



VIA U.S. MAIL AND ELECTRONIC MAIL

July 13, 2018

Volkswagen AG Berliner Ring 2

38440 Wolfsburg, Germany Attention: Group General Counsel Attention: Company Secretary

Volkswagen Group of America, Inc.

2200 Ferdinand Porsche Dr. Herndon, VA 20171 Attention: President

Attention: U.S. General Counsel Attention: Company Secretary

Dr. Ing. h.c. F. Porsche Aktiengesellschaft

Porscheplatz 1, D-70435 Stuttgart

Attention:

GR/Rechtsabteilung/ General Counsel

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Audi AG

Auto-Union Straße 1

85045 Ingolstadt, Germany

Attention: Company Secretary

Volkswagen Group of America Chattanooga Operations, LLC

8001 Volkswagen Dr. Chattanooga, TN 37416

Attention: Company Secretary

Porsche Cars North America, Inc.

1 Porsche Dr

Atlanta, GA 30354

Attention: Secretary

Granta Nakayama

King & Spaulding LLP

1700 Pennsylvania Ave., N.W.,

Suite 200

Washington, DC 20006

Re: Approved Emissions Modification: Generations 1.2 SUV of the 3.0 Liter Subject Vehicles

To Whom It May Concern:

Appendix B of the 3.0 liter (3.0L) Partial Consent Decree¹ entered on May 17, 2017 establishes how Defendants shall submit Proposed Emissions Modifications, and how the United States Environmental Protection Agency (EPA) and the California Air Resources Board (CARB) will approve or disapprove any such proposal that Defendants choose to submit. The EPA and CARB have been working with Defendants for many months to evaluate a potential remedy to reduce the NOx pollution from these vehicles. Over these months, Defendants have provided, and the agencies have reviewed, a significant amount of files, data, and materials in support of Proposed Emissions Modifications for Test Groups BADXT03.02UG, BADXT03.03UG, CADXT03.02UG, and CADXT03.03UG covering model years 2011-2012 Volkswagen Touareg and Audi Q7 diesel vehicles.

After thoroughly reviewing these materials, including examining and evaluating test data, software descriptions and files, onboard diagnostic system functionality, durability demonstration results, auxiliary emission control device (AECD) descriptions, consumer disclosures, extended warranty plans, and various statements of compliance therein; and after conducting our own extensive testing of four vehicles equipped with the Proposed Emissions Modifications; and based upon the certifications of the Defendants that the materials submitted are true, correct and complete, the EPA and CARB have determined that the Proposed Emissions Modifications as described by the entirety of Defendants' submissions satisfy the terms and conditions set forth in Appendix B of the 3.0L Partial Consent Decree. Thus, the EPA and CARB hereby approve Defendants' Proposed Emissions Modifications for Test Groups BADXT03.02UG, BADXT03.03UG, CADXT03.02UG, and CADXT03.03UG covering model years 2011-2012 Volkswagen Touareg and Audi Q7 diesel vehicles.

Defendants remain obligated to fulfill all other requirements set forth in Appendix B and any other applicable regulatory requirements. Any failure of terms, conditions, and regulatory requirements may be subject to stipulated penalties as specified in the Consent Decree.

Defendants shall, within ten days of the date of this approval, provide all Eligible Owners and Eligible Lessees with notice that the Emissions Modifications for Test Groups BADXT03.02UG, BADXT03.03UG, CADXT03.02UG, and CADXT03.03UG of the 3.0 Liter Subject Vehicles is available, pursuant to the terms, and in accordance with the requirements of Appendix A and Appendix B of the 3.0L Partial Consent Decree.

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¹ In Re: Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation, MDL No. 2672 CRB (JSC), United States District Court, Northern District of California.

Approved Emissions Modification: Test Groups BADXT03.02UG, BADXT03.03UG, CADXT03.02UG, and CADXT03.03UG of the 3.0 Liter Subject Vehicles covering model years 2011-2012 Volkswagen Touareg, and Audi Q7 diesel vehicles.

FOR THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Phillip A. Brooks, Director Air Enforcement Division Office of Civil Enforcement

U.S. Environmental Protection Agency

Byron Bunker, Director Compliance Division

Office of Transportation and Air Quality U.S. Environmental Protection Agency

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FOR THE CALIFORNIA AIR RESOURCES BOARD

Annette Hebert, Chief Emissions Compliance

Automotive Regulations and Science Division

California Air Resources Board

Todd Sax, Chief Enforcement Division

California Air Resources Board

cc:

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