

BMW Group

U.S. Press Information

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BMW of North America Reaches Resolution With NHTSA on Investigation of Timeliness of a MINI Noncompliance Recall

Woodcliff Lake, NJ – December 21, 2015... BMW of North America, LLC (BMW NA) today announced it has entered into a Consent Order with the National Highway Traffic Safety Administration (NHTSA) which resolves issues raised in NHTSA's Special Order issued to BMW NA on September 28, 2015 in regards to its execution of a MINI noncompliance recall campaign. The Consent Order also includes an admission by BMW NA that it did not comply in a timely fashion with various reporting requirements under the National Traffic and Motor Vehicle Safety Act.

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Pursuant to the Consent Order, BMW NA has agreed to make a \$10 million cash payment to NHTSA and to spend \$10 million on enhancing internal processes and technologies to more rapidly detect emerging safety-related issues and developing increased measures to maximize recall completion rates. An additional \$20 million shall be in the form of a deferred amount and held in abeyance, pending BMW NA's satisfactory completion of the obligations in the Consent Order.

BMW NA has also agreed to execute certain performance obligations to improve its recall execution and reporting processes and will work with a consultant to develop

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best practices to do so. The Consent Order will remain in place for two years subject to NHTSA's right to extend for an additional year.

The company is committed to further improving its recall processes to better serve its customers. BMW NA respects the role of NHTSA and looks forward to working with them to develop solutions for the future.

BMW Group In America

BMW of North America, LLC has been present in the United States since 1975. Rolls-Royce Motor Cars NA, LLC began distributing vehicles in 2003. The BMW Group in the United States has grown to include marketing, sales, and financial service organizations for the BMW brand of motor vehicles, including motorcycles, the MINI brand, and Rolls-Royce Motor Cars; Designworks, a strategic design consultancy based in California; a technology office in Silicon Valley and various other operations throughout the country. BMW Manufacturing Co., LLC in South Carolina is part of BMW Group's global manufacturing network and is the exclusive manufacturing plant for all X5 and X3 Sports Activity Vehicles and X6 and X4 Sports Activity Coupes. The BMW Group sales organization is represented in the U.S. through networks of 339 BMW passenger car and BMW Sports Activity Vehicle centers, 149 BMW motorcycle retailers, 124 MINI passenger car dealers, and 36 Rolls-Royce Motor Car dealers. BMW (US) Holding Corp., the BMW Group's sales headquarters for North America, is located in Woodcliff Lake, New Jersey.

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