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To: All Mercedes-Benz Dealer Principals,
General Managers, and Parts Managers

From: Dianna Du Preez
Parts Logistics

Date: November 7, 2008

Re: Theft-Relevant Parts Ordering Policy Announcement

In recent months, we have experienced an increase in the number of Theft-Relevant Parts (TRP) being ordered by dealers without proper documentation. This practice puts the vehicles of all Mercedes-Benz owners worldwide at risk of theft and other loss. Furthermore, modern electronic systems are taking a greater role in theft prevention and deterrence, leading to a broader practical definition of TRP beyond Keys and Locks. Therefore MBUSA in cooperation with Daimler AG has updated the existing Security procedures for Theft-Relevant Parts.

New Theft-Relevant Parts Ordering Policy Effective November 10, 2008 – MBUSA remains committed to selling to and servicing its customers in the United States and its territories in conformity with the terms and conditions of the Dealer Agreements. In furtherance of that commitment, MBUSA will implement an all-new Theft-Relevant Parts Ordering Policy (#PAC003) effective as of November 10, 2008, replacing the existing Security Procedures for Ordering Mercedes-Benz Keys and Locks (IB-600102) dated March 15, 2002 and supplementing the existing procedures described in the Operations Guidelines for Service and Parts in NetStar.

A Theft-Relevant Part is any spare part or component which can be used in the theft or misappropriation of an automobile. Important new requirements of the policy include:

- The definition of Theft-Relevant Parts has been expanded to include not only keys and locks (both mechanical and electronic) but also certain: electronic control units; SRS components; body components; and service documentation. All Theft-Relevant Parts are clearly identified with the designation "TRP" in the description of the "VIN required?" field of Material Information.
- The delivery, installation/coding of several Theft-Relevant Parts (including but not limited to Electronic Key, Electronic Ignition Switch, Infrared Control Unit, Electronic Steering Lock) must be performed at a Mercedes-Benz dealer without exception.
- In addition, the retention period for the required documentation has been extended to 10 years. Please refer to the full policy for specific details.

The responsibility of the person accepting an order for a Theft-Relevant Part is to

- Verify the identity of the person requesting the TRP. If this is not the owner, an original notarized authorization letter, and an identity verification must be received from the owner.
- Verify ownership of the vehicle, ensuring there is a clear match between vehicle ownership and the person requesting the TRP.



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- Verify the location of the vehicle. TRP can only be ordered for vehicles physically within the United States and Territories.
- Complete the TRP Order and Delivery Process Checklist and maintain it and the required documentation at the dealership for the entire retention period

The same information is also required when the TRP is delivered. This also applies to TRPs ordered internally by dealer personnel, such as Service or Sales.

Dealer Principals will be required to sign an acknowledgement that they have received the new policy and have informed their staff of its requirements. It is the dealer's responsibility to: ensure that every person with access to Paragon is fully aware of the policy; maintain a current acknowledgement form on file at MBUSA; and ensure employee compliance with the policy.

Dealers may be audited on this policy at any time. In the case of a failure to comply with this policy or submit the necessary acknowledgement form, any or all of (but not limited to) the following steps may be taken: Consult with the dealer or MBUSA facility to assist with the implementation of policies and procedures to ensure full compliance; Conduct additional audits, including on-site audits; Require all TRP orders to be verified by MBUSA prior to shipment; Suspension of the dealer's ability to order TRPs until such time as appropriate systems are implemented. It should be further noted that a dealer's failure to follow the practices outlined in the policy greatly increases its exposure to potential legal claims regarding thefts involving keys or other TRPs supplied by them without appropriate verification.

This letter provides a summary of the new policy, but does not fully describe the new Theft-Relevant Parts Ordering Policy for 2009. The complete *Theft-Relevant Parts Ordering Policy* (#PAC003), a sample of the *TRP Form* (MBUSA-122531448495) and the *TRP Policy Acknowledgement Form* (MBUSA-122572137402) should be reviewed online to ensure the latest revision. An uncontrolled version is attached to this announcement for your convenience. The latest version of the Policy may also be found in NetStar / Newschannel / Guides / Operations Guides For Service And Parts/ Section 3.7.

The new Theft-Relevant Parts Ordering Policy outlined in this letter is designed to address some concerns voiced by various insurance and police agencies worldwide. However, the implementation of this new Theft-Relevant Parts Ordering Policy is not to be construed as a change in our position on this important issue. We appreciate the diligence of the dealer body's efforts to minimize vehicle theft and fraudulent activity, and hope you agree that these efforts are in our collective best interests to promote the Mercedes-Benz brand in the United States market.



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