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| TO: : Mercedes-Benz Dealer Principals, General Managers, Sales Managers, Service Managers, Parts Managers | FROM: David Tait, General Manager, Engineering Services |
| RE: Recall Campaign Update Certain MY05 – MY14 vehicles with Takata Driver airbags and PSDI-5 Inflators | DATE: February 26, 2016 |

IMPORTANT RECALL UPDATE

Additional information around the recent recall announcement affecting approximately 705,983 Mercedes-Benz passenger vehicles involving Takata driver-side airbags containing PSDI-5 type inflators is included below.

General customer and dealer questions, and those specific to Certified-Preowned and Preowned vehicles are addressed.

- Please refer all customer inquiries to the Customer Assistance Center at 1-800-367-6372.
- For any CPO/PO questions, please reach out to your Regional Pre-Owned Manager (RPOM) or Aftersales Operations Manager.
- If you receive media inquiries, these should be referred to our Corporate Communications Department at 770-705-2009. Please refer only journalists to this number.

While we regret any inconvenience this may cause, MBUSA is determined to maintain a high level of vehicle quality and customer satisfaction.

Q1. What is the issue?

Daimler was informed that Takata submitted a "Defect Information Report" to NHTSA in the US on January 25, 2016, reporting a potential safety defect for SDI and PSDI-5 airbag inflators. Takata's investigation of affected inflators to date indicates that exposure to certain environmental conditions (several years of exposure to persistent conditions of high absolute humidity), could lead to over-aggressive combustion in the event of a driver's-side air bag deployment

Q2. What is the expected impact or risks related to this issue?

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

Q3. What types of repairs or replacements are needed?

Authorized Mercedes-Benz Dealerships will replace the driver-side airbag on the affected vehicles when parts become available.

Q4. How long does this repair take?

The current estimate is about an hour.



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Q5. How many vehicles are affected by this issue and which production range is affected?

In close cooperation with NHTSA and based on the Takata report, we are conducting a precautionary recall of the affected vehicle models. Various models from the following model years are potentially affected on the US market:

- Passenger cars: Model year ranges 2005-2014 (705,000 vehicles)
- Daimler Vans: Model year ranges 2007-2014 (100,000 vehicles)

This number could potentially be reduced as soon as detailed results from further analyses conducted by NHTSA regarding the technical causes, specific production ranges, and other various influence factors become available.

Please reference VMI which has now been updated to indicate if the vehicle is affected by this recall.

Q6. What specific models are impacted?

Included are various 2005 -2014 Mercedes-Benz models including SLK, C-Class, E-Class, GLK, M-Class, GL, R-Class and SLS. On the Daimler Vans side, 2007 - 2014 Dodge, Freightliner and Mercedes-Benz Sprinter models are impacted.

Q7. Can you provide the ranges for the individual model lines?

| | |
|---------|--------------|
| M-Class | MY 2009-2011 |
| GL | MY 2009-2012 |
| R-Class | MY 2009-2012 |
| SLK | MY 2007-2008 |
| C-Class | MY 2005-2011 |
| GLK | MY 2010-2012 |
| SLS | MY 2011-2014 |
| E Class | MY 2010-2011 |

Model Specific:

| | |
|--------------|-----------|
| C230 | 2005-2007 |
| C300 | 2008-2011 |
| C320 | 2005 |
| C350 | 2006-2011 |
| C63AMG | 2009-2011 |
| E350 | 2010-2011 |
| E550 | 2010-2011 |
| E63AMG | 2010-2011 |
| GL320 Diesel | 2009-2010 |
| GL350 Diesel | 2011-2012 |
| GL450 | 2009-2012 |
| GL550 | 2009-2012 |
| GLK350 | 2010-2012 |
| ML320 Diesel | 2009-2010 |
| ML350 | 2009-2011 |
| ML450 Hybrid | 2010-2011 |
| ML550 | 2009-2011 |
| ML63AMG | 2009-2011 |



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|-------------|-----------|
| R320 Diesel | 2009-2010 |
| R350 | 2009-2012 |
| SLK280 | 2007-2008 |
| SLK350 | 2007-2008 |
| SLK55AMG | 2007-2008 |
| SLS | 2011-2014 |

In order to verify that a vehicle is included in this recall, always check VMI.

Q8. Why are other models not included?

Other models are not included because this recall pertains specifically to vehicles equipped with the Takata PSDI-5 or SDI inflator.

Q9. Why is the passenger-side front air bag not affected?

The passenger-side front air bag does not contain a Takata PSDI-5 or SDI inflator so it is not affected by this recall.

Q10. How did Daimler become aware of this potential issue? How long has Daimler been aware of this issue?

Daimler was informed that Takata submitted a "Defect Information Report" to NHTSA on January 25, 2016, reporting a potential safety defect on SDI and PSDI-5 airbag inflators.

We are not aware of any cases with the failure mode reported by Takata on SDI or PSDI-5 airbag inflators in any of our vehicles.

Q11. What costs will be incurred by the customer?

The work will be conducted free of charge to customers.

Q12. Can I continue to drive my vehicle?

Yes. Daimler is not aware of a ruptured inflator in any of its vehicles associated with this recall.

However, when you receive a letter asking you to have this service performed by an authorized Mercedes-Benz dealer, please make an appointment. If you are not the only driver of this vehicle, please advise all other drivers of this important information.

Q13. Where can a customer have the recall work completed?

Interim letters will be mailed in March, notifying owners of status and a second letter will be mailed when parts are available. With the receipt of the second letter, our customers will be asked to contact their local authorized Mercedes-Benz dealership to arrange for an appointment to complete the repair.

Q14. How does a customer know whether their vehicle is affected by the recall?

Any customers who are potentially affected will be mailed an interim letter in the next several weeks. Until they receive the letter, they can check if their vehicle is affected by entering their VIN into the following site:

<http://www.mbusa.com/mercedes/recall>



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Q15. How will the repair be communicated to MB customers in the US?

When an adequate inventory of replacement parts becomes available, a second owner notification letter will be mailed to owners of registered vehicles in high risk areas, ie, oldest affected vehicles in high absolute humidity areas (e.g., the Gulf states). As replacement part supply increases, the owners of remaining affected vehicles will be notified.

Q16. When will parts be available?

Daimler is working with Takata and NHTSA, within the guidelines of the NHTSA Coordinated Remedy Program to secure parts for the recall repair. At this point we do not have any information to share when those parts will become available.

Q17. Why are only certain vehicles affected within a specific production range?

The affected vehicles were identified based on the "Defect Information Report" submitted by Takata.

Q18. Does the Takata airbag recall affect Canadian vehicles?

The Takata airbag recall for SDI and PSDI-5 inflators does not affect Mercedes-Benz cars/SUVs or Sprinter vehicles in Canada. Only US vehicles are included in this Takata recall.

Q19. How does this recall differ from previous airbag recalls from other OEM's? If there isn't a difference, why is the recall only happening now?

The recalls up until this point affected different Takata inflators.

For more information on the Takata industry wide situation, please visit this site:

<http://www.safercar.gov/rs/takata/index.html>

Q20. In connection to the Continental SRS control Unit Recall: Are there any vehicles that are both equipped with the affected Continental control modules and Takata airbags?

Yes, there is a percentage of passenger vehicles that is affected by both recalls. However, we recommend that the customer, when notified, have either recall completed. One recall is not dependent upon, or related to, the other.

Q21. Are you making loaner cars available to owners of recalled cars who are waiting for parts?

No. We have not yet mailed the interim owner notification for the vehicles affected by the Takata inflator recall. We will do that in the next few weeks as we more precisely identify the affected vehicle population. Since we haven't had any instances of this occurring in our vehicles, there is no reason to offer a loaner vehicle.

Q22. If a customer requests it, can we disable their airbag?

No. First of all, Federal Regulations prohibit airbag disablement. Also, as a leader in the field of automotive safety, we believe that the driver and passengers are always safer with the protection of the airbag when a collision event warrants a deployment. The airbag is designed to supplement the seatbelt and other restraint components. For these reasons, we will not allow dealers to disable airbags.

Q23. Why does it take so long to have the recall done once it is announced?

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.



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Q24. Have there been any reported injuries from faulty airbags in Mercedes-Benz vehicles?

We are not aware of any incidences with the PSDI-5 or SDI inflators in Mercedes-Benz or Freightliner vehicles

Q25. Can you guarantee me the airbag will not go off inadvertently?

The issue with the recalled Takata PSDI-5 and SDI inflators does not result in inadvertent airbag deployments. Rather, the issue concerns the potential for a rupture during deployment. Visit your authorized Mercedes-Benz dealer if your SRS light is illuminated. A properly functioning airbag system is designed to supplement the seatbelt in protecting occupants in a crash.

Q26. What injuries can I expect if the airbag deploys?

For the affected Takata PSDI-5 and SDI inflators only, in a crash in which an air bag deployment is necessary, the air bag inflator housing may rupture. In the event of an inflator rupture, metal fragments could pass through the air bag material, which may result in injury or death to vehicle occupants. To date, we are not aware of any instances of ruptured inflators in Mercedes-Benz vehicles.

Q27. Will the number of affected vehicles increase like other brands?

Not likely. Mercedes-Benz passenger vehicles and Mercedes-Benz and Freightliner vans in the US with Takata PSDI-5 or SDI inflators have been identified.

Q28. Are there any vehicle symptoms that would indicate I should stop driving the car or take to a dealer?

No. There is no symptom that would indicate if your vehicle has an air bag inflator that is potentially at risk of rupturing during deployment in a crash.

Q29. Do I need to drive differently until my vehicle is repaired?

No. Continue to drive with your seatbelt fastened and properly seated.

Q30. What brand airbags do I have in my car?

The only affected Takata inflators used in Mercedes-Benz and Freightliner vehicles are the PSDI-5 and SDI inflators, and are identified in the Table below. For other brand airbags, we will look into this and get back to you.

Q31. Specifically, which airbags in my vehicle are affected?

The driver-side airbag with a Takata PSDI-5 or SDI inflator from the identified production ranges is affected.

Q32. What makes Mercedes-Benz airbags safer than other affected Takata airbags?

There have been no incidences of an airbag rupture in any Mercedes-Benz vehicle.

Q33. Is this recall comparable to similar recalls being conducted by other Manufacturers?

Yes. This recall campaign involves the Takata PSDI-5 or SDI inflators.

Q34. What other brands of airbags are installed in Mercedes-Benz vehicles?

Various suppliers are used, and the driver-side airbag modules with integral inflators are generally specific to each model or model line. Some other suppliers are Autoliv and TRW.



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Q35. My SRS lamp is on now; will the dealer repair my car with the same bad part?

An illuminated SRS lamp can be caused by numerous components or even low battery voltage. An authorized Mercedes-Benz dealer is best suited to diagnose and repair your vehicle if the SRS light is illuminated.

Q36. Can I get a loaner vehicle or alternate transportation until the parts are ready?

This recall was launched as a precautionary measure. We have had no incidents with our vehicles and there is no reason to stop driving your vehicle.

Q37. I am willing to stay in my car, but what is Mercedes-Benz going to do for me given this inconvenience?

We will attempt to minimize any inconvenience and will inform the vehicle owners when parts are available

Q38. The customer no longer wants their car:

- Will Mercedes-Benz provide money towards another vehicle? No
- Will Mercedes-Benz buy it back or trade me out? No

Q39. I demand that another type of airbag brand (not Takata) is installed in my car. Will you do this?

Each airbag needs to meet strict US crash and safety design requirements. Each airbag design must be certified for the application. Therefore, it is not a simple change of supplier. We do not yet have other suppliers producing inflators to replace affected Takata-supplied PSDI-5 and SDI inflators.



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