

Water Pump 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) with questions/concerns regarding the details of this settlement or any applicable procedures or deadlines, please refer them to the Settlement Claim Administrator at 1-877-363-7829 and/or to visit the settlement website at www.EngineWaterPumpSettlement.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 1-877-363-7829 and/or to visit the settlement website at www.EngineWaterPumpSettlement.com, which will contain copies of the Class Notice and other necessary information.
- **What if the customer asks whether his/her vehicle is affected?**
If you receive a contact from a Settlement Class Member (customer) asking if their vehicle is included in the Settlement, please refer them to the Settlement Claim Administrator at 1-877-363-7829 and/or to visit the settlement website at www.EngineWaterPumpSettlement.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.

You can determine if a vehicle is eligible for the Water Pump Limited Warranty Extension by checking the VIN in ElsaPro > Vehicle Data. If the Warranty Extension is applicable to the vehicle, the "Enhanced Coverage" section of the "Vehicle Data" screen in ElsaPro will be populated with the warranty extension parameters and show USQ Warranty Key under the "Warranty" section of the "Vehicle Data" screen.

- **What if the customer asks what he/she would need to provide in order to obtain a reimbursement for a prior repair, and/or what the deadline and procedures are 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 1-877-363-7829, and/or to visit the settlement website at www.EngineWaterPumpSettlement.com, which will contain copies of the Class Notice and other necessary information.
- **What if the customer says he/she is not satisfied with the amount of the reimbursement for past repair?**
All questions regarding reimbursement for past repairs should be directed to the Settlement Claim Administrator at 1-877-363-7829 and/or to visit the settlement website at www.EngineWaterPumpSettlement.com, which will contain copies of the Class Notice and other necessary information.
- **What if a customer already paid for an engine replacement that contained a new Water Pump?**
If you receive a contact from a Settlement Class Member (customer) regarding reimbursement of out-of-pocket expenses for prior repairs, please refer them to the Settlement Claim Administrator at 1-877-363-7829 and/or to visit the settlement website at www.EngineWaterPumpSettlement.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 December 2, 2019. Any repair order opened prior to December 2, 2019 would need to be reviewed by the Settlement 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-19-08.

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

The extended warranty covers the repair or replacement of a failed Settlement Class Vehicle’s Primary Engine Water Pump (“Water Pump”), 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 (including the use of the VW recommended specification of coolant fluid) within a variance to 10% of the scheduled time/mileage maintenance requirements (hereinafter, the “Extended Warranty” or “Warranty Extension”).* The Extended Warranty will include the Water Pump and all parts and labor necessary to effectuate that repair.

This Extended Warranty is subject to the same terms and conditions of the original New Vehicle Limited Warranty and Warranty Information Booklet applicable to that vehicle.

The Extended Warranty will also cover a percentage of the Settlement Class Member’s cost of repair (parts and labor), by an authorized VW dealer, of engine damage to a Settlement Class Vehicle that was directly caused by the failure of the Water Pump occurring within the above 10 year or 100,000 mile (whichever occurs first) Extended Warranty period. The percentage limits of coverage for repair/replacement, under this Extended warranty, of such engine damage directly caused by a Water Pump failure, is based upon the age and mileage of the vehicle as set forth as follows:

| Time from In-Service Date | Less than 50,000 miles | 50,001 to 60,000 miles | 60,001 to 70,000 miles | 70,001 to 80,000 miles | 80,001 to 100,000 miles |
|---------------------------|--------------------------------|--------------------------------|------------------------|------------------------|-------------------------|
| 4 years or less | 100% (under original warranty) | 100% (under original warranty) | 50% | 40% | 25% |
| 4-5 years | 100% (under original warranty) | 100% (under original warranty) | 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% |

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

4 years or less = In-service date through last day of third year in service

4-5 years = In-service date through last day of fourth year in service

5-6 years = First day of fifth year in-service through last day of sixth year in-service

6-7 years = First day of the sixth year in-service through last day of the seventh year in-service

7-8 years = First day of seventh year in-service through last day of eighth year in-service

8-10 years + First day of eighth year in-service through last day of tenth year in-service

- **Why does the Extended Warranty cover only a percentage of the repair cost for engine damage directly caused by a Water Pump failure?**

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 [1-877-363-7829](tel:1-877-363-7829) and/or to visit the settlement website at www.EngineWaterPumpSettlement.com, which will contain copies of the Class Notice and other necessary information.

- **Do dealers have the ability to alter the sliding scale percentage of coverage for repair/replacement of engine damage directly caused by a Water Pump failure under the Extended Warranty?**

No. The sliding scale percentages of coverage are part of the negotiated class action settlement.

- **What is considered acceptable maintenance?**

In order to obtain a repair/replacement under the extended warranty, the Settlement Class Member must provide the dealer with either records/receipts, or a signed declaration (if they cannot obtain the records), showing that the proper coolant was used and that the coolant was checked in accordance with whatever timing/schedule applies to their vehicle, within a 10% variance on time/mileage.

- **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 aspects of the vehicle maintenance schedule (including the use of the VW recommended specification of coolant fluid) during the time he/she owned the Settlement Class Vehicle, 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, signed under penalty of perjury, detailing what efforts were made to obtain the records, who the customer communicated with and when, and why the records are not available, and attesting to adherence to the vehicle maintenance schedule up to the date/mileage of replacement/repair, within the 10% variance set forth above.

The Vehicle Maintenance Declaration is available for the Settlement Class Member (customer) to download on the settlement website at www.EngineWaterPumpSettlement.com.

- **What is considered 10% maintenance variance?**

The Maintenance Variation Allowances will be based on the mileage criteria in the table below. The mileage criteria starts when the settlement class member took ownership of the vehicle.

| 10% Maintenance Variations | |
|----------------------------|----------------------|
| Miles (In Thousands) | Minimum Maintenances |
| 0-10 | 0 |
| 10-20 | 0 |
| 20-30 | 1 |
| 30-40 | 2 |
| 40-50 | 3 |
| 50-60 | 4 |
| 60-70 | 5 |
| 70-80 | 6 |
| 80-90 | 7 |
| 90-100 | 8 |

- **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."

- **Can I use the Company's Goodwill Program to assist customers outside of the parameters of the class action?**

The Settlement does not affect the Company's ability to utilize the Company's Goodwill Program to offer assistance in a unique situation in which it may be justified under the Company's Customer Loyalty Assistance Program. Any goodwill offered would count toward the dealer's total spend when calculating self-authorization tiers.

- **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 Water Pumps that have not failed?**
No. Like the original warranty, failure of the Water Pump would be required for any aspect of the extended warranty to apply.
- **Where do I find the Proration Calculator?**
WISE > Resource Center > 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.
- **What if the replacement engine comes with a new Water Pump?**
The Customer pay portion will be reduced up to \$950.00. If the customer pay portion is less than \$950.00, then the deduction will offset the outstanding amount and no monies will be given to the customer.
- **What if the Water Pump has failed as a direct result of another components failure? For example, engine oil leaking from the cylinder head cover causing the Water Pump to fail.**
The Water Pump must be the root cause of the failure per the terms and conditions of the Water Pump Settlement and Warranty Extension. Damage to the Water Pump resulting from the failure of a different component that is not considered a component of the Water Pump is not covered under this Settlement's Warranty Extension.

Warranty Extension Claim Administration

SAGA Claim Entry Example: Vehicle was 4 years from the original in-service date with 72,101 miles. The Water Pump failed, causing damage to the engine.

Claim line 01: 110 Claim Type – Water Pump (100% coverage - dealer does not enter any percentage)

| Vehicle information Claim Control Contract data Damage information Labour/Material Outside labour/material Claim values Credit Note Information Comment Claim state Changes Criteria Driver information | | | | | | | | | |
|---|-------------|--------------------------|-------------------------------------|------------|------------|---------------|--------|-------------------|--|
| Labour | | | | | | | | | |
| V | LO number | AZ | Text/description | Technician | Claimed TU | Calculated TU | Amount | Calculated amount | |
| <input type="checkbox"/> | 01 21 00 04 | <input type="checkbox"/> | Test drive . | 203 | 10 | 10 | 12.20 | 12.20 | |
| <input type="checkbox"/> | 19 50 19 70 | <input type="checkbox"/> | Coolant pump removed+reinstalled | 203 | 60 | 60 | 73.20 | 73.20 | |
| <input type="checkbox"/> | 19 64 19 20 | <input type="checkbox"/> | Coolant pump toothed belt rem+reins | 203 | 160 | 160 | 219.60 | 219.60 | |

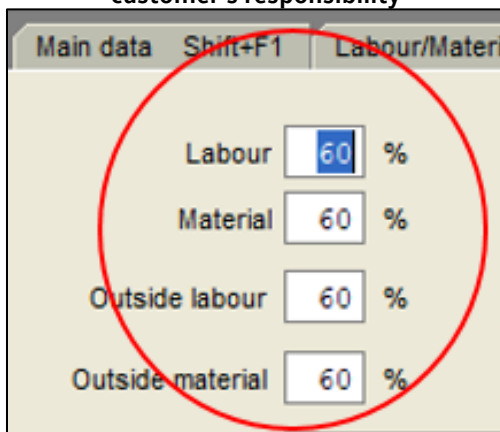
| Material | | | | | | | | | |
|-------------------------------------|---------------|------------------|-----------|----------|------|--------|-------------------|--|--|
| V | SP number | Description | Attribute | Quantity | Unit | Amount | Calculated amount | | |
| <input checked="" type="checkbox"/> | 06K 121 011 C | WATER PUMP | | 1.00 | Each | 122.10 | 122.10 | | |
| <input type="checkbox"/> | G 013 A5J S0 | COOLANT ADDITIVE | | 40.00 | Each | 26.80 | 26.80 | | |

Claim line 02: 2WA Claim Type - Consequential engine damage caused by Water Pump failure; parts and labor calculated at 40% VW / 60% Customer (Refer to the sliding scale percentages for pro-ration coverage located in WWP-19-08 in WISE)

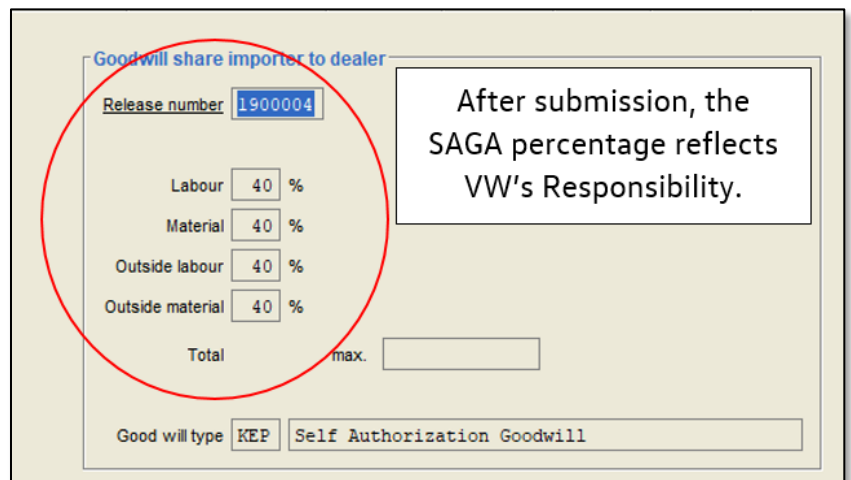
| Vehicle information Claim Control Damage information Labour/Material Outside labour/material Claim values Credit Note Information Comment Claim state Changes Criteria Driver information Goodwill share | | | | | | | | | |
|--|-------------|-------------------------------------|-----------------------------|------------|------------|---------------|--------|-------------------|--|
| Labour | | | | | | | | | |
| V | LO number | AZ | Text/description | Technician | Claimed TU | Calculated TU | Amount | Calculated amount | |
| <input type="checkbox"/> | 19 55 55 59 | <input checked="" type="checkbox"/> | Thermostat housing replaced | 032 | 50 | 20 | 39.50 | 15.80 | |

| Material | | | | | | | | | |
|-------------------------------------|---------------|-------------|-----------|----------|------|--------|-------------------|--|--|
| V | SP number | Description | Attribute | Quantity | Unit | Amount | Calculated amount | | |
| <input checked="" type="checkbox"/> | 06K 121 011 C | WATER PUMP | | 0.00 | Each | 0.00 | 0.00 | | |
| <input type="checkbox"/> | 06L 121 111 H | THERMOSTAT | | 1.00 | Each | 169.85 | 67.54 | | |

Dealer must enter the percentage of the customer's responsibility



Labour %
 Material %
 Outside labour %
 Outside material %



Goodwill share importer to dealer
 Release number
 Labour %
 Material %
 Outside labour %
 Outside material %
 Total max.
 Good will type Self Authorization Goodwill

After submission, the SAGA percentage reflects VW's Responsibility.

Engine replacement is required and includes a new Water Pump –

SAGA Claim Entry Examples:

2WA Claim Type - Dealer must enter Labor Operation A0000000 for up to \$950.00 in Outside Labor.

Example scenario 1:

Vehicle was 6 years from the original in-service date with 86,500 miles. The Water Pump failed, causing damage to the engine.

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

VW contribution = \$1,000.00

$$\begin{aligned}
 & \$9,000 \text{ Customer Responsibility} \\
 & \text{less } \$950 \text{ Water Pump} \\
 & = \mathbf{\$8,050 \text{ Customer's Final Out-Of-Pocket Expense}}
 \end{aligned}$$



| Outside LO number | Text/description | Amount |
|-------------------|----------------------------|--------|
| A0 00 00 00 | General Sublet Repairs . . | 950.00 |

Example scenario 2:

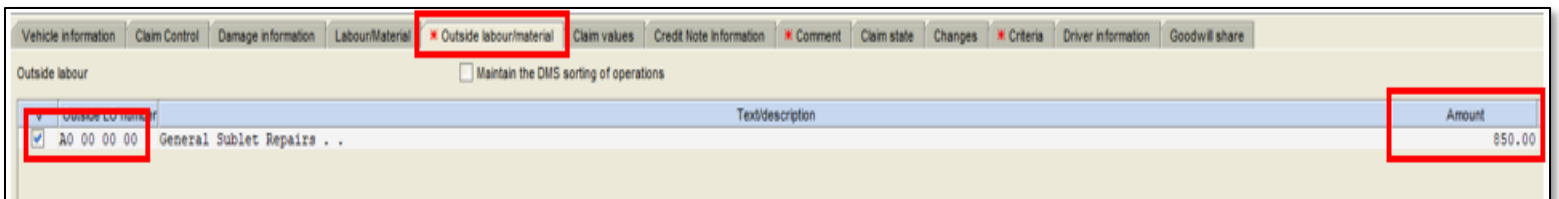
Vehicle was 3 years from the original in-service date with 64,500 miles. The Water Pump failed, causing damage to the engine.

Engine repair (including Water Pump replacement) costs \$1,700.00 with 50% prorated VW Coverage

VW contribution = \$850.00

$$\begin{aligned}
 & \$850 \text{ Customer Responsibility} \\
 & \text{less } \$950 \text{ Water Pump} \\
 & = \mathbf{\$0 \text{ Customer's Final Out-Of-Pocket Expense}}
 \end{aligned}$$

Since the customer contribution is less than \$950.00, the dealer will only enter \$850.00 in Outside Labor in SAGA.



| Outside LO number | Text/description | Amount |
|-------------------|----------------------------|--------|
| A0 00 00 00 | General Sublet Repairs . . | 850.00 |