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Settlement of Takata Economic Loss Claims to Improve Recall Remedy Completion Rates May 19, 2017

Dear Subaru Retailer:

This is to inform you that on May 18, 2017, Subaru of America, together with BMW, Mazda and Toyota, announced agreements to resolve economic loss claims in the Takata multidistrict litigation in the United States. The programs offered in these agreements are intended to increase recall remedy completion rates for Takata airbag inflators, among other customer benefits. All impacted customers, including those owners of vehicles not yet under recall but subject to future recalls based upon the priority groups established by the National Highway Traffic Safety Administration (NHTSA), will be notified by mail later this summer. Please note that the impacted Subaru vehicles are only subject to replacement of the passenger side air bags.

This settlement includes the following:

- Customer Outreach Program: The goal of significantly increasing recall completion rates builds upon the work we are already doing in conjunction with NHTSA's Coordinated Remedy Program.
- Rental Car Loaner Program: Subaru will continue to make loaner cars available, upon request, when parts are not available.
- Out-of-Pocket-Claims and Residual Distribution: Eligible customers may submit requests for reimbursement of reasonable out-of-pocket expenses related to the Takata recall and / or may register for residual payments.
- Fees and Administration: Costs related to class member notification, claims administration, attorney's fees and expenses, class representative awards and any other costs are also covered under the proposed settlements.
- Customer Support Program / Extended Warranty: For customers that have the repair completed, Subaru will be providing an extended warranty on that repair, the details of which are forthcoming.

We ask that retailers direct any customer inquiry regarding this issue to the court-appointed Settlement Special Administrator at 888-735-5596 or reference their website which is http://www.autoairbagsettlement.com. We will also be adding additional content to Subaru.com as details are made available.

We sincerely appreciate the support of our retailer organization as we work through this unprecedented recall activity, which is impacting a large percentage of our industry.

Gary Palanjian
Vice President - Parts & Service