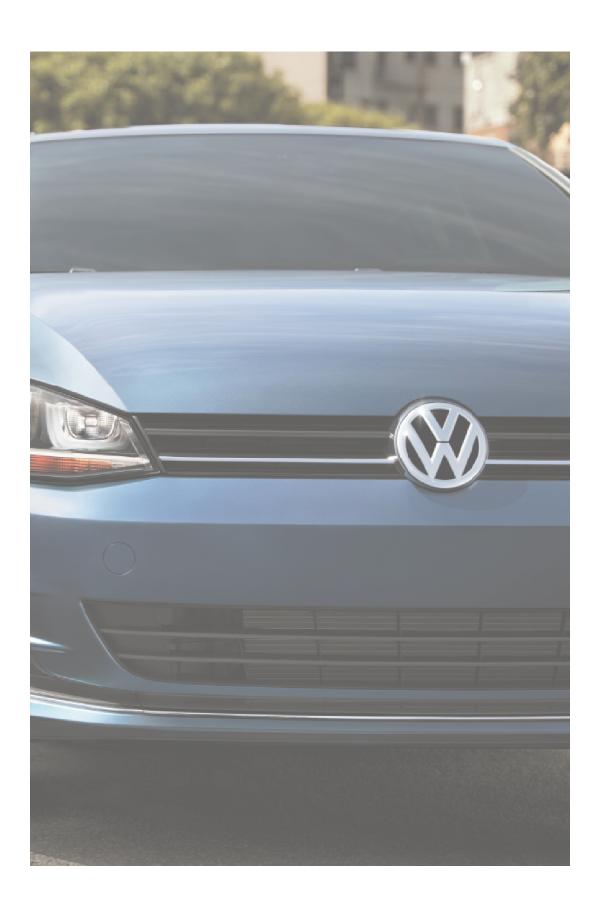




Contents

About This Booklet	1
Overview	2
Software and Hardware Updates	3
Maintenance Schedule	7
Emissions Limits	7
Extended Emissions Warranty Coverage	9
Customer Notices	12

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



About This Booklet

On January 6, 2017, U.S. regulators, including the Environmental Protection Agency (EPA), approved an emissions modification for Model Year 2015 Volkswagen 2.0L TDI vehicles that do not comply with prescribed emissions standards in the U.S. Because these standards also apply in Canada, the emissions modification is being offered to the Canadian market.

The following pages outline the emissions system updates that are now available free of charge for your Model Year 2015 Volkswagen 2.0L TDI vehicle and the extended emissions warranty coverage that will be provided for vehicles 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 you have any questions, please contact Volkswagen Canada Customer CARE at 1-800-822-8987 or wwcarecanada@vw.ca.

Overview

Federal laws prohibit the use of defeat devices and the use of engine software designed to reduce the effectiveness of your vehicle's emissions control systems. Through the approved emissions modification, Volkswagen will remove the software that reduced the effectiveness of your TDI's emissions control system and will install new emissions control software and hardware designed to function effectively in all normal driving conditions.

Software and Hardware Updates

A two-part emissions modification plan is approved for Model Year 2015 Volkswagen 2.0L TDI vehicles.

Phase 1 is ready to start now. Phase 2 will become available in early 2018. Both phases are necessary for the emissions modification to be complete. Owners and lessees are expected to complete Phase 1 and, when available, Phase 2 if they keep their vehicle.

IMPORTANT INFORMATION

If you are eligible for the Class Settlement in Canada for 2.0L Volkswagen and Audi TDI vehicles, you may qualify to choose a buyback, trade-in or early lease termination as an alternative to the approved emissions modification.

The nationwide Settlement must be approved by Courts in Ontario and Quebec before the claims program begins in Canada. Settlement approval hearings are scheduled for the end of March 2017.

If you receive the modification through this recall <u>before</u> the Settlement claims program begins, there will be no impact on the choice of eligible benefits available to you under the Settlement.

Proceeding with the recall <u>after</u> the Settlement claims program begins will eliminate any rights that you may have to choose a buyback, trade-in or early lease termination under the Settlement.

Please note that by participating in the recall, you are not making a claim for benefits under the Settlement. Please visit www.VWCanadaSettlement.ca or call 1-888-670-4773 for more information.

Emissions Modification Phase 1:

(available now)

During the first part of the modification, Volkswagen will remove the software that reduced the effectiveness of your TDI's emissions control system and replace it with software that directs your vehicle's emissions controls to function effectively in all normal driving conditions. The emissions modification 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. 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 may differ from your vehicle's prior operation.
 Although unlikely, the engine tone may vary slightly after the emissions modification is completed. This will not result in any noticeable change in the driving characteristics of your vehicle.
- An update to the engine cooling fan operation will allow your vehicle to cool more efficiently and may alter the sound that the vehicle fan makes once the engine has been turned off. This update is not related to the emissions issue, and is addressed to provide continued vehicle performance improvement.
- 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 lower engine speeds at constant driving.
- Improved Vehicle Drivability Vehicles with automatic transmissions will exhibit improvement in throttle response, a smoother acceleration and improved driving experience.

Software and Hardware Updates (cont.)

- Diesel Exhaust Fluid (DEF) consumption DEF (also known as AdBlue®) consumption for your vehicle may increase. The amount of the increase will vary. Some drivers will experience no change, but others will use 1% -14% more DEF on average. The amount of the impact will depend on driving style and other factors. This means some drivers will need to refill the DEF tank more frequently.
- High Altitude Shift Patterns For Golf Automatic Transmission vehicles, the shifting behaviour has been adapted to run with slightly higher engine speeds at high altitudes.
- On-board diagnostic (OBD) system changes Your vehicle's OBD system will be modified and certain emissions thresholds within the OBD system will be adjusted. These thresholds set new malfunction detection limits that may reduce the effectiveness of the OBD system in detecting malfunctions. We don't expect you will have any issues with the ability of your modified vehicle to pass any periodic provincial emissions tests to which it may be subject. The extended emissions warranty coverage outlined in this booklet offers additional protection if your vehicle is still covered under warranty at the time of the emissions test. These OBD system changes should not be noticeable to a driver and do not impact driving characteristics.

As explained on pages 7-8, your vehicle's emissions will be reduced but will still be higher than the emissions standards to which it was originally certified.

<u>Phase 1 of the emissions modification will take approximately an</u> hour to complete.

Emissions Modification Phase 2:

(available beginning in early 2018)

The second part of the emissions modification will involve outfitting your car with new emissions control parts to ensure system reliability and durability over time. We will install updated emissions control system hardware – specifically a new Diesel Particulate Filter, Diesel Oxidation Catalyst, and Selective Catalytic Reduction Converter – that is needed to maintain emissions performance for the full useful life (240,000 km) of your vehicle. As part of the Phase 2 modification, we will also install a second NOx sensor and corresponding software to improve the performance of the on-board diagnostic (OBD) system. These Phase 2 updates are expected to have no further impact on overall vehicle reliability, durability, fuel economy, engine sound, performance, or drivability.

You will receive a notice when Phase 2 of the emissions modification is available for your vehicle. If your vehicle has accumulated fewer than 64,000 km (for automatic transmissions) or 112,000 km (for manual transmissions) at the time of your Phase 2 update, your car will need to have the Diesel Oxidation Catalyst replaced a second time, before it reaches 240,000 km. If applicable, we will notify you when it is time to bring your car in for the second catalyst replacement.

These updates will be made available at no cost to you starting in early 2018. A complimentary loaner vehicle will be available for the duration of this modification, which is expected to take approximately 9 hours.

Maintenance Schedule

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

However, diesel exhaust fluid (DEF, also known as AdBlue®) usage may increase. Some drivers may experience no change, but others may find that their car uses 1% -14% more DEF on average. The amount of the impact will depend on driving style and other factors. This means some drivers will need to refill the DEF tank more frequently.

Emissions Limits

Two labels will be installed under the hood of your vehicle after Phase 1 of the modification is completed. The first label is an emissions modification completion label and the second is an updated Vehicle Emissions Control Information (VECI) label. A third emissions modification label will also be installed under the hood of your vehicle after Phase 2 of the modification is completed.

Your vehicle was originally certified to certain prescribed emissions standards. After the modification is completed, your vehicle's emissions will be reduced but will still be higher than the emissions standards to which it was originally certified. The certified emissions standards compared to the permissible emissions limits that apply to a modified vehicle are shown in Exhibit 1 below.

Exhibit 1: Certification standards and permissible emissions limits for the U.S. Federal Test Procedures (FTP75¹) that are applicable to your vehicle before and after the emissions modification.

Emissions limits applicable to your vehicle before modification

Standard / Emissions limits in grams/mile	NOx (Nitrogen oxides)	NMOG (Non- methane hydrocar-	CO (Carbon monoxide)	PM (Particulate matter)	HCHO (Formaldehy de)
Tier 2 Bin 5 0-150,000 miles	0.07	0.090	4.2	0.01	0.018

Emissions limits applicable to your vehicle after modification

Standard / Emission limits in grams/mile	NOx + NMOG (Nitrogen oxides + Non-methane hydrocarbons)	CO (Carbon monoxide)	PM (Particulate matter)	HCHO (Formaldehyde)
Automatic Transmissions 0-150,000 miles	0.160	4.2	0.01	0.018
Manual Transmissions 0-150,000 miles	0.190	4.2	0.01	0.018

¹⁾ Additional limits apply for the U.S.'s Supplemental Federal Test Procedure (SFTP), Highway Test Procedure and Federal Test Procedure at high altitude.

Extended Emissions Warranty Coverage

For the following Volkswagen 2.0L TDI engine vehicles repaired by the emissions modification recall, a warranty extension is applicable as defined below.

- 2015 MY Beetle with engine code CVCA
- 2015 MY Beetle Convertible with engine code CVCA
- 2015 MY Golf with engine code CRUA
- 2015 MY Golf Sport Wagon with engine code CRUA
- 2015 MY Jetta with engine code CVCA
- 2015 MY Passat with engine code CVCA

Warranty Period

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

- 11 years or 261,000 km, whichever occurs first, from the vehicle's original in-service date; **OR**
- 5 years or 97,000 km, whichever occurs first, from the date and mileage of Phase 1 of the emissions modification. At the time of the subsequent Phase 2 modification, the extended warranty will be honoured for 5 years or 97,000 km, whichever occurs first, from the date and mileage of the completion of Phase 2.

The vehicle's original in-service date will be identified by an authorized Volkswagen dealer and refers to the date that the vehicle was originally leased or sold to a retail customer, or, if the vehicle was first placed in service as a "demonstrator" or "company" car, the date that such vehicle was first placed in service.

Parts Covered Under Extended Emissions Warranty

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

- The entire exhaust after treatment system, including the Diesel Oxidation Catalyst, the Diesel Particulate Filter, the Selective Catalytic Reduction converter, the dosing injector and other Diesel Exhaust Fluid system components, 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 turbocharger, including the turbocharger damper; and
- The On-Board Diagnostic (OBD) system, including SCR DEF quality sensor, and any malfunctions detected by the OBD systems 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.

This warranty extension covers only the diagnosis and replacement of the emissions-related components listed in this section.

The extended emissions warranty includes parts, labour and applicable taxes, and shall not void or supersede any existing warranty.

Extended Emissions Warranty Coverage (cont.)

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 for the current emissions system in your vehicle 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. 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 engine control unit (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 continue to work hard to make things right and to earn back the trust of our Canadian TDI customers.

We encourage you to review the information in this booklet to address any questions you may have. If we can be of further assistance, please contact Volkswagen Canada Customer CARE at 1-800-822-8987 or wwcarecanada@vw.ca.

Volkswagen Canada

