◄ IMPORTANT UPDATE ►

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

DATE	ΤΟΡΙΟ
10/20/2020	The warranty reimbursement procedure section has been updated with revised Op code descriptions

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

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

Thank you for your cooperation.

TOYOTA MOTOR NORTH AMERICA

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

Original Publication Date: October 15, 2020

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

Quality

SAFETY RECALL 20TA14 (Remedy Notice)

Certain 2020 Model Year Highlander and Highlander HV Potential Improper Deployment of Seat Mounted Side Air Bag NHTSA Recall No. 20V-633

Model / Years	Production Period	Approximate Total Vehicles	Approximate Stop Sale Dealer Inventory	
2020 Highlander	Early December 2019 – Late August 2020	2600	120	
2020 Highlander HV	Early February 2020 – Late August 2020	520	430	



STOP! DO NOT SELL NEW VEHICLES IN DEALER INVENTORY. *Refer to Dealer Inventory Procedures section for more details.*



On October 14, 2020 Toyota filed a Defect Information Report (DIR) with the National Highway Traffic Safety Administration (NHTSA) informing the agency of our intent to conduct a voluntary Safety Recall on certain 2020 model year Highlander and Highlander HV.

Condition

There is a possibility that one or both of the front seats in the subject vehicles were equipped with an incorrect trim cover. If these trim covers are incorrect, the cover could prevent the seat-mounted side air bag from deploying properly when the air bags are commanded to deploy, increasing the risk of injury in the event of a crash.

Remedy

Toyota dealers will inspect and, if necessary, replace the seat trim cover(s) with a correct one FREE OF CHARGE.

Covered Vehicles

There are approximately 3,100 vehicles covered by this Safety Recall. Approximately 40 vehicles involved in this Safety Recall were distributed to Puerto Rico.

Owner Notification Date

Toyota will notify owners by mid-December, 2020. A sample of the owner notification letter has been included for your reference. Certain vehicles are capable of Head Unit notification and may receive a Head Unit notification prior to the owner notification letter.

Toyota makes significant effort to obtain current customer name and address information from each state through industry resources when mailing owner letters. In the event your dealership receives a notice for a vehicle that was sold prior to the Safety Recall announcement, it is the dealership's responsibility to forward the owner letter to the customer who purchased the vehicle.

Please note that only owners of the covered vehicles will be notified. If you are contacted by an owner who has not yet received a notification, please *verify eligibility by confirming through TIS prior to performing repairs*. Dealers should perform the repair as outlined in the Technical Instructions found on TIS.

Dealer Inventory Procedures

New Vehicles in Dealership Inventory

There are approximately 430 vehicles in new dealer inventory as of October 13, 2020



Under Title 49, Section 30112 of the United States Code, a dealer cannot sell, offer for sale, or introduce or deliver for introduction in interstate commerce a new motor vehicle when it is aware that the vehicle does not comply with an applicable Federal Motor Vehicle Safety Standard or contains a defect related to motor vehicle safety. Further, 49 Code of Federal Regulations §577.13 requires us to provide the following advisory: It is a violation of Federal law for a dealer to deliver a new motor vehicle or any new or used item of motor vehicle equipment (including a tire) covered by this notification under a sale or lease until the defect or noncompliance is remedied.

Toyota reimburses dealers for flooring costs associated with new vehicles held in dealership inventory until the recall remedy becomes available. Toyota provides these flooring reimbursements at 60-day intervals. Toyota reserves the right to withhold or charge-back any flooring reimbursement funds that may have been paid to the dealer if it determines that a new vehicle subject to a safety recall was sold without first being remedied.

Vehicle Safety Recall completion should always be verified through TIS. We request your assistance to ensure involved vehicles are identified and not delivered prior to performing the remedy.

NOTE:

- New vehicles in dealer inventory subject to a Safety Recall must be remedied before delivery into commerce under a sale or lease. Dealer-to-dealer trades as well as vehicle sales between dealers should not be made until a vehicle is remedied.
- Dealers can identify if any of their new and used inventory has any open campaigns in the Vehicle Inventory Summary available in Dealer Daily (Non SET and GST dealers: https://dealerdaily.toyota.com/). The Vehicle Inventory Summary may take up to 4 hours to populate information for newly launched campaigns.

Inspection Reminder Mirror Hang Tags for Covered Vehicles in New Dealer Stock

To easily recognize vehicles involved in this Safety Recall, each dealership should utilize Inspection Reminder Hang Tags. Inside the vehicle's glove box are stickers containing the VIN. Apply one of these stickers to the hang tag and install the hang tag in the vehicle. A sample copy of the Inspection Reminder Hang Tag has been included for your reference.



NOTE: Dealerships can order hang tags from the Material Distribution Center (MDC).

Part Number	Description	Quantity
00411-140003	Inspection Mirror Hang Tag	25 Per Pack

Pre-Owned Vehicles in Dealer Inventory

To ensure customer satisfaction, Toyota requests that dealers complete this Safety Recall on any used vehicles currently in dealer inventory that are covered by this Safety Recall prior to customer delivery. However, if the campaign cannot be completed (for example, due to remedy parts availability), delivery of a covered vehicle is acceptable if disclosed to the customer that the vehicle is involved in a Safety Recall.

Toyota expects dealers to use the attached Customer Contact and Vehicle Disclosure Form to obtain vehicle buyer information. Dealers are expected to provide a copy of the completed form, along with the most current FAQ, to the vehicle buyer. Toyota and the dealer may use this information to contact the customer when the remedy becomes available.

Keep the completed form on file at the dealership and send a copy to quality_compliance@toyota.com. In the subject line of the email state "Disclosure Form 20TA14/20TB14" and include the VIN.

NOTE: Dealers can identify if any of their new and used inventory has any open campaigns in the Vehicle Inventory Summary available in Dealer Daily (**Non SET and GST dealers:** <u>https://dealerdaily.toyota.com/</u>). The Vehicle Inventory Summary may take up to 4 hours to populate information for newly launched campaigns.

Toyota Certified Used Vehicle (TCUV)

The TCUV policy prohibits the certification of any vehicle with an outstanding Safety Recall, Special Service Campaign, or Limited Service Campaign. Thus, no affected units are to be designated, sold, or delivered as a TCUV until all applicable Safety Recalls, Special Service Campaigns, and Limited Service Campaigns have been completed on that vehicle.

Toyota Rent-A-Car (TRAC) & Service Loaners

Toyota requests that dealers remove all TRAC and Service Loaner vehicles from service that are covered by a Safety Recall unless the defect has been remedied.

Customer Handling, Parts Ordering, and Remedy Procedures

Customer Contacts

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

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

Head Unit Notifications

Head unit notifications are electronic messages that are displayed in the vehicle's audio system screen. Customers who receive head unit notification regarding this Safety Recall are requested to schedule an appointment with their authorized dealer to have this Safety Recall completed.

When these messages are received by the vehicle's Data Communication Module, the head unit will display a pop-up prompt stating that the vehicle has a new Safety Recall. The prompt will contain options to 'Snooze' or to 'View' the message. If a customer chooses 'Snooze', the message will continue to reappear every 20 minutes until the customer chooses 'View'. If a customer views and then closes the message, the message will be available in the Notification App if the customer chooses to review it again. If the vehicle's completion status remains incomplete for a period of 90 days from the message being viewed, the head unit may display a renotification pop-up prompt as an additional reminder to the customer to have this Safety Recall completed.

The message will completely clear from the vehicle once the following conditions are met: The Safety Recall is completed, the dealer has filed a claim, and the claim is approved by Toyota. Then the message will be cleared at the next clearing cycle, which currently happens weekly.

Owners who receive a head unit notification after having this Safety Recall completed can be advised to ignore the message. Owners with additional concerns can be directed to the Toyota Brand Engagement Center (1-888-270-9371) - Monday through Friday, 7:00 am to 7:00 pm, Saturday 7:00 am to 4:30 pm Central Time.

Salvage Title Vehicles

Every attempt should be made to complete an open Safety Recall when circumstances permit, unless noted otherwise in the Safety Recall dealer letter.

For complete details on this policy, refer to Toyota Warranty Policy <u>4.17</u>, "What Is Not Covered by The Toyota New Vehicle Limited Warranty".

Media Contacts

It is imperative that all media contacts (local and national) receive a consistent message. In this regard, all media contacts must be directed to Ed Hellwig (469) 292-1165 in Toyota Corporate Communications. Please do not provide this number to customers. Please provide this contact only to media.

Parts Ordering Process - Non SET and GST Parts Ordering Process

It is possible that parts for this campaign are either required to be ordered in Campaign Part Order Request (CPOR) on Service Lane, or have been placed on Manual Allocation Control (MAC) due to potential limited part availability. Please check the CPOR/MAC report on Dealer Daily for the most up-to-date parts ordering information. Dealers can identify which parts ordering method to use by reviewing the parts information section of Dealer Daily and checking for a MAC code on the part numbers below. For MAC code C, order through CPOR. For MAC code D or V, refer to the MAC report for further instructions.

All Safety Recall, Service Campaign (SSC/LSC) parts are eligible for the Monthly Parts Return Program. Please refer to PANT Bulletin 2011-087 for campaign parts that are currently returnable under the Monthly Parts Return Program and for additional details.

If the inspection performed in Technical Instructions determines seat cover(s) replacement is necessary, use the Electronic Parts Catalog (EPC) to order the correct service part for seat cover replacement.

Technician Training Requirements

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

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

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

Remedy Procedures

Refer to TIS for Technical Instructions on repair. Conduct all non-completed Safety Recalls and Service Campaigns on the vehicle during the time of appointment.

Repair Quality Confirmation

The repair quality of covered vehicles is extremely important to Toyota. To help ensure that all vehicles have the repair performed correctly, please designate at least one associate (someone other than the individual who performed the repair) to verify the repair quality of every vehicle prior to customer delivery.

Parts Recovery Procedures

All parts replaced as part of this Safety Recall must be turned over to the parts department until appropriate disposition is determined. The parts department must retain these parts until notification via the Parts Recovery System (PRS) is received indicating whether to ship or scrap the parts. These parts are utilized by various departments for defect analysis, quality control analysis, product evaluation, as well as other purposes.

To help minimize dealer storage challenges, Toyota recommends that dealers:

- File the campaign claim accurately and promptly. The time a dealer is required to hold parts is based on when the campaign claim is paid by Toyota.
- Monitor the Warranty Parts Recovery Notifications and Part Scrap Report regularly.

Refer to Warranty Policies <u>9.3 and 9.6</u> for additional details.

Warranty Reimbursement Procedures

Loaner Vehicle or Alternative Transportation Reimbursement Procedure

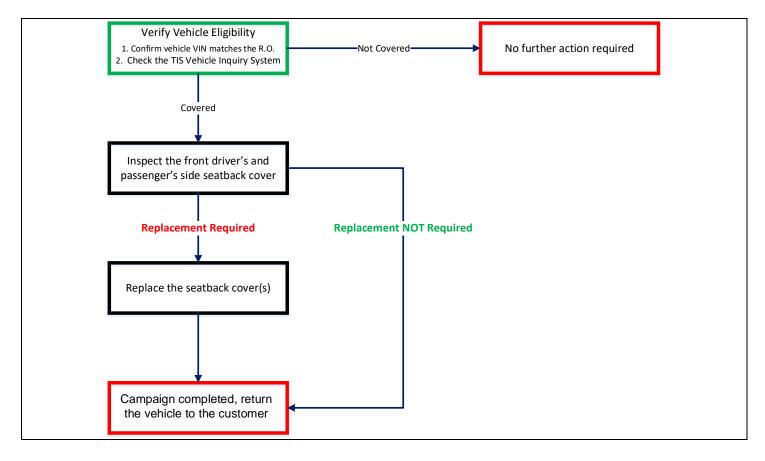
A loaner vehicle or alternative transportation through Toyota Rent-A-CAR (TRAC) can be claimed for \$35 per day.

Op Code	Description
LTRT14	Vehicle Rental 1-30 Days

NOTE:

- Rental invoice MUST be attached to all rental claims. These claims may be subject to debit if rental invoice is not attached.
- Rentals that exceed the maximum allowable daily rate will require DSPM authorization per the Toyota Transportation Assistance Policy (TTAP).
- Dealers will be allowed to file these Op Codes until January 12, 2021. After that date, no claims for alternative transportation reimbursement will be accepted.

Warranty Reimbursement Procedure



Op Code	Description	Flat Rate Hours
INTA14	Inspect the front driver's and passenger's side seatback cover (Inspected Ok)	0.2
RHTA14	Inspection (Failed) + Replace the seatback cover <u>right side</u>	0.9
LHTA14	Inspection (Failed) + Replace the seatback cover <u>left side</u>	0.9
BHTA14	Inspection (Failed) + Replace the seatback cover <u>both sides</u>	1.4

- The flat rate times include 0.1 hours for administrative cost per unit for the dealership.
- A loaner vehicle or alternative transportation through the Toyota Rent-A-Car (TRAC) program can be claimed up to a maximum of 3 days as a sublet type "RT" under Op Code: RHTA14, LHTA14, and BHTA14 only.
 - For rentals that exceed the maximum number of allowable days and/or dollars per day, refer to the Toyota Transportation Assistance Policy (TTAP) for DSPM authorization requirements.
 - Rental invoice *MUST* be attached to all rental claims. These claims may be subject to debit if rental invoice is not attached.

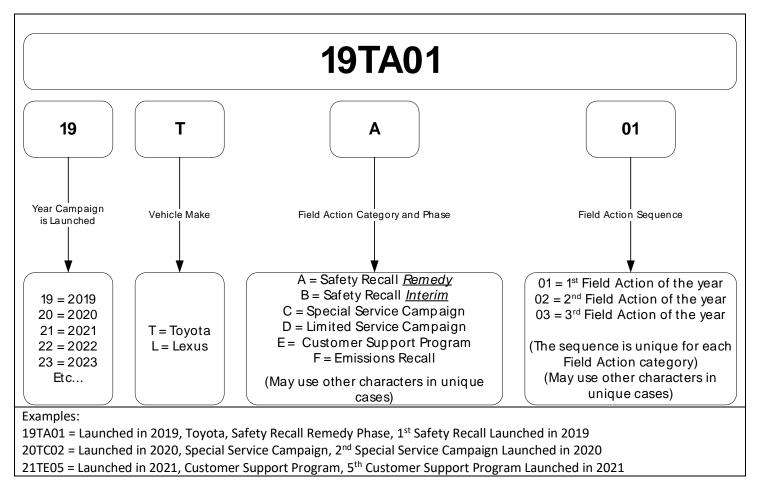
Claim Filing Accuracy and Correction Requests

It is the dealer's responsibility to file claims correctly for this Safety Recall. This claim filing information is used by Toyota for various government reporting activities; therefore, claim filing accuracy is crucial. If it has been identified that a claim has been filed using an incorrect Op Code or a claim has been filed for an incorrect VIN, refer to Warranty Procedure Bulletin <u>PRO17-03</u> to correct the claim.

Customer Reimbursement

Reimbursement consideration instructions will be included in the owner letter.

Campaign Designation / Phase Decoder



Please review this entire package with your Service and Parts staff to familiarize them with the proper step-by-step procedures required to implement this Safety Recall.

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

🟵 ΤΟΥΟΤΑ

SAFETY RECALL 20TA14 (Remedy Notice)

Certain 2020 Model Year Highlander and Highlander HV Potential Improper Deployment of Seat Mounted Side Air Bag NHTSA Recall No. 20V-633

Frequently Asked Questions Original Publication Date: October 15, 2020

Q1: What is the condition?

A1: There is a possibility that one or both of the front seats in the subject vehicles were equipped with an incorrect trim cover. If these trim covers are incorrect, the cover could prevent the seat-mounted side air bag from deploying properly when the air bags are commanded to deploy, increasing the risk of injury in the event of a crash.

Q2: What is Toyota going to do?

A2: Toyota will send by mid-December 2020, an owner notification by first class mail advising owners to make an appointment with their authorized Toyota dealer to have the front seat trim covers inspected and, if necessary, replaced with a correct one **FREE OF CHARGE**.

Q3: Which and how many vehicles are covered by this Safety Recall?

A3: There are approximately 3,100 vehicles covered by this Safety Recall.

Model Name	Model Year	Production Period
Highlander	Highlander Early December 2019 – Late	
Highlander HV	2020	Early February 2020 – Late August 2020

Q3a: Are there any other Lexus/Toyota/Scion vehicles covered by this Safety Recall in the U.S.?

A4a: No, there are no other Lexus/Toyota/Scion vehicles covered by this Safety Recall.

Q3b: Why is my 2020 Highlander/Highlander HV vehicle not included?

A4b: This issue only affects vehicles equipped with front seats of a certain design that were manufactured by a specific supplier on specific production lines and were affected by certain processing errors during a specific time period.

Q4: How long will the repair take?

A4: The repair can take approximately 45 minutes to 2 hours. However, depending upon the dealer's work schedule, it may be necessary to make the vehicle available for a longer period of time.

Q5: What if I previously paid for repairs related to this Safety Recall?

A5: Reimbursement consideration instructions will be provided in the owner letter.

Q6: How does Toyota obtain my mailing information?

A6: Toyota uses an industry provider who works with each state's Department of Motor Vehicles (DMV) to receive registration or title information, based upon the DMV records. Please make sure your registration or title information is correct.

Q7: What if I have additional questions or concerns?

A7: If you have additional questions or concerns, please contact the Toyota Brand Engagement Center at 1-888-270-9371 Monday through Friday, 7:00 am to 7:00 pm, Saturday 7:00 am to 4:30 pm Central Time.

ΤΟΥΟΤΑ

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

CUSTOMER CONTACT & VEHICLE DISCLOSURE FORM

This form is not applicable for new vehicles in dealership inventory and TCUV units.

This vehicle is involved in a Safety Recall. At this time, <u>remedy parts are not available</u> and the remedy has **NOT** been performed. I understand that the vehicle will need to be returned to an authorized Toyota dealer to have the remedy performed at **NO CHARGE** when the remedy is available.

Customer Signature

Toyota recommends that you register with the Toyota Owners Community at <u>http://www.toyota.com/owners/</u> and regularly check recall applicability using <u>www.toyota.com/recall</u> or <u>www.safercar.gov</u>. You will need to input your 17-digit Vehicle Identification Number (VIN).

lodel	Model Year		
Customer Name		Customer Email	
Customer Address		Home Phone #	
		Mobile Phone #	
		Date	

Dealer Information

Dealer Name/Address	Dealer Code	
	Dealer Phone Number	
	Dealer Staff Name	
	Dealer Staff Signature	