



TAKATA CLASS ACTION SETTLEMENT - CUSTOMER SUPPORT PROGRAM: FRONT DRIVER'S SIDE AIRBAG MODULES

New information provided by this revision is preceded by this symbol .

This Service Information bulletin supersedes SI B01 16 19 dated **October 2018**

CLASS VEHICLES (MODELS)

E39 (5 Series including Sedan, Touring and M Models) Model Years 2000, 2001, 2002 and 2003	E46 (3 Series including Sedan, Coupe, Convertible, Touring and M Models) Model Years 2000, 2001, 2002, 2003, 2004, 2005 and 2006	E53 (X5) Model Year 2001, 2002 and 2003 with option codes SA0710 and SA0255	E70 (X5 including M Models) Model Years 2007, 2008, 2009, 2010, 2012 and 2013 with option codes SA0710 and SA0255
E71 (X6 including M Models) Model Years 2008, 2009, 2010, 2011, 2012, 2013 and 2014 with option codes SA0710 and SA0255	E72 (ActiveHybrid X6) Model Years 2010 and 2011	E82 (1 Series Coupe and M Coupe) Model Years 2008, 2009, 2010, 2011, 2012 and 2013 with option codes SA0710 and SA0255	E83 (X3) Model Years 2007, 2008, 2009 and 2010 with option codes SA0710 and SA0255
E84 (X1) Model Years 2012, 2013, 2014 and 2015 with option codes SA0710 and SA0255	E88 (1 Series Convertible) Model Years 2008, 2009, 2010, 2011, 2012 and 2013 with option codes SA0710 and SA0255	E90 (3 Series Sedan including M Models) Model Years 2006, 2007, 2008, 2009, 2010 and 2011 with option codes SA0710 and SA0255	E91 (3 Series Touring and Sports Wagon) Model Years 2006, 2007, 2008, 2009, 2010, 2011 and 2012
E92 (3 Series Coupe including M Models) Model Years 2007, 2008, 2009, 2010, 2011, 2012 and 2013 with option codes SA0710 and SA0255	E93 (3 Series Convertible including M Models) Model Years 2007, 2008, 2009, 2010, 2011, 2012 and 2013 with option codes SA0710 and SA0255		

Also as applicable: Sport Steering Wheel SA0255 (SA02XA with pedals) or M Sport Steering Wheel SA0710 (SA07XA with pedals).



Note: The “Model” information above is for informational purposes only, it is **not** the only deciding factor.

ELIGIBLE VEHICLES

To determine a vehicle’s eligibility and to confirm this coverage applies, always perform a VIN-specific DCSnet Warranty Inquiry first.

To assist you in identifying those vehicles that have this “component-specific” extended limited warranty coverage, the DCSnet Warranty Vehicle Inquiry has been updated with the VIN and Component-specific “Vehicle Comment” shown below:

SI [B01 16 18](#) (DC 32 34 90 02 00): Class Action Lawsuit Settlement Service Information bulletin for the Takata front driver’s side airbag module may apply. This Service Information bulletin provides specific procedural and DCSnet claim submission information for covered repairs.

If you have eligibility and/or coverage questions, please contact the Warranty department through IDS by selecting “Coverage, Policy and Coding” **prior** to performing any repair.

SITUATION

For the above-referenced vehicles with driver’s side airbag modules, BMW of North America, LLC (“BMW NA”) will provide a Customer Support Program as outlined in the Takata Settlement Customer Support Program Overview attachment.

This “component-specific” customer support program applies only if there is a defect in materials or workmanship of the Takata driver’s side airbag module in a listed vehicle.

INFORMATION

Class Allegations:

The lawsuit alleges that certain automotive companies, including BMW, manufactured, distributed, or sold certain vehicles containing defective Takata airbag inflators manufactured by Takata Corporation and TK Holdings, Inc.

Class Action Settlement and Effective Date

BMW NA entered into a nationwide settlement, as described below and in the attachments, for this matter. BMW NA received Preliminary Approval from the Court on June 9, 2017.

The Court granted Final Approval to this settlement on **July 30, 2018 (the Effective Date)**.

Customer Support Program Benefits

As of the Effective Date, BMW NA shall provide Class Members a Customer Support Program for their vehicles for repairs (parts and labor, including diagnosis) which are needed to correct defects, if any, in materials or workmanship of the:

(i) Original driver’s side Takata PSAN airbag inflator(s); or

(ii) Replacement driver's side airbag inflator(s) installed pursuant to the Takata Airbag Recall.

This benefit will be automatically transferred to subsequent owners and will remain with the recalled Subject Vehicle regardless of ownership, subject to the limitations below.

Note: The normal deployment of a replacement airbag inflator shall terminate this benefit as to that Class Vehicle.

Customer Support Program Timeline and Duration

1. Eligible Subject Vehicles having **non-desiccated inflator Takata driver's side airbag modules** that:

- **Had been** recalled; and the
- Recall Remedy (repair) **WAS completed on or before June 9, 2017**;

Then, the customer support program will last for ten (10) years or (120 months) as measured from the date the Recall Remedy was performed on the Subject Vehicle, subject to a:

A. Maximum limit of 150,000 miles measured from the date the Subject Vehicle was originally (first) sold or leased; **but**

B. Not less than 75,000 miles from the date the Recall Remedy was performed on the Subject Vehicle (Mileage when Recall Remedy was performed plus 75,000 miles);

However, each eligible Subject Vehicle will receive:

C. No less than two (2) years of customer support (without mileage limit) from June 9, 2017 (covered repair/claim date up to and including June 8, 2019).

Whichever one of the above is later.

2. Eligible Subject Vehicles having **non-desiccated inflator Takata driver's side airbag modules** that:

- **Had been** recalled; or
- **Will be** recalled; and the
- Recall Remedy (repair) **WAS NOT completed on or before June 9, 2017**;

Then, the customer support program will last for ten (10) years (120 months) measured from the date Subject Vehicle was originally (first) sold or leased; or if the Recall Remedy is performed on the Subject Vehicle, on the date Recall Remedy was performed, subject to a:

A. Maximum limit of 150,000 miles measured from the date the Subject Vehicle was originally (first) sold or leased; **but**

B. Not less than 75,000 miles from the date the Recall Remedy was performed on the Subject Vehicle (Mileage when Recall Remedy was performed plus 75,000 miles);

However, each eligible Subject Vehicle will receive:

C. No less than two (2) years of customer support (without mileage limit) from June 9, 2017 (covered

repair/claim date) or from the date (the Recall Remedy was performed on the Subject Vehicle;

Whichever one of the above is later.

For Takata front passenger's side airbag, please refer to SI [B01 17 18](#).

PROCEDURE

Vehicles with Open Takata Airbag Recall Campaign(s)

Always verify that the vehicle does not still require a Takata Airbag Recall Campaign repair to be completed. The VIN will show an "Open" campaign when checked either in AIR, the "Service Menu" of DCSnet (Dealer Communication System) or with the Key Reader. Following are the current Takata Recalls:

Recall	Model Years	Airbag	Models	SIB	Defect Code
15V-318	2002-2006	Drivers	E39 (5 Series); E46 (3 Series); E53 (X5)	B65 11 15	0032390200
16V-071	2007-2015	Drivers	E70 (X5); E71 (X6); E72 (X6H)	B65 14 16	0032350200
16V-071	2007-2010	Drivers	E83 (X3)	B65 15 16	0032350200
16V-071	2006-2013	Drivers	E82 (1 Series); E88 (1 Series); E90 (3 Series); E91 (3 Series); E92 (3 Series), E93 (3 Series)	B65 16 16	0032350200
17V-047	2000-2003	Drivers	E39 (5 Series); E46 (3 Series); E53 (X5)	B65 02 17	0032480200
16V-071	2013-2015	Drivers	E84 (X1)	B65 09 17	0032350200

If the recall is open, always perform the recall repair as outlined and submit for the Takata Airbag Recall Remedy first!

Performing Customer Support Program-Related Repairs

An illuminated airbag malfunction light and/or display message can be caused by one or more system/component-related malfunctions or issues (i.e. control unit, wiring harness, sensors, etc.).

When a vehicle arrives at your workshop with an illuminated airbag warning light and/or display message:

- Perform the corresponding diagnostic procedures to identify the cause(s);
- If there are airbag faults related to the front driver's side airbag module and its replacement will correct the issue; when eligible
- The front driver's side airbag module repair will be covered as outlined in this bulletin.

During repair order write up, please advised the customer that other "customer-pay work" may be needed to address the issue with the airbag system. It is important to obtain their approval to proceed with performing these other repairs since they would be done at their expense.

Should the customer decline these other repairs, please note it on the repair order accordingly.

The following vehicle and repair-related items are not eligible under this Customer Support Program:

1. Class Vehicles where the VIN has been altered or cannot be read
2. Class Vehicles where the true mileage cannot be determined (TMU)
3. Class Vehicles that have been declared a total loss or sold for salvage purposes
4. Class Vehicles airbag module replacements to address cosmetic or trim-related issues
5. Class Vehicles airbag module replacements as the result of damage or deployment due to improper repair
6. Class Vehicles airbag module replacements due to accident-related deployments
7. Class Vehicles airbag module replacements that are consequential to another component/system issue

PARTS INFORMATION



Note: Please refer to the Electronic Parts Catalog (ETK/EPC), using the customer's VIN to locate the applicable replacement part numbers.

Only order these **parts in the quantities needed** to address customers' vehicles that have confirmed failures.

Please do refer to ETK and the repair instructions for information about one time use fastener and/or other screws, gaskets and seals that must also be replaced while performing.

PARTS RETENTION AND RETURN

The parts replaced to perform and submit for this Recall repair procedure are the property of BMW NA.

Your center is responsible for the proper identification, storage (see below) and documentation of these parts. They must be held in a secure retention area until notification of claim payment is made by BMW NA through DCSnet.

Applicable Recall parts will be requested to be returned, a corresponding DCSnet generated Part Return tag will be generated.



Warning: Inflatable air bags are classified as dangerous goods (DG) by the Department of Transportation (DOT) and require special preparation, packing and labeling for transport.

In addition to the DOT regulations, the EPA formally announced that non-deployed safety devices that are removed from finished automobiles are now classified as hazardous waste.

Due additional EPA issued regulation, all Safety Devices (airbag modules, seatbelt buckles and roller assemblies with an integrated pre-tensioner device) that would have been requested to be returned to Lighting Resources **must be held** at your center until further notice.

The Takata Airbag Recall claim-related replacements are currently excluded.

The BMW Group is working diligently to provide you with an updated safety device-specific part return procedure that will also comply with the EPA regulation. We fully recognize the inconvenience to your center and appreciate your cooperation as we work quickly and efficiently to comply with this additional EPA regulation.

For other questions or inquiries concern this issue, please contact the WPRC via IDS or through its helpdesk at 610-365-3065.

WARRANTY INFORMATION

For repair order/claim dates **on or after July 30, 2018**, reimbursement for an eligible repair under the Takata Settlement Customer Support Program is via normal claim entry utilizing the following information:

The existing limited warranty coverage for the whole vehicle and other components has not changed.

This coverage supersedes the coverage that is provided under the BMW Certified Pre-Owned Program or any BMW Group Vehicle Service Contract that applies to the vehicle.

Should this component fail again, it is covered by the remaining portion of the extended limited warranty coverage period.

Non-Qualifying Repairs

Non-US specification vehicles, ineligible vehicles, eligible vehicles operated and repaired outside the United States and Puerto Rico and/or the diagnosis and repair of other unrelated issues are not covered under the terms of this limited warranty extension.

Qualifying Repairs - Claim Submission

Claim this work with the defect code and labor operations provided below.

Defect Code:	3234900200	 Ex US version, Takata driver's airbag
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Diagnosis - E39, E46 and E53

Labor Operation:	Labor Allowance:	Description:
32 34 000	Work time (WT)	Troubleshooting airbag system (Main work or Plus work as applicable) (Main)
Or:		
32 34 000	Work time (WT)	Troubleshooting airbag system (Main work or Plus work as applicable) (Plus work – Vehicle is already in the workshop)

Work time labor operation code 32 34 000 requires an individual punch time and an explanation on the repair order and in the claim comments section.

And, for the:

E39, E46 and E53 (Except E53 Model Codes FA03 and FB03)

Labor Operation:	Labor Allowance:	Description:
32 34 519	Refer to AIR/KSD2	Replacing airbag unit

Or, for the:

E53 (Model Codes FA03 and FB03)

Labor Operation:	Labor Allowance:	Description:
32 34 520	Refer to AIR/KSD2	Replacing and installing or replacing airbag unit (impact pad)

Or:

Diagnosis - E70, E71, E72, E83, E82, E84, E88, E90, E91, E92 and E93

Labor Operation:	Labor Allowance:	Description:
00 00 006	Refer to AIR/KSD2	Performing "vehicle test" (with vehicle diagnosis system – checking faults) (Main work)
Or:		
00 00 556	Refer to AIR/KSD2	Performing "vehicle test" (with vehicle diagnosis system – checking faults) (Plus work)
And:		
61 21 528	Refer to AIR/KSD2	Connect an approved battery charger/power supply (indicated in KSD2 as Charging battery)
And, as necessary:		
61 00 006	Work time (WT)	Performing vehicle diagnosis – test module
And/or, as necessary:		
32 34 000	Work time (WT)	Troubleshooting airbag system (Main work or Plus work as applicable)

If you are using a Main labor code for another repair, use the Plus code labor operation 00 00 556 instead of 00 00 006.

And, for the:

E70, E71, E72 and E83

Labor Operation:	Labor Allowance:	Description:
32 34 530	Refer to AIR/KSD2	Replacing and installing or replacing airbag unit (impact pad)

Or, for the:

E82, E84, E88, E90, E91, E92 and E93

Labor Operation:	Labor Allowance:	Description:
32 34 519	Refer to AIR/KSD2	Replacing airbag unit

Refer to KSD2/AIR for the corresponding flat rate unit (FRU) allowances.

Work time labor operation codes 61 00 006 and 34 34 000 are not considered a Main labor operations; however, they do require an individual punch times and an explanations on the repair order and in the claim

comments.

Overlapping Labor Procedure

If other repair work results in overlapping labor, you can replace the flat rate labor operation's stated KSD2/AIR "FRU allowance" with a:

- "Reduced FRU value" to eliminate the overlapping labor.

For help in identifying the overlapping labor, refer to the AIR FRU Plausibility Check (Overlapping Labor Tool) which is located in the AIR Client.

Eligible other repair work that will be claimed under a different defect code will require separate punch times.

Please identify and itemize those flat rate labor operations with "reduced FRU values" on the repair order and in the claim comment section.

Previous Customer-pay Repairs

Prior to the Final Settlement, Class Members could have filed a reimbursement request claim with the Claims Administrator, as outlined in the website below, for the expenses related to a performing qualifying previous customer-pay repair of their "Class Vehicle."

The completed reimbursement request form had to be postmarked or submitted online to the Claims Administrator no later than June 19, 2017.

For additional information about the settlement reimbursements, please direct customers to the following settlement website: www.autoairbagsettlement.com; BMW's Customer Relations and Services via email at Customerrelations@bmwusa.com or via telephone at 1-800-831-1117.

Please ensure the customer has their 17-character Vehicle Identification Number (VIN) available so it can be included all communications.

Posted: Monday, January 14, 2019

ATTACHMENTS

View PDF attachment [B011618 Takata Air Bag Postcard](#).

View PDF attachment [B016118 Takata Air Bag Long Form](#).

View PDF attachment [B011618 Takata Website](#).

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Current and former owners and lessees of certain BMW vehicles with a Takata airbag may be entitled to a payment from a class action settlement.

Si desea recibir esta notificación en español, llámenos o visite nuestra página web.

A \$131 million Settlement has been reached in a class action lawsuit alleging that BMW of North America, LLC and its affiliates (“BMW”) manufactured and sold vehicles that contained allegedly defective airbags made by Takata Corporation and its affiliates (“Takata”). BMW denies the allegations in the lawsuit, and the Court has not decided who is right. The \$131 million Settlement Amount, less a 10% credit for the Rental Car/Loaner Program, will be funded over a period of time and will be used for all relief and associated costs, as further discussed in the Settlement Agreement. **The purpose of this notice is to inform you of the class action and the proposed settlement so that you may decide what to do.**

Who’s Included? BMW’s records indicate that you may be a Class Member. The Settlement offers potential payments and other benefits to owners and lessees of certain BMW vehicles that have or had Takata airbags, which are, may or will be subject to a Recall (“Subject Vehicles”). A complete list of Subject Vehicles currently included in the Settlement is posted on the www.AutoAirbagSettlement.com Settlement Website. This Settlement does not involve claims of personal injury or property damage to any property other than the Subject Vehicles.

What Are the Settlement Terms? The Settlement offers several benefits, including reimbursement of reasonable out-of-pocket expenses related to the Takata airbag recall, a Rental Car/Loaner Program for owners or lessees of certain Subject Vehicles, an Outreach Program to maximize completion of the recall remedy, additional payments to Class Members from residual Settlement funds, if any remain, up to a maximum of \$500, and a Customer Support Program to help with repairs associated with affected Takata airbag replacement inflators. For further details about the Settlement, including the relief, eligibility, and release of claims, you can review the Settlement Agreement at the website, www.AutoAirbagSettlement.com.

How Can I Get a Payment? You must file a Claim to receive a payment during the first four years of the Settlement. Visit the website and file a Claim online or you can download one and file by mail. The deadline to file a Claim will depend on the recall or repair date of your Subject Vehicle and will be at least one year from the date the Settlement is finalized. All deadlines will be posted on the website when they are known.

Your Other Options. If you do not want to be legally bound by the Settlement, you must exclude yourself by **September 25, 2017**. If you do not exclude yourself, you will release any claims you may have against BMW and the Released Parties and receive certain settlement benefits, as more fully described in the Settlement Agreement, available at the Settlement Website. You may object to the Settlement by **September 25, 2017**. You cannot both exclude yourself from, and object to, the Settlement. The Long Form Notice available on the website listed below explains how to exclude yourself or object. The Court will hold a hearing on **October 25, 2017** to consider whether to finally approve the Settlement and a request for attorneys’ fees of up to 30% of the Settlement Amount and awards of \$5,000 to each of the Class Representatives. You may appear at the hearing, either yourself or through an attorney hired by you, but you don’t have to. For more information, call or visit the website below.

R9441 v.01

1-888-735-5596

www.AutoAirbagSettlement.com

Auto Airbag Settlement
Settlement Notice Administrator
PO Box 3207
Portland, OR 97208-3207

**Important Legal Notice from the United States
District Court for the Southern District of Florida.**

This is a notice of a class action settlement. **If you have received a separate recall notice for your BMW vehicle requesting that you bring it to your local retailer to have the Takata airbags repaired and have not yet done so, you should contact your local retailer to make an appointment for this repair as soon as possible.** Some vehicles will be recalled for repair at a later date and some vehicles may not be recalled (refer to NHTSA website safercar.gov for the schedule and vehicles involved). Please call the toll free number or access the website noted below if you have any questions. **When recalled Takata airbags deploy, they may spray metal debris toward vehicle occupants and may cause serious injury.**

In Re: Takata Airbag Products Liability Litigation

BMW Settlement

No. 15-MD-2599-FAM

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[Submit a Claim](#)

[Contact Us](#)

Important Dates

June 9, 2017

Preliminary Approval Hearing

September 25, 2017

Exclusion (Opt-Out) Deadline

September 25, 2017

Objection Deadline

October 25, 2017

Final Approval ("Fairness") Hearing

July 30, 2018

Effective Date of the Settlement

Welcome to the Informational Website for the BMW Settlement

UPDATE: Appeals to the Final Approval Order have been dismissed by the Court of Appeal for the Eleventh Circuit. The Court has established the Effective Date for the BMW Settlement as July 30, 2018.

A \$131 million settlement has been proposed with Bayerische Motoren Werke AG ("BMW AG"), BMW of North America, LLC ("BMW NA"), and BMW Manufacturing Co., LLC ("BMW MC") (collectively, "BMW"). The Settlement resolves claims that BMW manufactured, distributed, or sold certain vehicles containing allegedly defective inflators manufactured by Takata Corporation and TK Holdings, Inc. that allegedly could, upon deployment, rupture and expel debris or shrapnel into the occupant compartment or otherwise affect the airbag's deployment, and that the Plaintiffs sustained economic losses as a result thereof. The Court preliminarily approved the settlement on June 9, 2017 and issued the preliminary approval order that was docketed on June 12, 2017.

BMW denies and continues to deny that it has violated any law, denies liability, and denies that it engaged in any and all wrongdoing with respect to the manufacture, distribution, or sale of the Subject Vehicles. Both sides in the lawsuit agreed to a settlement in order to increase recall completion rates and to avoid the cost and risk of further litigation, with the goal of enhanced customer satisfaction.

This economic loss class action settlement Class includes:

- All persons or entities who or which owned and/or leased, on June 9, 2017, Subject Vehicles distributed for sale or lease in the United States or any of its territories or possessions; and
- All persons or entities who or which formerly owned and/or leased Subject Vehicles distributed for sale or lease in the United States or any of its territories or possessions, and who or which sold or returned, pursuant to a lease, the Subject Vehicles after April 11, 2013, and through June 9, 2017.

The BMW Settlement does not involve claims for personal injury or property damage to any property other than the Subject Vehicles.

Important Note: Some vehicles included in the Settlement will be recalled at a later date and others may not require a recall. Your receipt of a Settlement Notice does not mean your vehicle is subject to a recall. Please refer to the National Highway Traffic Safety Administration's website, www.safercar.gov, for the latest information about Takata recalls and to determine if your vehicle is subject to a recall.

In Re: Takata Airbag Products Liability Litigation BMW Settlement

No. 15-MD-2599-FAM

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Final Approval ("Fairness") Hearing

July 30, 2018

Effective Date of the Settlement

Submit a Registration/Claim Form - Instructions

Please Read These Instructions Carefully

Subject to certain limited exclusions, you are a person or entity eligible to register/submit a claim for a Settlement Payment if:

- a. You owned or leased, on June 9, 2017, a BMW Subject Vehicle distributed for sale or lease in the United States or its territories or possessions, AND you bring or have brought your Subject Vehicle to a dealership for the manufacturer of the Subject Vehicle for the Takata Airbag Recall Remedy; or
- b. You sold, or returned pursuant to a lease, a BMW Subject Vehicle distributed for sale or lease in the United States or its territories or possessions after April 11, 2013, and before June 9, 2017, if the Subject Vehicle was recalled prior to June 9, 2017.

To register/submit a claim for a Settlement Payment, you must either:

1. Submit an electronic Registration/Claim Form online by clicking "Check Your Eligibility and Start a Registration/Claim Form" below (online registration will result in expedited processing); or
2. Submit a completed paper Registration/Claim Form along with any required documentation by U.S. Mail or email to:

Mailing Address:	Auto Airbag Settlement Settlement Notice Administrator P.O. Box 3207 Portland, OR 97208-3207
Email:	info@autoairbagsettlement.com

In Re: Takata Airbag Products Liability Litigation BMW Settlement

No. 15-MD-2599-FAM

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The deadline for submitting a Registration/Claim Form is as follows:

- a. If you sold or returned, pursuant to a lease, a recalled Subject Vehicle after April 11, 2013, and before June 9, 2017, and your vehicle was recalled under the Takata Airbag Inflator Recall prior to June 9, 2017, **you have one year from the date that the Settlement becomes final (the "Effective Date") to submit a Registration/Claim Form.**
- b. If you owned or leased a Subject Vehicle on June 9, 2017, **the deadline for submitting a Registration/Claim Form is one year after the Effective Date, or one year after the date the Recall Remedy is performed on your Subject Vehicle, whichever is later, until the Final Registration/Claim Deadline is reached.**

Important: No Registration/Claim Forms may be submitted after the Final Registration/Claim deadline. The Effective Date and the Final Registration/Claim deadline are not yet known, but will be posted prominently on this Settlement website when they are known.

If you are or were the registered owner or lessee of more than one Subject Vehicle, you must submit a separate Registration/Claim Form for each Subject Vehicle to obtain a separate out-of-pocket Settlement Payment for each Recall Remedy performed, or after requesting and while awaiting the Recall Remedy, on each Subject Vehicle you own(ed) or lease(d). However, claims for unreimbursed expenses cannot be duplicative.

Capitalized terms in the Form have the same meaning as provided in the [Settlement Agreement](#). The [Long-Form Notice](#), also explains key terms of the Settlement, including the definition of Effective Date.

Please provide all required information (as indicated by *) to complete and submit the Registration/Claim Form, attach supporting documentation, and sign/certify the form.

Important: If your Claim is rejected for any reason, you will be notified and given an opportunity to address any deficiencies. The Settlement Special Administrator's decisions regarding Claims for reimbursement of out-of-pocket expenses submitted by Class Members is final and cannot be appealed.

In Re: Takata Airbag Products Liability Litigation BMW Settlement

No. 15-MD-2599-FAM

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September 25, 2017

Objection Deadline

October 25, 2017

Final Approval ("Fairness") Hearing

July 30, 2018

Effective Date of the Settlement

Contact Us

If you have any questions regarding the administration of the BMW Settlement, you may contact the Settlement Notice Administrator.

✉ **Email Us:**

info@autoairbagsettlement.com

☎ **Call Us:**

1-888-735-5596 (Toll-Free)

✉ **Write Us:**

Auto Airbag Settlement
Settlement Notice Administrator
P.O. Box 3207
Portland, OR 97208-3207

Please ensure that you include your name and your return address on all correspondence.

If You Currently or Previously Owned, Purchased, or Leased Certain BMW Vehicles, You Could Get a Cash Payment and Other Benefits from a Class Action Settlement.

Para ver este aviso en español, visita www.AutoAirbagSettlement.com

- There is a proposed settlement in a class action lawsuit against Takata Corporation, its affiliates, and those automotive companies to whom Takata supplied certain airbag products. The settlement resolves certain claims against BMW entities, including, but not limited to, Bayerische Motoren Werke Aktiengesellschaft (“BMW AG”), BMW of North America, LLC (“BMW NA”), and BMW Manufacturing Co., LLC (“BMW MC”) (collectively, “BMW”) that were based on the inclusion of those Takata airbag products in certain BMW vehicles (“BMW vehicles”). Those people included in the settlement have legal rights, options and deadlines by which they must exercise them.
- You are included if you own or owned, or lease or leased certain BMW vehicles (which are listed in Question 3 below).
- The proposed settlement provides for several benefits, including, among other things, a Rental Car/Loaner Program, Out-of-Pocket Claims Process, Customer Support Program, and Residual Distribution. There is also an Outreach Program which encourages BMW customers to participate in a recall of Takata airbag inflators.

If you have received a separate recall notice for your BMW vehicle and have not yet had your airbags replaced, you should do so as soon as possible.

Please read this Notice carefully. Your legal rights are affected, whether you act or do not act. You are encouraged to periodically check the website, www.AutoAirbagSettlement.com, because it will be updated with additional information.

A. BASIC INFORMATION

1. What is this Notice about?

A Court authorized this Notice because you have a right to know about a proposed settlement of a class action lawsuit and about all of your options and associated deadlines before the Court decides whether to give final approval to the settlement. The name of the lawsuit is *In Re: Takata Airbag Product Liability Litigation*, No. 15-MD-2599-FAM. Takata and several automotive companies have been named as defendants in the litigation, including BMW. This Notice explains the lawsuit, the proposed settlement, and your legal rights. You are NOT being sued. The Court still has to decide whether to finally approve the settlement. Payments and other benefits will be distributed only if the

Court finally approves the settlement and, subject to the terms of the Settlement, the settlement approval is upheld after any appeals. Please be patient and check the website identified in this Notice regularly. Please do not contact BMW Dealers regarding the details of this settlement while it is pending before the Court.

*Your legal rights may be affected even if you do not act.
Please read this Notice carefully.*

YOUR RIGHTS AND CHOICES

<i>YOU MAY:</i>		<i>DATE/CLAIM PERIOD</i>
<p>FILE A REGISTRATION / CLAIM FORM(S)</p>	<p>This is the only way that you can receive cash payments for which you may be eligible from the Out-of-Pocket Claims Process or the Residual Distribution, if any funds remain, prior to the Final Claim/Registration Deadline.</p> <p>There are different deadlines depending on your situation. The column to the right explains those deadlines.</p>	<p><i>(a) Class Members who, after April 11, 2013 and before June 9, 2017, sold or returned, pursuant to a lease, a Subject Vehicle that was recalled under the Takata Airbag Inflator Recall prior to June 9, 2017, will have one year from the Effective Date to submit a Registration/Claim Form.</i></p> <p><i>(b) Class Members who owned or leased a Subject Vehicle on June 9, 2017 shall have one year from the Effective Date or one year from the date of the performance of the Recall Remedy on their Subject Vehicle, whichever is later, to submit a Registration/Claim Form, but no Registration/Claim Forms may be submitted after the Final Registration/Claim Deadline.</i></p> <p><i>The Effective Date and Final Registration/Claim Deadline, when known, will be posted on the Settlement website.</i></p>

**QUESTIONS? CALL TOLL FREE 1-888-735-5596 OR VISIT WWW.AUTOAIRBAGSETTLEMENT.COM
PLEASE CONTINUE TO CHECK THE WEBSITE AS IT WILL BE PERIODICALLY UPDATED
PLEASE DO NOT CALL THE JUDGE OR THE CLERK OF COURT**

OBTAIN OTHER SETTLEMENT BENEFITS	<p>If you are a Class Member, you may also be eligible to participate in the Rental Car/Loaner Program and/or receive benefits from the Customer Support Program.</p> <p>As part of the Rental Car/Loaner Program, BMW shall, subject to certain restrictions, provide a rental/loaner vehicle to Class Members who currently own or lease a Subject Vehicle that is a Priority Group I vehicle which are vehicles registered in certain geographic areas and require the Takata airbag inflator recall on a priority basis.</p> <p>BMW shall provide the Customer Support Program that will provide prospective coverage for repairs and adjustments for the Takata phase-stabilized ammonium nitrate or “PSAN” inflators and their replacements installed through the Recall Remedy.</p> <p>There is an Outreach Program that is designed to maximize completion of the Recall Remedy.</p>	
OBJECT	Write to the Court about why you do not like the proposed settlement.	<i>September 25, 2017</i>
EXCLUDE YOURSELF	Ask to get out (opt out) of the proposed settlement. If you do this, you are not entitled to any of the settlement benefits, but you keep your right to sue BMW about the issues in your own lawsuit.	<i>September 25, 2017</i>
APPEAR IN THE LAWSUIT OR GO TO THE FAIRNESS HEARING	You are not required to enter an appearance in the lawsuit in order to participate in the proposed settlement, but you may enter an appearance on your own or through your own lawyer in addition to filing an objection if you do not opt out. You can also ask to speak in Court at the Fairness Hearing about the proposed settlement, if you have previously filed an objection and submitted a timely notice of intention to appear at the Fairness Hearing.	<p><i>Appearance deadline is September 25, 2017</i></p> <p><i>The Court will hold the Fairness Hearing at 2:00pm (ET) on October 25, 2017</i></p>
DO NOTHING	You may not receive certain settlement benefits that you may otherwise be eligible for and you give up the right to sue BMW about the issues in the lawsuit.	

2. What is the lawsuit about?

The lawsuit alleges that certain automotive companies, including BMW, manufactured, distributed, or sold certain vehicles containing allegedly defective Takata airbag inflators manufactured by Defendants Takata Corporation and TK Holdings, Inc. that allegedly could, upon deployment, rupture and expel debris or shrapnel into the occupant compartment and/or otherwise affect the airbag's

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deployment, and that the plaintiffs sustained economic losses as a result.

The lawsuit claims violations of various state consumer protection statutes, among other claims. You can read the Second Amended Consolidated Class Action Complaint by visiting www.AutoAirbagSettlement.com. BMW denies that it has violated any law, denies liability, and denies that it engaged in any wrongdoing with respect to the manufacture, distribution, or sale of the Subject Vehicles.

On October 27, 2014, Craig Dunn, Pam Koehler, Zulmarie Rivera, Tru Value Auto Malls, LLC, David M. Jorgensen, Anna Marie Brechtell Flattmann, Robert Redfearn, Jr., Tasha R. Severio, Kenneth G. Decie, Gregory McCarthy, Nicole Peaslee, Karen Switkowski, Anthony D. Dark, Lemon Auto Sales, Inc., Nathan Bordewich, Kathleen Wilkinson, Haydee Masisni, and Nancy Barnett filed a class action complaint in *Craig Dunn, et al. v. Takata Corp., et al.*, No. 1:14-cv-24009 (S.D. Fla.) (the “Economic Loss Class Action Complaint”), alleging, among other things, that certain automotive companies manufactured, distributed, or sold certain vehicles containing allegedly defective airbag inflators manufactured by Defendants Takata Corporation and TK Holdings, Inc. that allegedly could, upon deployment, rupture and expel debris or shrapnel into the occupant compartment and/or otherwise affect the airbag’s deployment, and that the plaintiffs sustained economic losses as a result thereof.

The Judicial Panel on Multidistrict Litigation subsequently consolidated the *Craig Dunn, et al.* action for pretrial proceedings with additional class and individual actions alleging similar or identical claims in *In re Takata Airbag Products Liability Litigation*, No. 1:15-md-02599-FAM (S.D. Fla.) (MDL 2599), pending before the Honorable Judge Federico A. Moreno in the United States District Court for the Southern District of Florida.

On March 17, 2015, the Court entered an Order Appointing Plaintiffs’ Counsel and Setting Schedule, which designated Peter Prieto of Podhurst Orseck, P.A. as Chair Lead Counsel, David Boies of Boies Schiller and Flexner, LLP, and Todd A. Smith of Power Rogers & Smith, PC, as Co-Lead Counsel in the Economic Loss track; Curtis Miner of Colson Hicks Eidson as Lead Counsel for the Personal Injury track; and Roland Tellis of Baron & Budd P.C., James Cecchi of Carella Byrne Cecchi Olstein P.C., and Elizabeth Cabraser of Lief, Cabraser, Heimann & Bernstein, LLP as Plaintiffs’ Steering Committee members.

Plaintiffs filed an Amended Consolidated Class Action Complaint on April 30, 2015. On June 15, 2015, Plaintiffs (as defined below) filed a Second Amended Consolidated Class Action Complaint (defined below as the “SACCAC”), which is the operative pleading for Plaintiffs’ economic loss claims at this time.

A detailed description of the legal proceedings, including motions to dismiss, is set forth in the Settlement Agreement, which is on the settlement website www.AutoAirbagSettlement.com.

On January 13, 2017, Defendant Takata Corporation signed a criminal plea agreement in which it admitted, among other things, that it “knowingly devised and participated in a scheme to obtain money and enrich Takata by, among other things, inducing the victim OEMs to purchase airbag systems from Takata that contained faulty, inferior, nonperforming, non-conforming, or dangerous PSAN inflators by deceiving the OEMs through the submission of false and fraudulent reports and other information that concealed the true and accurate test results for the inflators which the OEMs would not have otherwise purchased as they were.” On the same day, an indictment of three Takata employees on related charges was unsealed. Takata entered a guilty plea to one count of wire fraud before U.S.

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District Judge George Caram Steeh, as part of a settlement with the U.S. Department of Justice. *See U.S. v. Takata Corporation*, No. 2:16-cr-20810 GCS EAS, Dkt. No. 23 (E.D. Mich. Feb. 27, 2017).

As of the Automotive Defendants' February 23, 2017 Status Report, written discovery and extensive document productions have taken place (more than a million documents have been produced), the Automotive Defendants have deposed more than 70 class representatives, and Plaintiffs have deposed at least 10 Takata witnesses and 18 witnesses from the Automotive Defendants. Depositions of individual employees of certain Automotive Defendants continue to be taken.

3. What vehicles are included in the settlement?

Certain of the BMW vehicles (called the "Subject Vehicles") distributed for sale or lease in the United States, the District of Columbia, Puerto Rico, or any other United States territories or possessions are included:

<u>Model Years</u>	<u>Make and Model</u> (including respective M variants)
2006, and 2008-2013	BMW 1 Series
2014-2017	BMW 2 Series
2000-2017	BMW 3 Series
2014-2017	BMW 4 Series
2001-2003, and 2009-2017	BMW 5 Series
2012-2017	BMW 6 Series
2017	BMW M760Li
2011-2017	BMW X1
2007-2017	BMW X3
2014-2017	BMW X4
2000-2004, and 2006-2017	BMW X5
2007-2017	BMW X6
2014-2017	BMW I8 EV

4. Why is this a class action?

In a class action, people called "class representatives" sue on behalf of other people who have similar claims. All of these people together are the "Class" or "Class Members" if the Court approves this procedure. Once approved, the Court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

5. Why is there a settlement?

Both sides in the lawsuit agreed to a settlement in order to increase recall completion rates and to avoid the cost and risk of further litigation, with the goal of enhanced customer satisfaction. As a result of the settlement, the Class Members can get the benefits of the settlement and, in exchange, BMW received a release from liability. The settlement does not mean that BMW broke any laws or did anything wrong. Furthermore, the Court did not decide which side was right. This settlement has been preliminarily approved by the Court, which authorized the issuance of this Notice. The Class

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Representatives/Named Plaintiffs and the lawyers representing them (called “Settlement Class Counsel”) believe that the settlement is in the best interests of all Class Members.

The essential terms of the settlement are summarized in this Notice. The Settlement Agreement along with all exhibits and addenda sets forth in greater detail the rights and obligations of the parties. If there is any conflict between this Notice and the Settlement Agreement, the Settlement Agreement governs.

B. WHO IS IN THE SETTLEMENT?

To see if you are affected or if you can get money or benefits, you first have to determine whether you are a Class Member.

6. How do I know if I am part of the settlement?

You are part of the settlement if you are:

- (1) a person or entity who or which owned or leased a Subject Vehicle distributed for sale or lease in the United States or any of its territories or possessions, as of June 9, 2017, or
- (2) a person or entity who or which formerly owned or leased a Subject Vehicle distributed for sale or lease in the United States or any of its territories or possessions, who sold or returned, pursuant to a lease, a Subject Vehicle after April 11, 2013 and through June 9, 2017.

This is called the “Class.” Excluded from this Class are: (a) BMW, its officers, directors, and employees and outside counsel; its affiliates and affiliates’ officers, directors and employees; its distributors and distributors’ officers, directors and employees; and BMW’s dealers and their officers and directors; (b) Settlement Class Counsel, Plaintiffs’ counsel and their employees; (c) judicial officers and their immediate family members and associated court staff assigned to this case; (d) Automotive Recyclers and their outside counsel and employees; and (e) persons who or entities which timely and properly exclude themselves from (opt out of) the Class.

The settlement does not relate to claims for personal injury or property damage to any property other than the Subject Vehicles.

7. I’m still not sure if I’m included in the settlement.

If you are not sure whether you are included in the Class, you may call 1-888-735-5596. Please do not contact BMW Dealers regarding the details of this settlement while it is pending before the Court as the Court has ordered that all questions be directed to the Settlement Notice Administrator.

C. THE SETTLEMENT BENEFITS—WHAT YOU GET AND HOW TO GET IT

8. What does the settlement provide?

If you are a Class Member, what you are eligible to receive depends on several factors. The settlement benefits are outlined generally below, and more information can be found on the settlement website. The Court still has to decide whether to finally approve the settlement.

The proposed settlement benefits include, among other components, (i) an Outreach Program,

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(ii) Rental Car/Loaner Program, (iii) an Out-of-Pocket Claims Process, (iv) a Customer Support Program, and (v) a potential Residual Distribution, if funds remain.

We do not know when the Court will finally approve the settlement, if it does so, or whether there will be any appeals that would have to be resolved in favor of the settlement before certain benefits would be provided, so we do not know precisely when any benefits may be available. Please check www.AutoAirbagSettlement.com regularly for updates regarding the settlement.

Please note that you may have to take action within certain deadlines to receive certain benefits, such as completing and submitting a Registration/Claim Form. If you do nothing, you may not receive certain benefits from the settlement, and, as a Class Member, you will not be able to sue the Released Parties about the issues in the lawsuit.

a. How will BMW fund the settlement and all of its components?

As part of this settlement, BMW agrees to pay a total of \$131,000,000.00 less the 10% Rental Car/Loaner Program Credit (explained in Question 8(b), below), into a Qualified Settlement Fund (“QSF”). The settlement amount is to be used to fund the settlement programs, excluding the Customer Service Program, and to make all other payments, including, but not limited to, notice, administrative, tax preparation, escrow fees and costs and other expenses related to the settlement. The settlement fund will also be used to pay attorneys’ fees and costs and incentive awards to class representatives, as awarded by the Court.

Initial Payment: BMW will make the first payment into the QSF not later than July 10, 2017 (the “Initial Payment”). The Initial Payment will include:

- i. \$15,720,000 (12% of the total Settlement Fund), which is intended to be sufficient to pay for the first 12 months of the Outreach Program; and
- ii. BMW’s *pro rata* portion of \$2,000,000, as determined by the Settlement Special Administrator, which is intended to be sufficient to pay for the first 12 months of the Settlement Special Administrator’s costs and administrative costs.

Second Payment: BMW will pay into the QSF the amount sufficient to pay for notice costs, as directed by the Settlement Special Administrator, not later than 7 calendar days after receipt of such direction from the Settlement Special Administrator.

Third Payment: Not later than 14 calendar days after the Court issues the Final Order and Final Judgment finally approving the settlement, BMW will deposit into the QSF the amount of attorneys’ fees and expenses awarded by the Court.

Year One Payment: BMW will deposit into the QSF, not later than 14 calendar days after the Effective Date, 30% of the amount remaining of the \$131,000,000, after subtracting the Initial Payment, the Second Payment, and the Third Payment, and further reduced by the applicable portion of the 10% Rental Car/Loaner Program Credit.

Year Two Payment: BMW will deposit into the QSF, not later than one year after the Effective Date, 30% of the amount remaining of the \$131,000,000, after subtracting the Initial Payment, the Second Payment, and the Third Payment, and further reduced by the applicable portion of the 10% Rental Car/Loaner Program Credit set forth above.

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Year Three Payment: BMW will deposit into the QSF, not later than two years after the Effective Date, 20% of the amount remaining of the \$131,000,000, after subtracting the Initial Payment, the Second Payment, and the Third Payment, and further reduced by the applicable portion of the 10% Rental Car/Loaner Program Credit set forth above.

Year Four Payment: BMW will deposit into the QSF, not later than three years after the Effective Date, the full amount remaining of the \$131,000,000, after subtracting the amounts above and further reduced by the applicable portion of the 10% Rental Car/Loaner Program Credit set forth above.

b. Rental Car/ Loaner Vehicle Program

Subject to certain conditions, BMW shall provide a rental/loaner vehicle to a Class Member who currently owns or leases a Subject Vehicle that is a Priority Group I vehicle, as specified by the Coordinated Remedy Order which was issued by the National Highway Traffic Safety Administration (“NHTSA”) and is available for your review on the settlement website www.AutoAirbagSettlement.com.

To be eligible for the Rental Car/Loaner Program, the Class Member must contact a BMW Dealer and request replacement of the Takata airbag inflator with the Recall Remedy. If the BMW Dealer informs the Class Member that it does not have the Recall Remedy parts in stock, the Class Member must request a rental/loaner vehicle. The Class Member shall provide adequate proof of insurance, and if a rental car (as opposed to a loaner) is provided, the Class Member shall meet the applicable rental car company’s guidelines. If, after 30 days following the Class Member’s request, the BMW Dealer is unable to obtain the necessary Recall Remedy parts, a rental/loaner vehicle will be made available to the Class Member, until a Recall Remedy is performed on the Class Member’s Subject Vehicle, at which time the rental/loaner vehicle must be returned to the BMW Dealer in the same condition (excepting ordinary wear and tear) as received by the Class Member. The Class Member shall promptly bring his or her Subject Vehicle to the BMW Dealer, and return any rental/loaner vehicle, upon the BMW Dealer’s notification that the recall remedy is ready to be performed. BMW’s obligation to pay rental/loaner costs under this paragraph shall cease fourteen (14) calendar days after the Class Member is notified that the Recall Remedy is available for the Class Member’s vehicle.

BMW shall begin the Rental Car/Loaner Program no later than July 10, 2017.

BMW will receive a credit of 10% (\$13,100,000.00) of the overall Settlement Fund for providing the Rental Car/Loaner Program. This credit shall be: (a) automatically applied at the beginning of the settlement program year for the Year One Payment, Year Two Payment, Year Three Payment and Year Four Payment; and (b) divided into four equal amounts for these yearly payments. Every six months, BMW shall certify to the Settlement Special Administrator that BMW is complying with the Rental Car/Loaner Program. The Settlement Special Administrator shall have the right to audit and confirm such compliance.

c. Out-of-Pocket Claims Process

If the settlement is finally approved, including resolving any appeals in favor of upholding the settlement, you can ask to be reimbursed for certain reasonable out-of-pocket expenses related to the Takata Airbag Inflator Recalls. To be eligible for reimbursement, you must submit a timely and fully completed Registration/Claim Form. The Registration/Claim Form is attached to this Notice and is also available on the settlement website www.AutoAirbagSettlement.com. In no event shall a Class

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Member be entitled to more than one reimbursement payment per Recall Remedy performed on each Subject Vehicle they own(ed) or lease(d).

The Settlement Special Administrator will oversee the administration of the Out-of-Pocket Claims Process, including, but not limited to, the determination of types of reimbursable costs and the eligibility of claims for reimbursement. The types of eligible reimbursable costs are listed in the Registration/Claim Form, which also contains a statement that the Settlement Special Administrator may approve and pay for other reimbursable claims that the Settlement Special Administrator deems to be a reasonable out-of-pocket expense.

Reimbursable out-of-pocket expenses: BMW and Plaintiffs, through their respective counsel, will make recommendations to the Settlement Special Administrator on what types of reasonable out-of-pocket expenses are reimbursable. Based on these recommendations, the Settlement Special Administrator shall consider those recommendations and develop a claim review protocol that will allow for reimbursement from the Settlement Fund to eligible Class Members for reasonable out-of-pocket expenses related to the Takata Airbag Inflator Recalls. The Parties agree that the following preliminary list of types of reasonable expenses may be reimbursed:

- (i) reasonable unreimbursed rental car and transportation expenses, after requesting and while awaiting the Recall Remedy from a BMW Dealer;
- (ii) reasonable towing charges to a BMW Dealer for completion of the Recall Remedy;
- (iii) reasonable childcare expenses necessarily incurred during the time in which the Recall Remedy is being performed on the Subject Vehicle by a BMW Dealer;
- (iv) reasonable unreimbursed out-of-pocket costs associated with repairing driver or passenger front airbags containing Takata PSAN inflators;
- (v) reasonable lost wages resulting from lost time from work directly associated with the drop off and/or pickup of his/her Subject Vehicle to/from a BMW Dealer for performance of the Recall Remedy; and
- (vi) reasonable fees incurred for storage of a Subject Vehicle after requesting and while awaiting a Recall Remedy part.

The Parties recognize that there may be additional categories of out-of-pocket expenses that may be reimbursed, as determined by the Settlement Special Administrator. The Settlement Special Administrator may not use any funds from the Out-of-Pocket Claims Process for payments to Class Members due to vehicle damage, property damage or personal injury allegedly from the deployment or non-deployment of a Takata airbag.

Timing for and review of out-of-pocket claims to be reimbursed: Pursuant to the Settlement Special Administrator's Claims Review Protocol, Class Members who have submitted timely and fully completed Registration/Claim Forms and: (a) are determined to be eligible to receive reimbursement for reasonable out-of-pocket expenses, shall be reimbursed for these reasonable out-of-pocket expenses; and (b) have been either determined not to be eligible to receive reimbursement for claimed out-of-pocket expenses or only registered for a residual payment, shall be placed into a group of Class Members that may be eligible to receive funds from the Residual Distribution, if any, subject to certain conditions.

The first set of reimbursements to eligible Class Members who have completed and filed a claim form shall be made on a rolling basis by the Settlement Special Administrator no later than 180 days after

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the Effective Date. Reimbursements for following years shall be made on a rolling basis as claims are submitted and approved.

For the reimbursements that occur in years one through three, reimbursements shall be made on a first-in-first-out basis until the Settlement Fund is depleted for that year. If there are no more funds to reimburse eligible Class Members in that particular year, then those Class Members will be moved to subsequent years for reimbursement.

For reimbursements to eligible Class Members that are to occur in year four and until the Final Registration/Claim Deadline, out-of-pocket payments shall be made for the amount approved by the Settlement Special Administrator, unless the approved reimbursements to eligible Class Members exceed the amount available. If this event occurs, then reimbursements shall be made on a *pro rata* basis until the available amount is exhausted.

Submitting more than one claim for out-of-pocket expenses: Class Members may submit one claim for out-of-pocket expenses attributable to each Recall Remedy performed on each Subject Vehicle they own(ed) or lease(d). For example, a Class Member with two Subject Vehicles may submit two claims, one for each vehicle, but the claims for the unreimbursed expenses can not be duplicative.

Finality of decision: The Settlement Special Administrator's decisions regarding claims for reimbursement of out-of-pocket expenses submitted by Class Members shall be final and not appealable.

d. Residual Distribution

The settlement program will be implemented over four years. Any funds that remain at the end of each of the first four settlement program years, after all Outreach Program and out-of-pocket expense payments for that year have been made, shall be distributed to each Class Member who (a) submitted claims in that year or prior program years that were previously rejected; or (b) sought to register for a residual payment only. Subject to certain exceptions discussed below, no Class Member eligible for a Residual Distribution payment shall receive a payment(s) totaling more than \$250 from the Residual Distribution for the first four settlement program years. Subject to certain exceptions discussed below, any funds remaining after payment of the maximum residual payment to all Class Members in any given year shall be rolled over into the following year's settlement program.

Unless it is administratively unfeasible, any funds that remain at the end of the last settlement program year after the Residual Distribution, if any, is made, shall be distributed on a *per capita* basis to Class Members who: (a) submitted claims in this or prior program years that were previously paid; (b) submitted claims in this or prior program years that were previously rejected and have not received any prior claims payments under this settlement program; or (c) sought to register for a residual payment only. No Class Member shall receive a payment of more than \$250 from this residual payment from this last settlement program year.

Any funds remaining in the Settlement Fund after making the payments described above shall be distributed to all Class Members on a *per capita* basis, unless it is administratively unfeasible, in which case such funds shall be distributed *cy pres*, subject to the agreement of the Parties, through their respective counsel, and Court approval.

Any Class Member who submits a claim that the Settlement Special Administrator determines is fraudulent shall not receive any payment from the Settlement Fund.

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e. Customer Support Program

If the Court issues an order finally approving the settlement, as part of the compensation BMW is paying in exchange for a release of claims against it in the Action, BMW shall provide Class Members a Customer Support Program.

Customer Support Program benefits: The Customer Support Program will provide prospective coverage for repairs and adjustments (including parts and labor) needed to correct defects, if any, in materials or workmanship of (i) the Takata PSAN inflators contained in the driver or passenger front airbag modules of Subject Vehicles or (ii) replacement driver or passenger inflators installed pursuant to the Takata Airbag Recall in the Subject Vehicles. This benefit will be automatically transferred and will remain with the Subject Vehicle regardless of ownership. The normal deployment of a replacement airbag inflator shall terminate this benefit as to a Subject Vehicle. To permit BMW to coordinate with its Dealers to provide benefits pursuant to the Customer Support Program under the Agreement, eligible Class Members may begin seeking such benefits no earlier than 30 calendar days from the date of the Court's issuance of the Final Order. Nothing in the previous sentence shall affect the calculation of periods of time for which BMW will provide coverage under the Customer Support Program.

Customer Support Program timeline and duration: If the Subject Vehicle has been recalled and the Recall Remedy has been completed as of June 9, 2017 (the date of the issuance of the Court's Preliminary Approval Order), then the Customer Support Program will last for 10 years measured from the date the Recall Remedy was performed in the Subject Vehicle, subject to a maximum limit of 150,000 miles measured from the date the Subject Vehicle was originally sold or leased ("Date of First Use"), but not less than 75,000 miles from the date the Recall Remedy was performed on the Subject Vehicle, whichever is later. However, each eligible Subject Vehicle will receive no less than two years of coverage from June 9, 2017.

If the Subject Vehicle has been or will be recalled and the Recall Remedy has not been completed as of June 9, 2017, then the Customer Support Program will last for 10 years from the Date of First Use or if the Recall Remedy is performed on the Subject Vehicle, the date the Recall Remedy was performed, subject to a maximum limit of 150,000 miles measured from the Date of First Use, but not less than 75,000 miles from the date the Recall Remedy was performed on the Subject Vehicle. However, each eligible Subject Vehicle will receive no less than two years of coverage from June 9, 2017, or from the date the Recall Remedy was performed on the applicable Subject Vehicle, whichever is later.

If the Subject Vehicle contains a "desiccated" Takata PSAN inflator in the driver or passenger front airbag modules as original equipment, then the Customer Support Program will last for 10 years, measured from the Date of First Use, subject to a maximum limit of 150,000 miles, measured from the Date of First Use. However, each eligible Subject Vehicle will receive no less than two years of coverage from June 9, 2017.

In the event desiccated Takata PSAN inflators in the driver or passenger front airbag modules in any of the Subject Vehicles are recalled in the future, then the Customer Support Program will be extended to last for 10 years, measured from the date such future Recall Remedy is performed in the Subject Vehicle, subject to a maximum limit of 150,000 miles, measured from the Date of First Use, but not less than 75,000 miles from the date the Recall Remedy was performed on the Subject Vehicle, provided that each eligible Subject Vehicle will receive no less than two years of coverage from the date of the future Recall Remedy.

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Ineligible vehicles: Inoperable vehicles and vehicles with a salvaged, rebuilt, or flood-damaged title are not eligible for the Customer Support Program.

f. When will I get paid for a submitted claim for reimbursement for out-of-pocket expenses or from the residual distribution?

The Settlement Special Administrator will use its best efforts to pay your Claim in a timely manner. The first set of reimbursements to eligible Class Members who have completed and filed a Registration/Claim form shall be made on a rolling basis by the Settlement Special Administrator no later than 180 days after the Effective Date. Reimbursements for following years shall be made on a rolling basis as claims are submitted and approved in subsequent years.

For the reimbursements that occur in years one through three, reimbursements shall be made on a first-in-first-out basis until the Settlement Fund is depleted for that year. If there are no more funds to reimburse eligible Class Members in that particular year, then those Class Members will be moved to subsequent years for reimbursement.

For reimbursements to eligible Class Members that are to occur in year four and until the Final Registration/Claim Deadline, out-of-pocket payments shall be made for the amount approved by the Settlement Special Administrator, unless the approved reimbursements to eligible Class Members exceeds the amount available. If this event occurs, then reimbursements shall be made on a *pro rata* basis until the available amount is exhausted.

Deadline to Submit Registration/Claim Form: In order to receive reimbursement for a Claim, eligible Class Members must complete and submit the Registration/Claim Form during the Claim Period. Class Members who, after April 11, 2013 and before June 9, 2017, sold or returned, pursuant to a lease, a Subject Vehicle that was recalled under the Takata Airbag Inflator Recall prior to June 9, 2017, will have one year from the Effective Date to submit a Registration/Claim Form. Class Members who owned or leased a Subject Vehicle on June 9, 2017 will have one year from the Effective Date or one year from the date of the performance of the Recall Remedy on their Subject Vehicle, whichever is later, to submit a Registration/Claim Form, but no Registration/Claim Forms may be submitted after the Final Registration/Claim Deadline.

Obtaining, Completing and Submitting the Registration/Claim Form: You can complete and submit a Registration/Claim Form online at www.AutoAirbagSettlement.com. Alternatively, hard copy Registration/Claim Forms can be requested from the Settlement Special Administrator or from the Settlement Notice Administrator. You can also obtain a Registration/Claim Form from the settlement website, print it out, complete it, and timely mail it to the Settlement Notice Administrator at Auto Airbag Settlement, Settlement Notice Administrator, PO Box 3207, Portland, OR 97208-3207.

g. Outreach Program

The Settlement Special Administrator shall oversee and administer the Outreach Program with the goal of maximizing, to the extent practicable, completion of the Recall Remedy in Subject Vehicles for the Takata Airbag Inflator Recalls. The Parties will recommend various programs to the Settlement Special Administrator that are intended to effectuate this goal. The Outreach Program shall be designed to significantly increase Recall Remedy completion rates via traditional and non-traditional outreach efforts beyond those currently being used by BMW and conducted in connection

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with NHTSA's November 3, 2015 Coordinated Remedy Order and amendments thereto (the "Coordinated Remedy Order"). The budget for the Outreach Program is not to exceed 33% of the Settlement Fund, but the budget of the Outreach Program may be adjusted subject to the agreement of the Parties, through their respective counsel. The Settlement Special Administrator shall engage certain consultants and staff, as agreed to by the Parties, through their respective counsel, to assist in the design, effectuation and implementation of the Outreach Program. The Settlement Special Administrator shall exercise his discretion to make reasonable efforts to confer with NHTSA and the Independent Monitor for Takata and consider compliance with the Coordinated Remedy Program before finalizing the Outreach Program. Updates to the Outreach Program will be posted on the Settlement website.

The Outreach Program for the Takata Airbag Inflator Recalls shall include, but is not limited to, the following agreed-upon components: (a) direct contact of Class Members via U.S. Mail, telephone, social media, e-mail, and texting; (b) contact of Class Members by third parties (e.g., independent repair shops); and (c) multi-media campaigns, such as through print, television, radio, and the internet. The Settlement Special Administrator shall work in good faith with the consultants and the Parties, through their respective counsel, on the Outreach Program, including, but not limited to, the programs, timing, necessary outreach messages, amounts, and support. The Settlement Special Administrator shall correspond and coordinate the Outreach Program with BMW to ensure to the extent practicable that the outreach is consistent with Recall Remedy parts and service availability.

Once the Parties have provided their recommendations, the Settlement Special Administrator will then make a final, binding determination regarding the details and scope of the Outreach Program. The Settlement Special Administrator will periodically report to the Court and the Parties, through their respective counsel, the results of the implementation of the Outreach Program.

If the Effective Date does not occur during the first 12 months of the Outreach Program, the Parties, through their respective counsel, shall discuss continuing and funding the Outreach Program until the Effective Date. The Outreach Program is intended to be a program that will adjust and change its methods of outreach as is required to achieve its goal of maximizing completion of the Recall Remedy. It is not intended to be a static program with components that are fixed for the entire settlement period.

9. What am I giving up in exchange for the settlement benefits?

If the settlement becomes final, Class Members who do not exclude themselves from the Class will release BMW and the Released Parties from liability and will not be able to sue the Released Parties about the issues in the lawsuit. The Settlement Agreement at Section VII describes the released claims in necessary legal terminology, so read it carefully. For ease of reference, we also attach the full release section and the definition of Released Parties in Appendix A to this Notice. The Settlement Agreement is available at www.AutoAirbagSettlement.com. You can talk to one of the lawyers listed in Question 13 below for free or you can, of course, talk to your own lawyer at your own expense if you have questions about the released claims or what they mean.

D. EXCLUDING YOURSELF FROM THE SETTLEMENT

If you want to keep the right to sue or continue to sue BMW or the Released Parties over the legal issues in the lawsuit, then you must take steps to exclude yourself from this settlement. This is also

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known as “opting out” of the Class.

10. If I exclude myself, can I get anything from this settlement?

If you exclude yourself, you cannot receive settlement benefits. If you ask to be excluded, you cannot object to the settlement. But, if you timely and properly request exclusion, the settlement will not prevent you from suing, continuing to sue or remaining or becoming part of a different lawsuit against BMW or the Released Parties in the future about the issues in the lawsuit. If you exclude yourself, you will not be bound by anything that happens in this lawsuit and you may not object to the settlement.

11. If I do not exclude myself, can I sue later?

Unless you exclude yourself, you give up the right to sue the Released Parties for the claims resolved by this settlement. If the settlement is finally approved, you will be permanently enjoined and barred from initiating or continuing any lawsuit or other proceeding against the Released Parties about the issues in the lawsuit, as set forth in the full release attached in Appendix A to this Notice.

12. How do I get out of the settlement?

To exclude yourself from the settlement, you **must** mail a written request for exclusion to the Settlement Notice Administrator saying that you want to be excluded from the settlement in *In Re: Takata Airbag Products Liability Litigation (Economic Loss Actions)*, and mention the case number (1:15-md-2599-FAM).

The letter must be signed by you or the entity seeking to be excluded from the Class and include the following information: (i) your full name, telephone number, and address; (ii) a statement affirming you are a member of the Class and providing your Subject Vehicle’s Vehicle Identification Number (VIN); and (iii) a statement that you wish to be excluded from the BMW Settlement in the *In re Takata Airbag Products Liability Litigation, 15-md-02599-FAM*. You can’t ask to be excluded over the phone or at the settlement website. To be valid and timely, opt-out requests must be postmarked on or before **September 25, 2017, the last day of the Exclusion (“Opt-Out”) Period (the “Exclusion (Opt-Out) Deadline”). You **must** mail your request for exclusion postmarked no later than **September 25, 2017** to:**

Auto Airbag Settlement
Settlement Notice Administrator
PO Box 3207
Portland, OR 97208-3207

The deadlines found in this Notice may be changed by the Court. Please check www.AutoAirbagSettlement.com regularly for updates regarding the settlement.

E. THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in the case?

Yes. The Court has appointed lawyers to represent you and other Class Members. These lawyers are called “Settlement Class Counsel”: Peter Prieto of Podhurst Orseck, P.A., is Chair Lead Counsel,

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and David Boies of Boies Schiller & Flexner, L.L.P. and Todd A. Smith of Power, Rogers & Smith, L.L.P. are Co-Lead Counsel for the economic damages track. Roland Tellis of Baron & Budd P.C., James Cecchi of Carella Byrne Cecchi Olstein P.C., and Elizabeth Cabraser of Lieff, Cabraser, Heimann & Bernstein, LLP are the Plaintiffs' Steering Committee members. If you want to be represented by another lawyer, you may hire one to appear in Court for you at your own expense. Their contact information is as follows:

<p>Peter Prieto PODHURST ORSECK, P.A. SunTrust International Center One S.E. 3rd Avenue, Suite 2700 Miami, Florida 33131 Tel: (305) 358-2800 Email: pprieto@podhurst.com URL: www.podhurst.com Chair Lead Counsel</p>	<p>David Boies BOIES, SCHILLER & FLEXNER, L.L.P. 575 Lexington Avenue New York, NY 10022 Tel: (305) 539-8400 Email: dboies@bsflp.com URL: www.bsflp.com Co-Lead Counsel for the Economic Loss Track</p>
<p>Todd A. Smith POWER, ROGERS AND SMITH, L.L.P. 70 West Madison St., Suite 5500 Chicago, IL 60602 Tel: (312) 313-0202 Email: tas@prslaw.com URL: www.prslaw.com Co-Lead Counsel for the Economic Loss Track</p>	<p>Roland Tellis BARON & BUDD 15910 Ventura Blvd. #1600 Encino, CA 91436 Tel: (818) 839-2333 Email: rtellis@baronbudd.com URL: www.baronbudd.com Plaintiffs' Steering Committee</p>
<p>James E. Cecchi CARELLA, BYRNE, CECCHI, OLSTEIN, BRODY & AGNELLO, PC 5 Becker Farm Road Roseland, NJ 07068 Tel: (973) 994-1700 Email: jcecchi@carellabyrne.com URL: www.carellabyrne.com Plaintiffs' Steering Committee</p>	<p>Elizabeth J. Cabraser LIEFF CABRASER HEIMANN & BERNSTEIN, LLP 275 Battery Street, 29th Floor San Francisco, CA 94111 Tel: (415) 956-1000 Email: ecabraser@lchb.com URL: www.lchb.com Plaintiffs' Steering Committee</p>

14. How will the lawyers be paid? What about awards to the named plaintiffs/class representatives?

The Parties did not begin to negotiate Attorneys' Fees and Expenses until after agreeing to the principal terms set forth in this Settlement Agreement. Settlement Class Counsel agrees to file, and BMW agrees not to oppose, an application for an award of Attorneys' Fees and Expenses of not more than 30% of the Settlement Amount. The Court will determine the amount of Attorneys' Fees and Expenses to be awarded. This award, will be paid from the Settlement Fund, and it shall be the sole compensation paid by BMW for all plaintiffs' counsel in the Actions.

Any order or proceedings relating to the Attorneys' Fees and Expenses application, or any appeal from any order related thereto, or reversal or modification thereof, will not operate to terminate or cancel

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this Agreement, or affect or delay the Effective Date.

Settlement Class Counsel may petition the Court for incentive awards of up to \$5,000 per Plaintiff. The purpose of such awards is to compensate the Plaintiffs for efforts undertaken by them on behalf of the Class. Any incentive awards made by the Court will be paid from the Settlement Fund within 30 days of the Effective Date.

BMW will not be liable for, or obligated to pay, any attorneys' fees, expenses, costs, or disbursements, either directly or indirectly, in connection with the Actions or the Agreement, other than as set forth above.

F. OBJECTING TO THE SETTLEMENT

You can tell the Court if you do not agree with the settlement or some part of it.

15. How do I tell the Court if I do not like the settlement?

If you are a Class Member, and you do not exclude yourself from the Class, you can object to the settlement if you do not like some part of it or all of it. You can give reasons why you think the Court should not approve it. To object, you must deliver to Settlement Class Counsel, BMW's Counsel (see addresses below), and the Court, on or before **September 25, 2017** a written statement of your objection(s).

The written objection of any Class Member must include:

- a) a heading which refers to the *Takata* MDL and an indication that the objection is to the BMW Settlement;
- b) the objector's full name, telephone number, and address (the objector's actual residential address must be included);
- c) an explanation of the basis upon which the objector claims to be a Class Member, including the Vehicle Identification Number ("VIN") of the objector's Subject Vehicle(s);
- d) all grounds for the objection, accompanied by any legal support for the objection known to the objector or his or her counsel;
- e) the number of times the objector has objected to a class action settlement within the five years preceding the date that the objector files the objection, the caption of each case in which the objector has made such objection, and a copy of any orders related to or ruling upon the objector's prior such objections that were issued by the trial and appellate courts in each listed case;
- f) if represented by counsel, the full name, telephone number, and address of all counsel, including any former or current counsel who may be entitled to compensation for any reason related to the objection to the Settlement or fee application;
- g) the number of times the objector's counsel and/or counsel's law firm have objected to a class action settlement within the five years preceding the date that the objector files the objection, the caption of each case in which the counsel or the firm has made such objection, and a copy of any orders related to or ruling upon counsel's or the firm's prior such objections that were issued by the trial and appellate courts in each listed case;
- h) any and all agreements that relate to the objection or the process of objecting – whether written or verbal – between objector or objector's counsel and any other person or entity;
- i) whether the objector intends to appear at the Fairness Hearing on his or her own behalf or through counsel;

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- j) the identity of all counsel representing the objector who will appear at the Fairness Hearing;
- k) a list of all persons who will be called to testify at the Fairness Hearing in support of the objection; and
- l) the objector's dated, handwritten signature (an electronic signature or the objector's counsel's signature is not sufficient).

Any documents supporting the objection must also be attached to the objection.

The objection must be received by Settlement Class Counsel and BMW's Counsel no later than **September 25, 2017**. To have your objection considered by the Court, you also must send the objection to the Clerk of Court (identified below) so that it is received and filed no later than **September 25, 2017**.

Objections must be mailed to:

<u>Clerk of the Court</u> Wilkie D. Ferguson, Jr. U.S. Courthouse 400 North Miami Avenue Miami, FL 33128	<u>Settlement Class Counsel</u> Peter Prieto PODHURST ORSECK, P.A. SunTrust International Center One S.E. 3 rd Ave, Suite 2700 Miami, FL 33131	<u>BMW's Counsel</u> Rosemary J. Bruno Buchanan Ingersoll & Rooney PC 550 Broad Street, Suite 810 Newark, NJ 07102
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16. What is the difference between objecting and excluding?

Excluding yourself (or "opting out") is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the settlement no longer affects you. Objecting is telling the Court that you do not like something about the settlement. You can object only if you stay in the Class.

If you are a Class Member and you do nothing, you will remain a Class Member and all of the Court's orders will apply to you, you will be eligible for the settlement benefits described above as long as you satisfy the conditions for receiving each benefit, and you will not be able to sue the Released Parties over the issues in the lawsuit, as set forth in the full release attached in Appendix A to this Notice.

G. THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to grant final approval to the settlement, sometimes called the "Fairness Hearing." If you have filed an objection on time and attend the hearing, you may ask to speak (provided you have previously filed a timely notice of intention to appear), but you do not have to attend or speak.

17. When and where will the Court decide whether to grant final approval of the settlement?

The Court will hold a Final Approval, or "Fairness," Hearing at **2:00pm (ET) on October 25, 2017** at the Wilkie D. Ferguson, Jr. United States District Courthouse, Southern District of Florida, 400 North Miami Avenue, Miami, FL 33128. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will

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only listen to people who have met the requirement to speak at the hearing (*See* Question 19 below). After the hearing, the Court will decide whether to grant final approval of the settlement, and, if so, how much to pay the lawyers representing Class Members. We do not know how long these decisions will take.

18. Do I have to come to the hearing?

No. Settlement Class Counsel will answer any questions the Court may have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it – but you can if you provide advance notice of your intention to appear (*See* Question 19 below). As long as you filed a written objection with all of the required information on time with the Court, the Court will consider it. You may also pay another lawyer to attend, but that is not required.

19. May I speak at the hearing?

You or your attorney may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter saying that it is your “Notice of Intent to Appear in *In Re: Takata Airbag Products Liability Litigation (Economic Loss Actions)*, No. 1:15-md-2599-FAM” to Settlement Class Counsel and BMW’s Counsel identified above (see Question 15) so that they receive it no later than **September 25, 2017**. You must also send such a Notice to the Clerk of Court so that it is received and filed no later than **September 25, 2017**. You must include your name, address, telephone number, the year, make and model and VIN number of your vehicle, and your signature. Anyone who has requested permission to speak must be present at the start of the Fairness Hearing at **2:00 pm (ET) on October 25, 2017**. You cannot speak at the hearing if you excluded yourself from the Class.

H. GETTING MORE INFORMATION

20. How do I get more information?

This Notice summarizes the proposed settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement and other information about the settlement and the Registration/Claim Forms, at www.AutoAirbagSettlement.com. You can also call the toll-free number, 1-888-735-5596, or write the Settlement Notice Administrator at Auto Airbag Settlement, Settlement Notice Administrator, PO Box 3207, Portland, OR 97208-3207. You can also look at the documents filed in the lawsuit at the Court at the address provided above in response to Question 15.

21. When will the settlement be final?

The settlement will not be final unless and until the Court grants final approval of the settlement at or after the Fairness Hearing and after any appeals are resolved in favor of the settlement. Please be patient and check the website identified in this Notice regularly. Please do not contact BMW or BMW Dealers about the Settlement. Please direct all questions about the Settlement to the Settlement Administrator.

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Appendix A

Section VII from the Settlement Agreement – Release and Waiver

A. The Parties agree to the following release and waiver, which shall take effect upon entry of the Final Order and Final Judgment.

B. In consideration for the relief provided above, Plaintiffs and each Class Member, on behalf of themselves and any other legal or natural persons and entities who or which may claim by, through or under them, including their executors, administrators, heirs, assigns, predecessors and successors, agree to fully, finally and forever release, relinquish, acquit, discharge and hold harmless the Released Parties¹ from any and all claims, demands, suits, petitions, liabilities, causes of action, rights, losses and damages and relief of any kind and/or type regarding the subject matter of the Actions, including, but not limited to, compensatory, exemplary, statutory, punitive, restitutionary, expert and/or attorneys' fees and costs, whether past, present, or future, mature, or not yet mature, known or unknown, suspected or unsuspected, contingent or non-contingent, derivative, vicarious or direct, asserted or un-asserted, and whether based on federal, state or local law, statute, ordinance, rule, regulation, code, contract, tort, fraud or misrepresentation, common law, violations of any state's or territory's deceptive, unlawful, or unfair business or trade practices, false, misleading or fraudulent advertising, consumer fraud or consumer protection statutes, or other laws, unjust enrichment, any breaches of express, implied or any other warranties, violations of any state's Lemon Laws, the Racketeer Influenced and Corrupt Organizations Act, or the Magnuson-Moss Warranty Act, or any other source, or any claims under the Trade Regulation Rule Concerning the Preservation of Consumers' Claims and Defenses 16. C.F.R. § 433.2, or any claim of any kind, in law or in equity, arising from, related to, connected with, and/or in any way involving the Actions, the Subject Vehicles' driver or passenger front airbag modules containing desiccated or non-desiccated Takata PSAN inflators, and any and all claims involving the Takata Airbag Inflator Recalls that are, or could have been, alleged, asserted or described in the Economic Loss Class Action Complaint, Amended Economic Loss Consolidated Class Action Complaint, the Second Amended Consolidated Class Action Complaint, the Actions or any amendments of the Actions.

C. If a Class Member who does not opt out commences, files, initiates, or institutes any new legal action or other proceeding against a Released Party for any claim released in this Settlement in any federal or state court, arbitral tribunal, or administrative or other forum, such legal action or proceeding shall be dismissed with prejudice at that Class Member's cost.

D. Notwithstanding the Release set forth in Section VII of this Agreement, Plaintiffs and Class Members are not releasing and are expressly reserving all rights relating to claims for personal injury, wrongful death or actual physical property damage arising from an incident involving a Subject Vehicle, including the deployment or non-deployment of a driver or passenger front airbag with a

¹ Released Parties" or "Released Party" means BMW, and each of its past, present and future parents, predecessors, successors, spin-offs, assigns, holding companies, joint-ventures and joint-venturers, partnerships and partners, members, divisions, stockholders, bondholders, subsidiaries, related companies, affiliates, officers, directors, employees, associates, dealers, including the BMW Dealers, representatives, suppliers, vendors, advertisers, marketers, service providers, distributors and subdistributors, repairers, agents, attorneys, insurers, re-insurers, administrators and advisors. The Parties expressly acknowledge that each of the foregoing is included as a Released Party even though not identified by name herein. Notwithstanding the foregoing, "Released Parties" does not include the Excluded Parties.

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Takata PSAN inflator.

E. Notwithstanding the Release set forth in Section VII of this Agreement, Plaintiffs and Class Members are not releasing and are expressly reserving all rights relating to claims against Excluded Parties.

F. The Final Order and Final Judgment will reflect these terms.

G. Plaintiffs and Class Members shall not now or hereafter institute, maintain, prosecute, assert, instigate, and/or cooperate in the institution, commencement, filing, or prosecution of any suit, action, claim and/or proceeding, whether legal, administrative or otherwise against the Released Parties, either directly or indirectly, on their own behalf, on behalf of a class or on behalf of any other person or entity with respect to the claims, causes of action and/or any other matters released through this Settlement.

H. In connection with this Agreement, Plaintiffs and Class Members acknowledge that they may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those that they now know or believe to be true concerning the subject matter of the Actions and/or the Release herein. Nevertheless, it is the intention of Settlement Class Counsel and Class Members in executing this Agreement fully, finally and forever to settle, release, discharge, acquit and hold harmless all such matters, and all existing and potential claims against the Released Parties relating thereto which exist, hereafter may exist, or might have existed (whether or not previously or currently asserted in any action or proceeding) with respect to the Actions, their underlying subject matter, and the Subject Vehicles, except as otherwise stated in this Agreement.

I. Plaintiffs expressly understand and acknowledge, and all Plaintiffs and Class Members will be deemed by the Final Order and Final Judgment to acknowledge and waive Section 1542 of the Civil Code of the State of California, which provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Plaintiffs and Class Members expressly waive and relinquish any and all rights and benefits that they may have under, or that may be conferred upon them by, the provisions of Section 1542 of the California Civil Code, or any other law of any state or territory that is similar, comparable or equivalent to Section 1542, to the fullest extent they may lawfully waive such rights.

J. Plaintiffs represent and warrant that they are the sole and exclusive owners of all claims that they personally are releasing under this Agreement. Plaintiffs further acknowledge that they have not assigned, pledged, or in any manner whatsoever sold, transferred, assigned or encumbered any right, title, interest or claim arising out of or in any way whatsoever pertaining to the Actions, including without limitation, any claim for benefits, proceeds or value under the Actions, and that Plaintiffs are not aware of anyone other than themselves claiming any interest, in whole or in part, in the Actions or in any benefits, proceeds or values under the Actions. Class Members submitting a Registration/Claim Form shall represent and warrant therein that they are the sole and exclusive owners of all claims that they personally are releasing under the Settlement and that they have not assigned, pledged, or in any manner whatsoever, sold, transferred, assigned or encumbered any right, title, interest or claim arising out of or in any way whatsoever pertaining to the Actions, including without limitation, any claim for benefits, proceeds or value under the Actions, and that such Class Member(s) are not aware of anyone other than themselves claiming any interest, in whole or in part,

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in the Actions or in any benefits, proceeds or values under the Actions.

K. Without in any way limiting its scope, and, except to the extent otherwise specified in the Agreement, this Release covers by example and without limitation, any and all claims for attorneys' fees, costs, expert fees, or consultant fees, interest, or litigation fees, costs or any other fees, costs, and/or disbursements incurred by any attorneys, Settlement Class Counsel, Plaintiffs or Class Members who claim to have assisted in conferring the benefits under this Settlement upon the Class.

L. Settlement Class Counsel and any other attorneys who receive attorneys' fees and costs from this Settlement acknowledge that they have conducted sufficient independent investigation and discovery to enter into this Settlement Agreement and, by executing this Settlement Agreement, state that they have not relied upon any statements or representations made by the Released Parties or any person or entity representing the Released Parties, other than as set forth in this Settlement Agreement.

M. Pending final approval of this Settlement via issuance by the Court of the Final Order and Final Judgment, the Parties agree that any and all outstanding pleadings, discovery, deadlines and other pretrial requirements are hereby stayed and suspended as to BMW. Upon the occurrence of final approval of this Settlement via issuance by the Court of the Final Order and Final Judgment, the Parties expressly waive any and all such pretrial requirements as to BMW.

N. Nothing in this Release shall preclude any action to enforce the terms of the Agreement, including participation in any of the processes detailed herein.

O. Plaintiffs and Settlement Class Counsel hereby agree and acknowledge that the provisions of this Release together constitute an essential and material term of the Agreement and shall be included in any Final Order and Final Judgment entered by the Court.

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