

IN THE CIRCUIT COURT FOR BALTIMORE CITY

MARYLAND DEPARTMENT
OF THE ENVIRONMENT,

Plaintiff,

v.

VOLKSWAGEN AKTIENGESELLSCHAFT
d/b/a VOLKSWAGEN GROUP and/or
VOLKSWAGEN AG; AUDI AG; AUDI OF
AMERICA, INC.; AUDI OF AMERICA,
LLC; VOLKSWAGEN GROUP OF
AMERICA, INC.; DR. ING. H.C. F.
PORSCHE d/b/a PORSCHE AG; and
PORSCHE CARS NORTH AMERICA, INC.,

Defendants.

CIVIL CASE NO: 24-C-16-004114

* * * * *

CONSENT DECREE

I. Recitations.

WHEREAS, Plaintiff, the Maryland Department of the Environment, by its attorneys, Brian E. Frosh, Attorney General of Maryland, and Roberta R. James, Assistant Attorney General, filed the Complaint in this Action seeking civil penalties and injunctive relief for alleged violations of the State’s ambient air quality control laws as provided in Title 2, Subtitle 6, of the Environment Article, Annotated Code of Maryland, and Title 26, Subtitle 11 of the COMAR, by Volkswagen and Porsche; and

WHEREAS, the Parties hereby represent and acknowledge that they agree to enter into this Consent Decree resolving the Department’s allegations of unlawful vehicle emissions as a result of the Defendants’ actions; and

WHEREAS, as authorized by § 177 of the federal Clean Air Act, 42 U.S.C. § 7507, and required by the Maryland Clean Cars Act of 2007, Md. Code Ann., Envir. §§ 2-1101 – 1108, the

Department adopted and incorporated by reference California's CA LEV Regulations, which are codified in Title 13 of the CCR §§ 1900, *et seq.* Accordingly, vehicles transferred into, and offered for sale in, Maryland must meet California's emissions standards and violations of the CA LEV Regulations that have been adopted by the Department are violations of Maryland's Low Emissions Vehicle Program regulations (Md. Code Ann., Envir. §§ 2-1101 – 1108; *see also* COMAR 26.11.34); and

WHEREAS, the Department represents that it is the unit within State government with the authority, as provided in the Environment Article, to bring this Action or to enforce any potentially applicable state, environmental laws, rules, and/or regulations, regarding mobile source emissions, certification, reporting of information, inspection and maintenance of vehicles and/or anti-tampering provisions, together with related common law and equitable claims which were not part of this Action; and

WHEREAS, in this Action Defendants are alleged to have engaged in activity that violated Maryland laws; and

WHEREAS, on November 21, 2016, Defendants, together with Volkswagen Group of America Chattanooga Operations LLC, and the Consumer Protection Division of the Office of the Attorney General of Maryland, entered into the Assurance of Discontinuance ("2016 Assurance of Discontinuance") effectuating the terms of the First Partial Settlement Agreement between Volkswagen, Porsche and Maryland, which inter alia, resolved certain "claims that were brought or could be brought under UDAP Laws arising from or related to the Covered Conduct;" and

WHEREAS, Paragraphs 11(B)(iv) and 11(B)(vi) of the 2016 Assurance of Discontinuance reserved certain claims, which claims were not resolved by the 2016 Assurance of Discontinuance; and

WHEREAS, Defendants, together with Volkswagen Group of America Chattanooga Operations LLC, have entered into a further Assurance of Discontinuance with the State of Maryland to resolve all potentially applicable consumer protection and unfair trade and deceptive acts and practices laws, rules and/or regulations, as well as common law and equitable claims, arising from or related to the Covered Conduct, including the claims reserved under Paragraphs 11(B)(iv) and 11(B)(vi) of the 2016 Assurance of Discontinuance; and

WHEREAS, Defendants, together with Volkswagen Group of America Chattanooga Operations LLC, have entered into a separate settlement agreement with the State of Maryland, the Maryland Partial Settlement Agreement, to resolve all potentially applicable federal, state, and/or local environmental laws, rules, and/or regulations, including, but not limited to, laws, rules, and/or regulations regarding mobile source emissions, certification, reporting of information, inspection and maintenance of vehicles and/or anti-tampering provisions, together with related common law and equitable claims which were not part of this Action; and

WHEREAS, the Parties have negotiated in good faith and agree that settlement of this Action is in the best interest of the Parties and the public and that execution of this Consent Decree is the most appropriate means of resolving the Department's claims against the Defendants.

NOW, THEREFORE, it is hereby **ORDERED, ADJUDGED AND DECREED** as follows:

II. Definitions.

1. As used herein, including the Recitations above, the below capitalized terms shall have the following meanings:

“**Action**” means the action between the Parties captioned at the head of this Consent Decree.

“**BEV**” means Battery Electric Vehicle.

“**CA AG**” means the California Attorney General.

“**CA LEV Regulations**” means the State of California’s Low Emission Vehicle Program Regulations.

“**CARB**” means the California Air Resources Board.

“**CCR**” means the California Code of Regulations.

“**COMAR**” means the Code of Maryland Regulations.

“**Consent Decree**” means this Consent Decree.

“**Covered Conduct**” means any and all acts or omissions, including all communications, occurring up to and including the effective date of this Consent Decree, relating to: (a) the design, installation, presence, or failure to disclose any Defeat Device in any Subject Vehicle; (b) the offering for sale, sale, delivery for sale, or lease of the Subject Vehicles in Maryland not in compliance with Maryland’s Low Emissions Vehicle Program regulations; (c) statements or omissions concerning the Subject Vehicles’ emissions and/or the Subject Vehicles’ compliance with applicable emission standards, including, but not limited to, certifications of compliance or other similar documents or submissions; and (d) conduct alleged, or any related conduct that could have been alleged, in the Complaint filed by the Department, including, but not limited to, that the Subject Vehicles contain prohibited Defeat Devices that cause the Subject Vehicles to emit NOx in excess of applicable legal standards and that Volkswagen and Porsche falsely

reported vehicle emissions, that Volkswagen and/or Porsche tampered with any emissions control device or element of design installed in the Subject Vehicles, that Volkswagen and/or Porsche affixed labels to the Subject Vehicles that were false, invalid or misleading and/or that Volkswagen and/or Porsche breached its warranties relating to the Subject Vehicles.

“Defeat Device” means “an auxiliary emission control device (AECD) that reduces the effectiveness of the emission control system under conditions which may reasonably be expected to be encountered in normal vehicle operation and use, unless: (1) Such conditions are substantially included in the Federal emission test procedure; (2) The need for the AECD is justified in terms of protecting the vehicle against damage or accident; (3) The AECD does not go beyond the requirements of engine starting; or (4) The AECD applies only for emergency vehicles[.]” 40 C.F.R. § 86.1803-01, or “any part or component intended for use with, or as part of, any motor vehicle or motor vehicle engine, where a principal effect of the part or component is to bypass, defeat, or render inoperative any device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with [the Emission Standards for Moving Sources section of the Clean Air Act], and where the person knows or should know that such part or component is being offered for sale or installed for such use or put to such use,” 42 U.S.C. § 7522(a)(3)(B).

“Defendants” means, collectively, Volkswagen and Porsche.

“Department” means the State of Maryland, Department of the Environment.

“Environmental Claims” mean claims that could be brought by the Department, under all potentially applicable federal, state, and/or local environmental laws, rules, and/or regulations, including, but not limited to, laws, rules, and/or regulations regarding mobile source

emissions, certification, reporting of information, inspection and maintenance of vehicles and/or anti-tampering provisions, together with related common law and equitable claims.

“**Environmental Laws**” means laws, rules, regulations, and/or common law or equitable principles or doctrines under which Environmental Claims may arise including, without limitation, Title 2, Subtitle 6, of the Environmental Article, Annotated Code of Maryland, and Title 26, Subtitle 11 of the COMAR.

“**EPA**” means the United States Environmental Protection Agency, together with any of its successor departments or agencies.

“**First Partial Settlement Agreement**” means the Partial Settlement Agreement entered June 28, 2016 by a 43-state multistate coalition that included Maryland, with Defendants and Volkswagen Group of America Chattanooga Operations LLC.

“**MDL**” means the multidistrict litigation styled as *In re: Volkswagen “Clean Diesel” Marketing, Sales Practices, and Products Liability Litigation*, No. 3:15-md-02672-CRB (N.D. Cal.) (MDL 2672).

“**MDL Court**” means the court in which the MDL is pending in the U.S. District Court for the Northern District of California.

“**Party**” and “**Parties**” means, individually and collectively, respectively, the Department and Defendants.

“**Porsche**” or “**Porsche Defendants**” means, collectively, Dr. Ing. h.c. F. Porsche d/b/a Porsche AG, and Porsche Cars North America, Inc.

“**Port Facility**” means a Maryland-based port facility to provide certain logistical and other support to Volkswagen Group of America, Inc.’s U.S. East Coast operations over an estimated five-year term, pursuant to the RFI.

“Released Claims” means the claims released by the Department under Section VII below.

“Released Parties” means, collectively, Volkswagen, Porsche, their affiliates and any of Volkswagen’s, Porsche’s or their affiliates’ former, present or future owners, shareholders, directors, officers, employees, attorneys, parent companies, subsidiaries, predecessors, successors, dealers, agents, assigns and representatives.¹

“RFI” means the Request for Information titled “Volkswagen Group of America, Inc. East Coast Port Processing” delivered to Maryland and other potentially interested parties during 2016.

“Scheduled Announcement Date” means: (i) June 29, 2018; or, (ii) August 31, 2018, if Volkswagen (or one of their affiliates) provides the Department with notice of a need for additional time by June 28, 2018. If prior to August 31, 2018, Volkswagen (or one of their affiliates) provides the Department with notice of a reasonable need for additional time, it may request an extension of the Scheduled Announcement Date beyond August 31, 2018, through an additional four-week extension (or further four-week extensions, to the extent reasonably necessary). Any request for an extension past August 31, 2018, shall be subject to the Department’s discretion to grant or refuse. For the purpose of this provision, notice may be provided by email to the addressees listed for the Department in Section X and will be effective upon sending.

“Second California Partial Consent Decree” means the California Attorney General’s Second Partial Consent Decree, entered May 17, 2017 by the MDL Court and executed by

¹ For avoidance of doubt, for purposes of this Consent Decree, Robert Bosch GmbH and Robert Bosch LLC are not Released Parties and IAV GmbH and IAV Automotive Engineering, Inc. are Released Parties.

Volkswagen AG, Audi AG, Volkswagen Group of America, Inc., Volkswagen Group of America Chattanooga Operations LLC, Porsche, and California and filed on December 20, 2016, in *People of the State of California v. Volkswagen AG*, No. 3:16-CV-03620-CRB, Doc. No. 2519-1 (N.D. Cal.).

“**Section 177 States**” means, collectively, Connecticut, Delaware, Maine, Maryland, New York, Oregon, Rhode Island, Vermont, Washington, and the Commonwealths of Massachusetts and Pennsylvania.

“**State**” means the State of Maryland.

“**Subject Vehicles**” means each and every light duty diesel vehicle equipped with a 2.0 liter or 3.0 liter TDI engine that the Defendants, or their respective affiliates, sold or offered for sale in, leased or offered for lease in, or introduced or delivered for introduction into commerce in the United States or its states or territories, or imported into the United States or its states or territories, and that is or was purported to have been covered by the following EPA Test Groups:

2.0 Liter Diesel Models

Model Year	EPA Test Group	Vehicle Make and Model(s)
2009	9VWXV02.035N 9VWXV02.0U5N	VW Jetta, VW Jetta Sportwagen
2010	AVWXV02.0U5N	VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3
2011	BVWXV02.0U5N	VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3
2012	CVWXV02.0U5N	VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3
2013	DVWXV02.0U5N	VW Beetle, VW Beetle Convertible, VW Golf, VW Jetta, VW Jetta Sportwagen, Audi A3
2014	EVWXV02.0U5N	VW Beetle, VW Beetle Convertible, VW Golf, VW Jetta, VW Jetta Sportwagen
2012 2013 2014	CVWXV02.0U4S DVWXV02.0U4S EVWXV02.0U4S	VW Passat

Model Year	EPA Test Group	Vehicle Make and Model(s)
2015	FVGAV02.0VAL	VW Beetle, VW Beetle Convertible, VW Golf, VW Golf Sportwagen, VW Jetta, VW Passat, Audi A3

3.0 Liter Diesel Models

Model Year	EPA Test Groups	Vehicle Make and Model(s)
2009	9ADX03.03LD	VW Touareg, Audi Q7
2010	AADX03.03LD	VW Touareg, Audi Q7
2011	BADX03.02UG BADX03.03UG	VW Touareg Audi Q7
2012	CADX03.02UG CADX03.03UG	VW Touareg Audi Q7
2013	DADX03.02UG DADX03.03UG DPRX03.0CDD	VW Touareg Audi Q7 Porsche Cayenne Diesel
2014	EADX03.02UG EADX03.03UG EPRX03.0CDD EADXJ03.04UG	VW Touareg Audi Q7 Porsche Cayenne Diesel Audi A6, Audi A7, Audi A8, Audi A8L, Audi Q5
2015	FVGAT03.0NU2 FVGAT03.0NU3 FPRX03.0CDD FVGAJ03.0NU4	VW Touareg Audi Q7 Porsche Cayenne Diesel Audi A6, Audi A7, Audi A8, Audi A8L, Audi Q5
2016	GVGAT03.0NU2 GPRX03.0CDD GVGAJ03.0NU4	VW Touareg Porsche Cayenne Diesel Audi A6 Quattro, Audi A7 Quattro, Audi A8, Audi A8L, Audi Q5

“U.S. First Partial Consent Decree” means the consent decree executed by Volkswagen, the United States, on behalf of the EPA, and California, by and through the CARB and the CA AG concerning the 2.0-liter Subject Vehicles and entered by the MDL Court on October 25, 2016.

“**U.S. Second Partial Consent Decree**” means the Second Partial Consent Decree with DOJ/EPA and California, by and through CARB and the CA AG, concerning the 3.0-liter Subject Vehicles and entered by the MDL Court on May 17, 2017.

“**Volkswagen**” or “**Volkswagen Defendants**” means, collectively, Volkswagen Aktiengesellschaft d/b/a Volkswagen Group and/or Volkswagen AG, Audi AG, Audi of America, Inc., Audi of America, LLC, Volkswagen Group of America, Inc.

“**ZEV**” means Zero Emission Vehicle.

III. Civil Penalty.

2. The Volkswagen Defendants are assessed a total civil penalty of Thirty-Three Million and Five Hundred Thousand Dollars (\$33,500,000) (“Settlement Amount”). The Settlement Amount shall consist of two components:

- a. a monetary payment to the Department in the amount of Twenty-Nine Million Dollars (\$29,000,000) (the “Base Payment”); and
- b. at the Volkswagen Defendants’ election, either (a) the selection of a Port Facility; or (b) a payment to the Department of Four Million Five Hundred Thousand Dollars (\$4,500,000) (the “Additional Payment”).

3. The Volkswagen Defendants shall pay to the Department the Base Payment by wire transfer within 30 days after the Department provides: (i) notice that this Consent Decree has been entered by the Court and is final under Maryland law in the form and to the addressees set forth in Exhibit A; and (ii) provides signed wire instructions in the form and to the addressees set forth in Exhibit B. The funds received by the Department shall be handled by the Department in accordance with the requirements of § 2-107 of the Environment Article.

4. If a Maryland-based port is not selected as a Port Facility, the Volkswagen Defendants shall pay the Additional Payment by wire transfer to the Department thirty days after the earliest occurrence of either:

- a. the Scheduled Announcement Date, or
- b. the Department receives notice in the manner set forth in Section X (“Notices”) that no Maryland port has been selected as a Port Facility.

5. If a Maryland-based port is not selected as a Port Facility, the Department shall promptly provide signed wire instructions in the form set forth in Exhibit B. The funds received by the Department pursuant to the Additional Payment shall be handled by the Department in accordance with the requirements of § 2-107 of the Environmental Article.

6. If a Maryland-based port is selected as a Port Facility, the Volkswagen Defendants shall have no obligation to pay the Additional Payment and counsel for the Volkswagen Defendants shall provide written notice to counsel for the Department regarding which Maryland port was selected to be a Port Facility.

7. The Department states that the civil penalty described in this Section III takes into account (i) the complete civil penalty assessed by the Department under this Consent Decree, (ii) the payments and other relief that the Defendants have agreed to provide to the State of Maryland under the U.S. First Partial Consent Decree, the U.S. Second Partial Consent Decree, and this Consent Decree; and (iii) the Department’s position that Subject Vehicles for environmental penalty purposes may include vehicles delivered to or offered for sale in a state, even if not sold.

8. The Parties agree to reasonably cooperate in the implementation of this Consent Decree, including, if a Maryland-based port is selected: (i) the Department and Volkswagen shall

reasonably cooperate in the preparation and execution of additional documents related to the Port Facility; and (ii) from the Scheduled Announcement Date to the commencement of operations at the Port Facility, Volkswagen shall keep the Department reasonably informed of its progress in developing the Port Facility.

IV. Admissions.

9. Volkswagen admits that:

- a. software in the 2.0 and 3.0 Liter Subject Vehicles enables the vehicles' engine control modules to detect when the vehicles are being driven on the road, rather than undergoing Federal Test Procedures, and that this software renders certain emission control systems in the vehicles inoperative when the engine control module detects the vehicles are not undergoing Federal Test Procedures, resulting in NOx emissions that exceed EPA-compliant and CARB-compliant levels (which CARB standards are applicable in Section 177 States) when the vehicles are driven on the road;
- b. this software was not disclosed in the Certificate of Conformity and Executive Order applications for the 2.0 and 3.0 Liter Subject Vehicles, and, as a result, the design specifications of the 2.0 and 3.0 Liter Subject Vehicles, as manufactured, differ materially from the design specifications described in the Certificate of Conformity and Executive Order applications.

10. Porsche admits that:

- a. software in the 3.0 Liter Subject Vehicles enables the vehicles' engine control modules to detect when the vehicles are being driven on the road, rather than undergoing Federal Test Procedures, and that this software renders certain emission control systems in the vehicles inoperative when the engine control module detects the vehicles are not undergoing Federal Test Procedures, resulting in NOx emissions that exceed EPA-compliant and CARB-compliant levels (which CARB standards are applicable in Section 177 States) when the vehicles are driven on the road;
- b. this software was not disclosed in the Certificate of Conformity and Executive Order applications for the 3.0 Liter Subject Vehicles, and, as a result, the design specifications of the 3.0 Liter Subject Vehicles, as manufactured, differ materially from the design specifications described in the Certificate of Conformity and Executive Order applications.

11. Volkswagen AG admits, agrees, and stipulates that the factual allegations set forth in the Statement of Facts attached as Exhibit 2 to its January 11, 2017 Rule 11 Plea Agreement in *U.S. v. Volkswagen AG*, No. 16-CR-20394 are true and correct. Volkswagen AG agrees it will neither contest the admissibility of, nor contradict, the Statement of Facts contained in Exhibit 2 to the Rule 11 Plea Agreement in any proceeding. A true and correct copy of the Statement of Facts described in this paragraph is attached hereto as Attachment A.

12. Except as provided in paragraphs 9 to 11 above, Volkswagen and/or Porsche neither admit nor deny any allegations relating to the Covered Conduct.

V. Zero Emission Vehicle (ZEV) Commitment.

13. Defendants shall increase the availability of ZEVs in Maryland by introducing in Maryland the three additional BEV models to be introduced in California under Paragraphs 11.a. and 11.b. of the Second California Partial Consent Decree. Defendants shall introduce and continue to market these BEV models in Maryland within the same time periods that are set forth for California in Paragraphs 11.a. and 11.b. of the Second California Partial Consent Decree.

14. In Maryland until at least 2019, Volkswagen shall offer its existing BEV model (the VW e-Golf BEV) or its successor or replacement models.

15. In the event that Volkswagen agrees to offer a new BEV model in the United States between 2020 and 2025 (in addition to the three BEV models identified in paragraph 13 above), it will offer that BEV model (or its successor) in Maryland until at least 2025.

16. Defendants shall make each BEV model launched in Maryland available to their dealers of new vehicles in Maryland and encourage such dealers to make the BEV models available for potential consumers for demonstration and test drive. Defendants shall deliver at least one vehicle of each BEV model within eight weeks of the port release date, to all of their dealers in Maryland that (i) agree to sell BEV models; and (ii) sell the brand of that particular BEV model (*e.g.*, Volkswagen BEV models need only be delivered to Volkswagen dealers and need not be delivered to Audi or Porsche dealers).

17. Defendants shall undertake commercially reasonable efforts to make each such BEV model available to their dealers through the course of each model's production for purposes of consumer demonstration, test drive, sale and lease.

18. In Maryland, Defendants' launch and marketing of each BEV model shall include advertising, promotional support, and support to dealers to incentivize dealer participation in the offering for sale or lease of the BEV models. This dealer support shall include support for dealers in (i) making the BEV models available for consumer demonstration and test driving; and (ii) the servicing of the BEV models.

19. Defendants' obligations under paragraphs 13-18, including to introduce, offer for sale, deliver, advertise, market or promote the BEV models, shall be limited to (i) Maryland, provided Defendants have dealers of new vehicles in Maryland; and (ii) dealers that agree to sell the BEV models. Defendants shall have no obligations under paragraphs 13-18 (i) if they have no dealer of new vehicles in Maryland; and (ii) with respect to any dealer that does not agree to sell the BEV models.

20. Regardless of the foregoing, Volkswagen will ensure that at least one vehicle of each of the Audi- or Volkswagen-branded BEV models introduced in the Section 177 States is available for consumer demonstration and driving in Maryland until at least 2025 to the extent that there is at least one Audi or Volkswagen dealer in Maryland and for so long as such BEV model is being offered nationally for new vehicle sale.

21. Volkswagen and Porsche shall promptly respond to the Department's reasonable inquiries about the status of their respective undertakings under this Section V. Volkswagen and Porsche shall each provide the Department with contact information for a representative for purposes of receipt of such inquiries.

VI. Effect of Judgment.

22. Entry of this Consent Decree fully and finally resolves and disposes with prejudice the Environmental Claims arising from or related to the Covered Conduct that were alleged in the Department's Complaint in this matter or that could be brought by the Department.

23. This Consent Decree will, upon the date that it is entered by the Court, constitute a fully binding and enforceable agreement between the Parties, and the Parties consent to its entry as a final judgment by the Court.

24. This Consent Decree fully extinguishes the reservations set forth in Paragraph 8(B)(vi) of the First Partial Settlement Agreement.

VII. Release.

25. Subject to paragraph 26 below, in consideration of the payment of the civil penalty described in Section III, the Admissions described in Section IV, the ZEV Commitment described in Section V, and upon the Defendants' payment of the Base Payment and selection of a Port Facility in Maryland or the payment of the Additional Payment, whichever occurs:

- a. The Department releases the Released Parties from all Environmental Claims arising from or related to the Covered Conduct, including, without limitation, penalties, fines, or other monetary payments and/or injunctive relief.
- b. The claims released under subsection a. above include claims that the Department brought or could have brought under Environmental Laws.

26. The Department reserves, and this Consent Decree is without prejudice to, all claims, rights and remedies against Volkswagen, Porsche and their affiliates, and Volkswagen, Porsche and their affiliates reserve, and this Consent Decree is without prejudice to, all defenses, with respect to all matters not expressly released in paragraph 25 above, including, without limitation:

- a. any civil claims unrelated to the Covered Conduct; and

- b. any action to enforce this Consent Decree and subsequent, related orders or judgments.

VIII. Dispute Resolution.

27. The Parties shall attempt to resolve any dispute relating to this Consent Decree in accordance with this paragraph 27 in good faith. To initiate dispute resolution under the terms of this Consent Decree, a Party shall submit to the other Parties a written statement that describes the nature of the dispute and attach supporting evidence or documentation the Party deems to be appropriate. Within 30 days of receipt of the written statement, the other Party (or Parties) shall review the information provided and send a written response either agreeing or not agreeing. In the event that the dispute fails to resolve pursuant to this paragraph 27, any Party may approach the Court consistent with paragraphs 29 and 30 below.

28. The invocation of dispute resolution procedures under this Section shall not, by itself, extend, postpone, or affect in any way any right or obligation of any Party under this Consent Decree, unless and until final resolution of the dispute so provides.

IX. Continuing Jurisdiction and Venue.

29. Defendants consent to this Court's continuing subject matter and personal jurisdiction solely for the purposes of entry, enforcement and modification of this Consent Decree, including resolving any disputes arising under this Consent Decree, and without waiving their right to contest this Court's jurisdiction in other matters.

30. Solely for purposes of entry, enforcement and modification of this Consent Decree, Defendants consent to venue in this Court and do not waive their right to contest this Court's venue in other matters.

X. Notices.

31. Unless otherwise specified in this Consent Decree, notices and submissions required by this Consent Decree shall be given in writing, sent by United States mail, First Class Mail, Certified, Return Receipt Requested, or other nationally recognized courier service that provides for tracking services and identification of the person signing for the document. Notice shall be considered to have been fully given when actually received. The documents shall be sent to the following addresses:

For the Department:

Roberta R. James
Office of the Attorney General
Maryland Department of the Environment
1800 Washington Boulevard, Suite 6048
Baltimore, Maryland 21230
Phone: 410-537-3748
Email: roberta.james@maryland.gov

Ben Grumbles
Secretary
Maryland Department of the Environment
1800 Washington Boulevard
Baltimore, Maryland 21230
Phone: 410-537-4187
Email: ben.grumbles@maryland.gov

For Volkswagen:

As to Volkswagen AG and Audi AG:

Berliner Ring 2
38440 Wolfsburg, Germany
Attention: Group General Counsel

As to Volkswagen Group of America, Inc. and Audi LLC:

2200 Ferdinand Porsche Dr.
Herndon, VA 20171
Attention: U.S. General Counsel

As to one or more of the Volkswagen Defendants:

David M.J. Rein
William B. Monahan
Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
reind@sullcrom.com
monahanw@sullcrom.com

For Porsche:

As to Dr. Ing. h.c. F. Porsche AG:

Dr. Ing. h.c. F. Porsche Aktiengesellschaft
Porscheplatz 1, D-70435 Stuttgart, Germany
Attention: GR/Rechtsabteilung/General Counsel

As to Porsche Cars North America, Inc.:

1 Porsche Dr.
Atlanta, GA 30354
Attention: Secretary
With copy by email to offsecy@porsche.us

As to one or more of the Porsche Defendants:

Granta Y. Nakayama
Joseph A. Eisert
King & Spalding LLP
1700 Pennsylvania Ave., N.W., Suite 200
Washington, DC 20006
gnakayama@kslaw.com
jeisert@kslaw.com

Any Party may change its address for notices by notice given in accordance with this paragraph.

XI. Authority of Signatories to Bind the Parties.

32. Each of the persons who signs his/her name below affirms that he/she has the authority to execute this Consent Decree on behalf of the Party whose name appears next to his/her signature and that this Consent Decree is a binding obligation enforceable against said Party under applicable Maryland law. The signatory from the Department represents that he/she has the authority to execute this Consent Decree on behalf of the State and that this Consent Decree is a binding obligation enforceable against the State under Maryland law.

XII. No Third Party Beneficiary.

33. Except for the rights of the Released Parties with respect to the Released Claims: (1) this Consent Decree shall not be construed to create any rights in persons other than the Department, the State and the Defendants; and (2) nothing in this Consent Decree shall be deemed to create any right in a non-party to enforce any aspect of this Consent Decree or claim any legal or equitable injury for a violation of this Consent Decree; and (3) the exclusive right to enforce any violation or breach of this Consent Decree shall be with the Parties to this Consent Decree.

XIII. Miscellaneous Provisions.

34. If any portion of this Consent Decree is held invalid by operation of law, the remaining terms of this Consent Decree shall not be affected and shall remain in full force and effect.

35. This Consent Decree is made without trial or adjudication of any issue of fact or law or finding of liability of any kind.

36. This Consent Decree constitutes a resolution of the Department's enforcement actions under the Environmental Laws. Nothing in this Consent Decree shall create or give rise to a private right of action of any kind.

37. Nothing in this Consent Decree releases any private rights of action asserted by entities or persons not releasing claims under this Consent Decree, nor does this Consent Decree limit any defense available to Volkswagen or Porsche in any such action.

38. The Parties agree that this Consent Decree does not enforce the laws of other countries, including the emissions laws or regulations of any jurisdiction outside the United States. Nothing in this Consent Decree is intended to apply to, or affect, the Defendants' obligations under the laws or regulations of any jurisdiction outside the United States. At the same time, the laws and regulations of other countries shall not affect the Defendants' obligations under this Consent Decree.

39. This Consent Decree takes no position with regard to its tax consequences relating to federal, state, local and foreign taxes. Nothing in this provision purports to affect the Department's obligations under 26 U.S.C. § 6050X or any other applicable law.

40. This Consent Decree supersedes any other prior agreements or understandings, whether oral or written, concerning the settlement embodied herein. The Parties acknowledge that there are no documents, representations, inducements, agreements, understandings or promises that constitute any part of this Consent Decree or the settlement it represents other than those expressly contained in this Consent Decree.

41. This Consent Decree may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Consent Decree.

Signatures by facsimile or other electronic imaging shall be deemed to constitute original signatures.

42. The Parties agree to enter into this Consent Decree for the purpose of avoiding prolonged and costly litigation, and in furtherance of the public interest. Each of the Parties warrants and represents that the terms of this Consent Decree were negotiated in good faith.

43. The terms of this Consent Decree are binding on the Parties and shall be enforceable in this Court. In the event that the Defendants fail to timely pay any sum owing pursuant to this Consent Decree, the Department may institute an action to enforce this Consent Decree against the Defendants. This Consent Decree shall be governed by and interpreted under the laws of the State of Maryland.

44. The terms of this Consent Decree are contractual and not mere recitals. This Consent Decree may be modified only in writing signed by both the Department and the Defendants.

45. This Consent Decree has been negotiated freely by the Department and the Defendants and shall in all cases be construed as a whole, according to its fair meaning and not strictly for or against the Department or the Defendants.

46. The effective date of this Consent Decree shall be the date upon which this Consent Decree becomes final under Maryland law. The Department represents that it has full power and authority to execute and deliver this Consent Decree and that the official so doing is fully authorized to agree, execute and deliver and that all administrative action, if any, has been taken to render this Consent Decree when so executed and delivered as fully enforceable against the Department and the State.

47. By signing this Consent Decree, Defendants waive their right to an informal meeting and hearing as provided in § 2-610.1 of the Environment Article and agree to imposition of a civil penalty in accordance with this Consent Decree.

48. Nothing in this Consent Decree shall be construed to alter the Defendants' obligation to comply with all applicable air pollution control laws and regulations.

49. Nothing in this Consent Decree shall be construed to prevent the Department from pursuing any remedies or sanctions available to the Department for violations of this Consent Decree or any other violations of State law, regulations, permits, or orders issued by the Department not expressly resolved or released in this Consent Decree.

50. This Consent Decree shall terminate automatically upon the full provision of the civil penalty set forth in Section III and the ZEV Commitment set forth in Section V.

51. The Parties agree that each Party shall bear its own costs and expenses, including without limitation, all attorney's fees.

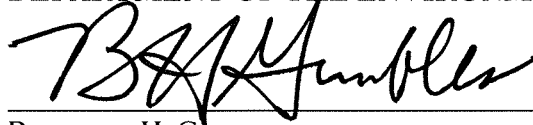
IT IS SO DECREED, this _____ day of _____, 2018; and it is further **ORDERED** pursuant to Maryland Rule 15-503(b), that the Plaintiff shall not be required to post a bond.

W. Michel Pierson
Judge, Circuit Court for Baltimore City

IT IS SO AGREED AND CONSENTED TO:

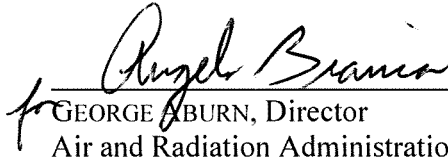
**STATE OF MARYLAND
DEPARTMENT OF THE ENVIRONMENT**

April 25, 2018



BENJAMIN H. GRUMBLES
Secretary

April 25, 2018



for _____
GEORGE ABURN, Director
Air and Radiation Administration

April _____, 2018

BRIAN E. FROSH
Attorney General of Maryland

**COUNSEL FOR VOLKSWAGEN
AKTIENGESELLSCHAFT D/B/A VOLKSWAGEN
GROUP AND/OR VOLKSWAGEN AG, AUDI AG,
AUDI OF AMERICA, INC., AUDI OF AMERICA,
LLC, VOLKSWAGEN GROUP OF AMERICA, INC.**

April 23, 2018



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(gswebb@venable.com)
John T. Prisbe
(jtprisbe@venable.com)
Venable LLP
750 E. Pratt Street, Suite 900
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April _____, 2018

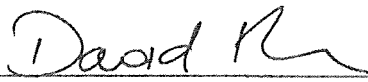
Robert J. Giuffra, Jr. (admitted *Pro Hac Vice*)
Sharon L. Nelles (admitted *Pro Hac Vice*)
David M.J. Rein (admitted *Pro Hac Vice*)
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AUDI OF AMERICA, INC., AUDI OF AMERICA,
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April _____, 2018

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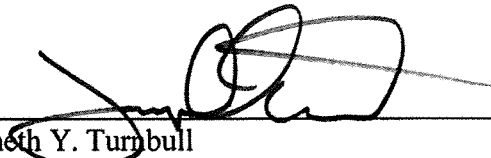
April 20, 2018



Robert J. Giuffra, Jr. (admitted *Pro Hac Vice*)
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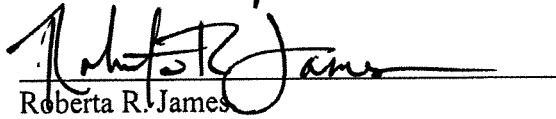
**COUNSEL FOR DR. ING. H.C. F. PORSCHE D/B/A
PORSCHE AG AND PORSCHE CARS NORTH
AMERICA, INC.**

April 20, 2018



Kenneth Y. Turnbull
Joseph A. Eisert (admitted *Pro Hac Vice*)
King & Spalding LLP
1700 Pennsylvania Ave., N.W. Suite 200
Washington, DC 20006
(202) 737-0500

Approved as to form and legal sufficiency
this 24th day of April, 2018.



Roberta R. James
Assistant Attorney General

EXHIBIT A

[STATE LETTERHEAD]

[DATE]

VIA ELECTRONIC MAIL [& FIRST-CLASS MAIL]

Volkswagen Group of America, Inc.
Attn: Office of the General Counsel
2200 Ferdinand Porsche Drive
Herndon, VA 20171
Kevin.duke@vw.com

David M.J. Rein, Esq.
William B. Monahan, Esq.
Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
reind@sullcrom.com
monahanw@sullcrom.com

**RE: *Maryland Department of the Environment v. Volkswagen AG*
 et al., Civil Case No. 24-C-16-004114 – Certification Pursuant
 to Consent Decree**

Dear Messrs. Duke, Rein, and Monahan:

Pursuant to Paragraph 3 of the Consent Decree entered on or about [DATE], I hereby certify the following:

1. The attached Consent Decree, which was duly executed by the parties thereto, was entered by the Circuit Court for Baltimore City on [DATE], and is now final under the law of the State of Maryland.
2. I, [NAME], [TITLE], am a duly authorized representative of the State of Maryland and am duly authorized to make the certifications contained herein.
3. The attached Consent Decree is a true and accurate copy of the document filed in the Court and entered on [DATE].

A copy of the State of Maryland's wiring instructions is also attached. Please disburse \$29,000,000 in accordance with the enclosed wiring instructions on or before [DATE]. Please contact me if you have any questions or require any additional information.

Sincerely,

Signature

Print Name and Title

EXHIBIT B

[STATE LETTERHEAD]

[DATE]

TO: Volkswagen Group of America, Inc.
(addressees listed on following page)

RE: Wire Instructions – VW Consent Decree

Ladies and Gentlemen:

Reference is made to the Consent Decree in connection with *Maryland Department of the Environment v. Volkswagen AG et al.*, Civil Case No. 24-C-16-004114, entered into on or about [DATE] by the Circuit Court for Baltimore City.

Please find below wire instructions for the disbursement of funds pursuant to the Consent Decree.

Funds to be Transferred (USD):	\$
Beneficiary Name:	
Beneficiary Account Number:	
Bank Name:	
Bank Routing Information: (ABA # or SWIFT Code)	
Memo:	

If you have any questions regarding these wire instructions, please contact [NAME] at [TELEPHONE] or [EMAIL].

I certify that I am a representative of the State of Maryland authorized to deliver these instructions and that the information provided above is true and correct.

Sincerely,

Signature

Print Name and Title

The preceding wire instructions should be delivered to the following persons:

Name: Volkswagen Group of America, Inc.
Address: 2200 Ferdinand Porsche Drive
Herndon, Virginia 20171

Attn: Office of the General Counsel
Telephone: 703-364-7290
Facsimile: 703-364-7080
E-mail: kevin.duke@vw.com

Name: Sullivan & Cromwell LLP
Address: 125 Broad Street
New York, New York 10004

Attn: David M.J. Rein, Esq.
Telephone: 212-558-3035
Facsimile: 212-291-9120
E-mail: reind@sullcrom.com

Name: Sullivan & Cromwell LLP
Address: 125 Broad Street
New York, New York 10004

Attn: William B. Monahan, Esq.
Telephone: 212-558-7375
Facsimile: 212-291-9414
E-mail: monahanw@sullcrom.com