

SERVICE BULLETIN

SAFETY RECALL JO69

[NHTSA # 16V-373]: PASSENGER AIRBAG

02-AUG-16 NO.: 7-112USA SEC.: RECALL MKT.: USA

Jaguar Land Rover North America, LLC has informed the National Highway Traffic Safety Administration (NHTSA) of its intent to perform a voluntary Safety Recall on 2009-2011 model year Jaguar XF vehicles imported into the United States market. Information relating to the Recall will be posted on the National Highway Traffic Safety Administration website.

United States Federal regulations require that retailers must be advised of this Recall notification within three working days after government notification.

United States Federal law requires retailers to complete any outstanding safety Recall service before a new vehicle is delivered to the buyer or lessee. Violation of this requirement by a retailer could result in a civil penalty of up to \$21,000.00 per vehicle.

This Recall Service Bulletin serves as notification to all Jaguar retailers in the United States and Puerto Rico that any affected new vehicles may not be sold and delivered for customer use until the Recall repair is completed.

THIS BULLETIN UPDATES 7-110USA

DESCRIPTION

An issue has been identified on a limited number of vehicles listed in the Affected Vehicle Range with a potential defect in front passenger airbag inflators where Ammonium Nitrate without desiccant propellant is utilized in frontal airbags.

AFFECTED VEHICLE RANGE

A total of 20,121 vehicles are potentially involved in the USA and Territories as listed in the Appendix.

EFFECT ON VEHICLE OPERATION

The investigation into Takata non-desiccated ammonium nitrate airbag inflators to date indicates that prolonged exposure (over several years) to combined high heat and high absolute humidity, could lead to overaggressive combustion in the event of a frontal passenger airbag deployment.

Activation of a non-desiccated ammonium nitrate inflator with degraded propellant may result in an inflator rupture. An inflator rupture may cause metal fragments to pass through the airbag and into the vehicle interior at high speed, which may result in injury or death to vehicle occupants.

SERVICE PROGRAM / REWORK ACTION

Jaguar Land Rover is currently sourcing replacement parts for this Recall. Parts are therefore not available at this time. Jaguar Land Rover is working closely with our suppliers, within the guidelines of the NHTSA Coordinated Remedy Program to secure parts for the recall repair. Parts to provide a remedy for this issue are estimated to be available towards the end of Quarter 4 2016.

Affected vehicle range state that this recall includes 2009-2011 model year US Jaguar XF vehicles that have ever been registered in the States and Territories listed in the Appendix under Zone A. Jaguar Land Rover have no affected XF vehicles within Zone B or C at this time

Please refer to the NHTSA published information at http://www.safercar.gov/rs/takata/takataexplainer.html for more information regarding the geographical assignment and age for recall priority.

Retailers will receive updates on parts availability as soon as information becomes available. A Technical Bulletin will be published to TOPIx once a service repair is available. At that time, owners will be notified by mail to take their vehicle to a Jaguar retailer who will replace the front passenger airbag.

There will be no charge to owners for this action.

OWNER NOTIFICATION

Interim notification to owners will be mailed on or before 31 July 2016. They will receive a further notification by mail once a service repair is available.

ACTION TO BE TAKEN

Check DDW to ensure that the vehicle is affected by this program **(J069)** prior to undertaking any rework action.

Retailers are required to **HOLD** only affected new vehicles that are within your control and refrain from releasing the vehicles for **new vehicle sale** pending completion of the rework action.

Sold vehicles will be subject to the standard Recall notification and Recall bulletin process detailing the action required for vehicles in the hands of owners.

A Technical Bulletin will be published to TOPIx once repair instructions are finalised and all required parts have been procured.

Jaguar Land Rover North America recommends that affected sales demonstrator and loaner vehicles are repaired before use and that used vehicles are repaired before sale.

Should any customer have any concerns relating to this defect, please ask them to contact Jaguar Land Rover North America Customer Relationship Centre at 1-800-4JAGUAR (1-800-452-4827).

Thank you for your cooperation in this matter. Jaguar Land Rover North America apologizes for any inconvenience this may cause.

ZONE A: Hot & Humid

Alabama, California, Florida, Georgia, Hawaii, Louisiana, Mississippi, South Carolina, Texas, Puerto Rico, American Samoa, Guam, The Northern Mariana Islands (Saipan), The U.S. Virgin Islands.

ZONE B: Less Hot & Humid - Jaguar Land Rover has no affected XF vehicles within this Zone at this time

Arizona, Arkansas, Delaware, District of Columbia, Illinois, Indiana, Kansas, Kentucky, Maryland, Missouri, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, Virginia, and West Virginia

ZONE C: Least Hot & Humid - Jaguar Land Rover has no affected XF vehicles within this Zone at this time

Alaska, Colorado, Connecticut, Idaho, Iowa, Maine, Massachusetts, Michigan, Minnesota, Montana, New Hampshire, New York, North Dakota, Oregon, Rhode Island, South Dakota, Utah, Vermont, Washington, Wisconsin, and Wyoming



IMPORTANT SAFETY RECALL

July 2016

RE: Safety Recall J069: Takata Passenger Airbags

Vehicles Affected: XF Model Year: 2009-2011

National Highway Traffic Safety Administration (NHTSA) Recall Number: 16V-373

Dear Jaguar XF Owner,

This notice is sent to you in accordance with the requirements of the *National Traffic and Motor Vehicle Safety Act.* Jaguar North America has decided that a defect relating to motor vehicle safety exists in certain 2009-2011 model year Jaguar XF vehicles

Your vehicle is included in this Safety Recall.

What is the concern?

Due to prolonged exposure to combined high heat and humidity, the front passenger airbag module inflator housing may rupture and deploy abnormally in the event of a crash necessitating deployment of the front passenger airbag. In such event, a front passenger airbag module inflator housing rupture could result in metal fragments striking the passenger or other occupants, resulting in serious injury or death.

What will Jaguar North America and your Jaguar Retailer do?

Jaguar North America is carrying out a recall of certain Jaguar XF vehicles within the model years mentioned above. However, we currently do not have stock of the necessary components to repair your vehicle. We are working closely with our suppliers to produce components for this repair as quickly as possible.

When the components become available, you will be notified by a second mailing and instructed to take your vehicle to a Jaguar retailer who will replace the front passenger airbag module.

There will be no charge for this repair.

What should you do?

When you receive a follow-up notice, please contact your authorized Jaguar retailer to schedule an appointment to have Safety Recall 'J069' completed on your vehicle. In the meantime, if you have any questions or concerns, please use the contact information further below.

Jaguar Land Rover North America, LLC 555 MacArthur Boulevard Mahwah, NJ 07430

www.jaguarusa.com www.landroverusa.com

Attention Leasing Agencies: Federal regulations require that you forward this Recall notification to the lessee within TEN (10) days.

Moved or no longer own a Jaguar?

If you are no longer the owner of this vehicle, Jaguar would appreciate the name and address of the new owner (if known); please fill out and return the enclosed return postage-paid card.

What should you do if you have further questions?

Should you have any questions regarding this Recall Action or need assistance in locating your nearest authorized Jaguar retailer, please contact the Jaguar Customer Relationship Centre at 1-800-4JAGUAR (1-800-452-4827).

You can also contact Jaguar North America by e-mail. Visit the website **www.jaguarusa.com** and send an email from the 'Contact Jaguar' section.

If you have the need to contact Jaguar North America by mail, please use the following address:

Jaguar Land Rover North America, LLC ATTN: Customer Relationship Centre 555 MacArthur Boulevard Mahwah, NJ 07430-2327

If you are having difficulty getting your vehicle repaired in a reasonable time or without charge, you may write:

Administrator, National Highway Traffic Safety Administration 1200 New Jersey Avenue, SE Washington, D.C. 20590

Or, you may call the toll-free Vehicle Safety Hotline at 1-888-327-4236 (TTY: 1-800-424-9153), or log on to www.safercar.gov to submit a complaint electronically.

We appreciate your confidence in our product and wish to do everything we can to retain that confidence. Jaguar North America, in cooperation with your authorized retailer, will strive to minimize any inconvenience to you caused by this Recall.

Sincerely,

Peter Pochapsky Customer Relationship Centre Manager

Main Message: On May 16, 2016 Takata submitted three Defect Information Reports (DIRs) to NHTSA announcing a potential defect in airbag inflators where Ammonium Nitrate without desiccant propellant is utilized in frontal airbags. According to Takata's DIRs "Activation of a non-desiccated ammonium nitrate inflator with degraded propellant, may result in an inflator rupture. An inflator rupture may cause metal fragments to pass through the airbag and into the vehicle interior at high speed."

Q1 Who do I contact if a member of the press contacts me about this recall?

 Please ensure all press enquiries are referred to the Jaguar Land Rover North America Press Office to the attention of: Stuart Schorr
Vice President, Communications & Public Affairs Jaguar Land Rover North America, LLC sschorr@jaguarlandrover.com
Office: +1-201-760-8561
Cell: +1-201-739-2964
Nathan Hoyt
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nhoyt@jaguarlandrover.com
Office: +1-201-739-2964
Cell: +1-551-427-3199

Q2 Why is Jaguar Land Rover Limited recalling certain Jaguar vehicles?

A Jaguar Land Rover was informed that Takata submitted a "Defect Information Report" to NHTSA reporting a potential safety defect for PSDI airbag inflators. Takata's investigation of affected inflators to date indicates that prolonged exposure (over several years) to combined high heat and high absolute humidity, could lead to airbag inflator rupture in the event of a frontal passenger airbag deployment.

Q3 Can you tell me more about what is wrong with the vehicles?

A In a crash where the airbag system deploys, the airbag inflator housing may rupture. In the event of an inflator rupture, metal fragments could pass through the airbag material, which may result in injury or death to vehicle occupants. To date, we are not aware of any instances of ruptured inflators in Jaguar Land Rover vehicles.

Q4 How would the customer become aware of potentially having this concern?

A There are no external signs of degradation of the airbag inflator. Takata state that exposure to certain environmental conditions (several years of exposure to persistent conditions of combined high heat and high absolute humidity), could lead to over-aggressive combustion in the event of a frontal passenger airbag deployment.

Q5 Does this concern affect vehicle safety?

A Takata has determined that these types of inflators with ammonium nitrate propellant without desiccant pose a safety risk.

Q6 Has Jaguar Land Rover Limited received many complaints?

A To date, we are not aware of any instances of ruptured inflators in Jaguar Land Rover vehicles.

Q7 Have there been any accidents or injuries?

A To date, we are not aware of any instances of ruptured inflators in Jaguar Land Rover vehicles.

Q8 How was the condition discovered?

A The condition was reported to Jaguar Land Rover by Takata. To date, we are not aware of any instances of ruptured inflators in Jaguar Land Rover vehicles. This is an industry wide issue which has received significant press coverage. For more information on the Takata industry wide situation, please visit this site: http://www.safercar.gov/rs/takata/index.html

Q9 How long has Jaguar Land Rover known about this problem?

A This issue was first known in May 2016.

Q10 Is the defect leading you to any concerns regarding the reliability of a system, which is supposed to be designed and engineered for the passengers' safety? What type of measures are you planning to take?

A Jaguar Land Rover has no concerns with the overall reliability of vehicles. Jaguar Land Rover carefully monitors data to ensure that any matters relating to safety and compliance are rigorously investigated.

Q11 What has Jaguar Land Rover done in production?

A The vehicles affected by this issue are no longer in production. Parts for the recall remedy will contain a different type of inflator propellant.

Q12 What will Authorized Repairers do to the vehicles?

A Authorized Jaguar retailers will replace the front passenger airbag on the affected vehicles when parts become available.

Q13 Which vehicles are affected by this recall?

A 2009 - 2011 MY Jaguar XF vehicles are included in this initial recall phase.

Q14 Are other Jaguar Land Rover models affected by these actions?

A Yes. This issue also affects Land Rover Range Rover vehicles. In the initial phase this includes 2007 to 2011 MY Range Rover vehicles in Zones A and B.

Q15 Are parts available to rework vehicles?

A Jaguar Land Rover is working closely with our suppliers, within the guidelines of the NHTSA Coordinated Remedy Program to secure parts for the recall repair. Parts to provide a remedy for this issue are estimated to be available towards the end of Quarter 4 2016.

Q16 How much will the recall cost Jaguar Land Rover?

A Cost was not a factor in deciding to recall these vehicles.

Q17 How do I know if my Jaguar vehicle is affected?

A When an adequate inventory of replacement parts becomes available, a second owner notification letter will be mailed to owners of registered vehicles that are affected, i.e., vehicles of certain ages in high absolute humidity areas. As replacement part supply increases, the owners of remaining affected vehicles will be notified. Should a customer wish to know if their vehicle is affected by this recall they can go to http://www.Jaguarusa.com/owners/vin-recall.html to inquire or safercar.gov. Alternatively, this information is available via the NHTSA web site at http://safercar.gov/

Q18 How long does it take for the vehicle to be inspected and repaired?

A When the remedy is available, work will be carried out as quickly and efficiently as possible in order to minimize inconvenience to customers and is expected to take approximately two hours to complete. Naturally, due to retailer schedules, vehicles may be required for longer.

Q19 Can I continue to drive my Jaguar vehicle safely until it has been repaired?

A Yes. Jaguar Land Rover is not aware of any airbag ruptures or inflator issues in any of its vehicles associated with this recall. However, when a customer receives a letter asking to have this service performed by an authorized Jaguar retailer, the customer should make an appointment promptly. We ask customers who are not the only driver of this vehicle, to please advise all other drivers of this important information.

Q20 Why is the driver-side front airbag not affected?

A The driver-side front airbag does not contain a Takata inflator so it is not affected by this recall.

Q21 Why are other models not included?

A Other models are not included because this recall pertains specifically to vehicles equipped with the Takata PSDI inflator.

Q22 Does the Takata airbag recall affect Canadian vehicles?

A The Takata airbag recall does not affect Jaguar Land Rover vehicles in Canada. Only US vehicles are included in this Takata recall.

Q23 Are you making loaner cars available to owners of recalled cars who are waiting for parts?

A No, we will communicate with retailers a customer handling process where customers of vehicles included in this recall have specific issues.

Q24 If a customer requests it, can we disable their airbag?

A No, we believe and NHTSA agrees that the driver and passengers are always safer with the protection of the airbag when a collision event warrants a deployment, whereas, if an airbag is disabled it has a 100% chance of failing to protect the occupant in a crash. The vast majority of Takata airbags will perform as intended in a crash. The airbag is designed to supplement the seatbelt and other restraint components. For the foregoing reasons, we will not allow retailers to disable airbags. If customers are so concerned, the passenger airbag will NOT operate where the passenger seat is unoccupied. As such, customers can be advised not to sit in the passenger seat if they are concerned. Please request that the customer contact Jaguar Land Rover North America 1-800-4JAGUAR (1-800-452-4827), if they have concerns.

Q25 Why does it take so long to have the recall done once it is announced?

A Since this Takata recall affects multiple OEMs, the volume of replacement parts required is extraordinarily large, which is why the NHTSA created a Coordinated Remedy Program to prioritize the replacement parts to the areas in the High Absolute Humidity (HAH) Region where the potential risk for an airbag rupture during deployment is greatest. We are working closely with our suppliers to produce the replacement parts as quickly as possible.

Q26 Are Jaguar or Land Rover vehicles within the announced Takata recall eligible for the Approved Certified Pre-Owned (herein, ACPO) program?

A Vehicles with an open campaign or recall are not eligible for the Approved Certified Pre-Owned program. See item #8 of the Jaguar or Land Rover ACPO 165-point inspection checklist for clarification.

Q27 Can I retail vehicles under the ACPO program traded-in/acquired by my retailer with existing CPO warranty coverage?

A Affected vehicles acquired by a retailer with existing ACPO warranty coverage are not eligible to be retailed as ACPO until the open recall is satisfied.

Q28 Can I retail pre-owned vehicles with the Takata airbag open recall?

A Jaguar Land Rover North America recommends a retailer satisfies any open recall or campaign prior to selling a Jaguar or Land Rover vehicle to an end consumer. Jaguar Land Rover North America also recommends the same guidance on wholesaling a Jaguar or Land Rover vehicle to a third party.

Q29 Will Jaguar Land Rover North America adjust quarterly/annual CPO Business Builder objectives due to the Takata airbag recall?

A No. The total number of impacted vehicles and the Model Years represented by this recall does not necessitate an adjustment in quarterly or annual CPO objective for either brand.

Q30 Will a retailer be able to re-certify an affected Jaguar or Land Rover vehicle after the recall is complete?

A Yes.

Q31 Will Jaguar Land Rover North America provide any special CPO sales support for vehicles impacted by the Takata airbag recall, upon repair?

A Once repaired, impacted ACPO vehicles will be eligible for in-market CPO rate or other relevant incentive programs, as qualified.

Q32 Will impacted vehicles be removed from the Jaguar/ Land Rover Financial Group's Retailer Purchase Incentive Program?

A The Jaguar and Land Rover Financial Group off-lease portfolio does not include any vehicles in the VIN range for the Takata airbag recall.