Party shall not be deemed a waiver of any prior or subsequent breach of this Settlement Agreement.

13.7 All time periods in this Settlement Agreement shall be computed in calendar days unless expressly provided otherwise. Also, unless otherwise provided in this Settlement Agreement, in computing any period of time in this Settlement Agreement or by order of the Court, the day of the act or event shall not be included, and the last day of the period shall be included, unless it is a Saturday, a Sunday, or a Québec statutory holiday, or, when the act to be done is a court filing, a day on which the Court is closed, in which case the period shall run until the end of the next day that is not one of the aforementioned days.

13.8 This Settlement Agreement sets forth the entire agreement among the Parties with respect to its subject matter. Any agreement purporting to change or modify the terms of this Settlement Agreement must be in writing and executed by the Counsel and the Parties' representatives represent themselves as being duly authorized by them. The Parties expressly acknowledge that no other related agreements, arrangements, or understandings not expressed in this Settlement Agreement exist among or between them, and that in deciding to enter into this Settlement Agreement, they have relied solely upon their own judgment and knowledge. This Settlement Agreement supersedes any prior agreements, understandings, or undertakings (written or oral) by and between the Parties regarding the subject matter of this Settlement Agreement.

13.9 This Settlement Agreement constitutes a transaction within the meaning of Article 2631 and following of the *Civil Code of Québec*, and the Parties are hereby renouncing to any errors of fact, of law, and/or of calculation.

13.10 The Parties acknowledge that they have required and consented that this Settlement Agreement and all related documents be prepared in French and English; *les parties reconnaissent avoir exigé que la présente convention et tous les documents connexes soient rédigés en français et en anglais*. Any divergence in interpretation shall be resolved by ascertaining the common intention of the Parties. The cost of any English translation of any document approved by the Parties or by the Court shall be paid from the Settlement Fund.

13.11 Whenever this Settlement Agreement requires or contemplates that one of the Parties shall or may give notice to the other, notice shall be provided by email and/or next-day (excluding Saturdays, Sundays, and statutory holidays in Ontario or Québec) express delivery service as follows:

If to Audi or VW, then to:

Stephane Pitre
Borden Ladner Gervais LLP
1000 De La Gauchetière Street West
Suite 900
Montréal (Québec) H3B 5H4
Email: spitre@blg.com

If to Class Counsel, then to:

Jean-Philippe Royer
Bouchard + Avocats Inc.
825, boul. Lebourgneuf, Suite 200
Québec (Québec) G2J 0B9
Email:
jeanphilipperoyer@bouchardavocats.com

13.12 The Settlement Class, Settlement Class Representative and/or the Defendants shall not be deemed to be the drafters of this Settlement Agreement or of any particular provision, nor shall they argue that any particular provision should be construed against its drafter. All Parties agree that this Settlement Agreement was drafted by counsel for the Parties during extensive arm's-length negotiations. No parol or other evidence may be offered to explain, construe, contradict, or clarify its terms, the intent of the Parties or their counsel, or the circumstances under which this Settlement Agreement was made or executed.

13.13 The division of this Settlement Agreement into sections and the insertion of topic and section headings, as well as the Preamble, form an integral part of this Settlement Agreement.

13.14 The Parties agree that this Settlement Agreement was reached voluntarily after consultation with competent legal counsel.

13.15 This Settlement Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Quebec and the federal laws of Canada applicable therein, without regard to any conflict of law rule or principle that would mandate or permit application of the substantive law of any other jurisdiction.

13.16 This Settlement Agreement may be signed with an electronic signature and in counterparts, each of which shall constitute a duplicate original.

13.17 The Parties have executed this Settlement Agreement effective as of the date of their signatures.

FOR AUDI:

Date:

UTA KLAWITTER
INSERT THE PERSON'S TITLE
AUDI AG
Auto-Union-Straße 1
85045 Ingolstadt, Germany

INSERT THE PERSON'S NAME AND TITLE
HERE

Date:

AUDI AG
Auto-Union-Straße 1
85045 Ingolstadt, Germany

FOR VW:

Date:

MANFRED DOESS
INSERT THE PERSON'S TITLE HERE
VOLKSWAGEN AG
P.O. Box 1849
D-38436 Wolfsburg, Germany

Date:

INSERT THE PERSON'S TITLE HERE
VOLKSWAGEN AG
P.O. Box 1849
D-38436 Wolfsburg, Germany

FOR AUDI, AND VW'S COUNSEL:

Date: November 25, 2021



Stephane Pitre
For
Borden Ladner Gervais LLP
1000 De La Gauchetière Street West
Suite 900
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**FOR THE CLASS REPRESENTATIVE AND
THE DESIGNATED PERSON:**

André Belisle
President
Association Québécoise de lutte contre la pollution
atmosphérique (AQLPA)
720, rang 7 Frampton (Québec) GOR 1M0
For himself and the AQLPA Board of Directors

Date:

FOR CLASS COUNSEL:

Date: November 25, 2021

Bouchard + Avocats Inc.

Stéphane Pagé
Éric Bouchard (on behalf of Bouchard + Avocats
Inc.)

Bouchard + Avocats Inc.
825, boul. Lebourgneuf, Suite 200
Québec (Québec) G2N 0B9

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SCHEDULE A

The following table lists the Vehicles.

- VOLKSWAGEN / AUDI 2.0L TDI

VW Jetta 2009-2015	VW Jetta Wagon 2009	VW Golf 2010-2013, 2015	VW Passat 2012-2015
VW Beetle 2013-2015	VW Golf Wagon 2010-2014	VW Golf Sportwagon 2015	Audi A3 2010-2013, 2015

- VOLKSWAGEN, AUDI and PORSCHE 3.0L DIESEL

Generation One Vehicles		Generation Two Vehicles	
VW Touareg, 2009-2012		VW Touareg, 2013-2016	Audi A6, 2014-2016
Audi Q7, 2009-2012		Audi Q5, 2014-2016	Audi A7, 2014-2016
		Audi Q7, 2013-2015	Audi A8/A8L, 2014-2016
		Porsche Cayenne, 2013-2016	