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| TO: Mercedes-Benz Dealer Principals, General Managers, Service Managers, Warranty Administrators and Bookers | FROM: Joe Haller, Department Manager, Warranty Gregory Gunther, Department Manager, Vehicle Compliance and Analysis |
| RE: HVAC Service Warranty Coverage: 204 and 205 C-Class (model years 2008-2019); 204 GLK-Class (model years 2010-2015); 218 CLS-Class (model years 2012-2017); 207, 212 and 213 E-Class (model years 2010-2019); 156 GLA-Class (model years 2015-2019); 166 GL-Class (model years 2013-2016); 166 GLE-Class (model years 2016-2019); 166 GLS-Class (model years 2017-2019); 166 M-Class (model years 2012-2015); 253 GLC-Class (model years 2016-2019) | DATE: May 18, 2020 |

HVAC SERVICE WARRANTY COVERAGE

(Not Effective Until December 7, 2020 at the Earliest [see below])

To enhance the satisfaction of our customers, avoid further costs of litigation and return focus to its core businesses, Mercedes-Benz USA, LLC (MBUSA) has entered into a settlement regarding claims relating to alleged mold and mildew type odors originating from the HVAC system in certain Mercedes-Benz vehicles. As part of the settlement, MBUSA has agreed to offer sliding-scale warranty coverage for certain vehicles diagnosed as having mold or mildew type odors originating from the HVAC system—although that coverage will not take effect until the settlement is judicially approved and other events occur; likely not until December 7, 2020 at the earliest (see below). If the settlement becomes effective, coverage will include cleaning of the evaporator and replacement of the HVAC filters.

Which Vehicles: The warranty coverage provided by the settlement applies to the following vehicle types (“Subject Vehicles”):

- 204 and 205 C-Class (model years 2008-2019)
- 204 GLK-Class (model years 2010-2015)
- 218 CLS-Class (model years 2012-2017)
- 207, 212 and 213 E-Class (model years 2010-2019)
- 156 GLA-Class (model years 2015-2019)
- 166 GL-Class (model years 2013-2016)
- 166 GLE-Class (model years 2016-2019)
- 166 GLS-Class (model years 2017-2019)
- 166 M-Class (model years 2012-2015)
- 253 GLC-Class (model years 2016-2019)



What Is Covered: The warranty coverage provided by the settlement covers only cleaning the evaporator and replacing the HVAC filters in Subject Vehicles to address confirmed mold or mildew type odors originating in the Subject Vehicle's HVAC system ("Qualified Repair").

What Is Not Covered: The warranty coverage provided by the settlement does not apply to other types of issues concerning the HVAC system (e.g., inoperable, not hot/cold enough, etc.). Nor does it apply to odors from the HVAC system not attributable to mold or mildew (e.g., burning or fuel smells). These other types of HVAC issues that may present should be treated in the ordinary course of business without regard to this warranty.

When Does Coverage Begin?: Coverage under the extended warranty will not take effect until the settlement receives final approval from the court and all rights to appeal have been exhausted. The final approval hearing is currently scheduled to take place on September 9, 2020. Assuming the court grants final approval and there are no appeals, the parties have agreed that class members may begin presenting for extended warranty coverage on December 7, 2020. Until such time, customers should be advised to visit the settlement website (www.mercedeshvacsettlement.com) to stay apprised of developments.

What are the Conditions for Coverage: To qualify for coverage of a Qualified Repair, each of the following requirements must be satisfied with respect to the Subject Vehicle:

- The customer requesting coverage must provide proof that the Subject Vehicle's currently installed HVAC filter is a Mercedes-Benz brand or other approved filter. Such proof includes, but is not limited to, an authorized Mercedes-Benz Service Center ("Service Center") employee examining the filter and determining it is a Mercedes-Benz brand or other approved filter, a Service Center invoice indicating installation of a Mercedes-Benz brand or other approved filter into the Subject Vehicle, or a receipt of purchase of a Mercedes-Benz brand or other approved filter that was self-installed.
- The customer requesting coverage must provide proof that the Subject Vehicle timely received proper service in reasonable compliance with the Subject Vehicle's maintenance schedule for the two service intervals immediately prior to the requested repair. Such proof includes, but is not limited to, documentation from a Service Center or independent service provider indicating the Subject Vehicle's maintenance history; information found in the Service Center's own service records for the Subject Vehicle; or receipts of parts and materials used for maintenance performed by the customer.
- A service technician at the Service Center where coverage is requested must perform the odor diagnostic procedure attached to LI.00.00-P-066046 or any successor documents, and verify that the source of the odor in the Subject Vehicle is mold or mildew type odors originating from the HVAC system.
- The Subject Vehicle must not have more than 10 years or 125,000 miles from the Subject Vehicle's original in-service date, whichever occurs first.



What are the Terms of the Warranty and Extended Warranty: Coverage for Qualified Repairs will vary depending on the time period during which the Qualified Repair occurs, as follows:

- Period One is defined as the time period during which the Subject Vehicle has fewer than 4 years or 50,000 miles from the Subject Vehicle's original in-service date, whichever occurs first, or otherwise has full coverage for a Qualified Repair under another warranty. Qualified Repairs that occur during Period One shall be covered for 100% of the cost of the Qualified Repair.
- Period Two is defined as the time period from the end of Period One until the Subject Vehicle has fewer than 8 years or 100,000 miles from the Subject Vehicle's original in-service date, whichever occurs first. Qualified Repairs that occur during Period Two and exceed any warranty/extended warranty coverage shall be covered for 70% of the cost of the Qualified Repair.
- Period Three is defined as the time period from the end of Period Two until the Subject Vehicle has fewer than 10 years or 125,000 miles from the Subject Vehicle's original in-service date, whichever occurs first. Qualified Repairs that occur during Period Three shall be covered for 50% of the cost of the Qualified Repair.
- There will be no coverage for Qualified Repairs that occur after the end of Period Three (i.e. more than 10 years or 125,000 miles from the Subject Vehicle's original in-service date, whichever occurs first).

This warranty and warranty extension applies to covered vehicles regardless of ownership, as long as the terms and conditions of coverage above are satisfied.

The warranty does not cover any components or labor other than cleaning the evaporator and replacing the HVAC filter (e.g., replacement of the evaporator or HVAC box is not covered). Check to determine whether there is other warranty coverage for any additional repairs. Standard warranty terms and exclusions apply to all other components.

Service Packages: Information on the Service Packages and Damage Code will be provided before the Effective Date.

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

Should you have any questions, please do not hesitate to open a Warranty Services case online.

