

VOLKSWAGEN AKTIENGESELLSCHAFT SECURITIES CLASS ACTION IN QUÉBEC

NOTICE TO CLASS MEMBERS

AUTHORIZATION TO PROCEED WITH A CIVIL LIABILITY CLAIM FOR MISREPRESENTATIONS AND OMISSIONS OF MATERIAL FACT

Read this Notice carefully as it may affect your legal rights

THIS NOTICE IS TO all residents of Québec who purchased securities (“**Class**” and “**Class Members**”) of **Volkswagen Aktiengesellschaft** (“**VW AG**” or “**Defendant**”) during the period from and including March 12, 2009 to and including September 18, 2015 (“**Class Period**”), other than certain persons and entities associated with the Defendant, as further described below.

IF YOU ARE A CLASS MEMBER IN THE QUÉBEC CLASS ACTION, PLEASE READ THE FOLLOWING CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS. YOU MUST OPT OUT IF YOU DO NOT WANT TO BE BOUND BY THE QUÉBEC CLASS ACTION
THE AUTHORIZATION JUDGMENT

On May 28, 2018, The Honourable Justice Chantal Chatelain of the Superior Court of the Province of Québec authorized the bringing of a class action in Court File No. 500-06-000838-173 (“**Québec Class Action**”).

Lawrence Chandler

v

Volkswagen Aktiengesellschaft

The Québec Class is defined as follows:

“All residents of Québec who purchased VW’s securities during the Class Period [i.e. between March 12, 2009, and September 18, 2015] and held all or some of those acquired VW securities until after the Corrective Disclosure [i.e. after September 18, 2015].”

You are automatically a Class Member if you meet the description above. However, VW AG’s subsidiaries, affiliates, officers, directors, executive level employees, legal representatives, heirs,

predecessors, successors and assigns are excluded from the Class.

Authorization by the Court was a necessary precondition to the assertion of the Québec Class Action.

The Québec Class Action will proceed in the judicial district of Montreal, Province of Québec.

The Court has identified the issues that will be dealt with collectively and the conclusions sought, which are set out in **Appendix “A”**.

THE NATURE OF THE CLAIMS ASSERTED

The Québec Class Action asserts that VW AG made materially false or misleading statements or omitted to disclose important information in its disclosure documents released during the Class Period (the “**Impugned Documents**”) and in the conduct of its business affairs. The Impugned Documents include annual reports, interim unaudited and annual audited financial statements, and VW AG’s code of conduct, all issued during the Class Period.

The alleged misrepresentations relate to:

1. VW AG issuing statements and releasing documents containing alleged misstatements and omissions regarding its business operations; notably relating to the deliberate installation of a software function in the auxiliary emissions control devices of certain 2.0L and 3.0L diesel vehicles (“**Cheating Device**”) and the false obtaining of certificates of conformity for those vehicles from the U.S. Environmental Protection Agency; and
2. VW AG’s compliance with financial reporting obligations under the applicable standards.

As a result of the alleged misrepresentations, it is further alleged that Class Members paid too much when they purchased the VW AG securities at issue during the Class Period, and suffered monetary damages as a result.

The Québec Class Action asserts a civil liability claim under Article 1457 of the *Civil Code of Québec*.

VW AG disputes the allegations in the claim and the jurisdiction of the Court to hear this action. This Notice does **not** mean that the Court has found liability or a likelihood of recovery on the part of any Class Member. There has been no determination yet as to the merits of the claims or defenses asserted.

VW AG intends to bring a motion challenging the jurisdiction of the Québec Court to hear this action and alternatively, seeking to have the action stayed on the grounds that the claims ought to be advanced in Germany or the United States where litigation in respect of VW AG securities is ongoing, or are resolved by the U.S. settlement in respect of VW AG American Depositary Receipts (“**ADRs**”) subject to its final court approval. In the event that VW AG is successful on its motion, the Québec Class Action will either be dismissed (i.e., the lawsuit will end) or stayed (i.e., there will be no further steps in the litigation unless and until approved by the Québec Court).

In the event that the Québec Class Action is finally resolved on the merits (by court judgment or settlement) in favour of the Class Members, Class Members may be required to register, file a claim and submit documentation to a designated person or entity in order to be entitled to compensation.

PLEASE CONTACT FAGUY & CO. (“CLASS COUNSEL”) IF YOU PURCHASED VW AG SECURITIES BETWEEN MARCH 12, 2009 AND SEPTEMBER 18, 2015, AND HELD ALL OR SOME OF THOSE SECURITIES UNTIL AFTER SEPTEMBER 18, 2015.

U.S. ACTION: you may also be a member of a settlement class if you purchased or otherwise acquired VW AG’s ordinary and/or preferred ADRs listed on a U.S. exchange between

November 19, 2010 and January 4, 2016, inclusive. A settlement has been reached in the U.S. for this class of ADR holders that is subject to final approval by the U.S. court.

FOR INFORMATION ABOUT THE U.S. ADR ACTION, AS WELL AS APPLICABLE DEADLINES, VISIT <https://www.volkswagenadr litigation.com>.

IF YOU BELIEVE YOU ARE A MEMBER OF BOTH THE QUÉBEC CLASS ACTION AND THE U.S. SETTLEMENT CLASS, PLEASE CONTACT CLASS COUNSEL TO LEARN MORE ABOUT THE IMPACT ON YOUR OPT-OUT AND OTHER LEGAL RIGHTS.

Class Members who do not exclude themselves (i.e., “opt out”) of the Québec Class Action **by July 26, 2019** will be bound by the terms of any judgment or settlement in the Québec Class Action, whether favourable or not, and will therefore not be allowed to prosecute an independent action.

If you wish to exclude yourself from the Québec Class Action, you must opt out in accordance with the procedure described herein.

To opt out of the Québec Class Action, you must complete, sign and return the Opt-Out Form provided at Appendix “B” to both RicePoint Administration Inc. and the Court offices by no later than July 26, 2019. A Class Member who opts out will not be entitled to participate in the Québec Class Action, but will retain their legal rights to prosecute an independent action.

A class member who does not discontinue an originating application having the same subject matter as the class action before the time for opting out has expired is deemed to have opted out.

CLASS COUNSEL AND LEGAL FEES

The Representative Plaintiff (i.e., Mr. Lawrence Chandler), as well as the other Class Members, are represented by Class Counsel. Class Counsel is conducting the litigation on behalf of Class Members.

In the event of success on behalf of Class Members in the Québec Class Action, Class

Counsel will make a motion to the Court to have their fees and disbursements approved.

Class Members have the right to seek intervenor status in the Québec Class Action. A Class Member who intervenes may be required to pay legal costs arising from the Québec Class Action.

Class Members other than the Representative Plaintiff, or an intervenor, will not be required to pay any costs in the event that the Québec Class Action is unsuccessful for them.

ADDITIONAL INFORMATION

This Notice has been approved by the Superior Court of the Province of Québec. The Judgements of the Court and other information in both languages are available on Class Counsel's website at <http://faguyco.com/portfolio/volkswagen-class-action> and on the Class Action Registry of the Superior Court of Québec at https://services12.justice.gouv.qc.ca/RRC/RRC_Public/Demande/DemandeRecherche.aspx.

Questions relating to the Québec Class Action may be directed to Class Counsel:

Shawn Faguy
Faguy & Co.
329 de la Commune St. W., Suite 200
Montréal, QC, Canada H2Y 2E1
Tel: 514-285-8100 ext. 224
Email: skf@faguyco.com

Note that the Court offices cannot answer any questions about the matters in this Notice.

NOTICE TO BROKERAGE FIRMS

Please deliver this Notice by email to your clients who purchased VW AG securities during the Class Period and for whom you have or can acquire valid email addresses. If you have clients who purchased these securities during the Class Period for whom you do not have or cannot obtain valid email addresses, please contact RicePoint Administration Inc. to obtain hard copies of this Notice for the purpose of mailing (by regular mail) the Notice to those clients.

VOLKSWAGEN SECURITIES CLASS ACTION
c/o RicePoint Administration Inc.
PO Box 4454, Toronto Station A
25 The Esplanade
Toronto, ON M5W 4B1

The publication of this Notice was authorized by the Superior Court of the Province of Québec

APPENDIX “A”
QUÉBEC CLASS ACTION COMMON ISSUES

Pursuant to the Judgement of The Honourable Justice Chantal Chatelain, dated May 28, 2018, the issues to be dealt with collectively in the Québec Class Action are as follows:

- a) During the Class Period, did the Defendant deceive the Representative Plaintiff and Class Members, as well as the general public?
- b) If so, was the Defendant’s deceit intentional?
- c) During the Class Period, did the Defendant publish documents that contained misrepresentations?
- d) If so, were those misrepresentations intentional?
- e) Did the Defendant’s misrepresentations cause damages to the Representative Plaintiff and Class Members?
- f) If so, is the Defendant liable to the Representative Plaintiff and Class Members for those damages under Article 1457 of the *Civil Code of Québec*? and
- g) What are the damages sustained by the Class Members?

Pursuant to the Judgement of The Honourable Justice Chantal Chatelain, dated May 28, 2018, the conclusions sought by the Québec Class Action are as follows:

- a) **GRANT** this class action on behalf of the Class;
- b) **GRANT** the Plaintiff’s action against the Defendant in respect of the rights of action asserted against the Defendant;
- c) **CONDEMN** the Defendant to pay to the Plaintiff and Class Members compensatory damages for all monetary losses;
- d) **ORDER** collective recovery in accordance with Articles 595 to 598 of the *Code of Civil Procedure*;
- e) **THE WHOLE** with interest and additional indemnity provided for in the *Civil Code of Québec* and with full costs and expenses, including expert fees, notice fees and fees relating to administering the plan of distribution of the recovery in this action.

APPENDIX "B"
OPT-OUT FORM FOR QUÉBEC CLASS ACTION

Court File No. 500-06-000838-173

Complete and return this Opt-Out Form by no later than July 26, 2019 ONLY IF YOU DO NOT WISH TO PARTICIPATE IN THE QUÉBEC CLASS ACTION.

Name:
Organization and title (if applicable):
Phone number:
Fax number:
Email:
Address:

I understand that by opting out of the Québec Class Action, I **will not** be eligible / the organization that I represent **will not** be eligible for any benefit that may be available to the Class upon resolution of this matter, if and when such resolution may occur.

I also understand that by opting out, I would need to pursue an individual action to obtain indemnification for any damages suffered and that **any such individual action will be brought at my expense.**

I, _____ (print the name of the actual beneficial owner of the securities), **OPT OUT FROM THE QUÉBEC CLASS ACTION AGAINST VW AG** and wish to be excluded from this class action.

Optional additional information: If available, please indicate below the number and type of VW AG securities that you purchased between March 12, 2009 and September 18, 2015, inclusive. Please use additional paper if necessary.

Type of VW AG Security	CUSIP No.	Purchase Date	Number of Securities	Supporting documents (proof of purchase and of sale if securities are no longer held)

I wish to opt out from the class action for the following reason(s) (*optional*):

I, _____ (print your full name), **CERTIFY** that the information provided herein is complete and true.

Date

Signature

In order to validly opt out, you must complete and send this Opt-Out Form by no later than **July 26, 2019** to both:

Greffier de la Cour supérieure du Québec
Palais de justice de Montréal
Dossier no.: 500-06-000838-173
1 Notre-Dame St. Est, room 1.120
Montréal, Québec
H2Y 1B6

VOLKSWAGEN SECURITIES CLASS ACTION
c/o RicePoint Administration Inc.
PO Box 4454, Toronto Station A
25 The Esplanade
Toronto, ON M5W 4B1