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This notice applies to Model Year 2012-2014 2.0 liter Volkswagen diesel vehicles and is intended for owners or lessees of those vehicles.

Subject: Warranty Extension for Your 2.0L GEN2 TDI Vehicle

Dear Volkswagen Owner or Lessee,

On May 19, 2017, the Environmental Protection Agency ("EPA") and California Air Resources Board ("CARB") approved Volkswagen's proposal for an emissions modification for 2012–14 2.0 liter diesel vehicles ("GEN 2 vehicles"). Our records show that you are the owner or lessee of a GEN2 vehicle and you should have previously received a letter describing an Extended Emissions Warranty applicable to GEN2 vehicles with an approved emissions modification. This notice is to inform you that Volkswagen has provided an additional warranty extension of 3 months and 3,000 miles to that Extended Emissions Warranty.

Volkswagen identified certain Onboard Diagnostic ("OBD") monitors that are not compliant with EPA and ARB regulations because they may not assess a potential failure of a part prior to exceedance of an emission threshold limit. We do not anticipate this 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 test of your vehicle.

The Extended Emissions Warranty period with this additional warranty extension will be the greater of:

- 10 years and 3 months or 123,000 miles, whichever occurs first, from the vehicle's original in- service date;
 OR
- 4 years and 3 months or 51,000 miles, whichever occurs first, from date and mileage of the Emissions Modification, except for vehicles offered for resale, in which case, from the date and mileage of the first resale transaction after the modification to the first person who in good faith purchases the vehicle for purposes other than resale

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.

All warranty provisions described in prior notices still apply.

You do not need to take any action in order to receive this additional warranty extension. However, if you have questions or if we can be of further assistance, please let us know.

Please visit VWCourtSettlement.com for more information on this issue or contact us at 800-822-8987.

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2012—2014 2.0L TDI
Volkswagen

GENERATION 2 ENGINE Automatic Transmission



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IMPORTANT WARRANTY INFORMATION
KEEP IN GLOVE BOX OR OTHER LOCATION FOR FUTURE REFERENCE

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About This Booklet

On September 18, 2015 the Environmental Protection Agency (EPA) and California Air Resource Board (CARB) informed Volkswagen that Model Year 2009-2015 2.0L TDI vehicles do not comply with federal and California emissions standards. The information in this booklet represents a step forward as we continue on the road to making things right for you.

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 2012—2014 Model Year 2.0L TDI (GEN 2) Volkswagen automatic transmission Passat vehicles. The emissions modification for your vehicle has been approved by the EPA and CARB.

The following pages outline the emissions system updates that are now available for your 2012—2014 Model Year Volkswagen automatic transmission Passat 2.0L TDI and the extended emissions warranty coverage that will be provided for cars that receive the modification. You can also read about the impact these updates will have on your driving experience as well as instructions on maintaining your vehicle post-modification.

We encourage you to carefully review the information in this booklet, and if we can be of further assistance, please let us know.

For questions about any of the material included in the booklet please visit http://www.vw.com/owners-recalls/ or contact VW Customer CARE at 800-822-8987.

Overview

Federal and California laws prohibit the use of defeat devices and the use of engine software designed to reduce the effectiveness of your vehicle's emission control systems. The EPA and CARB have determined that Volkswagen vehicles equipped with a 2.0L 4-cylinder TDI engine do not comply with these laws. Through the agreed upon emissions modification, VW will remove the software that reduced the effectiveness of your TDI's emission control system and will install new emission control software and hardware designed to function effectively in all normal driving conditions.

Software Updates

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 emissions modification option. Please visit VWCourtSettlement.com to learn more and to file a claim. For owners selecting the emissions modification, eligibility, scheduling information, and details logistics be found on can at www.vwcourtsettlement.com, or by contacting us at 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. No significant changes to key vehicle attributes are expected, including fuel consumption, reliability, durability, vehicle performance, drivability, or other driving characteristics.

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.
- Drive Mode Changes While driving in normal Drive mode, the automatic transmission will shift at slightly higher engine speeds during medium acceleration. This is most noticeable at high altitudes and during engine warm-up.
- Sport Mode Changes While driving in Sport mode, the automatic transmission will shift earlier at low accelerator positions for improved driving comfort which results in a lower engine speed at constant driving.
- 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 The EPA fuel economy estimate on the label provided with your modified vehicle will be the same as it was on the vehicle's original label. However, depending on your driving style and habits, you may however notice that fuel economy under real world conditions drops up to 1 mpg after the emissions modification. This is because the software that is being removed through the emissions modification caused vehicles to perform differently during emissions and fuel economy testing than during normal driving. These differences may have resulted in better fuel economy in actual driving than during tests to generate fuel economy estimates. Without the software, vehicles will perform the same way during testing that they do under typical road conditions and label values should more accurately predict actual, over-the-road fuel economy.

Software Updates (Continued)

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.

The emissions modification is available immediately at no cost to you. This update will take approximately one hour to complete.

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 additional expected recalls and duration of the service action when calling in to schedule your appointment.

Changes in Maintenance Schedule

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

Diesel exhaust fluid (DEF, also known as AdBlue®) consumption for your vehicle will increase. The consumption will go from 0.12 gal/1000 mi on average to between 0.18 and 0.28 gal/1000 mi on average under normal driving conditions, representing an increase of 50% to 130%. The exact amount of the impact will depend on driving style and other factors. This is because the software that is being removed through the emissions modification caused vehicles to use less DEF during normal driving than will be the case after the modification. As a result your vehicle will require more frequent filling, possibly even between service intervals. Please see your dealer for additional details.

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.

Emission Limits

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

Emission limits applicable to your vehicle before the Emission Modification.

<u>Federal</u>

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

Emission limits applicable to your vehicle after the Emission Modification

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)
Automatic	0.160	4.2	0.01	0.018
Transmissions				
0-120,000 miles				

¹ As measured by 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.

Extended Emissions Warranty Coverage

For the following Volkswagen 2.0 L TDI engine vehicles updated with the emissions modification, a warranty extension is applicable.

2012 to 2014 MY Passat

Warranty Period

The warranty period for the "Extended Emissions Warranty" limited warranty extension shall be the **greater** of:

- 10 years or 120,000 miles, whichever occurs first, from the vehicle's original in-service date; OR
- 4 years or 48,000 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.

Extended Emissions Warranty Coverage (continued)

Parts Covered Under Extended Warranty

- The entire exhaust after treatment system, including the Selective Catalytic Reduction converter (SCR), Reducing Agent (AdBlue®) Injector, other Diesel Exhaust Fluid (DEF) system components, Diesel Particulate Filter (DPF) including Oxidation Catalytic Converter, 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 charge air temperature sensor and air-mass sensor;
- 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.

The extended emissions warranty includes parts, labor, and applicable taxes. If the warranty service is scheduled to take longer than three hours VW must provide a loaner vehicle. 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.

More information about your extended emissions warranty coverage is available at www.vwdiesellookup.com and in the customer letter we sent to you previously.

Transferability

This extended emissions warranty is fully transferable to subsequent owners.

Warranty Notices

All normal warranty provisions remain in effect.

Customer Notices

If you choose to keep your vehicle but decline the emissions modification at this time, you should be aware that certain emissions-related replacement and repair parts may at some point 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, or, in some cases, install all aspects of the emissions modification. You should not have any issues with the ability of your vehicle to pass the inspection and maintenance test. This may lead to changes to your vehicle's operation or performance resulting from those modifications as discussed in this booklet.

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.

Thank you.

We know that the TDI emissions issue has understandably eroded the trust that we have worked so hard to build with you, our customers.

We encourage you to review the information in this booklet to address any questions or concerns you may have. If we can be of further assistance, please let us know.

Volkswagen of America

