

## The Volkswagen Investor Settlement Foundation Action Plan

The Volkswagen Investor Settlement Foundation (“**Foundation**”) represents the interests of investors in Volkswagen securities worldwide, including common or preferred shares, and public or private debt, during the period from 23 April 2008 through 4 January 2016 (inclusive) (the “**Relevant Period**”).

On 18 September 2015, U.S. regulators announced that Volkswagen admitted to systematically defrauding and misleading the public for years by deliberately cheating U.S. emissions tests and making its diesel vehicles appear cleaner and more powerful than they actually are. Specifically, Volkswagen secretly installed illegal “defeat devices” on several of its most popular car brands—software that would activate only during testing—that made it appear as though its diesel cars’ emissions met regulatory requirements and were compliant with the U.S. Clean Air Act and other environmental laws and standards. But when Volkswagen’s cars were not being tested (i.e., in all normal driving situations) the cars’ pollution controls would automatically shut down, resulting in the cars emitting nitrogen oxides and other toxins at up to 40 times the legal limits. As a result of the disclosures of the Company’s misconduct, the price of Volkswagen securities declined precipitously, causing investors in Volkswagen securities to incur significant losses.

The Foundation seeks to obtain compensation for losses of investors resulting from Volkswagen’s wrongdoing by reaching a global settlement with Volkswagen under the Dutch Class Action (Financial Settlement) Act (“WCAM”).

The Foundation's action plan is as follows:

### **1. Signing up the largest group of participants**

The Foundation is encouraging institutional investors who purchased, sold or held Volkswagen securities during the Relevant Period to join the Foundation as a Participant. These participants provide the Foundation the required representative capacity under Dutch law to act as a representative body and also to enter into and execute any class-wide settlement agreements on behalf of the Investor class. At the moment, the Foundation has well over one hundred participants which are directly informed by the Board about the proceedings of the Foundation.

### **2. Retaining US Lead Counsel Bernstein Litowitz Berger & Grossmann LLP and Stibbe**

The Foundation has retained Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”) as Legal Counsel to encourage Volkswagen to come to a global settlement. BLB&G is the Court appointed sole Lead Counsel in the securities fraud class action filed on behalf of purchasers of Volkswagen ADRs that is currently pending before Judge Charles R. Breyer in United States

District Court for the Northern District of California. Furthermore, the Foundation has retained Stibbe as Dutch Legal Counsel.

**3. Close contact with the other parties involved**

The Foundation is in close contact with other parties (including but not limited to parties in the Netherlands and Germany) that are involved in a class action against Volkswagen over the Diesel scandal to enhance the pressure on Volkswagen to come to a settlement.

**4. Start settlement negotiations with Volkswagen to reach a global settlement**

The Foundation aims to open a dialogue with Volkswagen in a spirit of mutual respect to find a reasonable and fair solution.

**5. Review of the settlement by the Amsterdam Court of Appeals**

Once a global settlement has been reached, the Foundation will initiate proceedings under the Dutch WCAM. The unique group resolution procedure of the Netherlands provides the opportunity to get Court approval and make such settlement globally binding (with the option to opt out).

**6. Collecting and dividing compensation**

Once the Amsterdam Court of Appeals has approved the settlement, the Foundation will monitor the process of collecting and dividing the compensation.

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