Mercedes-Benz USA, LLC

newschannel update

TO: Mercedes-Benz Dealer Principals, General Managers, Sales Managers, Service Managers, Parts Managers
FROM: Thomas Brunner, Department Manager, Vehicle Compliance and Analysis, Engineering Services
DATE: October 10, 2014

RE: Recall Campaign with Stop-Delivery Order—Continental PROCONTACT GX Tire. Model 205 (C-Class Sedan), Model Year 2015

IMPORTANT RECALL INFORMATION AND STOP DELIVERY ORDER

Effective immediately, a stop delivery of Model Year 2015 C-Class Sedan vehicles (only) identified in the attached VIN file is required.

The affected vehicles, or tires, that are in dealer inventory, or may be in transit to your dealerships, must be held and not delivered to customers, dealer traded, or used for loaner or demonstration purposes until further instructions are provided.

What's the Issue:
Continental Tire the Americas, LLC (CTA) is conducting a recall on approximately 5,993 Continental PROCONTACT GX SSR MOE 225/45R 18 95H XL tires, that may be mounted on the front wheels (only) of approximately 6,535 MY 15 C-Class vehicles (MBUSI Sedan only). These tires may have been deformed during the curing process. It is possible that affected tires may exhibit vibration and/or noise, and in rare circumstances the directional stability of the vehicle may be affected. An affected tire could fail in a manner that may result in an accident. No tire failures or accidents have been reported. CTA notified the NHTSA on Monday, October 6, 2014 of this new recall, which may generate questions from your customers.

Given this notice, it is a violation of Federal law for a dealer to deliver any new Model Year 2015 C-Class (205) equipped with an affected Continental Tire covered by this notification in dealer inventory, for sale or lease, until the vehicle has been checked/repaired. Replacement tires in dealer inventory are also affected. See attached VIN file

What Should Customers Do:
Customers may continue to drive their vehicles until the recall is completed.

What Is Being Done:
CTA has initiated a voluntary recall of all potentially affected tires described above. While CTA will mail the customer recall letters, MBUSA will facilitate the recall repair through our dealer network.

Parts:
Do not order replacement tires from Dealer Tire or from a Continental Tire dealer. No replacement tires are available at this time. Do not install non-approved Continental tires. An allocation of replacement tires will be provided to all dealers, based on affected dealer inventory and customer vehicles, just prior to recall launch.

Next Steps:
Based on tire availability via Dealer Tire, the recall will be conducted to check, and if necessary, replace the front tire(s). Additional repair information will be provided to the dealers in the coming days.

- This recall is scheduled to launch in late October, 2014.
- Dealers may check their inventory, swap unaffected Continental tires from other dealer inventory if necessary, and retail affected vehicles with Continental front tires that were not manufactured during the affected build weeks.

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- Please maintain a record of all vehicles processed and retailed in this manner and close out the recall on these vehicles using the damage codes provided in the repair instructions once the recall is launched.

- ALL TIRES MOUNTED ON THE VEHICLES MUST BE OF THE SAME MANUFACTURER AND MODEL. Rear tires are not affected and are a different size; 245/40R.


- Dealers must HOLD any affected tires until the return process is communicated - Do Not Scrap. - Reimbursement is contingent upon the return of the tire.

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

Please refer all customer inquiries to the Customer Assistance Center at 1-800-FOR-MERcedes (1-800-367-6372).
# Important Recall Information and Stop Delivery Order Update

The number of affected VINs has been revised downward. Please see revised VIN file (attached). Affected vehicles (revised) are flagged in VMI.

Effective immediately, a stop delivery of Model Year 2015 C-Class Sedan vehicles (only) identified in the attached VIN file is required.

The affected vehicles, or tires, that are in dealer inventory, or may be in transit to your dealerships, must be held and not delivered to customers, dealer traded, or used for loaner or demonstration purposes until further instructions are provided.

### What’s the Issue:
Continental Tire the Americas, LLC (CTA) is conducting a recall on approximately 5,993 Continental PROCONTACT GX SSR MOE 225/45R 18 95H XL tires, that may be mounted on the front wheels (only) of approximately 5,500 (revised) MY 15 C-Class vehicles (MBUSI Sedan only). These tires may have been deformed during the curing process. It is possible that affected tires may exhibit vibration and/or noise, and in rare circumstances the directional stability of the vehicle may be affected. An affected tire could fail in a manner that may result in an accident. No tire failures or accidents have been reported. CTA notified the NHTSA on Monday, October 6, 2014 of this new recall, which may generate questions from your customers.

Given this notice, it is a violation of Federal law for a dealer to deliver any new Model Year 2015 C-Class (205) equipped with an affected Continental Tire covered by this notification in dealer inventory, for sale or lease, until the vehicle has been checked/repaired. Replacement tires in dealer inventory are also affected. See attached VIN file.

### What Should Customers Do:
Customers may continue to drive their vehicles until the recall is completed.

### What Is Being Done:
CTA has initiated a voluntary recall of all potentially affected tires described above. While CTA will mail the customer recall letters, MBUSA will facilitate the recall repair through our dealer network.

### Parts:
Do not order replacement tires from Dealer Tire or from a Continental Tire dealer. No replacement tires are available at this time. Do not install non-approved Continental tires. An allocation of replacement tires will be provided to all dealers, based on affected dealer inventory and customer vehicles, just prior to recall launch.
Next Steps:

Based on tire availability via Dealer Tire, the recall will be conducted to check, and if necessary, replace the front tire(s). Additional repair information will be provided to the dealers in the coming days.

- This recall is scheduled to launch in late October, 2014.
- Dealers may check their inventory, swap unaffected Continental tires from other dealer inventory if necessary, and retail affected vehicles with Continental front tires that were not manufactured during the affected build weeks.
- Please maintain a record of all vehicles processed and retailed in this manner and close out the recall on these vehicles using the damage codes provided in the repair instructions once the recall is launched.
- **ALL TIRES MOUNTED ON THE VEHICLES MUST BE OF THE SAME MANUFACTURER AND MODEL.** Rear tires are not affected and are a different size; 245/40R.
- Dealers must HOLD any affected tires until the return process is communicated - Do Not Scrap. Reimbursement is contingent upon the return of the tire.

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

Please refer all customer inquiries to the Customer Assistance Center at 1-800-FOR-MERCEDES (1-800-367-6372).
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<table>
<thead>
<tr>
<th>TO: Service Managers, Parts Managers</th>
<th>FROM: Cai Ramhorst, Department Manager, Product Management - Parts</th>
</tr>
</thead>
<tbody>
<tr>
<td>RE: Continental Tire Recall - Additional details and replacement process</td>
<td>DATE: October 20, 2014</td>
</tr>
</tbody>
</table>

The following outlines the steps to follow for timely and efficient replacement of Continental Tires affected by the current recall campaign (Reference: Recall Campaign with Stop-Delivery Order UPDATE-Continental PROCONTACT GX Tire. Model 205 (C-Class Sedan), Model Year 2015).

**To facilitate the replacement process attached please find the following documents:**

1. Continental Tire Safety Recall – Continental 225/45R18 95H XL
2. Dealer Tire MBUSA Tire Program Handling Process
3. Tire Drilling Process

**Inspect vehicle inventory and parts inventory**

- Inspect wholesale and CVP units in inventory for affected tires, to determine exact number of tires needed
- You may have Continental Tires on non-affected vehicles (even 17" or 19") with the same date range. However, you only need to tally those vehicles with the 18" front tire (Continental PROCONTACT GX SSR MOE 225/45R 18 95H XL) and the affected date range
- If you do find 18" tires in the affected date range where you were not provided a VIN, please report this to your AOM with the VIN

**Replacement tire order and return recalled tire process**

- Please refer to the attached document: MBUSA Tire Program Handling Process (Document number: MB-01-14) for the detailed process description
- Tire allocation will be based on dealer volumes of possible affected vehicles. Dealer Tire will fill dealer orders based on tire availability and distribute based on the allocation list.
  - Continental has committed to weekly tire shipments
  - If dealer orders all recalled tire replacement units, Dealer Tire will complete this initial order as more tires become available.

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IMPORTANT SAFETY RECALL NOTICE

Continental Product Service Information Bulletin PSIB 14-04

To: Mercedes-Benz Dealers

Title: Continental Tire the Americas, LLC - Tire Safety Recall – Continental 225/45R18 95H XL

Continental Tire the Americas, LLC. ("CTA") has initiated a tire safety recall involving certain Continental Tire brand passenger tires in size 225/45R18 95H XL.

The affected tires were sold as original equipment and as replacement tires. Continental has determined that affected tires may exhibit tread distortion when inflated and that the directional stability of the vehicle may be affected. Specific potential failure modes are unknown, however, it is possible that an affected tire could fail in a manner that may lead to a loss of control that could increase the risk of a crash without warning. The safety recall is being initiated to avoid any potential risk to users.

Please read this notice carefully and follow the steps outlined in the instructions below.

CTA requests your assistance in:
1. Identifying
2. Removing and Replacing
3. Disposing and
4. Returning
5. Miscellaneous

The following instructions will outline the details of this program.

1. Identifying Tires and Customers

1.1. Subject Tires

The subject tires were sold as original equipment on various 2015 Mercedes-Benz C-Class vehicles for the front axle and as replacement tires in the United States from June – October 2014.

The Continental 225/45R18 95H XL tire is identified as follows:
- Product Line: 225/45R18 95H XL PROCONTACT GX SSR MOE
- DOT TiN Range: A34F WBJR 2514 thru A34F WBJR 3014
- Article No.: 15494330000

Page 1 of 3
Tires made for use in the United States are required to have the DOT serial number and date located on one sidewall of the tire near the rim. The sample shows a tire manufactured during the 29th week of 2014.

No other tire sizes, production periods or product lines are affected.

1.2 End Consumers

CTA will begin notifying end consumers that have been identified as having purchased affected tires from October 27th, 2014. These end consumers will be directed to contact the dealer where they purchased their vehicle or tire to schedule an appointment for having a replacement tire installed on their vehicle. In case you are contacted, we request your assistance in verifying that the tire is included in this program and removing, replacing and returning all identified tires.

2. Removing and Replacing Affected Tires

2.1 Replacing Recall Tires

You are requested to replace all affected tires with replacement tires of the same size and service description as those originally fitted. We intend to replace the affected tires with a new Continental 225/45R18 95H ProContact GX SSR MOE tire.

Mercedes-Benz dealers should order replacement Continental tires from Dealer Tire through the MBUSA Tire Program Headquarters at 877.4MB.TIRE (877.462.8473). Refer to the attached MBUSA Tire Program Handling Process, Document Number MB-01-14 for specific instructions. The dealer will be reimbursed for the cost of the Continental replacement tire and labor.

2.2 Previously Replaced Tires

In case the consumer has already replaced a tire that is included in this program and is seeking reimbursement, please refer them to our website www.continentaltire.com and tell them to click on “Customer Care FAQs” tab and type in Tire Recall for all information pertaining to this recall program. You may also contact CTA Customer Relations at 1-888-799-2168 for assistance.
2.3 Removing Recall Tires

You are requested to remove from use all recall tires which you identify as included in this recall program.

3. Tire Disposal

You must follow the disposal plan below to render the tires unserviceable.

3.1 Tire Disposal Plan

Immediately render any new or used tires subject to this recall program unserviceable by drilling a hole into the sidewall of the tire using a Uni-Drill bit. Refer to the attached Tire Drilling Process for further instruction.

Report to CTA within 30 days the number of new or used tires subject to this recall program that have not been rendered unserviceable and the reasons for your failure to render the subject tires unserviceable.

4. Tire Return

All tires that are identified as included in this program must be returned to Dealer Tire through the MBUSA Tire Program, as per the attached MBUSA Tire Program Handling Process document. Credit will only be issued once the recall tires have been received by Dealer Tire, inspected and verified. Dealer Tire will then return the tires to CTA.

4.1 Dealer Procedure

Each dealer must check their on hand new tire inventory and identified vehicles for the subject tires and return these tires and any affected tires in service to Dealer Tire. For specific instructions refer to the attached MBUSA Tire Program Handling Process document.

5. Miscellaneous

5.1 Sales of Affected Tires

Please be advised that you are prohibited from selling any new or used tires that are subject to this safety recall program described in this notice.

Be advised that pursuant to 49 CFR 573.11 and 573.12 you are prohibited from selling any new or used noncompliant tires that are subject to the recall program described in this notice.

Be advised that pursuant to 49 CFR 573.10 you are further required to notify NHTSA of the sale of any new or used noncompliant tires subject to the recall program described in this notice.

We greatly appreciate your assistance in this matter and CTA would like to thank you.

Sincerely,

Continental Tire the Americas, LLC.
1830 MacMillan Park Drive
Ft. Mill, SC 29707
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Tire Recall control mechanism

- Continental will mark the new replacement tires with a red dot. This is intended to distinguish new from recalled tires.
- Dealer can only use tires with the red dot as replacement for recalled tires.
- The dot is easily removed after the tire is mounted on the vehicle.
- Dealers may not use tires from their parts inventory as replacement tires for the recalled tires.
- Tires in dealer parts inventory that are not within the recall date ranges are good to use and can be used for customer demand (nail, blow out, etc.)

Customer contact process

- Customers should not be contacted by the dealer to have their vehicles brought in and inspected at this time.
- Continental will begin notifying end consumers that have been identified as having purchased affected tires from October 27th, 2014.

If you have questions or for more information, call the MBUSA Tire Program Headquarters at 877.4MB.TIRE (877.462.8473) or your Account Manager. At MBUSA, contact Cai Ramhorst, ramhorstc@mbusa.com
Continental Tire the Americas, LLC - Tire Safety Recall – Continental 225/45R18 95H XL

MBUSA Tire Program Handling Process

Document Number: MB-01-14

Ordering Replacement Tires
- Please be advised that all replacement tires must be purchased through the MBUSA Tire Program.
- To place an order, Contact MBUSA Tire Program Headquarters at 877.4MB.TIRE (877.462.8473).

Claim Filing

Labor
- A claim can be submitted via NetStar for labor reimbursement, per the Recall Campaign Bulletin.

Tires
- Contact MBUSA Tire Program Headquarters at 877.4MB.TIRE (877.462.8473) to file claim for recalled tires.
  - Please have RO information available, if applicable.
  - Tires must have the DOT associated with this recall to be warrantable.
  - Claim form will be filled out by MBUSA Tire Program representative and then emailed to Dealer.

Paperwork and Tire Preparation
- A copy of the claim form must be attached to the tire. The RO number must be marked on the tire with a tire crayon, if applicable.
- Immediately render any new or used tires subject to this recall program unserviceable by drilling a hole into the sidewall of the tire using a Uni-Drill bit. Refer to the attached Tire Drilling Process for further instruction.

Shipping
- MBUSA Tire Program will issue a FedEx® Ground Return Label to ship tires back to the warranty warehouse.
  - Dealer will receive email from FedEx with a link to open and print the FedEx Ground Return Label.
  - Dealer does not need to call for pick-up. Labeled tires should be provided to Dealer's regularly scheduled FedEx Ground driver.
- Dealer ships tire back to closest Dealer Tire warranty warehouse.

Note: Dealers are to ship these tires separately from normal warranty returns. Please follow the standard warranty process for all normal warranty returns. Visit the Manufacturers Warranty Hub on the MBUSA Tire Program website for more information.
Reimbursement

- Reimbursement for the tire will be issued via paper check from Dealer Tire within two weeks of receipt of tire at Dealer Tire warranty warehouse.
- Reimbursement amount is based on Dealer Net, at the time of claim submission.

Please note that your Account Manager will be assisting your dealership in checking vehicles and inventory for the impacted DOT.

If you have questions or for more information, call the MBUSA Tire Program Headquarters at 877.4MB.TIRE (877.462.8473) or your account manager.
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TO: All Service Dept & All Parts Dept. Personnel
FROM: Cai Ramhorst, Department Manager, Product Management Parts
RE: Tire Drilling Process for Continental Tire Recall
DATE: October 20, 2014

Tire Drilling Process For Continental Tire 225/45/R18 95H XL Safety Recall:

⇒ Simple & easy tire destruction process which should only take approximately 1-2 minutes per tire.

Tools Needed:

1) High Output Drill 2) Uni-Drill Bit

Steps:

1) Mount the Uni-bit attachment onto drill. Drill a hole into the sidewall of tire until the bit goes completely through. Once this has been completed it will create a hole in the tire which will be unrepairable.

2) This process must be completed before the tire is returned to Dealer Tire.
IMPORTANT RECALL LAUNCH INFORMATION

This Recall Campaign is being launched today and the approximately 5,500 affected vehicles are flagged in VMI. The recall will be conducted to inspect, and if necessary, replace either one or both front tires.

What's the Issue:
Continental Tire the Americas, LLC (CTA) is conducting a recall on approximately 5,993 Continental PROCONTACT GX SSR MOE 225/45R 18 95H XL tires, that may be mounted on the front wheels (only) of approximately 5,500 MY 15 C-Class vehicles (MBUSI Sedan only). These tires may have been deformed during the curing process. It is possible that affected tires may exhibit vibration and/or noise, and in rare circumstances the directional stability of the vehicle may be affected. An affected tire could fail in a manner that may result in an accident. No tire failures or accidents have been reported. CTA notified the NHTSA on Monday, October 6, 2014 of this new recall, which may generate questions from your customers.

Given this notice, it is a violation of Federal law for a dealer to deliver any new Model Year 2015 C-Class (205) equipped with an affected Continental Tire covered by this notification in dealer inventory, for sale or lease, until the vehicle has been checked/repaired. Replacement tires in dealer inventory are also affected.

What Should Customers Do: Customers may continue to drive their vehicles until the recall is completed.

What Is Being Done:
CTA has initiated a voluntary recall of all potentially affected tires described above. While CTA will mail the customer recall letters starting October 27th, MBUSA will facilitate the recall repair through our dealer network.

Parts:
Tires will not be allocated and must be ordered from Dealer Tire. Please also reference the NCU dated October 20, 2014, from Cai Ramhorst.

When scheduling customers for an appointment please ensure that you are aware of any open campaigns in VMI so that the customer is advised about the time necessary to complete all campaigns.

Note: VMI must always be checked before performing campaigns to verify that the campaign is required on a specific vehicle.

Dealers may also identify vehicles subject to a campaign through NetStar by selecting "Campaign" under the Controlling tab. Only vehicles that have been retailed by the respective dealer will be displayed within this program.

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

Please refer all customer inquiries to the Customer Assistance Center at 1-800-367-6372.

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TO: ALL MERCEDES-BENZ CENTERS

SUBJECT: Model 205.0 (C-Class), Model Year 2015
Check Front Tires, Replace if Necessary

Continental Tire the Americas, LLC (CTA) is conducting a recall on approximately 5,993 Continental PROCONTACT GX SSR MOE 225/45R 18 95H XL tires, that may be mounted on the front wheels (only) of approximately 5,500 MY 15 C-Class vehicles (MBUSI Sedan only). These tires may have been deformed during the curing process. It is possible that affected tires may exhibit vibration and/or noise, and in rare circumstances the directional stability of the vehicle may be affected. An affected tire could fail in a manner that may result in an accident. No tire failures or accidents have been reported. An authorized Mercedes-Benz dealer will check, and if necessary, replace the front tire(s) on the affected vehicle.

Attached is a sample copy of a letter which owners of the affected vehicles will receive.

Prior to performing this Recall Campaign:
- Please check VMI to determine if the vehicle is involved in the Campaign and if it has been previously repaired.
- Please review the entire Recall Campaign bulletin and follow the repair procedure exactly as described.

Please note that Recall Campaigns do not expire and may also be performed on a vehicle with a vehicle status indicator.

Approximately 5500 vehicles are involved.

Order No. P-RC-2014100004
This bulletin has been created and maintained in accordance with MBUSA-SLP S423QH001, Document and Data Control, and MBUSA-SLP S424HH001, Control of Quality Records.
Procedure

1. Check DOT Tire Identification Number and manufacture date (A, Figure 1) at tires of front axle:

   **Note:**
   Tires with manufacture date 2514 to 3014 (production week 25 in 2014 to production week 30 in 2014) are to be replaced *(NOT OK).*

   **Example:** DOT A34F WBJR 2514

   ![Figure 1 (B: Week 25, 2014 shown)](image)

   - If DOT TIN Range is **NOT:** A34F WBJR 2514 thru A34F WBJR 3014 *(OK)*: Procedure is complete.
   - If DOT TIN Range **IS:** A34F WBJR 2514 thru A34F WBJR 3014 *(NOT OK)*: Proceed to step 2.

   **Note:**
   - DOT TIN Range: A34F WBJR 2514 thru A34F WBJR 3014 *(Affected Weeks 25, 26, 27, 28, 29, 30, 2014)*
   - If the date of manufacture is not present on the one side, it will be located on the opposite side of the tire.
   - Affects only the 18 inch Continental tires as described above.

2. Replace 1 or both tire(s); refer to WIS: AR40.10-P-1030EW.

**Note** (regarding WIS documents referenced in this Procedure):
Replacement of parts not listed in the parts table of this Procedure are not claimable under this campaign. If replacement of additional part(s) is necessary, check coverage prior to submitting under warranty.
Primary Parts Information

<table>
<thead>
<tr>
<th>Qty.</th>
<th>Part Name</th>
<th>Part Number</th>
<th>Estimated Replacement Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 or 2</td>
<td>Continental Procontact GX SSR MOE 225/45R18 95 HXL</td>
<td>A 000 401 08 08</td>
<td>100% (1 per car)</td>
</tr>
</tbody>
</table>

As required Wheel Weights: NA

1. Do not claim this part. Reimbursement of tire via Dealer Tire.
2. Submit part number as per EPC.

Note:
Return recalled tire to Dealer Tire. Do not scrap. Reimbursement only made once recalled tire has been received by Dealer Tire.

Note:
- Please be aware that only the part number(s) referenced in the Campaign Bulletin is/are approved for use to repair the vehicle. Repairs performed using any other part(s) will not have been performed in accordance with the campaign. Accordingly, warranty claims submitted with reference to an improper part number(s) will be denied.
- The following allowable labor operation should be used when submitting a warranty claim for this repair:

Warranty Information

Repair 1

Operation: Check manufacture date at tires of front axle (02-8731).

<table>
<thead>
<tr>
<th>Damage Code</th>
<th>Operation Number</th>
<th>Labor Time (hrs.)</th>
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<tr>
<td>40 922 36 8</td>
<td>02-8731</td>
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</table>

Repair 2

Operation: Check manufacture date at tires of front axle (02-8731).
Replace 1 tire Includes: Detach wheel and activate tire pressure monitor (02-8732).

<table>
<thead>
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<th>Damage Code</th>
<th>Operation Number</th>
<th>Labor Time (hrs.)</th>
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</thead>
<tbody>
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<td>40 922 36 7</td>
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<td></td>
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</table>

Repair 3

Operation: Check manufacture date at tires of front axle (02-8731).
Replace 2 tires Includes: Detach wheel and activate tire pressure monitor (02-8733).

<table>
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<th>Damage Code</th>
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<th>Labor Time (hrs.)</th>
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<td>40 922 36 7</td>
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Note
Operation Number labor times are subject to change.

P-RC-2014100004