Q1. Which models are included in this Safety Recall Campaign?

Included are approximately 381,500 Model Year 2002-2006 BMW 3 Series models produced between January 2002 and August 2006, as well as approximately 28,600 Model Year 2002-2003 5 Series produced between March 2002 and July 2003 and approximately 10,500 Model Year 2003-2004 X5 Sport Activity Vehicles (SAV) produced between February 2003 and October 2003, both equipped with the optional sport steering wheel.

Q2. BMW conducted safety recalls in 2013 and 2014 on a similar issue. How is this different?

In May 2013, BMW had determined that a safety defect existed on <u>passenger-side</u> front air bag systems for certain Model Year 2002-2003 3 Series and is conducting a recall to replace them. In July 2014, BMW expanded this recall to certain Model Year 2000-2006 3 Series. These campaigns are already underway with an available free-of-charge repair at BMW centers

Q3. BMW included the M3 in its 2013 and 2014 recalls. Is the M3 included in this recall campaign?

The Model Year 2002 to 2006 M3 is included as one of the 3 Series models. Certain Model Year 2002 and 2003 M5 vehicles are also included as one of the 5 Series models.

Q4. Is this recall comparable to similar recalls being conducted by Ford, Chrysler, Honda and Mazda?

Yes.

Q5. How many vehicles are included in this Safety Recall?

The number of BMW vehicles in the US included in this campaign is approximately 420,661.

Q6. Why are other models not included?

Other models have driver-side front air bag systems that were produced with different inflators.

Q7. What is the specific concern?

The Takata PSDI-4 inflator propellant wafers may experience an alteration over time, which could potentially lead to over-aggressive combustion in the event of air bag deployment. Depending on the circumstances, this potential could create excessive internal pressure when the air bag is deployed, which could result in the inflator body rupturing upon deployment. Based upon Takata's investigation to date, the potential for such ruptures may occur in some of the subject inflators after multiple years of exposure to persistent conditions of high absolute humidity. In addition, the potential for rupturing may also depend on other factors, including manufacturing variability.

Q8. What can happen as a result of this issue?

If the air bag inflator was not produced to specification, or, had multiple years of exposure to persistent conditions of high absolute humidity, then in a crash in which air bag system deployment occurs, the air bag inflator housing may rupture. In the event of an inflator rupture,

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metal fragments could pass through the air bag cushion material, which may result in injury or death to vehicle occupants.

Q9. Is there a possibility to find out whether the problem exists in my car?

No. There is no way to detect if your BMW might have an air bag inflator potentially at risk of rupturing upon deployment in an accident.

Q10. Can I continue to drive my vehicle?

Yes. BMW is not aware of a ruptured inflator in any of the vehicles associated with this campaign. However, when you receive a letter asking you to have this service performed by an authorized BMW center, please do so as soon as possible. If you are not the only driver of this vehicle, please advise all other drivers of this important information.

Q11. I had my driver-side front air bag module replaced during BMW's June 2014-May 2015 Improvement Campaign ("14V-348"). Will I need to have it replaced again?

Yes. We will notify you via First Class mail when driver-side front air bag modules manufactured with an alternative inflator propellant become available.

Q12. What measures will be taken?

Depending upon vehicle model, the driver-side front air bag module will be replaced.

Q13. How did BMW become aware of this issue?

BMW became aware of this issue from Takata (the air bag module supplier) and NHTSA.

Q14. Is BMW aware of any accidents or injuries involving BMW vehicles associated with this campaign?

BMW is not aware of a ruptured inflator in any of the vehicles associated with this recall.

Q15. How will I be informed of this program?

If your vehicle is affected, you should have received an <u>initial letter in July</u> via First Class mail advising you of this recall. In spring 2016, you should receive an additional letter when replacement parts become available, requesting that you schedule an appointment to bring your vehicle to an authorized BMW center for service and repair.

Q16. NHTSA has encouraged all owners to get their affected air bags replaced as soon as replacement parts are available. What is BMW's position?

BMW is developing an alternate air bag inflator with a different supplier to produce parts to allow this safety recall to proceed as soon as possible.

Q17. Will my BMW center deactivate my driver-side front air bag until it is replaced?

BMW is not of the opinion that a deactivation of the driver-side front air bag system is necessary.

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Q18. How will this program be performed?

When you are notified via the additional letter, you will be asked to make an appointment with an authorized BMW center who will order the replacement driver-side front air bag module for your vehicle prior to your appointment.

Q19. How long will the repair take?

This repair may take approximately two hours; however, additional time may be required depending upon your BMW center's schedule. The repair will be performed <u>free of charge</u> by your authorized BMW center.

Q20. Do I have to wait for my letter in order to have my vehicle serviced?

Yes. BMW is in the process of implementing this program to ensure that the necessary parts, tools and procedures are available to its authorized BMW centers, prior to instructing you to take your vehicle in for repair.

Q21. Am I eligible for reimbursement under the TREAD Act if I previously replaced my driver-side front air bag module?

In this particular recall, reimbursement is likely not applicable, as you would typically have replaced your driver-side front air bag module as a result of an accident. In that situation, either your insurance company paid for the repair, or you paid "out-of-pocket".

However, in the very unusual (unlikely) scenario that you previously replaced the driver-side front air bag module "out-of-pocket" upon learning of this possible defect, you may be eligible for reimbursement. Additional information will be provided when BMW mails the additional letter, asking you to make an appointment with an authorized BMW center to have your driver-side front air bag module replaced.

Q22. When are the repair parts expected to be available?

The repair parts are expected to be available in late first quarter 2016.

Q23. What is the difference between the existing and the repair parts?

The repair parts will incorporate a newly designed and validated TRW inflator with guanidine nitrate-based propellant installed in a new driver-side front air bag module assembled by Takata. The existing part is a Takata inflator with ammonium nitrate-based propellant installed in a driver-side front air bag module assembled by Takata.

Q24. How will the repair be introduced to USA customers?

When an adequate inventory of final repair parts is available to our BMW centers, final owner notification letters will initially be issued via US First Class Mail to owners of the highest risk registered vehicles, i.e., oldest models in highest absolute humidity areas (e.g., USA Gulf states) that have not received an interim repair. As parts supply increases, all owners of affected vehicles will be notified by First Class mail, including those owners who have received an interim repair.

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Q25. I own a 2000-2006 BMW 3 Series that needs to have the passenger-side front air bag module replaced under recall 13V-172 or 14V-428. Should I get this air bag module replaced even though the repair for the driver-side is not yet available?

Certainly! Your BMW center can perform the passenger-side front air bag module replacement at no charge, since parts are already available. We encourage you to do so as soon as possible.

Q26. Why is the final repair for the passenger-side front air bag available but the driver-side front air bag final repair will not be available until 2016?

In July 2014, BMW decided to conduct a nationwide recall of the passenger-side air bag module in certain model year 2000 to 2006 3 Series vehicles. Since that time, Takata has been able to produce an adequate supply of replacement parts to allow this campaign to proceed.

In May 2015, Takata determined that a safety risk exists in the driver-side inflator family used by BMW and other automakers. Since that time, BMW began developing an alternative design inflator with TRW. This process will take approximately 9 months.

Q27. Why and where is BMW conducting an Interim Repair Campaign for the driver-side front air bag?

While BMW is developing its final repair, BMW is installing driver-side front air bag modules with a new Takata PSDI-4 inflator (the "interim repair") in notified customers' vehicles that are presented for repair, subject to parts availability. There is be no charge for this service. BMW is prioritizing vehicles deemed at the highest risk, e.g. oldest BMW models in highest absolute humidity areas first (e.g., Florida, Hawaii, and Puerto Rico), according to "interim repair" parts availability. Once the final repair is available, BMW will notify all affected owners, including those owners whose vehicles have received the "interim repair", instructing them to take their vehicles to a BMW center to receive the final repair.

Q28. My friend received an interim repair notification letter, but I didn't get one. Why not?

Owners of the oldest registered vehicles located in the highest absolute humidity (high temperature and high temperature) areas of the United States, currently Florida, Hawaii, and Puerto Rico will be given priority. Since there is limited parts availability for this campaign, not all owners of the affected vehicles in the highest absolute humidity areas have been notified yet.

Q29. Even though I have not yet been notified that my BMW is eligible for this interim repair, I would like to have this repair performed on my vehicle. Is there any chance that my special request could be honored?

Please contact BMW Customer Relations via email at <u>CustomerRelations@bmwusa.com</u> or call 1-800-525-7417 to discuss your request.

Q30. Will BMW give me a loaner vehicle until an interim or final repair part is available?

If a notified customer requests a loaner vehicle and replacement parts are not available, BMW has authorized its centers to provide or assist customers with alternate transportation, subject to availability.

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