

# ◄ IMPORTANT UPDATE ►

# The attached Dealer Letter has been updated. Refer to the details below.

DATE	ΤΟΡΙϹ		
September 29, 2017	<ul> <li>Rental Invoice requirement has been added.</li> <li>Estimated Launch Timing has been updated for Tundra and Sequoia models.</li> </ul>		
August 28, 2017	<ul> <li>Estimated Launch Time of Frame Replacement and CRC application has been updated.</li> <li>Owner Mailing section has been updated.</li> <li>Owner Letter has been updated to include information regarding Limited Service Campaign (LSC) H0F.</li> </ul>		

# The most recent update in the attached Dealer Letter will be highlighted with a red box.

Please review this notification with your staff to assure that all relevant personnel have been briefed regarding this subject.

Thank you for your cooperation.

Original Publication Date: July 17, 2017

To: All Toyota Dealer Principals, General Managers, Service Managers, and Parts Managers

Subject: Warranty Enhancement Program ZH9 Certain 2008 Model Year Sequoia Extension of Warranty Coverage for Frame Corrosion

In our continuing efforts to ensure the best in customer satisfaction, Toyota is announcing a Warranty Enhancement Program to extend the warranty coverage for Frame Corrosion on certain 2008 model year Sequoia vehicles.

On May 21, 2017, a settlement of claims in a *class action lawsuit* involving 2008 Toyota Sequoia vehicles regarding frame corrosion was approved. This finally approved *class action settlement* includes inspection of the customer's frame, and if the frames meet or exceed the Rust Perforation Standard based on the Court-ordered inspection criteria, the frame will be replaced at no cost to the customer. Toyota is currently preparing parts for frame replacement.

This settlement will also include CRC (Corrosion Resistant Compound) application. Toyota is currently preparing parts for CRC application process. Once available, CRC application will be covered under a separate Limited Service Campaign (LSC), and will only be available for vehicles registered in the Cold Climate States<sup>1</sup> that pass frame inspection criteria, and did not:

- Previously have the frame replaced and/or:
- Previously had the frame sprayed with CRC under any previous campaign

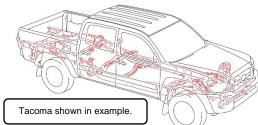
Activity	Estimated Launch Timing*	Notes	
Frame Inspection	Available	As necessary	
Frame Replacement	October 2017	Upon meeting or exceeding the Rust Perforation Standard based on Court-ordered inspection criteria	
Customer Reimbursement	Available	Through Settlement Administrator; see www.toyotaframesettlement.com	
Frame CRC Application	October 2017	Only for vehicles that do not meet or exceed the Rust Perforation Standard based on Court-ordered inspection criteria; only for Cold Climate States <sup>1</sup> ; under separate LSC (H0F); expires May 21, 2019	

\* Estimated Launch Timing is subject to change based on availability of remedy parts.

<sup>1</sup> – District of Columbia (DC), CT, DE, IL, IN, KY, MA, MD, ME, MI, MN, NH, NJ, NY, OH, PA, RI, VA, VT, WI, and WV.

### **Background**

- Toyota has received reports that certain 2008 model year Sequoia vehicles operated in specific cold climate areas (Cold Climate States) with high road salt usage may exhibit more-than-normal corrosion to the vehicle's frame.
- Toyota investigated these reports and determined that the frames in some vehicles may not have corrosion-resistant protection sufficient for use in these areas.



- This combined with prolonged exposure to road salts and other environmental factors, may contribute to the development of more-than-normal rust in the frame of some vehicles.
- This condition is unrelated to and separate from normal surface rust which is commonly found on metallic surfaces after some years of usage and/or exposure to the environment.

The following information is provided to inform you and your staff of the program notification schedule and your anticipated degree of involvement.

# Warranty Enhancement Program (WEP) Details

This Warranty Enhancement Program provides enhanced coverage to the vehicle's "New Vehicle Limited Warranty" as it applies to frame corrosion. The specific condition covered by this program is rust that satisfies the Rust Perforation Standard as per the Settlement Agreement. If the condition is verified, the vehicle will be repaired with a new frame under the terms of this Warranty Enhancement Program.

• The coverage offers the latter of 12 years from the Date of First Use (DOFU) or 1 year from the date of final approval (5/21/2017).

This coverage is for warranty work performed at an authorized Toyota dealer only. It is subject to the terms of the Settlement Agreement and conditions set forth in the New Vehicle Limited Warranty Section of the Owner's Warranty Information booklet, except where conflicting with the Settlement Agreement, in which case, the Settlement Agreement controls. For example, damage from abuse, an accident, theft and/or vandalism is not covered by the New Vehicle Limited Warranty or this warranty enhancement.

### Warranty Enhancement Coverage:

If a customer believes their vehicle has been operated in cold climate regions of the United States where high road salt is frequently used and/or a customer is concerned that their vehicle's frame has more-than-normal corrosion, Toyota dealerships are requested to inspect the vehicle's frame for corrosion using the Court-ordered Frame Inspection and Replacement Protocol. Based upon the results of the inspection, dealerships are requested to do one of the following at *no charge* to the vehicle owner:

- For warm climate states, if the vehicle's frame passes Toyota's inspection, no further action is required.
- For Cold Climate States (District of Columbia (DC), CT, DE, IL, IN, KY, MA, MD, ME, MI, MN, NH, NJ, NY, OH, PA, RI, VA, VT, WI, and WV), if the vehicle's frame passes Toyota's inspection, the vehicle may be eligible to have Corrosion Resistant Compound (CRC) protection applied. This will be applied under a separate Limited Service Campaign (LSC).
- For all states and territories, if the vehicle's frame meets or exceeds the standard for frame replacement, the frame will be replaced at **no charge** to the customer.

## **Covered Vehicles**

There are approximately 38,300 vehicles covered by this Warranty Enhancement Program. Approximately 200 vehicles involved in this Warranty Enhancement Program were distributed to Puerto Rico.

Model Name	Model Year	UIO	Production Period
Sequoia	2008	38,300	Mid-November 2007 – Early August 2008

### **Owner Letter Mailing Date**

Toyota will begin to notify owners in October 2017 and will be mailed over several months. A sample of the owner notification letter has been included for your reference.

### Technician Training Requirements

The repair quality of covered vehicles is extremely important to Toyota. All Toyota dealership technicians performing this repair are required to successfully complete the most current version of the E-Learning course "Safety Recall and Service Campaign Essentials". To ensure that all vehicles have the repair performed correctly, technicians performing this repair are required to currently hold at least one of the following certification levels:

- Certified Technician (any specialty)
- Expert Technician (any specialty)
- Master Technician
- Master Diagnostic Technician

### Final repair must be signed off and validated by a MDT.

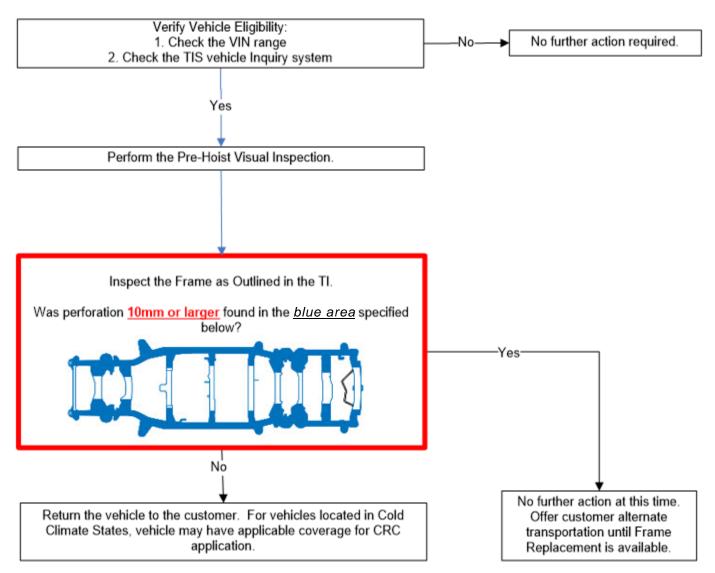
Always check which technicians can perform the recall remedy by logging on to https://www.uotdealerreports.com. It is the dealership's responsibility to select technicians with the above certification level or greater to perform this repair. Carefully review your resources, the technician skill level, and ability before assigning technicians to this repair. It is important to consider technician days off and vacation schedules to ensure there are properly trained technicians available to perform this repair at all times.

### Remedy Procedures

The Technical Instructions contain inspection criteria for completing the frame inspection, as well as instructions to access the frame inspection website. The frame must be inspected by a qualified Toyota technician, who will inspect the frame rails and cross member mounting locations. If any perforation in the frame is found to be 10 mm or larger, then the frame will be replaced as per the Settlement Agreement. Please use the flow chart below. The TI will be updated when frame replacement becomes available.

If the vehicle passes the frame inspection, and the CRC application is applicable, instructions will be provided in the Technical Instructions under the LSC.

### Warranty Reimbursement Procedure



Op Code	Description	Flat Rate Hour
GHG25A	2008 MY Frame Inspection – No Significant Perforation Found	0.5 hr/vehicle
ZH9404	2008 MY Frame Inspection – Qualifying Perforation Found – Awaiting Frame Replacement	0.5 hr/vehicle

#### Loaner Vehicle Reimbursement Procedure

Due to parts procurement limitations, for vehicles that do not pass the Toyota inspection criteria, rental vehicles will be made available for up to 60 days (maximum \$60 per day) if the vehicle is required to remain at the Toyota Dealer overnight. In appropriate circumstances, where a customer desires a similar vehicle, please make an effort to accommodate their request.

Op Code	Description
GHG26A	2008 MY Vehicle Rental 1-30 days
GHG26B	2008 MY Vehicle Rental 31-60 days

NOTE: Rental invoice *MUST* be attached to all rental claims. These claims may be subject to debit if rental invoice is not attached.

#### **Customer Reimbursement**

Customers who previously paid for the replacement of a frame, prior to January 3, 2017, are required to submit a claim to the settlement administrator by July 20, 2017 (60 days after final court approval) for reimbursement consideration by the Court-appointed Settlement Claims Administrator. Those customers who are eligible for reimbursement will be provided a check by the settlement administrator. If customers have questions regarding the status of their reimbursement requests, please have them contact the settlement administrator at 1- 800-481-7948.

#### Media Contacts

It is imperative that all media contacts (local and national) receive a consistent message. In this regard, all media contacts must be directed to Victor Vanov (469) 292-1318 in Toyota Corporate Communications. Please do not provide this number to customers. Please provide this contact only to media.

#### **Customer Contacts**

Customers who receive the owner letter may contact your dealership with questions regarding the letter and/or the Warranty Enhancement Program. Please welcome them to your dealership and answer any questions that they may have. A Q&A is provided to assure a consistent message is communicated.

Customers with additional questions or concerns are asked to please contact the Toyota Customer Experience Center (1-888-270-9371) - Monday through Friday, 7:00 am to 7:00 pm, Saturday 7:00 am to 4:30 pm Central Time.

Customers with additional questions or concerns may visit the settlement website at www.toyotaframesettlement.com or may contact the Settlement Administrator at 1-800-481-7948.

Thank you for your cooperation. TOYOTA MOTOR SALES, U.S.A., INC.



#### Warranty Enhancement Programs ZH6, ZH7, ZH8, ZH9 Multiple Models and Model Years Extension of Warranty Coverage for Frame Corrosion

#### Frequently Asked Questions Original Publication Date: July 17, 2017

On May 21, 2017, a settlement of claims in a *class action lawsuit* involving 2005 – 2010 Toyota Tacoma, 2007-2008 Tundra, and 2005-2008 Sequoia vehicles regarding frame corrosion was approved. This finally approved *class action settlement* includes inspection of the customer's frame, and if the frames meet or exceed the Rust Perforation Standard based upon the Court-ordered inspection criteria, the frame will be replaced at no cost to the customer. Toyota is currently preparing parts for frame replacement.

This settlement will also include CRC (Corrosion Resistant Compound) application. Toyota is currently preparing parts for the CRC application process. Once available, CRC application will be covered under a separate Limited Service Campaign (LSC), and will only be available for vehicles registered in the Cold Climate States<sup>1</sup> that pass frame inspection criteria, and did not:

- Previously have the frame replaced and/or:
- Previously had the frame sprayed with CRC under any previous campaign

Model	Activity	Estimated Launch Timing*	Notes
	Frame Inspection	Available	As necessary
2005- 2010 Tacoma	Frame Replacement- Tacoma	Available	Upon meeting or exceeding the Rust Perforation Standard based on Court-ordered inspection criteria
	Frame Replacement – Tundra	October 2017	Upon meeting or exceeding the Rust Perforation Standard based on Court-ordered inspection criteria
2007- 2008 Tundra 2005- 2008 Sequoia	Frame Replacement – 2008 Sequoia	October 2017	Upon meeting or exceeding the Rust Perforation Standard based on Court-ordered inspection criteria
	Frame Replacement – 2005 – 2007 Sequoia	October 2017	Upon meeting or exceeding the Rust Perforation Standard based on Court-ordered inspection criteria
	Customer Reimbursement	Available	Through Settlement Administrator; see www.toyotaframesettlement.com
	Frame CRC Application	Available (Tacoma Only)	Only for vehicles that do not meet or exceed the Rust Perforation Standard based on Court-ordered inspection criteria; only for cold-climate states <sup>1</sup> ; under separate Limited Service Campaign (LSC – H0F); expires May 21, 2019

\* Estimated Launch Timing is subject to change based on availability of remedy parts.

<sup>1</sup> – District of Columbia (DC), CT, DE, IL, IN, KY, MA, MD, ME, MI, MN, NH, NJ, NY, OH, PA, RI, VA, VT, WI, and WV.

### Q1: What is the condition?

A1: On the subject vehicles, Toyota has received reports that certain vehicles operated in specific cold climate areas (Cold Climate States) with high road salt usage may exhibit more-than-normal corrosion to the vehicle's frame. Toyota investigated these reports and determined that the frames in some vehicles may not have corrosion-resistant protection sufficient for use in these areas. This, combined with prolonged exposure to road salts and other environmental factors, may contribute to the development of more-than-normal rust in the frame of some vehicles. This condition is unrelated to and separate from normal surface rust which is commonly found on metallic surfaces after some years of usage and/or exposure to the environment.

# Q2: What is Toyota offering and why?

A2: On May 21, 2017, a settlement of the class action relating to Vehicle Frame Corrosion was finally approved by the Court. As part of the class action settlement, Toyota will initiate a Warranty Enhancement Program (WEP) to inspect affected vehicle's frames, and, if necessary, replace the vehicle's frame. If the vehicle's frame passes the inspection, and is registered in a Cold Climate State, the customer will be offered a Frame CRC application. This WEP will be available for 1 year from May 21, 2017 or 12 years from the vehicle's Date of First Use (DOFU), whichever is longer. The CRC application will be offered under a separate Limited Service Campaign (LSC – H0F) for a period of two years from the date of court approval.

### Q3: What is Toyota going to do?

A3: Toyota will send (in phases consistent with parts availability and repair capacity), starting in September, 2017, an owner notification by first class mail advising owners to make an appointment with their authorized Toyota dealer to have their frame inspected.

If the owner experiences the condition described above, they should contact their local authorized Toyota dealership for diagnosis. If the vehicle exhibits significant rust perforation based on Toyota inspection criteria, the dealer will replace the vehicle's frame with a new one at **NO CHARGE** to the customer.

# Q4: Which and how many vehicles are covered by this Warranty Enhancement Program?

A4: There are approximately 1,385,100 vehicles covered by this Warranty Enhancement Program.

Model	Model Year	UIO	Production Period
Tacoma	2005 – 2010	887,000	Mid-September 2004 – Mid-July 2010
Tundra	2007 – 2008	341,200	Late October 2006 – Mid-August 2008
Sequoia	2005 – 2008	156,900	Late March 2004 – Early August 2008

# Q5: What are the parameters of this Warranty Enhancement Program (WEP) and Limited Service Campaign (LSC)?

A5: The terms of the WEP are:

# • The coverage offers the latter of 12 years from the Date of First Use (DOFU) or 1 year from the date of final approval (5/21/2017).

This coverage is for warranty work performed at an authorized Toyota dealer only. It is subject to the terms of the Settlement Agreement and conditions set forth in the New Vehicle Limited Warranty Section of the Owner's Warranty Information booklet, except where conflicting with the Settlement Agreement, in which case, the Settlement Agreement controls. For example, damage from abuse, an accident, theft and/or vandalism is not covered by the New Vehicle Limited Warranty or this warranty enhancement.

The terms of the LSC are:

- The coverage offers two years from the date of final approval (5/21/2017).
- Vehicle must be currently registered in a cold-climate state.

#### Q5a: Are there any exclusions and limitations?

A5a: This WEP <u>does not</u> cover cosmetic damage or breakage due to outside forces, damage incurred from abuse, vandalism, flood, misuse, tampering, a crash, and/or other impact, animal damage, fire, or carbon build-up.

The WEP <u>does not</u> apply to vehicles that have flood damaged titles or vehicles that were sent to a salvage yard, junkyard, wreckage facility or similar entity.

This WEP is applicable only to vehicles that were originally distributed in the U.S. or the U.S. Territories. The vehicle must have been ever registered in the United States, unless proof is provided that it could not be registered due to excessive corrosion on the vehicle's frame.

Imported vehicles (ex. Mexico and Canada) are not covered, even if currently registered in the US.

#### Q5b: What if used to live in a Cold Climate State, but now do not?

A5b: Application of the Corrosion Resistant Compounds will be based on where the subject vehicle is currently registered.

# Q6: If you suspect your vehicle exhibits this condition, do you need to make an appointment with your dealership?

A6: Yes. You should take your vehicle to a Toyota dealership if you suspect your vehicle is exhibiting the condition described. The dealership will inspect the vehicle as per the parameters of the Warranty Enhancement Program. If you have not experienced this condition, please apply the sticker to your *Owner's Warranty Information booklet* for future reference.

#### Q7: Is the Warranty Enhancement Program coverage transferable if I sell my vehicle?

A7: Yes. This Warranty Enhancement Program coverage is fully transferrable to subsequent vehicle owners for the condition and terms specified in the notification letter.

#### Q8: How long will the repair take?

A8: The inspection of the vehicle's frame will take approximately 2 hours. If frame corrosion that meets or exceeds the Rust Perforation Standard is found and the frame requires replacement, the repair will take approximately one week. A complimentary loaner vehicle will be offered if frame replacement is required. Depending upon the dealer's work schedule, however, it may be necessary to make the vehicle available for a longer period of time.

# Q9: **Tacoma only** - What if I previously had my frame replaced or sprayed with CRC (Corrosion Resistant Compound)?

A9: Your vehicle is covered under this WEP regardless of whether the frame was sprayed with CRC or replaced during a previous Toyota campaign.

#### Q10: How does Toyota obtain my mailing information?

A10: Toyota uses an industry provider who works with each state's Department of Motor Vehicles (DMV) to receive registration or title information, based upon the DMV records. Please make sure your registration or title information is correct.

#### Q11: What if I have additional questions or concerns?

A11: If you have additional questions or concerns, please contact the Toyota Customer Experience Center at 1-888-270-9371 Monday through Friday, 7:00 AM to 7:00 PM, Saturday 7:00 AM to 4:30 PM Central Standard Time.

Customers with additional questions or concerns may visit the settlement website at www.toyotaframesettlement.com or may contact the Settlement Administrator at 1-800-481-7948.



Toyota Motor Sales, U.S.A., Inc. 6565 Headquarters Drive Plano, TX 75024 (469) 292-4000

# WARRANTY ENHANCEMENT NOTIFICATION – ZH9 LIMITED SERVICE CAMPAIGN – H0F

[VIN]

Dear Toyota Owner:

Toyota would like to advise you of an enhancement to portions of your Toyota New Vehicle Limited Warranty as part of a finally approved and implemented class action settlement.

Toyota has received reports regarding frame corrosion on 2008 model year Sequoia vehicles. <u>While not all vehicles</u> <u>will experience this condition</u>, we are offering the following program:

# Warranty Enhancement Program Details

This Warranty Enhancement Program covers vehicles purchased new or used provides enhanced coverage to the vehicle's "New Vehicle Limited Warranty" as it applies to frame corrosion. The specific condition covered by this program involves rust perforation, i.e. "Rust Perforation Standard." If perforation of the frame from rust corrosion meets or exceeds the Rust Perforation Standard, the frame will be replaced at no cost under the terms of this Warranty Enhancement Program.

• The coverage offers the latter of 12 years from the Date of First Use (DOFU) or 1 year from the date of final approval (5/21/2017).

This coverage is for warranty work performed at an authorized Toyota dealer only, and is limited to your specific vehicle whose Vehicle Identification Number (VIN) is printed below. It is subject to the terms of the Settlement Agreement and conditions set forth in the New Vehicle Limited Warranty Section of the Owner's Warranty Information booklet, except where conflicting with the Settlement Agreement, in which case, the Settlement Agreement controls. For example, damage from abuse, an accident, theft and/or vandalism is not covered by the New Vehicle Limited Warranty or this warranty enhancement.

\*Please see your Toyota dealer for additional details VIN#

Peel and Stick Label onto the Owner's Warranty Information Booklet

Additionally, for a period of two years from the date of the final court approval (May 21, 2017), if the perforation does not meet or exceed the Rust Perforation Standard, and the vehicle is registered in a Cold Climate State<sup>1</sup>, the dealer will apply CRC (Corrosion Resistant Compound) to the frame, subject to these and other limitations included in the Settlement Agreement.

<sup>1</sup> – District of Columbia (DC), CT, DE, IL, IN, KY, MA, MD, ME, MI, MN, NH, NJ, NY, OH, PA, RI, VA, VT, WI, and WV.

### What should you do?

Please apply the sticker above to your Owner's Warranty Information Booklet for future reference. If you have not experienced the condition described above, there is no action necessary at this time.

Please contact any authorized Toyota dealer and make arrangements for inspection, diagnosis and, if applicable, repair.

If you would like to update your vehicle ownership or contact information, please go to www.toyota.com/ownersupdate. You will need your full 17-digit Vehicle Identification Number (VIN) to input the new information.

Customers with additional questions or concerns are asked to please contact the Toyota Customer Experience Center (1-888-270-9371) - Monday through Friday, 7:00 am to 7:00 pm, Saturday 7:00 am to 4:30 pm Central Time. Customers with additional questions or concerns may visit the settlement website at www.toyotaframesettlement.com or may contact the Settlement Administrator at 1-800-481-7948.

Thank you for driving a Toyota.

Sincerely,

TOYOTA MOTOR SALES, U.S.A., INC.



Toyota Motor Sales, USA, Inc. 6565 Headquarters Drive Plano, TX 75024 (469) 292-4000

# WARRANTY ENHANCEMENT PROGRAM ZH9 and LIMITED SERVICE CAMPAIGN and FREQUENTLY ASKED QUESTIONS H0F

Q1: Are these a recall?

- A1: No. These are not a recall. Toyota is advising you of this enhancement to the Warranty Coverage pursuant to the terms of a Court-approved Settlement agreement.
- Q2: If you suspect your vehicle exhibits this condition, do you need to make an appointment with your dealership?
- A2: Yes. You should take your vehicle to an authorized Toyota dealership if you suspect your vehicle is exhibiting the condition described. The dealership will inspect the vehicle as per the parameters of the Warranty Enhancement Program. If you have not experienced this condition, please apply the sticker to your *Owner's Warranty Information booklet* for future reference.
- Q3: Is the Warranty Enhancement Program and Limited Service Campaign coverage transferable if I sell my vehicle?
- A3: Yes. These campaign coverages are fully transferable to subsequent vehicle owners for the condition and terms specified in the notification letter.

#### Q4: What should I do if my vehicle has the condition described?

A4: If you experience this condition, please contact any authorized Toyota dealer and make arrangements for inspection and, if applicable, repair.

#### Q5: How long will the repair take?

A6:

A5: The inspection of the vehicle's frame will take approximately 2 hours. If frame corrosion that meets or exceeds the Rust Perforation Standard is found, and the frame requires replacement, the repair will take approximately one week. A complimentary loaner vehicle will be offered if frame replacement is required. Depending upon the dealer's work schedule, however, it may be necessary to make the vehicle available for a longer period of time.

If frame corrosion does not meet or exceed the Rust Perforation Standard, and the dealer applies CRC, subject to the vehicle at issue, the repair takes approximately 6 hours, and the vehicle will be held overnight to allow time for the CRC to cure. However, depending upon the dealer's work schedule, it may be necessary to make the vehicle available for a longer period of time.

#### Q6: What if I have additional questions or concerns?

If you have additional questions or concerns, please contact the Toyota Customer Experience Center at 1-888-270-9371 Monday through Friday, 7:00 am to 7:00 pm, Saturday 7:00 am to 4:30 pm Central Time.

Customers with additional questions or concerns may visit the settlement website at www.toyotaframesettlement.com or may contact the Settlement Administrator at 1-800-481-7948.