

*Volkswagen Diesel Emissions Environmental Mitigation Trust for
State Beneficiaries, Puerto Rico and the District of Columbia*
Frequently Asked Questions

| No. | Question | Answer |
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| 1. | Where can I find a copy of the Trust Agreement? | The final State Trust Agreement was filed with the U.S. District Court for the Northern District of California in case US v. Volkswagen matter, Case No. 16-cv-295. It is also posted on the public website at http://www.vwenvironmentalmitigationtrust.com . |
| Appendix D-3 – Beneficiary Certification Questions | | |
| 2. | Where can I find copies of Appendix D-3? | Appendix D-3 is an exhibit to the State Trust Agreement. Appendix D-3 and other required documentation will be made available to authorized officials or employees of the Lead Agency for State Beneficiaries. |
| 3. | What is/was the deadline for filing the Appendix D-3 with the Court? Where is it filed and how should it be delivered to the Trustee? | The Appendix D-3 must have been filed with the U.S. District Court for the Northern District of California and copies must also have been received by the Trustee on or before December 1, 2017. |
| 4. | When will the Trustee file the Certification of Beneficiaries? | The Trustee will file the Certification of Beneficiary status in accordance with subparagraph 4.0.2 of the States Trust. |
| Mitigation Plan and Eligible Mitigation Actions Questions | | |
| 5. | Who is responsible for the content of the Beneficiary’s Mitigation Plan and any Eligible Mitigation Plan? | <p>The Trustee will not be examining the contents of any Mitigation Plan or any Eligible Mitigation Action; this is the responsibility of the Lead Agency of the Beneficiary.</p> <p>The Trustee will not be “signing off” on the contents of the Mitigation Plan or any “Eligible Mitigation Action”.</p> <p>In accordance with the Trust Agreement, each Beneficiary is responsible for monitoring its own compliance with the requirements of the Trust Agreement.</p> <p>Each Beneficiary must establish its own “self-compliance and monitoring system” that will enable it to make the necessary on-going certifications required under the Trust Agreement.</p> |
| 6. | Do states also need to file their Beneficiary Mitigation Plan with the court? | No, the form is filed with the Trustee per Section 4.1 of the Trust Agreement. |
| 7. | When does the Beneficiary need to file their Mitigation Plan? | At least 30 days prior to submitting their first Funding Request to the Trustee. |
| 8. | Where can Beneficiaries get help with the technical questions we have related to our Mitigation Plan and Eligible Mitigation Actions? | <p>The States’ Working Group list has provided the following links to us to assist you with technical questions:</p> <p>NASEO – National Association of State Energy Officials - http://www.naseo.org/volkswagen-settlement</p> |

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| | | <p>NACAA – National Association of Clean Air Agencies - www.4cleanair.org</p> <p>VW Settlement Clearinghouse - http://vwclearinghouse.org</p> |
| Federal and State Taxes | | |
| 9. | Is the Trustee seeking a Private Letter Ruling on the Tax Issue? Will the Trustee also be seeking similar relief related to State taxes? | <p>Yes. The State Trust is intended to be a qualified settlement fund (“QSF”) pursuant to Section 468B of the Internal Revenue Code, 26 U.S.C. § 468B, and related Treasury Regulations. The Trustee is intended to be the State Trust’s “administrator,” within the meaning of Treasury Regulation Section 1.468B-2(k)(3), 26 C.F.R. § 1.468B-2(k)(3).</p> <p>The Trustee shall use its best efforts to submit, within six months after the Trust Effective Date, an application and all necessary supporting documentation to the IRS to obtain a Private Letter Ruling from the IRS: (1) that the State Mitigation Trust will be treated as a Qualified Settlement Fund under 26 C.F.R. § 1.468B-1; (2) that all investment income earned on the Trust Assets will be excludible from gross income under Section 115 of the Internal Revenue Code, 26 U.S.C. § 115; and (3) on any federal tax matter that the Tax Professionals reasonably believe is necessary to support the rulings in (1) and (2) or otherwise prudent to clarify an uncertain application of federal tax law to the State Mitigation Trust.</p> |
| <p><i>NOTE: The information in these FAQs will be update on a regular basis, as appropriate, therefore please make sure you are using the latest version posted here on www.vwenvironmentalmitigationtrust.com.</i></p> | | |