



Vincent D'Auria

Senior Manager Product, Safety & Compliance - Regulatory & Compliance

February 24, 2021

Subject: Recall R10078

TO: All U.S. and Canadian Volvo Retailers

NEW VEHICLES IN RETAILER INVENTORY

It is a violation of federal law for a retailer to deliver any new Volvo that is eligible for a recall. Retailers are advised to check all vehicles in inventory for recall eligibility and repair immediately. Violation of this requirement by a retailer could result in a civil penalty of up to \$21,000 per vehicle.

Correct all vehicles in your new vehicle inventory before delivery.

USED VEHICLES IN RETAILER INVENTORY

VCUSA is ordering the stop-delivery of affected vehicles in VCUSA, auction and dealer inventory until the recalled item can be repaired.

Stopping the delivery of affected used vehicles until the recall is complete is consistent with Volvo's commitment to safety. Additionally, while Federal law does not prohibit the sale of used vehicles with open recalls, the sale of such cars could violate certain state laws and create liability on behalf of the retailer.

What does this mean for customers?

Customers will not be able to take delivery of affected vehicles until the recall has been completed.

When will this be resolved?

Volvo Car USA LLC and Volvo Car Canada LTD on behalf of Volvo Car Group, have decided to launch Recall R10078 on certain model year 2021-2022 XC40 Recharge vehicles.

Volvo has identified that there is a risk of a micro-processor reset in the Battery Energy Control Module (BECM) which may cause the High Voltage contactors to open during driving. During driving, without any initial warning, there may be a risk that the high voltage system becomes unintentionally disconnected.

Worst case scenario is loss of propulsion during driving. Full steering and brake capability remain.

The corrective action is to perform a Software Upgrade.



Vehicle eligibility must be confirmed:

- Vehicle Inquiry – Warranty Vehicle Inquiry where the message "Recall R10078 XC40 Recharge Software Update" will appear for eligible vehicles, F4+History from the main Inquiry menu must be selected to confirm Recall R10078 has not been completed. Eligibility can also be confirmed in TIE.
- Recall R10078 eligible vehicles not yet delivered to end customers must be corrected prior to delivery.

All vehicles must be checked for any incomplete recalls or service campaigns or service upgrades. All open Recall, Service Campaigns or Service Action repairs must be completed. If you have any questions concerning this recall or your retailers affected vehicles, please send an e-mail with your retailer code to recall@volvocars.com.

OWNER NOTIFICATION

An owner notification letter will be sent out that will notify the owner of this recall instructing them to contact their Volvo retailer and request an appointment to have this repair completed.

PORT VEHICLES

NOT all eligible vehicles arriving from the ports will have this recall completed. Vehicle eligibility must be confirmed.

PARTS / PARTS RETURN

Please refer to Parts Bulletin R10078 which will be released shortly.
No parts are required to be returned for this recall.

CLAIM SUBMISSION

A Quality Bulletin will be released shortly. Please refer to the claim submission information in the Quality Bulletin.

RETAILER RESPONSIBILITIES

Retailers must perform this recall campaign on eligible vehicles regardless of miles/kilometers or vehicle age. All work performed under this recall is free of charge to the owner. As the safety of our customers is our utmost priority, we are taking full responsibility to ensure the highest quality and safety standards for our cars.

If you have questions about this recall or any other field service action, please contact me or any member of the Product Safety and Compliance office.

Your cooperation in completing this important recall is greatly appreciated.

Drive Safely,

A handwritten signature in blue ink, appearing to read "Vincent D'Auria".

Vincent D'Auria

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