

Vincent D'Auria

Senior Manager Product, Safety & Compliance - Regulatory & Compliance

September 15, 2021 Subject: Recall R10120 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 \$22,723 per violation. Correct all vehicles in your new vehicle inventory before delivery.

USED VEHICLES IN RETAILER INVENTORY

Volvo Car USA is ordering the stop-delivery of affected vehicles in auction and retailer 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 R10120 on certain model year 2020-2021 S90L, XC60 and XC90 vehicles.

Volvo Cars investigations have identified that there may be a risk that certain welding between the Hydraulic brake unit motor's rotor shaft and the magnet package (armature) can partially or fully be missing.

The welding defect can potentially result in a failure if magnet segments aren't sufficiently welded. The risk of the potential slip between the motor shaft and the magnet package (armature) is likely to appear suddenly in situations when high motor torque* is requested and/or in combination with high motor rpm.

Decreased motor performance will be detected and result in a redundant hydraulic fall back.

- No brake boost
- ABS disabled
- ESC disabled

Volvo Car USA LLC 270 Three Point Drive Ridgeville, SC 29472

Telephone +1-201-768-7300 volvocars.us



- All other hydraulic control functions are disabled except EBD (Electronic brake force distribution)
- Red Brake warning light, ABS and ESC warning light activated.
- IPB (Integrated parking brake) related functions remain active. FSI (Fallback Support by IPB) available.

*high motor torque is requested when a high pressure and/or pressure gradient are required. Those situations are relatively rare i.e. hard emergency braking.

To remedy the concerned vehicles, Volvo Cars will replace the Hydraulic Unit, free of charge to the customer.

A total of 9 U.S. and 1 Canadian vehicle are eligible for this recall.

Vehicle eligibility must be confirmed:

- Vehicle Inquiry Warranty Vehicle Inquiry where the message "Recall R10120 Hydraulic Unit" will appear for eligible vehicles, F4+History from the main Inquiry menu must be selected to confirm Recall R10120 has not been completed. Eligibility can also be confirmed in TIE.
- Recall R10120 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.

PARTS / PARTS RETURN

Please review Parts Bulletin R10120 once available.

CLAIM SUBMISSION

Claim submission instructions will be made available 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 upmost 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,

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Vincent D'Auria Senior Manager Product, Safety and Compliance - Regulatory & Compliance 201-647-0004 vincent.dauria@volvocars.com