



TAKATA PARTS ALLOCATION PLAN

GUIDE TO ALLOCATION AND CUSTOMER COMMUNICATION

TOP TAKEAWAYS

- NHTSA (National Highway Traffic Safety Administration) has updated the priority groupings and schedule for repairing vehicles that are part of the ongoing Takata air bag recall.
- The factors that determine the priority groupings are the age of inflators, geographic location of the inflator (focus on high humidity areas) and the location of the inflator in the vehicle (driver side, passenger side or both).
- Review the priority group schedule and status, along with the customer communication plan here and reference the attached bulletins for more detailed information about specific vehicles impacted by the Takata recall.
- Discuss this information with your team and with customers who ask, to help them understand the timing and process for their vehicle's replacement parts.
- Note that per NHTSA, the earliest estimated time of propellant deterioration is six years, which may reassure some concerned customers.

MORE DETAILS

The core issue: Desiccant is a substance with properties that enables it to soak up water vapor from the air surrounding it. Interim replacement parts are non-desiccated air bags. All vehicles that receive an interim air bag must still have the final replacement part installed. NHTSA determined the priority for these replacements.

The relevance of geography: The geographic location of the inflators correlates to the estimated (est.) time when the propellant deteriorates. NHTSA established geographic zones and priority groups, which dictates the timing and prioritization of repairs. Please see the attached Priority Group Info attachment for specific details.

STATUS BY RECALL:

Recall	What to Know and Do	What to Say to Customers
15V-318 Priority Group 1-3	All final customer letters mailed; order parts per your fair share allocation guidelines provided by	Advise them when their part arrives

	the BMW NA Parts Department	
14V-428 and 13V-172 Priority Group 1-3	All customer letters mailed; order parts as you would normally	Advise them when their part arrives
16V-071 Priority Group 4-10	If the customer received their final letter, request the part through IDS Ticket System.	Advise them when their part arrives
	If the customer has not received their final letter, but lives in Zone A and has a 2006 3 Series or 2007 X5, they will receive their final letter in the upcoming months. Once they receive the letter, order the part to repair their vehicle.	Advise them to expect a letter in the next few months indicating replacement parts are available. Once they get the letter, they should call to schedule an appointment for the free repair.
	If the customer has a vehicle other than a Zone A 2006 3 Series or 2007 X5, explain the prioritization schedule.	Advise them that as soon as replacement parts become available, they will receive a notification letter via First-Class Mail. Based on the vehicle and the priority group schedule published by NHTSA, we anticipate that this will be some time after the launch date of ... [check priority group table below]. The highest risk registered vehicles, i.e., oldest models in highest absolute humidity (HAH) areas (e.g., USA Gulf states) have priority. The letter will include details on how to obtain a replacement airbag. We greatly appreciate your patience as you wait for receipt of the letter.
16V-364 Priority Group 4-10	Please note that final letters have not been mailed to customers. They have received the interim letter notifying them their vehicle is involved in this recall.	A limited number of interim remedy passenger's front air bags are available. The time to perform the repair may take several hours, therefore please advise customers to wait until a final part is available.

Other Info	The meaning of “ever-registered.”	BMW NA has a process to check the state where a vehicle was registered prior to its current registration state. Any vehicle ever registered in a Zone A state will have priority.
	Refer customers to NHTSA website for more information.	For detailed information on the Takata recall, you may refer to the “NHTSA” website—which is the National Highway Traffic Safety Administration. The website address is: https://www.nhtsa.gov . You will find information on Takata air bags in the “Recall” section of the website, as well as priority group details.
	Loaner Vehicle Availability	Alternate transportation will only be offered while the vehicle is being serviced for this recall. If you would like to obtain alternate transportation for times other than while your vehicle is being serviced, it would be at your expense. We apologize for any inconvenience this recall may cause, and I thank you again for your time.

PRIORITY GROUP LAUNCH TABLE:

Staggered customer mailings will start after the appropriate priority group dates listed in the table below. This should help customer understand when they should expect to receive a final remedy notification letter. See the Priority Group Info attachment for more details.

Priority Group	Sufficient Supply & Remedy Launch Deadlines
Priority Group 1	31-Mar-16
Priority Group 2	30-Sep-16
Priority Group 3	31-Dec-16
Priority Group 4	31-Mar-17
Priority Group 5	30-Jun-17
Priority Group 6	30-Sep-17
Priority Group 7	31-Dec-17
Priority Group 8	31-Mar-18
Priority Group 9	30-Jun-18
Priority Group 10	31-Mar-19
Priority Group 11	31-Mar-20
Priority Group 12	30-Sep-20

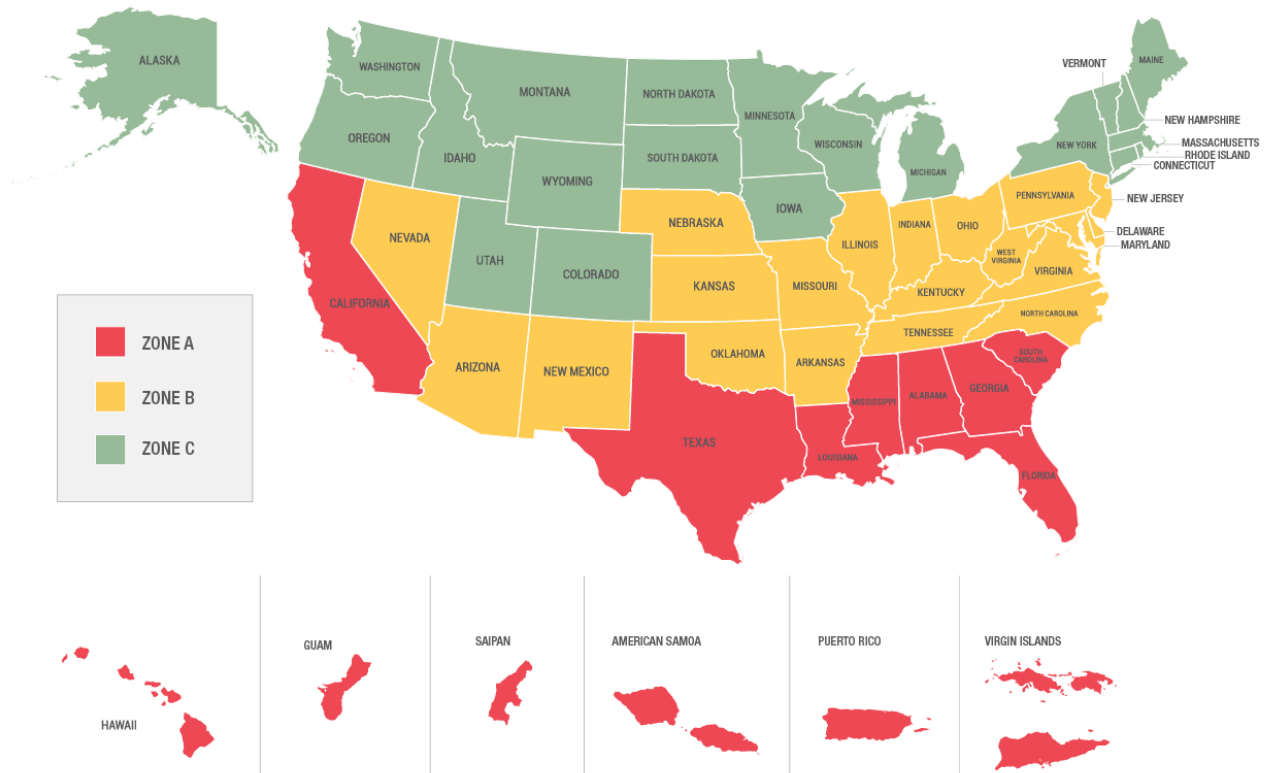
CUSTOMER MAILING PLAN:

Priority Group Info

Please refer to the HAH definitions and Priority Groups info listed below when responding to a customer inquiry regarding replacement of a Takata airbag.

High Absolute Humidity (“HAH”) Definitions

“HAH” or “A”	Time until unsafe propellant degradation is projected between 6-9 years.
“Non-HAH” or “Non-A”	Covers vehicles that have not been identified by the vehicle manufacturer as having been originally sold or ever registered in the HAH region. This includes Zones B and C.
“B”	Time until unsafe propellant degradation is projected between 10-15 years.
“C”	Time until unsafe propellant degradation is projected between 15-20 years.



Priority Group Launch Table:

Staggered customer mailings will start after the appropriate priority group dates listed in the table below. This should help customer understand when they should expect to receive a final remedy notification letter.

Priority Group	Sufficient Supply & Remedy Launch Deadlines
Priority Group 1	March 31, 2016
Priority Group 2	September 30, 2016
Priority Group 3	December 31, 2016
Priority Group 4	March 31, 2017
Priority Group 5	June 30, 2017
Priority Group 6	September 30, 2017
Priority Group 7	December 31, 2017
Priority Group 8	March 31, 2018
Priority Group 9	June 30, 2018
Priority Group 10	March 31, 2019
Priority Group 11	March 31, 2020
Priority Group 12	September 30, 2020

BMW's Priority Grouping (PG) by Models

DAB – driver airbag

PAB – passenger airbag

Priority Group	MY	Model
1	2002 - 2006	3 Series, M3 DAB (HAH)
1	2002 - 2006	3 Series, M3 PAB (HAH)
2	2002 - 2006	3 Series, M3 DAB (Non-HAH)
2	2000 - 2001	3 Series, M3 PAB (HAH)
2	2002 - 2006	3 Series, M3 PAB (Non-HAH)
2	2002 - 2003	5 Series, M5 DAB (HAH)
2	2002 - 2003	5 Series, M5 DAB (Non-HAH)
2	2003 - 2004	X5 SAV DAB (HAH)
2	2003 - 2004	X5 SAV DAB (Non-HAH)
3	2000 - 2001	3 Series, M3 PAB (Non-HAH)
4	2008 - 2009	1 Series DAB (A)
4	2006 - 2009	3 Series DAB (A)
4	2007 - 2009	X3 DAB (A)
4	2007 - 2009	X5 DAB (A)
4	2007 - 2009	X5 PAB (A)
4	2008 - 2009	X6 DAB (A)
4	2008 - 2009	X6 PAB (A)
5	2010 - 2013	1 Series DAB (A)
5	2008 - 2009	1 Series DAB (Non-A)
5	2010 - 2013	3 Series DAB (A)
5	2006 - 2009	3 Series DAB (Non-A)

5	2013 - 2015	X1 DAB (A)
5	2010 - 2010	X3 DAB (A)
5	2007 - 2009	X3 DAB (Non-A)
5	2010 - 2011	X5 DAB (A)
5	2007 - 2009	X5 DAB (Non-A)
5	2010 - 2011	X5 PAB (A)
5	2007 - 2008	X5 PAB (Non-A)
5	2010 - 2011	X6 DAB (A)
5	2008 - 2009	X6 DAB (Non-A)
5	2010 - 2011	X6 Hybrid DAB (A)
5	2010 - 2011	X6 Hybrid PAB (A)
5	2010 - 2011	X6 PAB (A)
5	2008 - 2008	X6 PAB (Non-A)
6	2010 - 2013	1 Series DAB (Non-A)
6	2010 - 2013	3 Series DAB (Non-A)
6	2013 - 2015	X1 DAB (Non-A)
6	2010 - 2010	X3 DAB (Non-A)
6	2012 - 2013	X5 DAB (A)
6	2010 - 2013	X5 DAB (Non-A)
6	2012 - 2014	X6 DAB (A)
6	2010 - 2014	X6 DAB (Non-A)
6	2010 - 2011	X6 Hybrid DAB (Non-A)
7	2012 - 2012	X5 PAB (A)
7	2012 - 2012	X6 PAB (A)
8	2009 - 2009	X5 PAB (B)
8	2007 - 2008	X5 PAB (C)
8	2009 - 2009	X6 PAB (B)
8	2008 - 2008	X6 PAB (C)
9	2013 - 2013	X5 PAB (A)
9	2010 - 2010	X5 PAB (B)
9	2009 - 2011	X5 PAB (C)
9	2010 - 2010	X6 Hybrid PAB (B)
9	2013 - 2013	X6 PAB (A)
9	2010 - 2010	X6 PAB (B)
9	2009 - 2009	X6 PAB (C)
10	2015 - 2015	X1 DAB (A)

10	2015 - 2015	X1 DAB (B)
10	2015 - 2015	X1 DAB (C)
10	2011 - 2013	X5 PAB (B)
10	2012 - 2013	X5 PAB (C)
10	2011 - 2011	X6 Hybrid PAB (B)
10	2010 - 2011	X6 Hybrid PAB (C)
10	2014 - 2014	X6 PAB (A)
10	2011 - 2014	X6 PAB (B)
10	2010 - 2014	X6 PAB (C)

Priority Group Timeline:

- **Priority Group 1 – 8** : Already released
- **Priority Group 9**: Vehicles scheduled for recall in January 2018.
- **Priority Group 10**: Vehicles scheduled for recall in January 2019.
- **Priority Group 11**: Vehicles ever registered in the HAH or Zone A that were previously remedied with a “like for like” part under a recall initiated during calendar year 2015 or before.
- **Priority Group 12**: Vehicles previously remedied with a “like for like” part and are not covered in Priority Group 11.