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**Frequently Asked Questions  
Regarding the Volkswagen/Audi Smart Key Class Action Litigation  
*Glasser v. Volkswagen of America, Inc.*, No. CV06-2562 ABC (JTLx) (C. D. Cal.).**

This FAQ responds to inquiries regarding the Notice of Settlement. Please refer to the Notice of Settlement for further details. If, after reading this, you still have unanswered questions, please contact us.

**What is this lawsuit about?**

Since at least 2001, defendant Volkswagen Group of America, Inc. ("VWGoA"), including its Audi division, has manufactured vehicles under its brand names with sophisticated electronic "transponder keys" or "Smart Keys." These keys contain a computer chip or transponder that is programmed with a PIN code that matches the code in the vehicle's ignition. Without this code, a replacement key will not start the ignition. This lawsuit arises out of VW/Audi's failure to make adequate disclosures regarding replacement Smart Keys.

**What does the Settlement Provide?**

As a result of this lawsuit, VW/Audi is enhancing its disclosures regarding Smart Keys and replacement Smart Keys and has implemented an information program, as more fully described below and in the Notice of Settlement.

Specifically, VW/Audi has agreed to provide additional disclosures regarding Smart Keys and Replacement Smart Key including: (1) a brochure at point of sale which describes the operation of the Smart Keys, how and where to obtain replacement Smart Keys, and information regarding the costs of obtaining replacement Smart Keys; (2) Smart Key webpages on VW and Audi websites; (2) "smart key" and "replacement key" search terms for VW and Audi websites; (3) identification, on the VW and Audi websites and through Customer Care, of authorized independent locksmiths and repair facilities who can replace VW and Audi Smart Keys without having to obtain the replacement keys exclusively from VW and Audi dealers; (4) personnel staffing the Customer Care telephone exchange for VW/Audi will be provided with written guidance to and appropriate training regarding Smart Key disclosures; (5) all current owners and lessees of model year 2007 and earlier VW and Audi vehicles are being provided with inserts or supplements to their Owners's Manuals informing them that Smart Keys may be programmed or mated with specific vehicles by independent repair shops and locksmiths which are appropriately equipped to do so as well as by authorized dealers; that a current list of such independent repair shops and locksmiths may be accessed on the companies' websites; and that information as to identities and locations of such facilities may be obtained through the toll free customer Care numbers maintained by VW and Audi. See Section II.c. of the Notice of Settlement.

In addition, VW and Audi will maintain the procedure of providing a replacement Smart Key to authorized independent locksmiths and repair shops within one business day, as set forth in Section II.b. of the Notice of Settlement.

All of the foregoing will remain in place until January 2013.

**Am I included in the Settlement?**

You are included in the Settlement if you are a current owner of record or lessee of a model 2007 or earlier Volkswagen or Audi vehicle distributed by Volkswagen of America, Inc. for sale in the United States equipped with a "Smart Key" (as defined in the Notice of Settlement). In addition, as described in the Notice of Settlement, the benefits of the Settlement enure to all current and future VW and Audi owners until January 2013.

**What do I have to do to be included in the Settlement?**

Nothing. You are included, unless you opt out as described in Section IV of the Notice of Settlement.

**Do I Get a Free Key or Free Replacement Key or Money Back?**

If you already have replaced a Smart Key, VW/Audi will not refund any of the costs. However, VW/Audi has put procedures in place to make replacing a key easier and less expensive. As further described in the Notice of Settlement, VW has confirmed that the equipment necessary to make replacement Smart Keys is available to independent repair shops and locksmiths; that VW does not set prices that a franchised dealer or independent repair shop and locksmiths charges for replacement Smart Keys; and that the prices charged by authorized VW and Audi dealerships are competitive with the prices charged for replacement Smart Keys by independent repair shops and locksmiths.

**Can I exclude myself from the Settlement?**

Yes. See Section IV of the Notice of Settlement.

**Can I object to the Settlement?**

Yes. See Section IV of the Notice of Settlement.

**Who is paying the costs to administer the settlement? Who is paying for attorneys' fees, and how much are the fees?**

VW/Audi is paying for all costs of settlement administration. VW/Audi also is paying all fees and expenses of plaintiff's counsel and an incentive award to the named plaintiff. The amounts are still being negotiated by the parties, subject to approval by the Court. Any amounts to be paid will be made solely by VW/Audi and will not reduce any of the Settlement benefits to class members. See Section III of the Notice of Settlement.

**When is the final approval hearing, and do I need to attend?**

The fairness or final approval hearing is scheduled for September 22, 2008. You are not required to attend to be included in the Settlement Class.