



Warranty Procedures Bulletin

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Distribute to:

- Service Manager
- Parts Manager
- Warranty Administrator

SUBJECT: **WARRANTY CATALYTIC CONVERTER RECYCLING PROGRAM**

In order to expand Lexus' commitment to recycling and protecting the environment, TMS Warranty is pleased to announce the nationwide program launch to recover catalytic converters. The effective date for this program is June 15, 2007 (for warranty claims paid on this date and thereafter).

This program will allow Lexus to recycle the precious metals contained within the catalytic converters, which are currently being scrapped. These metals are in short supply worldwide and this recycling program will allow TMS to produce new emissions control products while keeping production costs to a minimum.

Parts Recovery Process

Catalytic converters will be requested through the automated CPS Parts Recovery process. Dealers will receive a parts recovery request through the *CPS Parts Recovery Summary Screen* the day after the warranty claim is approved.

The following process will allow for the recovery of all main and sub-catalytic converters. Catalytic converters can be separated by size into two categories:

- 1) **Catalytic converter assemblies that are less than 36 inches long.** These converters are often an integral part of the exhaust manifold and these converters can be shipped without modification. See illustration one for an example of this converter location. Other converters are located on short sections of pipe. See illustration two for an example of this condition.
- 2) **Catalytic converter assemblies that exceed 36 inches in length.** These converters are located along the exhaust pipe extensions and must be separated from these exhaust pipes by cutting to decrease the overall length of pipe (with converter) to 36 inches or less. See illustration three for an example of converters located along the exhaust pipe extensions.

Parts Shipping Process

- 1) All properly prepared assemblies (36 inches or less in length) must be shipped via UPS using the Authorized Return Service (ARS) labels.

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Parts Shipping Process (Continued)

- 2) **Do not call UPS Logistics** to return catalytic converter assemblies. The prepared assemblies qualify for regular UPS shipping. Dealers will be charged \$225 shipping for each occurrence if UPS Logistics is used to ship a catalytic converter assembly to TMS instead of the standard process using the ARS labels.

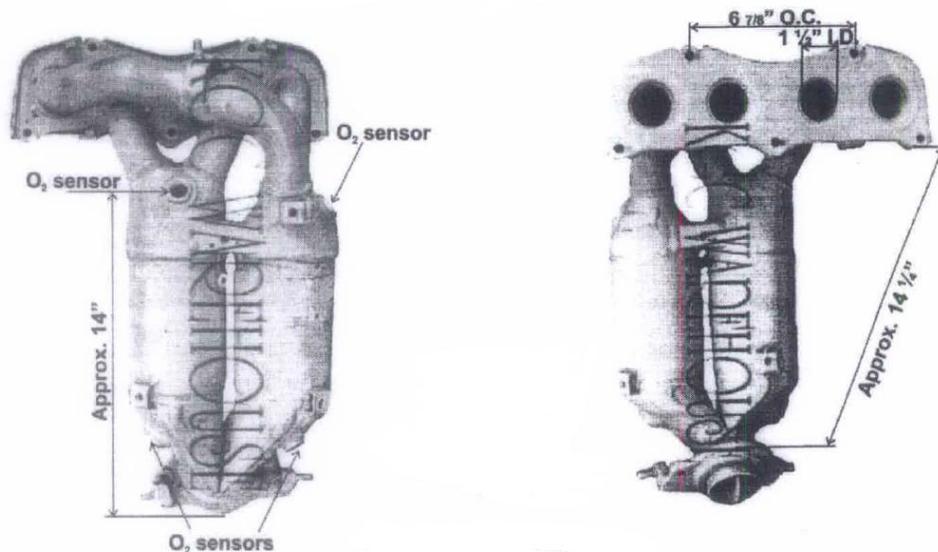
Refer to Lexus Warranty Policy 9.6, Warranty Parts Recovery by Lexus for step by step instructions for returning parts to TMS.

Reimbursement for Preparation of Catalytic Converters for Shipment

Dealers will be reimbursed for the time spent reducing the length (cutting) the catalytic converter assembly pipes. Add a reimbursement amount of 0.1 hours of "Z" time to each catalytic converter replacement claim to compensate for time spent cutting down the catalytic converter.

Illustrations of Converter Locations:

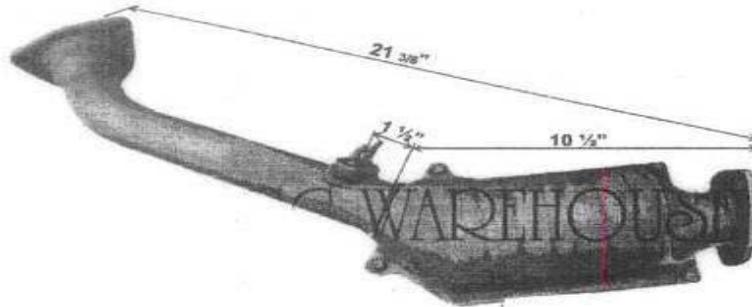
Illustration one:



In this example, the manifold/converter assembly does not need to be cut as the overall length is less than 36 inches.

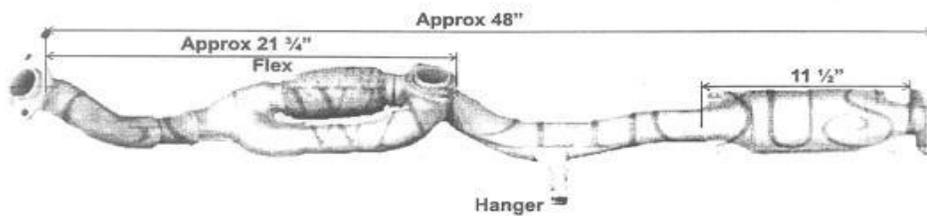
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Illustration two:



In this example, the exhaust pipe and converter assembly does not need to be cut as the overall length is less than 36 inches.

Illustration three:



In this example, the exhaust pipe and converter assembly is over 36 inches in total length and the pipe (containing the converters) must be cut into sections less than 36 inches in length.

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