

Frequently Asked Questions (FAQ) Voluntary Compliance Recall 63A5 – UNITED STATES ONLY

SUMMARY

■ Campaign Code: 63A5

■ Markets Affected: United States

■ Launch Date: On or before February 01, 2011

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

Customer Notification Date: On or before February 01, 2011

■ Circular Release Date: On or before February 01, 2011

■ Allocation List Release Date: None – no allocation lists will be available for this action

■ Affected Vehicles: 2010 MY New Beetle & New Beetle Convertible

- Number of Vehicles Affected: Twenty six (26) 2010 MY New Beetle vehicles and one (1) 2010 MY New Beetle Convertible vehicle in the United States only. There are no affected vehicles in Canada.
- **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).

How is the remedy for this non-compliance being handled?

Volkswagen will contact customers via telephone to let them know about the replacement vehicles we have available. Once a customer has made their vehicle selection, Volkswagen will work to complete the vehicle exchange as quickly as possible, at no cost. Because we would like customers to have their new vehicles as soon as possible, we are asking customers to make their vehicle selection before February 28, 2011.

If, for some reason Volkswagen is unable to locate a satisfactory replacement vehicle for a customer, that customer will have the option of returning their vehicle to Volkswagen for a full refund of the purchase price. This transaction will be completed free of charge. If a customer chooses this option, we ask that they let Volkswagen know their decision before February 28, 2011.

Please note that after February 28, 2011, we will only be able to offer customers the option of returning their vehicle to Volkswagen, minus any applicable depreciation. Volkswagen will work with customers to complete this transaction free of charge.

Why should I exchange my vehicle for a new one if the new car does not offer any more protection than my current one?

Volkswagen made a mistake by bringing 27 non-compliant vehicles into the market. In order to comply with Federal regulations, we need to ensure that these vehicles are removed from the market as quickly as possible. Because of this, we are requesting that you return your vehicle to us and allow us to replace it for you at no charge.

IMPORTANT!

This FAQ is intended to provide supplementary information regarding this action. For additional information, please refer to the campaign circular posted on ElsaWeb and ServiceNet. 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 campaign-related responsibilities, including service writers, technicians, parts employees, warranty administrators, etc.

Can the vehicle be driven until it is replaced?

The vehicle can be driven until vehicle replacement arrangements are made. If a customer is not comfortable driving their vehicle, a loaner vehicle can be provided until replacement arrangements are made. However, loaner vehicles cannot be charged to this campaign. Dealers should refer to the existing alternate transportation/Customer Loyalty Assistance programs and provide a service loaner when a customer requests one.

What is my dealership expected to do if I am contacted by Mediation/Arbitration regarding either a potential replacement vehicle or a vehicle exchange?

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.

What does my dealership need to do if an affected vehicle comes into my dealership for service?

If a vehicle affected by this compliance recall comes to your dealership for service and the 63A5 code is showing open on the VIN, please contact Brian Lindsay, VWGoA Mediation/Arbitration at (248) 754-3678 for instructions.

My dealership worked with Volkswagen to get an affected customer into a new vehicle. What happens with the turn-in vehicle? Can I offer it for sale as used/CPO?

All vehicles affected by this compliance recall cannot be sold or offered for sale/lease. Volkswagen will make arrangements to remove a returned vehicle from the dealership lot as soon as possible. Until the vehicle transportation arrangements are made, please ensure that, if your dealership has one of these vehicles, it is kept in a secure location where it cannot be driven, sold or offered for lease.

Have there been any accidents?

Volkswagen has not identified any reports or allegations of actual injury or crash resulting from this non-compliance, however in the interest of compliance with legal requirements, Volkswagen is conducting this voluntary compliance recall.

Are the vehicles on dealer lots today compliant with FMVSS 208?

Except for the 27 vehicles affected by this recall, all other 2010 model year New Beetle and New Beetle convertible vehicles are compliant with FMVSS 208 before the standard changed. Model year 2010 was a runout year for the New Beetle and New Beetle Convertible. With the exception of the limited number of vehicles related to this recall, no others were produced past September 1, 2010 for sale in the United States.

What if I have additional questions?

Dealers and customers with additional questions about this action should be directed to contact Brian Lindsay, VWGoA Mediation/Arbitration at (248) 754-3678. As always, media inquiries should be directed to Volkswagen Public Relations.