BMW DEALER DIRECT

Future Retail Customer Orientation Sales & Aftersales Marketing & Product Forum & Committee

Takata

Update 5.19.16: Takata Airbag Recall

OMay 19, 2016

Updates related to the industry-wide Takata airbag recall, including important additions to the Dealer Communication Toolkit. Please read this full communication, including the updated Q&A where we have highlighted changes and added new information.

Dear Colleagues,

We are planning to meet the commitments we made to you and your customers regarding the Takata recall situation.

We will send customer letters commensurate with parts availability starting next week. In parallel, we will begin to distribute parts to dealers and to auction. Of the parts distributed, customers will receive the most, followed by dealers and then auction. We are confident that there will be a consistent supply and will distribute parts as quickly as possible on a fair share basis.

The parts you receive will be for an interim repair, which involves replacing the inflator with a newly manufactured version. NHTSA has concluded that the time until propellant degradation may occur varies from 6-20 years. Therefore, replacing the older inflators with a newer version reduces the potential safety risk to customers.

<u>Please do not order replacement parts</u>. We will push the parts to you based on the VINs you have in your inventory. The dealer purchase order will be the same as the VIN for which the shipped part is intended.

As you know, NHTSA announced a recall extension on May 4, 2016. Here's what that announcement means for you:

- Approximately 700 MY11 and older X5/X6 vehicles in your inventory will require a passenger air bag in addition to the driver air bag replacement. Passenger air bag availability is estimated for mid-summer 2016, so these vehicles will remain under stop sale.
- Other X5/X6 vehicles will require a passenger air bag at a later date.
- In addition, there are about 11,000 X1 MY15 that will require a driver air bag in 2018 per the schedule issued by NHTSA.

For more details about the remedy schedule, see page 7 of the Amendment Order PDF located on the NHTSA website: http://www.safercar.gov/rs/takata/takata-docs.html.

As we prepare to send customer letters and distribute parts, we want to ensure you feel well-prepared prior to customers receiving letters. Please review the two additions to the Toolkit:

- An updated Technical Q&A that contains information related to the interim repairs.
- The letter that customers with affected vehicles will receive notifying them that their replacement part is available.

In addition, we held conference calls with the Dealer Forum and field teams yesterday to review the distribution plan and address questions. Please reach out to your field teams with additional questions you may have.

Please use this updated **05.19.16 toolkit**, which supersedes all prior versions:

Click here to view and print the updated Dealer Communication Toolkit.

As always, thank you for your continued partnership and commitment to customer service.