

VOLKSWAGEN DEALERSHIP COMMUNICATION

Date: January 31, 2011

To: Dealer Principal, Service Manager, Parts Manager and Warranty Administrator

From: Product Compliance

Subject: Voluntary Compliance Recall 63A5 – UNITED STATES ONLY

2010 Model Year New Beetle & New Beetle Convertible

Non-Compliance with FMVSS 208 (Barrier Test Requirements)

IMPORTANT NOTICE TO DEALERS - FOR IMMEDIATE DISTRIBUTION Voluntary Compliance Recall 63A5 Non-Compliance with FMVSS 208 - UNITED STATES ONLY

Volkswagen has notified the NHTSA of a voluntary compliance recall affecting twenty six (26) 2010 MY New Beetle vehicles and one (1) 2010 MY New Beetle Convertible vehicle in the United States. There are no vehicles in Canada affected by this action.

Campaign Code: 63A5

Launch Date: On or before February 01, 2011.

Problem Description: Affected vehicles do not meet the new FMVSS 208 barrier test requirements that went into effect on September 01, 2010. The final assembly of these vehicles took place during a brief period after the new regulation went into effect but meet the FMVSS 208 requirements that ended on August 31, 2010.

Corrective Action: Volkswagen will notify the affected customers and will offer to replace their vehicle with a comparable vehicle that was produced prior to September 01, 2010 (and therefore compliant with the FMVSS 208 requirements that were in effect until August 31, 2010.)

Customer Mailing: Customer notification will begin on or before February 01, 2011.

Code Visibility Date: On or before February 01, 2011.

What We Would Like You to Do: Should your dealership be contacted by Volkswagen Mediation/Arbitration regarding an unsold (potential customer replacement vehicle) currently in new vehicle inventory, we ask that you please work with the Mediation/Arbitration if they request a vehicle to be put on hold for a customer. The Mediation/Arbitration department will provide you with all of the details.

Additionally, if a customer decides that they would like to take delivery of their new (replacement) vehicle at your dealership, you will be requested to participate in the repurchase/replacement process to facilitate the closing. The Mediation/Arbitration department will provide you with all of the details.

Circular Release Date: Because the remedy for this non-compliance involves replacing the affected vehicles, there will be no vehicle repair instruction issued. Volkswagen will begin making outbound calls to customers on or before February 01, 2011, and will work with the affected customers to arrange for replacement vehicles. A campaign circular for this action will be available in ElsaWeb and ServiceNet on or before February 01, 2011. Please ensure that all dealership personnel with campaign-related responsibilities have been provided with this important information.

IMPORTANT! To ensure that ALL of your personnel are aware of this action before receiving questions from any customer, please share this information with ALL personnel who have campaignrelated responsibilities, including service writers, technicians, parts employees, warranty administrators, etc. **Parts Information and Allocation:** There will be no parts allocation for this action because the remedy for this non-compliance involves replacing the affected vehicles.

Allocation List Release Date: Because Volkswagen will be proactively notifying the affected customers via telephone and first-class mail, electronic allocation lists will not be posted for this action

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