



Retention and Satisfaction - Fixed Operations
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Lexus, A Division of Toyota Motor North America
6565 Headquarters Drive
Plano, TX 75024

To: All Lexus Dealers
From: Lexus Fixed Operations

****TAKATA Economic Loss Class Action Settlement *UPDATE*****

**TAKATA Safety Recalls ELG/DSC/GLG/GLH/HLA - *UPDATE*
Multiple Models and Model Years
Front Passenger and Driver Airbag Inflator Module**

Back in mid-May 2017, a communication was provided to all Dealers explaining the preliminary actions going into effect affiliated with the Economic Loss Class Action settlement agreement.

Notifications are currently being mailed, by the Settlement Administrator, to customers involved in the settlement agreement. The customers receiving these notifications may own (i) a vehicle with a non-desiccated inflator that is either currently involved in the Recall or will be involved in a Projected Future Phase or (ii) a vehicle with a desiccated Takata inflator. (A list of all vehicles covered by the settlement is available on the settlement website, www.autoairbagsettlement.com.) The mailers will continue to be distributed until the end of August. Dealers will likely see an influx of customer inquiries due to these mailings.

If you have questions, please refer to the attached PDF that explains the settlement agreement and contains an FAQ section. Please direct customer questions to the class action Settlement Administrator at 888-735-5596 or by visiting the settlement website at <http://www.autoairbagsettlement.com>.

Refer to the Zone Phase Map, that is provided in the applicable dealer letter available on TIS, for information on vehicles involved in Projected Future Phases.

Thank you for your cooperation.

LEXUS, A DIVISION OF TOYOTA MOTOR NORTH AMERICA.

Takata MDL Resolution – Content for Dealer Daily

August 10, 2017

Toyota Settles Takata Economic Loss Claims to Improve Recall Remedy Completion Rates - **UPDATE**

On May 18th, 2017, Toyota announced that it has reached an agreement to resolve economic loss claims in the Takata multidistrict litigation (MDL) in the United States, which was part of a series of similar agreements announced today by other automakers involved in the litigation. The settlement agreement includes actions that are intended to increase recall remedy completion rates for the Takata airbag inflator recalls among Toyota, Lexus and Scion vehicles, while offering additional customer benefits.

On June 9th, 2017, the settlement agreement received preliminary Court approval. Most benefits it outlines, but not all, will not be available until after final approval by the Court. Nevertheless, we want to provide some initial information about the agreement and the role we will eventually be asking dealers to play in supporting the customer-focused aspects of the agreement.

To be clear, this settlement agreement will not affect the services that dealers already are providing under the existing Takata recall remedy program. If the Court grants final approval of the settlement, we will provide specific details on the dealers' role in administering other customer benefits.

Most important among the elements of the settlement agreement is an outreach program intended to increase recall remedy completion rates of affected Toyota, Lexus and Scion vehicles through traditional and non-traditional means. The settlement also provides for reimbursement of eligible customers' reasonable out-of-pocket expenses related to the Takata airbag inflator recalls and residual payments to other eligible customers who register with the MDL settlement.

Of relevance to dealers, the settlement will also provide for:

- A rental car loaner program apart from Lexus' existing rental car loaner program, which began on July 10th, 2017; and
- A Customer Support Program to provide, in addition to the recall remedy, prospective coverage for repairs and adjustments (including parts and labor) needed to correct defects in materials or workmanship in the Takata phase stabilized ammonium nitrate ("PSAN") inflators contained in the driver or front passenger airbag modules or any replacement inflators installed as part of the remedy, subject to the terms and conditions. We will provide further information about the Customer Support Program before it goes into effect.

Dealers will also be asked to provide customers with the settlement Registration/Claim Forms upon request.

If you receive questions from customers about the settlement agreement, first and foremost, it is important to emphasize that the Court must grant final approval before most benefits are made available (although the outreach program and rental car program are intended to begin after preliminary approval of the settlement). Otherwise, for more information on the Takata MDL economic loss settlement, customers are asked to visit <http://www.autoairbagsettlement.com> or call 888-735-5596.

Importantly, there may be a lag between when customers start hearing about the program and seeing the Administrator's outreach efforts and the start date for when other benefits will be available and eligible participants determined.

For more information, please refer to the Frequently Asked Questions below, which address topics that may be of interest to you and your customers. Thank you for your ongoing work in supporting Lexus' efforts to implement the Takata recall remedy program.

Frequently Asked Questions

1. What benefits will customers receive as part of this agreement?

- If Toyota's settlement is approved as final by the Court, Toyota will support a number of customer-focused activities, to be conducted under the supervision of a court-appointed Settlement Special Administrator, including:
 - An outreach program intended to increase Takata recall remedy completion rates among affected Toyota, Lexus, and Scion vehicles;
 - A rental car loaner program apart from Lexus' existing rental car loaner program, which began on July 10th, 2017; and
 - Reimbursement of reasonable out-of-pocket expenses related to the Takata airbag inflator recalls and possible residual payments to other customers who register.
 - Further, in addition to performing the recall remedy, Toyota will offer a Customer Support Program (CSP) for vehicles covered by the settlement. The CSP will provide, in addition to the recall remedy, prospective coverage for repairs and adjustments (including parts and labor) needed to correct defects in materials or workmanship in the Takata phase stabilized ammonium nitrate ("PSAN") inflators contained in the driver or front passenger airbag modules or any replacement inflators installed as part of the remedy, subject to terms and conditions of the agreement.

2. When do you expect the programs in this settlement agreement to take effect? How will dealers be notified?

- The settlement is only effective if and when the Court grants final approval. It could be several months before the Court considers final approval. Nonetheless, certain aspects of the settlement will be available following preliminary approval, including the customer outreach and rental car programs.
- If the Court grants final approval of the settlement, we will provide additional details on dealers' role in administering the customer benefits.

3. What should I tell customers who ask for the customer benefits outlined in the agreement before the agreement has been finalized?

- Although the outreach and rental car programs are intended to begin after preliminary approval of the settlement, please remind customers that the Court must grant final approval before any of the other benefits are made available and eligible participants are determined.
- Otherwise, for more information on the Takata MDL economic loss settlement, customers are asked to visit <http://www.autoairbagsettlement.com> or call 888-735-5596.

4. How and when will dealers be informed about the process for providing loaner or rental vehicles and managing the Customer Support Program for certain airbag components?

- Please refer to the ELG Dealer Letter, found on TIS, for information about the rental car loaner program, which began on July 10, 2017.
- We will provide further information about the Customer Support Program before it goes into effect.

5. Where should I direct customers who may have questions about the settlement agreement, including the process for submitting a claim or registering for a residual payment?

- For more information on the Takata MDL economic loss settlement (including the process for submitting a claim or registering for a residual payment), customers are asked to visit <http://www.autoairbagsettlement.com> or call 888-735-5596.

6. Does Toyota’s settlement mean that more recall remedy parts will now be available?

- Toyota has been working diligently to ensure that replacement parts are available for customers. Customers will be notified directly via first class mail when replacement parts are available.

7. Does this agreement change our current process for offering loaner or rental cars to involved customers? Does the settlement affect the terms and conditions of the rental/loaner vehicle a customer may already have?

- The settlement agreement makes rental or loaner vehicles available upon request to eligible customers who own or lease a vehicle in NHTSA’s Priority Group 1. Please refer to the E04 Dealer Letter, found on TIS, for information about the rental car loaner program, which began on July 10, 2017.
- Otherwise, Lexus and its dealers will continue to work with its customers to offer a solution that best fits their individual needs and circumstances, including providing loaner vehicles.

8. What vehicles are in Priority Group 1 and how many have been repaired?

Priority Group	Model Year/Model	Total Population	Repaired	Total Repaired	Unrepaired
	HAH/non-HAH/Zone				
Priority Group 1	03-07 Corolla (HAH)	819,437	356,670	568,828	250,609
	03-07 Corolla Matrix (HAH)		62,759		
	05-06 Tundra (HAH)		101,963		
	05-07 Sequoia (HAH)		45,378		
	07 Lexus SC430 (HAH)		2,058		

9. What should I tell customers who ask if their vehicles are safe to drive?

- This is an important safety recall. We recommend all involved customers have their vehicles remedied as soon as they are notified that replacement parts are available.
- For other affected vehicles under recall, the affected inflators are in the passenger's front air bag. For many of these vehicles, remedy parts are available and customers are encouraged to have the remedy performed as soon as possible. For those vehicles where parts are not yet available, Lexus recommends that no passengers sit in the front passenger seat. If this recommendation is not feasible for the customer's personal or business needs, a loaner vehicle or alternative transportation should be offered to the customer until remedy parts are available.
- For affected vehicles not yet subject to recall, NHTSA has concluded that the non-desiccated frontal Takata airbag inflators do not pose an unreasonable risk to safety until they reach a certain level of propellant degradation. This degradation is a function of time, temperature and environmental moisture.

Current and former owners and lessees of certain Toyota, Lexus, Scion or Pontiac Vibe vehicles with a Takata airbag may be entitled to a payment from a class action settlement.

Si desea recibir esta notificación en español, llámenos o visite nuestra página web.

A \$278.5 million Settlement has been reached in a class action lawsuit alleging that Toyota Motor Corporation, Toyota Motor Sales, U.S.A., Inc., Toyota Motor North America, Inc., and Toyota Motor Engineering & Manufacturing North America, Inc., and their affiliates (collectively, "Toyota") manufactured and sold vehicles that contained allegedly defective airbags made by Takata Corporation and its affiliates ("Takata"). Toyota denies the allegations in the lawsuit, and the Court has not decided who is right. The \$278.5 million Settlement Amount, less a 10% credit for the Rental Car/Loaner Program, will be funded over a period of time and will be used for all relief and associated costs, as further discussed in the Settlement Agreement. **The purpose of this notice is to inform you of the class action and the proposed settlement so that you may decide what to do.**

Who's Included? Toyota's records indicate that you may be a Class Member. The Settlement offers potential payments and other benefits to current and former owners and lessees of certain Toyota, Lexus, Scion, and Pontiac Vibe vehicles that have or had Takata airbags, which are, may or will be subject to Recall ("Subject Vehicles"). A complete list of Subject Vehicles currently included in the Settlement is posted on the www.AutoAirbagSettlement.com Settlementer Website. This Settlement does not involve claims of personal injury or property damage to any property other than the Subject Vehicles.

What Are the Settlement Terms? The Settlement offers several benefits, including reimbursement of reasonable out-of-pocket expenses related to the Takata airbag recall, a Rental Car/Loaner Program for owners or lessees of certain Subject Vehicles, an Outreach Program to maximize completion of the recall remedy, additional payments to Class Members from residual Settlement funds, if any remain, up to a maximum of \$500, and a Customer Support Program to help with repairs associated with affected Takata airbag replacement inflators. For further details about the Settlement, including the relief, eligibility, and release of claims, you can review the Settlement Agreement at the website, www.AutoAirbagSettlement.com.

How Can I Get a Payment? You must file a Claim to receive a payment during the first four years of the Settlement. Visit the website and file a Claim online or you can download one and file by mail. The deadline to file a Claim will depend on the recall or repair date of your Subject Vehicle and will be at least one year from the date the Settlement is finalized. All deadlines will be posted on the website when they are known.

Your Other Options. If you do not want to be legally bound by the Settlement, you must exclude yourself by **September 25, 2017**. If you do not exclude yourself, you will release any claims you may have against Toyota and the Released Parties and receive certain settlement benefits, as more fully described in the Settlement Agreement, available at the Settlement Website. You may object to the Settlement by **September 25, 2017**. You cannot both exclude yourself from an object to, the Settlement. The Long Form Notice available on the website listed below explains how to exclude yourself or object. The Court will hold a hearing on **October 25, 2017** to consider whether to finally approve the Settlement and a request for attorneys' fees of up to 30% of the Settlement Amount and awards of \$5,000 to each of the Class Representatives. You may appear at the hearing, either yourself or through an attorney hired by you, but you don't have to. For more information, call or visit the website below.

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1-888-735-5596

www.AutoAirbagSettlement.com

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Important Legal Notice from the United States District Court for the Southern District of Florida.

This is a notice of a class action settlement. **If you have received a separate recall notice for your Toyota, Lexus, Scion or Pontiac Vibe vehicle requesting that you bring it to your local retailer to have the Takata airbags repaired and have not yet done so, you should contact your local retailer to make an appointment for this repair as soon as possible.** Some vehicles will be recalled for repair at a later date and some vehicles may not be recalled (refer to NHTSA website safecar.gov for the schedule and vehicles involved). Please call the toll free number or access the website noted below if you have any questions. **When recalled Takata airbags deploy, they may spray metal debris toward vehicle occupants and may cause serious injury.**

