Volkswagen of America, Inc.
3800 Hamlin Road
Auburn Hills, MI 48326

<MONTH YEAR>

<CUSTOMER NAME>
<CUSTOMER ADDRESS>
<CUSTOMER CITY STATE ZIPCODE>

**This notice applies to your vehicle:** <VIN>

**Subject: EPA & CARB Approved Emissions Modification 2009 - 2014 Model Year Volkswagen 2.0L TDI**

**Emissions Recall 23U3 – Emissions Modification**

Dear Volkswagen Owner or Lessee,

As part of Volkswagen's settlements with the United States Department of Justice (DOJ), Environmental Protection Agency (EPA), the California Air Resources Board (CARB), the California Attorney General's Office (CAAG), the Federal Trade Commission (FTC) and Class Counsel, we are informing you that an emissions modification is now available for your 2009 - 2014 Model Year 2.0L TDI (GEN 1) Volkswagen manual transmission vehicles. Our records show that you are the owner or lessee of a vehicle affected by this action. The emissions modification for your vehicle has been approved by the EPA and CARB. The purpose of this letter is to inform you of that approval and provide you with information on how you can take the next steps.

**Please visit VWCourtSettlement.com for more information on this issue or contact us at 844-98-CLAIM.**

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| **What is the issue?** | EPA and CARB have determined that Volkswagen vehicles equipped with a 2.0L 4-cylinder TDI engine do not comply with applicable emissions regulations. The emissions control systems on the vehicles allow emissions to exceed legal limits during typical driving conditions. |
| **What will we do as part of this recall?** | EPA and CARB have approved an emissions modification plan, available now. Volkswagen is also required to offer a buyback of your vehicle or terminate your existing lease as an alternative to the emissions modification, under settlement agreements reached with the DOJ, EPA, CARB, CAAG, FTC and Class Counsel. It is your choice whether to select the buyback/lease termination or the emissions modification. Please visit **VWCourtSettlement.com** to learn more and to file a claim. For owners selecting the emissions modification, eligibility, scheduling information, and details on logistics can be found at www.vwcourtsettlement.com, or through 844-98-CLAIM. |

**Emissions Modification: :** During the modification Volkswagen will remove the software that reduced the effectiveness of your TDI's emission control system and replace it with software that directs your vehicle's emission controls to function effectively in all normal driving conditions. The modification will also include the replacement of the $NO_x$ Reduction Catalyst, and for MY 2009 vehicles, the replacement of the Glow Plug Control module and the Diesel Particulate Filter.

We will extend the emissions control system warranty for certain components, as described in this letter.

**Will this affect my vehicle performance?**

Upon completion of the emissions modification, other than as described in this letter, customers should not notice any adverse changes in vehicle reliability, durability, or vehicle performance (for example, 0-60 mph time, top speed, etc.). The software and hardware modification approved by EPA and CARB will change the way your car's engine and emissions control systems interact. This will affect technical functions under some operating conditions, for example when the vehicle is started for the day.

The new software will affect your car in the following ways:

- Engine sound will differ from your vehicle's prior operation. There will be increased noise from the engine that is most noticeable at midrange engine speeds, specifically during moderate acceleration. Low fuel quality can amplify the sound. The change in sound will not result in any noticeable changes to the driving characteristics of your vehicle.
- Frequency and occurrence of special engine operating modes (such as when and how the diesel particulate filter regenerates) will differ from the way these modes operated with the previous software.
- Vehicle Drivability – There will be minor changes in engine torque while transitioning between operating modes. Volkswagen does not expect these changes to be noticeable for drivers
- Decreased fuel economy – Your vehicle's fuel economy will decrease by up to 2 mpg, depending on driving style and habits.
- On-board diagnostic (OBD) system changes – Your vehicle's OBD system will be modified and certain emission thresholds within the OBD system will be adjusted. These thresholds set new malfunction detection limits that may be above what inspection and maintenance regulators are familiar with and may reduce the effectiveness of the OBD system in detecting malfunctions as a result of these changes. We don't expect you will have any issues with the ability of your vehicle to pass the inspection and maintenance (Smog Check) test. The extended warranty coverage outlined in this booklet offers additional protection if your vehicle is still covered under warranty at the time of inspection. These changes should not be noticeable to a driver and do not impact driving characteristics.

More information regarding the technical details of this update can be found at **VWCourtSettlement.com** or **vw.com**.

**Will this affect my vehicle maintenance intervals?**

The emissions modification of your Volkswagen does not affect the recommended vehicle maintenance schedule for oil change intervals, Exhaust Gas Recirculation (EGR) cleaning as described in your maintenance booklet.

We do not anticipate that the modification will affect the OBD system in a manner that would make identification and repair of any components difficult, compromise warranty coverage, or compromise your vehicle's ability to comply with the inspection and maintenance (Smog Check) test of your vehicle.

**How will the modification affect emissions?**

Two additional labels will be installed under the hood of the vehicle after the modification is completed. The first label is an emissions modification completion label and the second is the updated Vehicle Emissions Compliance Information (VECI) label.

Your vehicle was originally certified to EPA and CARB emission standards. After the modification, your vehicle's emissions will be reduced but will still be higher than the emission standard to which it was originally certified. The certified emissions standards compared with the emission limits that apply to your vehicle after the modification are shown in Exhibit 1.

**Exhibit 1**: Certification standards and respective emission limits applicable to your vehicle before and after the Emission Modification [1]

**Emission limits applicable to your vehicle before the Emission Modification**

Federal

| Standard / Emission limits in grams/mile | NOx (Nitrogen oxides) | NMOG (Non-methane hydrocarbons) | CO (Carbon monoxide) | PM (Particulate matter) | HCHO (Formaldehyde) |
|---|---|---|---|---|---|
| Tier 2 Bin 5 0-50,000 miles | 0.05 | 0.075 | 3.4 | 0.01 | 0.015 |
| Tier 2 Bin 5 50,001-120,000 miles | 0.07 | 0.090 | 4.2 | 0.01 | 0.018 |

California and Section 177 states

| Standard / Emission limits in grams/mile | NOx (Nitrogen oxides) | NMOG (Non-methane hydrocarbons) | CO (Carbon monoxide) | PM (Particulate matter) | HCHO (Formaldehyde) |
|---|---|---|---|---|---|
| LEVII ULEV 0-50,000 miles | 0.05 | 0.040 | 1.7 | n.a. | 0.008 |
| LEVII ULEV 50,001-120,000 miles | 0.07 | 0.055 | 2.1 | 0.01 | 0.011 |

Early Jetta Sedan loyalty edition vehicles (test group 9VWXV02.035N) were originally certified under LEVII LEV in California and Section 177 States.

**Emission limits applicable to your vehicle after the Emission Modification (applies to all Generation 1 vehicles)**

Federal States, California and Section 177 States

| Standard / Emission limits in grams/mile | NOx + NMOG (Nitrogen oxides + Non-methane hydrocarbons) | CO (Carbon monoxide) | PM (Particulate matter) | HCHO (Formaldehyde) |
|---|---|---|---|---|
| Manual Transmissions 0-120,000 miles | 0.190 | 4.2 | 0.01 | 0.018 |

1. As measured by the Federal Test Procedure (FTP75). Additional limits apply for the Supplemental Federal Test Procedure (SFTP), the Highway test procedure and in the Federal Test Procedure at high altitude.

**What are my options?**

If you are eligible to participate in the settlements reached with the DOJ, EPA, CARB, CAAG, FTC and Class Counsel, you have two options once you have submitted a complete and valid claim under the settlements. You can keep your car, receive the approved emissions modification as part of this recall and receive a cash payment. Alternatively, you can choose to have Volkswagen buy back your car (or, if you're a lessee, terminate the lease early) and receive a cash payment.

The modification option, described here, enables an eligible consumer to keep his or her vehicle, receive an approved emissions modification free of charge and an additional restitution payment, calculated using two components: 1) a percentage of the September 2015 NADA Used Car Guide Clean Trade including manufacturer-installed options; and 2) a flat dollar amount. Vehicles receiving an approved emissions modification will also receive an extended emissions warranty covering the emissions system of the modified vehicle, which includes a Lemon Law-type remedy to protect against the possibility that the modification causes subsequent service problems.

To receive the approved emissions modification plus the cash payment, file a claim on **VWCourtSettlement.com**. Once approved, you may schedule an appointment at your preferred dealership. Your Volkswagen dealer will complete the modifications in approximately 6 hours for model year 2009 vehicles and approximately 2.5 to 3 hours for model year 2010 to 2014 vehicles. If you come in for the modification, Volkswagen will provide you with a loaner vehicle at zero cost to you.

There are occasionally outstanding recalls that your vehicle may be subject to. Any such open items will be completed at the time of the emissions modification and may require increased time at the dealer. You will be notified of any expected recalls and duration of the service action when calling in to schedule your appointment.

The alternative buyback option enables an eligible consumer to return his or her vehicle to Volkswagen and receive the buyback payment, which also includes two components: 1) the vehicle return amount derived from the September 2015 NADA Used Car Guide Clean Trade including manufacturer-installed options; plus 2) additional restitution, which is the sum of a set percentage of the vehicle return amount and a flat dollar amount.

For more information about the emissions modification, your options (including when and how to visit a dealer), or to check eligibility and file a claim, please visit **VWCourtSettlement.com or contact us at 844-98-CLAIM.**

**IMPORTANT:** If an affected vehicle receives an approved emissions modification without participation in the Class Action Settlement, the **buyback or early lease termination option under the Class Action Settlement is no longer available.** Nonetheless, Eligible Owners and Lessees (as defined by the terms of the Class Action Settlement Agreement) may still be able to receive a cash payment associated with the modification. Please visit **VWCourtSettlement.com** for more information.

For vehicles that do not receive the emissions modification, certain emissions-related replacement and repair parts will no longer be available from Volkswagen. Accordingly, in the future, if your unmodified vehicle requires maintenance and repairs of the emissions system we may need to install parts associated with the emissions modification, and in some cases, install all aspects of the emissions modification. This may lead to changes to the vehicle's operation or performance resulting from those modifications discussed in this letter.

**Warranty Extension for Certain Emissions-Related Components**

Once the updated emissions control system software has been installed in your vehicle, Volkswagen will extend your Emissions Control Systems Warranty for certain emissions-related components. The warranty period for the "Extended Emissions Warranty" is the **greater** of:

- 10 years and 6 months or 126,000 miles, whichever occurs first, from the vehicle's original in- service date; **OR**
- 4 years and 6 months or 54,000 miles, whichever occurs first, from the date and mileage of the emissions modification.

The vehicle's original in-service date is defined as the date the vehicle was delivered to either the original purchaser or the original lessee; or if the vehicle was first placed in service as a "demonstrator" or "company" car, on the date such vehicle was first placed in service.

The emissions control system warranty covers all components which are replaced as part of the emissions modification and any component which can reasonably be impacted by effects of the emissions modification.

The emissions system warranty shall cover the following parts or systems:

- The entire exhaust gas after treatment system, including the Diesel Oxidation Catalytic Convertor (DOC), the NOx Reduction Catalytic Converter, the Diesel Particulate Filter (DPF), the exhaust flap, and all sensors and actuators;
- The entire fuel system, including fuel pumps, high pressure fuel rail, fuel injectors, vibration damper, pressure control valve and all sensors and actuators;
- The EGR system, including EGR valves, EGR cooler, EGR filter, EGR temperature sensor, all related hoses and pipes, and all sensors and actuators;
- The air intake pipe and charge air cooler, charge air temperature sensor and air-mass sensor (HFM);
- The turbocharger, including the turbocharger damper;
- The glow plug;
- The On-Board Diagnostic (OBD) system, any malfunctions detected by the On-Board Diagnostic (OBD) system other than those related to the transmission.

Additionally, the engine long block warranty shall cover the engine sub-assembly that consists of the assembled block, crankshaft, cylinder head, camshaft, and valve train.

In our continuing efforts to assure proper performance of Volkswagen vehicles, your dealer will diagnose and replace the emissions-related components listed in this section, if necessary, at no cost to you as long as the vehicle remains within the time and mileage limits of this warranty extension. Please keep this letter with your warranty booklet and deliver it to any new owner, along with the owner's manual.

This warranty extension covers only the diagnosis and replacement of the emissions-related components listed in this section. If the warranty service is expected to take longer than three hours, VW must provide a loaner vehicle. Should you ever sell the vehicle, this warranty extension is fully transferable to subsequent owners.

This warranty extension will not cover:

- Any damage or malfunctions caused by installation of non-EPA or non-CARB certified emissions related parts, including such damage or malfunction to parts needed for proper diagnosis of a covered part.
- Damage or malfunctions caused by outside influence, such as damage due to an accident, or vehicle misuse or neglect.

All normal warranty provisions remain in effect. The extended emissions warranty includes parts, labor, and applicable taxes. The extended emissions warranty shall not void or supersede any existing warranty. Conflicts concerning the warranty are to be resolved in favor of the consumer.

If the vehicle has been modified by the customer prior to receiving the emissions modification in a manner that may yield a non-compliant emissions system (for example, removal of a catalyst, installation of parts that impact emissions or emissions- related parts, or modifications to the ECU or computer software of the vehicle), Volkswagen may not be able to perform the emissions modification until the customer corrects such modification.

More information about your extended emissions warranty coverage is available at www.vwdiesellookup.com.

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| **What should you do?** | Please review the materials on **VWCourtSettlement.com** to understand what benefits may be available to you under settlements associated with this vehicle. Information there will allow you to determine your eligibility for Class Action benefits and if eligible, instructions on how to file a claim. You can also direct questions to the Settlement Support Team at 844-98-CLAIM. If you choose to receive a modification, the modification will be performed by an authorized Volkswagen dealer.<br><br>Instructions on how to schedule those appointments can be can be found at **VWCourtSettlement.com**. |
| **Lease vehicles and address changes** | If you are not the lessor and registered owner of the vehicle identified in this action, please forward this letter immediately via first-class mail to the lessee or registered owner within ten (10) days of receipt. If you have changed your address or sold the vehicle, please fill out the enclosed prepaid Owner Reply card and mail it to us so we can update our records. |
| **Can we assist you further?** | If you have any questions regarding this notice or the settlements associated with the referenced vehicle please visit **VWCourtSettlement.com** or contact Volkswagen at 844-98-CLAIM. |
| **Checking your vehicle for open Recalls and Service Campaigns** | To check your vehicle's eligibility for repair under this or any other recall/service campaign, please click on the **Look Up Recalls** link at vw.com or **VWCourtSettlement.com** and enter your Vehicle Identification Number (VIN) into the Recall/Service Campaign Lookup tool. |