



Audi Canada
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August 2018

<CUSTOMER NAME>
<CUSTOMER ADDRESS>
<CUSTOMER CITY PROVINCE POSTAL CODE>

This notice applies to your vehicle: <VIN>

Subject: Emissions Recall 23V2
Approved Emissions Modification for Model Year 2011-2012 Audi Q7 3.0L TDI

Dear Audi Owner or Lessee,

This notice is sent to you in accordance with the requirements of the *Canadian Environmental Protection Act, 1999*. On July 13, 2018, Volkswagen Group received approval from U.S. regulators, including the Environmental Protection Agency (EPA), for an emissions modification to address emissions system issues in Model Year 2011-2012 Audi Q7 3.0L TDI vehicles. This emissions modification is being offered to the Canadian market free of charge. Our records show that you are the owner or lessee of an affected vehicle.

The purpose of this letter is to inform you of the EPA-approved emissions modification for your vehicle and to provide information on next steps. If you are subject to this recall, it does not prevent you from participating in the nationwide Class Action Settlement in Canada for 3.0L Volkswagen, Audi and Porsche TDI vehicles (the "Settlement"), if you are eligible.

IMPORTANT INFORMATION

If you are eligible for the Settlement, you may qualify under the Settlement to choose a buyback, trade-in or early lease termination as an alternative benefit to the approved emissions modification.

The Settlement has received court approval and its implementation started on May 8, 2018. Claimants have until May 31, 2019 to submit a claim for benefits under the Settlement and until August 31, 2019 to receive benefits.

However, obtaining the approved emissions modification by recall will eliminate any rights that you 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 the Canadian Settlement Claims Centre at 1-888-670-4773 for more information.

What is the issue?

U.S. regulators have determined that Audi vehicles equipped with a 3.0L 6-cylinder TDI engine do not comply with prescribed emissions standards in the U.S. that prohibit the use of defeat devices that reduce the effectiveness of emissions control systems. Similar standards also apply in Canada. The emissions control systems in affected vehicles allow NOx emissions to exceed legal limits during typical driving conditions.

What will we do as part of this recall?

An emissions modification is available free of charge from your preferred Audi dealership in Canada for your Model Year 2011-2012 Audi Q7 3.0L TDI vehicle. This modification will bring your vehicle into compliance with U.S. EPA-approved emissions limits. Owners and lessees are expected to complete this modification if they keep their vehicle.

Note: If you are eligible for the Settlement, you may qualify to choose a buyback, trade-in or early lease termination as an alternative to the approved emissions modification. Please visit www.VWCanadaSettlement.ca to learn more.

Emissions Modification: During the modification, Audi will remove the software that reduced the effectiveness of your vehicle's emissions control system and install new emissions control software designed to function effectively in all normal driving conditions. In addition, your authorized Audi dealer will install updated emissions control system hardware components – specifically, a new Selective Catalyst Reduction (SCR) system (i.e., an SCR catalyst and reductive agent injector), and two new Cylinder Pressure Sensors (with glow plugs). Model Year 2011 vehicles will also receive a new NOx Sensor. We will extend the Emissions Control System Warranty for certain components, as described in this letter.

Will this affect my vehicle performance?

The updated software and hardware will change the way your car's engine and emissions control systems interact. Drivers may notice some differences in vehicle operating characteristics after the modification, but other than as described in this letter, drivers should not notice any adverse changes in vehicle reliability, durability, performance, drivability, or other driving characteristics.

The emissions modification will affect your car in the following ways:

- Engine sound will differ somewhat from your vehicle's prior operation. There might be a difference in combustion noise from the engine that may be noticeable during vehicle warm-up. The potential change in sound will not result in any noticeable changes to the driving characteristics of your vehicle.
- Shift Patterns – The shifting behaviour has been adapted to run with slightly higher engine speeds during vehicle warm-up and when driving at high altitudes.
- Downhill Driving – Removal of the enhanced automatic engine braking feature may require drivers to apply the brakes somewhat more in downhill driving.
- Change of the activation condition of the hill-holder function may cause the car to roll back slightly on a hill before the hill-holder function is activated.
- Diesel Exhaust Fluid (DEF) Consumption – DEF (also known as AdBlue®) consumption for your vehicle may change. Some vehicles may experience an increase of 20% on average. The exact amount of the change will vary depending on driving style and other factors. This means some drivers will need to refill the DEF tank more frequently.
- Fuel Consumption – Your vehicle's fuel consumption will increase by up to approximately 2.4 L/100 km. The range of this increase is due in part to the change in the Government of Canada's fuel consumption rating system that came into effect as of the 2015 model year. However, it is important to note that, as with all vehicles, an individual's on-road fuel consumption results may vary depending on driving style and habits.
- On-Board Diagnostic (OBD) System Changes – Your OBD system's operations will be modified to bring them into compliance with the agreement with U.S. regulators. 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 pass any periodic provincial

emissions tests to which it may be subject. Furthermore, the Extended Emissions Warranty coverage outlined in this letter offers additional protection for any OBD-related issues. These OBD system changes should not be noticeable to you and do not have any impact upon driving characteristics.

Will this affect my vehicle maintenance intervals?

The emissions modification does not affect the recommended vehicle maintenance schedule for oil change intervals, Exhaust Gas Recirculation (EGR) cleaning, and Diesel Particulate Filter ash loading, as described in your maintenance booklet. AdBlue® (also known as Diesel Exhaust Fluid) usage may increase and, as a result, require more frequent refilling of your AdBlue® tank.

We do not anticipate that the modification will affect the On-Board Diagnostic (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 pass any periodic provincial emissions tests to which it may be subject. Furthermore, the Extended Emissions Warranty coverage outlined in this letter offers additional protection for any OBD-related issues. These changes should not be noticeable to you and do not have any impact upon driving characteristics.

How will the modification affect emissions?

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 the vehicle was originally certified. The certified emissions standards compared to the emissions limits that apply after the modification are shown in Exhibit 1 below.

Two labels will be installed under the hood of your vehicle after 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 identifying the U.S. EPA-approved emissions limits.

Exhibit 1: Certification standards and emissions limits¹ 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 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

Emissions limits applicable to your vehicle after modification

Standard / Emissions limits in grams / mile	NOx (Nitrogen oxides)	NMOG (Non-methane hydrocarbons)	CO (Carbon monoxide)	PM (Particulate matter)	HCHO (Formaldehyde)
Tier 2 Bin 6 0-50,000 miles	0.08	0.075	3.4	0.01	0.015
Tier 2 Bin 6 50,001-120,000 miles	0.10	0.090	4.2	0.01	0.018

¹ As measured by the U.S. Federal Test Procedure (FTP75). Additional limits apply for the U.S.'s Supplemental Federal Test Procedure (SFTP), Highway Test Procedure and Federal Test Procedure at high altitude.

How do I receive the emissions modification?

To receive the emissions modification, please contact an authorized Audi dealer in Canada to book an appointment. Dealers' contact and location information is available at: <https://www.audi.ca/ca/web/en/dealer-search.html>.

Your dealer will complete the emissions modification in approximately two to three hours. If you come in for the modification, Audi will provide you with a loaner vehicle at zero cost to you. There are occasionally outstanding recalls that your vehicle may be subject to that are not related to the emissions modification. 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 the duration of the service action when calling in to schedule your appointment.

If you 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 Audi. Accordingly, in the future, if your unmodified vehicle requires maintenance and repairs of the emissions system, we may need to perform the approved emissions modification first, including installing the Engine Control Unit (ECU) associated with the approved emissions modification. This may lead to changes to your vehicle's operation or performance resulting from those modifications as discussed in this letter.

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), Audi may not be able to perform the emissions modification until the customer corrects such modification.

Warranty extension for certain emissions-related components

Once the updated emissions control system software has been installed in your vehicle, Audi will extend your Emissions Control System Warranty for certain emissions-related components. The warranty period for the "Extended Emissions Warranty" is the **greater** of:

- 10 years or 193,000 km, whichever occurs first, from the vehicle's original in-service date; **OR**
- 4 years or 77,000 km, whichever occurs first, from the date and mileage of the completion of the emissions modification.

The vehicle's original in-service date will be identified by an authorized Audi 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.

The Extended Emissions Warranty covers the entire emissions control system, including (1) all components which are replaced as part of the emissions modification, and (2) any component which can reasonably be impacted by effects of the emissions modification.

The Extended Emissions Warranty shall cover the following parts or systems:

- The entire exhaust gas after treatment system, including the Diesel Oxidation Catalytic converter (DOC), the Selective Catalytic Reduction (SCR) Catalyst, the Diesel Particulate Filter (DPF), the dosing injector and other Diesel Exhaust Fluid (DEF) system components, any exhaust flap, and all sensors and actuators;
- The entire fuel system, including fuel pumps, high pressure common rail, fuel injectors, and all sensors and actuators;
- The Exhaust Gas Recirculation (EGR) system, including EGR valve, EGR bypass valve, EGR cooler, EGR filter, all related hoses and pipes, and all sensors and actuators;
- The turbocharger system including all related hoses and pipes, all sensors and actuators;
- The Engine Control Unit (ECU) and the Transmission Control Unit (TCU); and
- The On-Board Diagnostic (OBD) system, and any malfunctions detected by the OBD system.

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.

In our continuing efforts to assure proper performance of your Audi vehicle, your dealer will diagnose and replace the emissions-related components listed in this section, if necessary, at no cost to you as long as the vehicle remains within the time and mileage limits of this warranty extension. Please keep this letter with your warranty booklet and deliver it to any new owner, along with the owner's manual.

This warranty extension covers only the diagnosis and replacement of the emissions-related components listed in this section. Should you ever sell the vehicle, this warranty extension is fully transferable to subsequent owners.

This warranty extension will **not** cover:

- Any damage or malfunctions caused by installation of emissions-related parts not certified by the U.S. EPA or California Air Resources Board (CARB), including such damage or malfunction to parts needed for proper diagnosis of a covered part; or
- Damage or malfunctions caused by outside influence, such as damage due to an accident, or vehicle misuse or neglect, but only if the damage or malfunction is causally related to the accident or vehicle misuse.

All normal warranty provisions remain in effect. The Extended Emissions Warranty includes parts, labour, and applicable taxes. The Extended Emissions Warranty shall not void or supersede any existing warranty.

More information about your Extended Emissions Warranty coverage is available at www.audi.ca/tidiwarranty.

Leased vehicles and address changes

If you are the lessor and registered owner of the vehicle identified in this letter, please forward this letter to the lessee if you would like them to receive the emissions modification on your behalf.

If you have sold the vehicle identified in this letter or changed your address, please fill out the enclosed prepaid Owner Reply Card and mail it to us so we can update our records.

Can we assist you further?

If you have any questions regarding this recall please contact Audi Canada Customer CARE at 1-800-822-AUDI (2834) or audicarecanada@audi.ca.