

DATE: May 16, 2017

FROM: Hyundai Motor America ("HMA")

**SUBJECT: Safety Recall 162 - Sonata & Santa Fe Sport Engine:
Carrying Cost Assistance**

On April 7, 2017, HMA announced Safety Recall 162 affecting engines on certain 2013MY - 2014MY Sonata and 2013MY - 2014MY Santa Fe Sport vehicles.

CARRYING COST ASSISTANCE

- Until a recall remedy is available, HMA will reimburse dealers for carrying costs for used Sonata and Santa Fe Sport vehicles in dealer inventory impacted by Safety Recall 162 as follows:
 - QUALIFYING UNITS
 - All 2013MY - 2014MY Sonata and 2013MY - 2014MY Santa Fe Sport vehicles affected by Safety Recall 162 in dealer used inventory as of April 07, 2017
 - Qualifying Sonata and Santa Fe Sport models must be in dealers' used inventory with an uncompleted/open Recall 162
 - ELIGIBILITY PERIOD
 - Reimbursements will be made from May 07, 2017 until a repair procedure is available. See below for claim procedures.
 - REIMBURSEMENT CALCULATION

Hyundai will pay the dealer a daily inventory carry cost adjustment rate as follows for models impacted by Safety Recall 162:

 - \$5.00/day for Sonata
 - \$7.01/day for Santa Fe Sport

SALE & DISCLOSURE

NEW VEHICLES

This recall requires a stop sale on any affected new vehicles in dealer inventory.

CERTIFIED PRE-OWNED (CPO)

- DEALER ACTION
 - Hyundai CPO vehicles currently in dealer inventory, and affected by Safety Recall 162 must be de-certified.
 - To do this, remove the 'certified' inventory flag in your DMS and/or inventory management system for each affected CPO vehicle. The vehicle will then revert to used car status.
 - A vehicle may be re-entered into CPO inventory status once all applicable recall campaigns are completed, as long as it meets all other CPO eligibility guidelines.

▪ HMA ACTION

- Hyundai CPO vehicles currently in dealer inventory, affected by Safety Recall 162, and not de-certified by the dealer by May 19, 2017, will be de-certified automatically by HMA.
- HMA continues to improve its CPO inventory and sales reporting systems to better identify units with open recalls and minimize their sale to consumers. A notice of these systems changes and their implementation timing will be the subject of a future dealer communication.

SRC AND DEMO

Service Rental Car (SRC) and Demo vehicles should not be operated until Safety Recall 162 is completed.

USED VEHICLES

Hyundai recommends all used vehicles affected by a recall have a prominent disclosure that the vehicle may be subject to recalls for safety issues that have not been repaired along with information on how to check for recalls.

CLAIM PROCEDURE - CARRYING COST ASSISTANCE

- The "Inventory Carry-Cost Adjustment" claim entry screen is available on WEBDCS under the Service Tab. Claims can be made beginning June 5, 2017.
- Dealers will be required to provide the following:
 - VIN
 - Picture of VIN on B-Pillar
 - Mileage
 - Proof of when the vehicle was obtained by the dealer (Sales Contract or Auction invoice)
- Claims will be reviewed by the Warranty Prior Approval (PA) Center and either approved or returned to the dealer for additional information.
- Please contact the PA Center at 844.371.3808 if you have any questions about this process.

Hyundai Motor America