



BBB AUTO LINE PROGRAM SUMMARY

Volkswagen- California

Volkswagen has agreed to arbitrate the following claims relating to its vehicles:

1. Claims covered by Volkswagen's New Vehicle Limited Warranty but are not covered by California lemon law.

WARRANTY CLAIMS NOT COVERED BY THE LEMON LAW

Time Period for Filing Claims

Claims under the Volkswagen New Vehicle Limited Warranty must be received within 4 years or 50,000 miles – whichever comes first – from the date the vehicle was originally placed into service.

Eligible Claims

Claims must allege a defect in material or workmanship covered by the Volkswagen New Vehicle Limited Warranty and the claims must allege the defect continues to exist, unless the customer is only seeking reimbursement for past repairs.

Eligible Vehicles

The customer's vehicle must be:

- Owned or leased in the name of an individual; or
- Used primarily for personal, family or household purposes.

Remedies

The arbitrator may award the following remedies:

- Repairs.
- Reimbursement for money the customer paid for repairs the arbitrator determines are entitled to coverage under Volkswagen's New Vehicle Limited Warranty.
- Reimbursement for reasonably incurred towing costs and car rental costs – excluding car rental costs incurred for same day service.
- Repurchase of the vehicle (if allowed under state law and legal authority for such remedy must be cited).
- Diminution of value of the vehicle

Repairs / Reimbursement for Repairs

- The arbitrator may award repair of defects in material or workmanship. If repairs are awarded, the arbitrator may not order a change in the vehicle's options or its designs.
- The arbitrator may award reimbursement for money paid for the repair of defects in material or workmanship only if Volkswagen or its dealer declined to repair the defects under the terms of the Volkswagen New Vehicle Limited Warranty or to reimburse the consumer under an express warranty provision allowing for such reimbursement.

Repurchase

The arbitrator may award a repurchase only if the arbitrator finds that the claim meets the following conditions:

- The defect(s) in material or workmanship was first reported to Volkswagen or an authorized dealer within 2 years or 24,000 miles – whichever occurs first – after the vehicle's warranty start date;
- The defect(s) substantially impairs the use, value or safety of the vehicle to the reasonable consumer; and
- Either the same defect was subject to repair four or more times and continues to exist, or the vehicle was out of service for 45 or more cumulative calendar days for repairs to any defect(s); and

If a repurchase is awarded, the arbitrator may award up to the following remedies:

- **Owned vehicle repurchase** – The JD Power “clean” trade-in value at the time the award is issued less the mileage offset as set forth below. This will not include taxes, fees, and finance charges.
- **Leased vehicle repurchase** – To the lessor: pay-off amount pursuant to the lease. To the lessee: any trade-in allowance/downpayment and all base monthly payments actually paid, excluding all collateral charges (e.g., taxes, fees, and finance/lease charges), less the mileage offset as set forth below.

Deductions/Exclusions from a Repurchase Award

The repurchase award will be reduced for the customer's use of the vehicle in accordance with the following formula:

$$\# \text{ of miles attributable to the customer at the time of the arbitration hearing} / 100,000 \times \text{vehicle purchase price or gross capitalized cost} = \text{usage fee deduction}$$

- The award will be reduced or require payment for damage to the vehicle exceeding normal wear and tear.
- The award will not include debt from a previous transaction.
- The award will not include amounts not paid by the consumer including manufacturer rebates or other credits.

Diminution of value of the vehicle

- Any diminished value award shall set forth (1) the arbitrator's calculations, and (2) the evidence upon which the calculations are based, and the specific legal authority relied upon, each as presented or provided to the arbitrator by the parties.

CLAIMS THAT WILL NOT BE ARBITRATED

- Claims involving salvaged or "total loss" vehicles, or vehicles otherwise not covered by a Volkswagen USA Warranty.
- Claims alleging that an airbag failed to deploy or deployed when it should not have.
- Claims for vehicles not originally sold in the United States.
- Claims involving a vehicle defect if the customer alleges – either as part of the BBB AUTO LINE claim or at any other time – that the vehicle defect has caused an accident or fire that resulted in damage to any vehicle or damage to property.
- Claims involving a vehicle defect if the customer alleges – either as part of the BBB AUTO LINE claim or at any other time – that the vehicle defect has caused bodily injury.
- Allegations of fraud or other violations of law.
- Claims covered by insurance or by warranties of other manufacturers.
- Claims seeking compensation for legal fees or loss of wages.
- Claims seeking compensation for personal injury or mental anguish.
- Claims seeking punitive damages.
- Claims identical to any claim that was resolved by a previous mediation or arbitration, court action, settlement, or agreement between the customer and Volkswagen.

OTHER IMPORTANT INFORMATION

- The customer must own or lease the vehicle throughout the entire arbitration process.
- If the customer files suit or a state administrative action against Volkswagen prior to the completion of the arbitration process, Volkswagen will not be obligated to continue with the arbitration.
- Volkswagen may, at its option, make an exception to the above-stated requirements for the eligibility of a vehicle.
- A test drive may be taken in the vehicle only if the customer has liability insurance that satisfies his/her state's minimum requirements.

BBB AUTO LINE will let the parties know if other restrictions apply.