

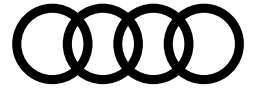


Safety Recall Campaigns 19N4 & 74D5

Communication Toolkit for Dealers

July 19, 2018

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Audi of America, Inc. • 2200 Ferdinand Porsche Dr. • Herndon, VA 20171

Subject: Safety Recall 19N4 & 74D5 – Dealer Toolkit Update

Dear Audi Dealers,

The following Dealer “Toolkit” is designed to provide Audi Dealers with a comprehensive reference guide detailing customer and dealer support programs specific to safety recall campaigns 19N4 (Coolant Pump) and 74D5 (Passenger Occupant Detection System).

July 19, 2018

Audi of America

2200 Ferdinand Porsche Dr.
Herndon, VA 20171
+1 703 364 7000
www.audiusa.com

Support Programs and Enhancements:

1. **Customer Outreach Program (19N4 and 74D5):** Audi customers whose vehicles are impacted by one or both of the aforementioned recalls are eligible for an incentive towards the purchase or lease of an Audi vehicle (New and CPO).
2. **Audi Dealer Inventory Assistance Programs (19N4 and 74D5):** Audi vehicles in dealer inventory that are impacted by the recall(s) are eligible to receive monthly Inventory Assistance payments.
3. **Audi Courtesy Vehicle Support (74D5 only):**
 - 3.1 Active Audi Courtesy Vehicles (service loaners through Audi Financial Services) impacted by 74D5 will receive reimbursement of the monthly fee effective with the month of announcement of the recall and stop sale notice.
 - 3.2 Once a Courtesy Vehicle reaches its program scheduled termination date, is purchased by the dealer and put into the dealer’s pre-owned inventory, it is eligible to be claimed under the Dealer Inventory Assistance Program.
4. **Audi New Vehicle DSP Adjustments:** To reflect the potential impact of the 74D5 on sales in the third quarter of 2018, the corresponding DSP and DSP Stretch objectives have been adjusted.



5. Adjusted A.C.E. Program Purchase Objectives:

- 5.1 19N4 & 74D5 impacted maturities will be removed from Q3 2018 A.C.E. Objectives.
- 5.2 Q3 2018 sales objectives for the Margin and Bonus Program will receive adjusted targets based on historical share of sales for 19N4 & 74D5 impacted units.

6. Audi CPO DSP Stretch enhancement:

- 6.1 Q2 2018: Dealers who did not achieve their Q2 CPO DSP Stretch objective will receive a DSP Stretch Bonus on eligible CPO sales in June.
- 6.2 Q3 2018: Audi Champion level Dealers will receive the \$250 DSP Stretch Bonus on eligible CPO sales regardless of DSP Stretch attainment; Performer level Dealers will receive the \$125 DSP Stretch Bonus.

We will continue to update the toolkit as additional information becomes available. If you have any questions regarding these updates, please consult your Audi Area Team. Thank you for patience, support, and cooperation in handling the customers with the utmost care.

Sincerely,

Audi Operations



Dealer Communication

To: DP, GM, CPO, F&I, Parts, Sales, Service, Warranty
From: Audi Customer Protection

IMPORTANT! Mandatory Stop-Sale - Safety Recall 19N4 - After-Run Coolant Pump

Issue: In certain vehicles equipped with a 2.0L TFSI engine, the electric coolant pump may experience a short circuit and/or overheat. A short circuit or overheating within the electric coolant pump may lead to a fire resulting in vehicle or other property damage.

Mandatory Stop Sale Information:

- As of May 16, 2018 – recall code(s) showing REPAIR NOT YET AVAILABLE in all systems.
- Check daily campaign open inventory report or OMD for affected vehicles in inventory.
- Quarantine all recalled vehicles in new/used inventory to ensure they are not made available for sale, lease, demonstration or internal dealership use until the recall repair can be completed.
- Recall repair availability: estimated November 2018.

Addressing Owner Concerns Until the Recall Repair is Available:

- **Prioritize owner appointment requests for Safety Recall 19M1.**
- **Advise owners to have Safety Recall 19M1 performed immediately if it is open on the vehicle.**
The software installed for **FREE** under Safety Recall 19M1 will turn off the electric coolant pump if the pump becomes blocked with debris, and will alert the owner if this happens by turning on the Electronic Power Control lamp (EPC). This can help reduce the risk of the pump overheating and possibly causing a fire.
- **Advise owners to contact an Audi dealer without delay if the EPC light comes on.** After Safety Recall 19M1 is completed, an illuminated EPC light can mean that the coolant pump in your vehicle is blocked.
- **Until Safety Recall 19N4 has been completed, owners should be careful when parking the vehicle.** In the unlikely event the electric coolant pump causes a fire, parking your vehicle outdoors, away from buildings or other things that can burn (like dry grass or trees) can help prevent a fire from spreading.

Notes:

Affected Vehicles:

- U.S.A.: Certain 2012-2017 MY Audi Vehicles with a 2.0L TFSI Engine
- CANADA: Certain 2013-2017 MY Audi Vehicles with a 2.0L TFSI Engine

IMPORTANT REMINDER: VEHICLES AFFECTED BY SAFETY & COMPLIANCE RECALLS

New Vehicles in Dealer Inventory: 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. By law, dealers must correct, prior to delivery for sale or lease, any vehicle that fails to comply with an applicable Federal Motor Vehicle Safety Standard or that contains a defect relating to motor vehicle safety.

Pre-Owned Vehicles in Dealer Inventory: Dealers should not deliver any pre-owned vehicles in their inventory which are involved in a safety or compliance recall until the defect has been remedied.



Dealer Communication

To: DP, GM, CPO, F&I, Parts, Sales, Service, Warranty
From: Audi Customer Protection

IMPORTANT: Status Update-Safety Recall 19N4

Date: June 8, 2018

Status Update: This update is to advise your dealership that the owner notification has been sent via first class mail to all customers. A sample customer letter is [here](#) for your reference. Please use the details below to help address any owner concerns until the repair is available.

Issue: In certain vehicles equipped with a 2.0L TFSI engine, the electric coolant pump may experience a short circuit and/or overheat. A short circuit or overheating within the electric coolant pump may lead to a fire resulting in vehicle or other property damage.

Mandatory Stop Sale Information:

- As of May 16, 2018 – recall code(s) showing REPAIR NOT YET AVAILABLE in all systems.
- Check daily campaign open inventory report or OMD for affected vehicles in inventory.
- Quarantine all recalled vehicles in new/used inventory to ensure they are not made available for sale, lease, demonstration or internal dealership use until the recall repair can be completed.
- Recall repair availability: estimated November 2018.

Addressing Owner Concerns Until the Recall Repair is Available:

Prioritize owner appointment requests for Safety Recall 19M1

Advise owners to have Safety Recall 19M1 performed immediately if it is open on the vehicle.

The software installed for **FREE** under Safety Recall 19M1 will turn off the electric coolant pump if the pump becomes blocked with debris, and will alert the owner if this happens by turning on the Electronic Power Control lamp (EPC). This can help reduce the risk of the pump overheating and possibly causing a fire.

Advise owners to contact an Audi dealer without delay if the EPC light comes on.

After Safety Recall 19M1 is completed, an illuminated EPC light can mean that the coolant pump in the vehicle is blocked.

Until Safety Recall 19N4 has been completed, owners should be careful when parking the vehicle.

In the unlikely event the electric coolant pump causes a fire, parking the vehicle outdoors, away from buildings or other things that can burn (like dry grass or trees) can help prevent a fire from spreading.

Are loaner vehicles being offered to customers until the repair is available?

We do not anticipate that this will be a necessary step to take as they may continue to drive their vehicle normally until a repair is available. At this time, we are not offering loaner vehicles in relation to this recall.

If they experience an EPC light in their vehicle, please instruct them to contact the nearest dealership without delay as this is indicative of a concern related to this recall. The nearest dealership will be able to determine what transportation options are available for their vehicle and for themselves.

Is towing of vehicles being offered to customers for this recall?

We do not anticipate that this will be a necessary step to take as they may continue to drive their vehicle normally until a repair is available. At this time, we are not offering a free tow because of this recall.

If they experience an EPC light in their vehicle, please instruct them to contact the nearest dealership without delay as this is indicative of a concern related to this recall. If they feel their vehicles requires towing they may contact Audi Roadside Assistance at 1-800-411-9988.

Are customer vehicles safe to drive until the repair is available?

The vehicle is impacted by a safety recall, which indicates that there is a repair needed that will eliminate potential safety risks. We are working diligently to provide this repair as soon as possible so that they can return to enjoying their vehicle free of this concern. Customers may continue to drive the vehicle normally until that time.

If they experience an EPC light in the vehicle, please instruct them to contact the nearest dealership without delay as this is indicative of a concern related to this recall.

Notes:

Affected Vehicles:

- U.S.A.: Certain 2012-2017 MY Audi Vehicles with a 2.0L TFSI Engine
- CANADA: Certain 2013-2017 MY Audi Vehicles with a 2.0L TFSI Engine

IMPORTANT REMINDER: VEHICLES AFFECTED BY SAFETY & COMPLIANCE RECALLS

New Vehicles in Dealer Inventory: 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. By law, dealers must correct, prior to delivery for sale or lease, any vehicle that fails to comply with an applicable Federal Motor Vehicle Safety Standard or that contains a defect relating to motor vehicle safety.

Pre-Owned Vehicles in Dealer Inventory: Dealers should not deliver any pre-owned vehicles in their inventory which are involved in a safety or compliance recall until the defect has been remedied.

For more dealer communications, visit the [Communications](#) page on iAudi.

IMPORTANT SAFETY RECALL

Audi of America, Inc.



<MONTH YEAR>

<CUSTOMER NAME>

<CUSTOMER ADDRESS>

<CUSTOMER CITY STATE ZIPCODE>

This notice applies to your vehicle: <VIN>

NHTSA: 18V229

IMPORTANT!

Information about Safety Recall 19N4 – After Run Coolant Pump

THIS RECALL REPAIR IS NOT YET AVAILABLE. We will send another letter as soon as the recall work can be completed on your vehicle.

As an interim measure, please contact your Audi dealer immediately to have Safety Recall 19M1 performed.

Audi of America, Inc.
3800 Hamlin Road
Auburn Hills, MI 48326
+1 800 253 2834
www.audiusa.com

This notice is sent to you in accordance with the National Traffic and Motor Vehicle Safety Act. Audi has decided that a defect, which relates to motor vehicle safety, exists in certain 2013-2017 model year Audi vehicles equipped with a 2.0L TFSI gasoline engine. Our records show that you are the owner of a vehicle affected by this action. At this time, the recall repair is not yet available; however we anticipate being able to begin recall repairs in late 2018.

Recall Description: In certain vehicles equipped with a 2.0L TFSI gasoline engine, the electric coolant pump may experience a short circuit and/or overheat. A short circuit or overheating within the electric coolant pump may lead to a fire resulting in vehicle or other property damage.

What You Need to Do:

- ✓ **Have Safety Recall 19M1 performed on your vehicle immediately.**
The software installed for **FREE** under Safety Recall 19M1 will turn off the electric coolant pump if the pump becomes blocked with debris, and will alert you if this happens by turning on the Electronic Power Control lamp (EPC). This can help reduce the risk of the pump overheating and possibly causing a fire. Please schedule this important, **FREE** recall with your authorized Audi dealer without delay.
- ✓ **Contact your Audi dealer without delay if the EPC light comes on.**
After Safety Recall 19M1 is completed, an illuminated EPC light can mean that the coolant pump in your vehicle is blocked. For **FREE**, your dealer will diagnose the reason for the EPC light and also replace the coolant pump for **FREE** if necessary.
- ✓ **Until Safety Recall 19N4 has been completed on your vehicle, Audi recommends parking your vehicle outdoors as a precaution.**
- ✓ **Contact your dealer or Audi if you have any concerns about your vehicle.**
Your authorized Audi dealer knows your vehicle best, and has the tools and information necessary to address your vehicle concerns. If you should have any questions about this communication, please contact Audi Customer Experience at 1-800-253-2834 or via our "Contact Us" page at www.audiusa.com.

If you are the lessor and registered owner of the vehicle identified in this action, the law requires you to forward this letter immediately via first-class mail to the lessee within ten (10) days of receipt. If you have changed your address or sold the vehicle, please fill out the enclosed prepaid Owner Reply card and mail it to us so we can update our records.

IMPORTANT SAFETY RECALL



To check your vehicle's eligibility for repair under this or any other recall/service campaign, please visit the **Recall/Service Campaign Lookup** tool at www.audiusa.com and enter your Vehicle Identification Number (VIN).

If you still cannot obtain satisfaction, you may file a complaint with: The Administrator, National Highway Traffic Safety Administration, 1200 New Jersey Avenue, SE., Washington, DC 20590; or call the toll-free Vehicle Safety Hotline at 1-888-327-4236 (TTY: 1-800-424-9153); or go to <http://www.safercar.gov>.

We apologize for any inconvenience this matter may cause; however we are taking this action to help ensure your safety and continued satisfaction with your vehicle.

Sincerely,

Audi Customer Protection

IMPORTANT SAFETY RECALL

Audi of America, Inc.



<MONTH YEAR>

<CUSTOMER NAME>

<CUSTOMER ADDRESS>

<CUSTOMER CITY STATE ZIPCODE>

This notice applies to your vehicle: <VIN>

NHTSA: 18V229

IMPORTANT!

Information about Safety Recall 19N4 – After Run Coolant Pump

THIS RECALL REPAIR IS NOT YET AVAILABLE. We will send another letter as soon as the recall work can be completed on your vehicle.

Audi of America, Inc.
3800 Hamlin Road
Auburn Hills, MI 48326
+1 800 253 2834
www.audiusa.com

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Recall Description: In certain vehicles equipped with a 2.0L TFSI gasoline engine, the electric coolant pump may experience a short circuit and/or overheat. A short circuit or overheating within the electric coolant pump may lead to a fire resulting in vehicle or other property damage.

What You Need to Do:

- ✓ **Contact your Audi dealer without delay if the EPC light comes on.**
An illuminated EPC light can mean that the coolant pump in your vehicle is blocked. For **FREE**, your dealer will diagnose the reason for the EPC light and also replace the coolant pump for **FREE** if necessary.
- ✓ **Until Safety Recall 19N4 has been completed on your vehicle, Audi recommends parking your vehicle outdoors as a precaution.**
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IMPORTANT SAFETY RECALL



We apologize for any inconvenience this matter may cause; however we are taking this action to help ensure your safety and continued satisfaction with your vehicle.

Sincerely,

Audi Customer Protection



Dealer Communication

To: DP, GM, CPO, F&I, Parts, Sales, Service, Warranty
From: Audi Customer Protection

IMPORTANT! MANDATORY STOP-SALE - Safety Recall 74D5

MANDATORY STOP-SALE NOTICE

Advance Notice – Safety Recall 74D5 / Passenger Occupant Detection System (PODS)

Date: June 11, 2018

Issue: The Passenger Occupant Detection System (PODS) control module can malfunction due to stress/wear factors affecting an internal connector or contact resistance increase at body-sensing mat in the seat.

Should a malfunction occur, vehicle occupants will be alerted of a PODS system problem by illumination of the airbag monitoring light and by the status of the Passenger Airbag OFF indicator light. In this situation, a front passenger seat occupant risks injury in a crash because a malfunctioning PODS system may not make the correct airbag deployment decision for the type of occupant seated there.

Repair:

- REPAIR NOT YET AVAILABLE
- When parts are available, dealers will install a PODS system repair kit.
- Check daily campaign open inventory report or OMD for affected vehicles in inventory.

Precautions: Should a malfunction occur, vehicle occupants will be alerted of a PODS system problem by illumination of the airbag monitoring light and by the status of the Passenger Airbag OFF indicator light. In this situation, a front passenger seat occupant risks injury in a crash because a malfunctioning PODS system may not make the correct airbag deployment decision for the type of occupant seated there.

Notes:

Vehicles:

- 2013-2018 MY Audi S6, S7
- 2012-2018 MY Audi A6, A7
- 2014-2018 MY Audi RS7

IMPORTANT REMINDER: VEHICLES AFFECTED BY SAFETY & COMPLIANCE RECALLS

New Vehicles in Dealer Inventory: 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. By law, dealers must correct, prior to delivery for sale or lease, any vehicle that fails to comply with an applicable Federal Motor Vehicle Safety Standard or that contains a defect relating to motor vehicle safety.

Pre-Owned Vehicles in Dealer Inventory: Dealers should not deliver any pre-owned vehicles in their inventory which are involved in a safety or compliance recall until the defect has been remedied.

For more dealer communications, visit the [Communications](#) page on iAudi.



Customer Outreach Program

July 3, 2018 – July 31, 2018

Bulletin No: A18UCOP2

Audi of America is pleased to announce a new customer focused program in support of Audi owners or lessees impacted by recall actions 19N3, 19N4 & 74D5. Eligible customers wishing to purchase a new vehicle can use this program to support the trade-in and subsequent purchase or lease of a new Audi vehicle.

Model Year	Eligible Models	Amount
2015 / 2016	A3 / A6 / A7 / A8 / Q5 / Q7 TDI	\$2,000
2017 / 2018	A3 Sedan (incl. S3/RS3)	\$2,000
2017 / 2018	A3 Cabriolet	\$2,000
2017 / 2018	A3 Sportback e-tron	\$2,000
2017 / 2018	A4 (incl. S4 & Ultra)	\$2,000
2017 / 2018	allroad	\$2,000
2017 / 2018	A5 Coupe (incl. S5 & RS5)	\$2,000
2017 / 2018	A5 Cabriolet (incl. S5)	\$2,000
2018	A5 Sportback (incl. S5)	\$2,000
2017 / 2018	A6 Sedan (incl. S6)	\$2,000
2017 / 2018	A7 Sedan (incl. S7 & RS 7/Perf.)	\$2,000
2017 / 2018	A8 Sedan (incl. S8 & S8+)	\$2,000
2017 / 2018	Q3	\$2,000
2017 / 2018	Q5 / SQ5	\$2,000
2017 / 2018	Q7	\$2,000
2017 / 2018	TT Coupe / Roadster (incl. TTS/TTRS)	\$2,000
2017 / 2018	R8	\$2,000
Must be new, untitled and unreported – KOS 0,2,3		

Fine Print:

- Eligible vehicles are identified by Audi of America as subject to the 19N3, 19N4 & 74D5 Safety Recall Campaigns.
- Dealer must submit screen print of confirmed eligibility utilizing the recall/campaign check tool found on the Audi USA website (www.audiusa.com).
- Only one incentive claim will be paid per eligible VIN.
- **THIS PROGRAM SUPERCEDES THE NATIONAL LOYALTY PROGRAM. IF THIS PROGRAM IS CLAIMED IT MAY NOT BE COMBINED WITH THE NATIONAL PROGRAM.**
- Rental car companies, or returning customers that lease from, fleet leasing/management companies or dealer fleet leasing companies are not eligible.
- Vehicles must be sold and reported during the same monthly sales period. It is not a requirement to trade-in their current Audi vehicle.
- Household members of these qualifying vehicle owner/lessees are also eligible if new vehicle is reported, titled and registered in same household.
- For Business Customers, vehicle(s) must be sold, delivered and registered in the name of the business entity and must be properly reported during the aforementioned program period to be a bona fide customer who may be a buyer or lessee.
- This can be combined with Marketing Allowance, Lease Pull-Ahead (LPA), Cash Alternative Program, Contract Employee Purchase Program (CEPP), Dealer Employee Purchase Program (DEPP), VIP, European Delivery (ED), Affinity Program (AP), AFS Bonus Cash and Standard and Special Rate Programs. All other programs, including the Owner Appreciation Program, are excluded.
- Must provide proof of affected vehicle ownership (unexpired state registration or insurance card), sales agreement with customer signature showing rebate, claim form with customer signature.
- Submission deadline is sixty (60) days following the close of each monthly sales period.
- Documentation must be submitted via the new Audi Incentive Claims Portal found on iAudi under, "Vehicle Sales & CPO -> Audi Incentive Claims Portal".

Audi

Customer Outreach Program



July 3, 2018 to July 31, 2018

Customer Outreach Program – Incentive Claims Portal Claim Form A18UCOP2

This claim form and all supporting documentation must be submitted via the Audi Incentives Claims Portal.

1. **REQUIRED:** Proof of affected vehicle ownership with screen shot of confirmed eligibility from the recall/campaign check tool on Audi USA website.
-AND-
2. **REQUIRED:** New vehicle sales agreement (Lease Contract or Buyer’s Order) with customer signature and proper disclosures.
-AND-
3. **REQUIRED:** Claim Form with customer signature.

Check applicable customer incentive (only one):

Model Year	Eligible Models	Amount	X
2015 / 2016	A3 / A6 / A7 / A8 / Q5 / Q7 TDI	\$2,000	
2017 / 2018	A3 Sedan (incl. S3 & RS3)	\$2,000	
2017 / 2018	A3 Cabriolet	\$2,000	
2017 / 2018	A3 Sportback e-tron	\$2,000	
2017 / 2018	A4 / S4	\$2,000	
2017 / 2018	Allroad	\$2,000	
2017 / 2018	A5 / S5 Coupe	\$2,000	
2017 / 2018	A5 / S5 Cabriolet	\$2,000	
2018	A5 / S5 Sportback	\$2,000	
2017 / 2018	A6 & S6	\$2,000	
2017 / 2018	A7 / S7 & RS7	\$2,000	
2017 / 2018	A8 & S8+	\$2,000	
2017 / 2018	Q3	\$2,000	
2017 / 2018	Q5 / SQ5	\$2,000	
2017 / 2018	Q7	\$2,000	
2017 / 2018	TT / TTS / TTRS Coupe & Roadster	\$2,000	
2017 / 2018	R8	\$2,000	

Customer Acknowledgement:

By signing below, the customer acknowledges that they have received the full benefit of the consumer incentive checked above.

Customer Signature

Date

Printed Name

Dealership Acknowledgement

By signing below, the dealership verifies that the customer is eligible under the terms of the Official Program Rules.

Authorized Dealership Signature

Date

Printed Name & Title

6 Digit Dealer Code

New VIN: _____

Claimed VIN: _____



Dealer Inventory Assistance Program

July 3, 2018 – July 31, 2018

Bulletin No: A18UINV1

Audi of America is announcing an inventory assistance program on select vehicles.

This program is designed to assist dealers that have select CPO and pre-owned vehicles in inventory that are affected by recall action 19N4.

Model	MY12	MY13	MY14	MY15	MY16	MY17
A4	-	\$425	\$450	\$450	\$500	-
allroad	-	\$425	\$450	\$450	\$500	-
A5 2.0T Coupe & Cabriolet	-	\$575	\$575	\$600	\$675	\$675
A6 2.0T	\$550	\$600	\$600	\$650	-	-
Q5 2.0T	-	\$525	\$550	\$550	\$650	\$650

Fine Print:

- Affected vehicles in dealer inventory are eligible for Inventory Assistance. This includes dealer owned CPO, pre-owned, AudiDirect.com purchases and vehicles taken in on trade. Dealers can confirm the eligibility of affected vehicles by entering the VIN in Recall/Service Campaign Lookup on AudiUSA.com.
- The amounts listed in this program are designed to support dealer operating costs while CPO & pre-owned inventory is frozen for retail sale.
- Vehicles acquired from an outside source (wholesale, auction, etc.) after May 16, 2018 are **excluded** from this program.
- Any standard maintenance or repair work to these vehicles are the sole responsibility of the dealership.
- A monthly payment will be made to mitigate costs associated with retaining the affected vehicles in the dealer's used inventory until remedy parts are available.
- Dealer must submit the official VIN list for all affected vehicles in inventory **each month** to receive reimbursement.
- Documentation must be submitted by the 10th of the following month to AudiProgramEnrollment@audi.com.
 - Example: Vehicles in dealer stock during the month of June must be submitted using the official VIN claim form **by July 10th** to receive payment in July.
 - To qualify for inventory assistance, vehicles can be in dealer stock at any point of the preceding month to be eligible.
- Dealership will be paid via EFT following submission and verification of all required documentation under this program.
- Audi will validate each submitted VIN against their own internal records to confirm eligibility and reserves the right to audit a Dealer's inventory to ensure that only affected vehicles are being claimed. If determined a vehicle was not eligible under the terms of the program, the Dealer will be charged back for any transaction found to be ineligible.
- This program is **NOT** compatible with any other Dealer Inventory Assistance Programs.
- Audi's decisions are final in all matters relating to this incentive program. Audi has the right to amend or cancel this program at any time for any reason.



Dealer Inventory Assistance Program

July 3, 2018 – July 31, 2018

Bulletin No: A18UINV2

Audi of America is announcing an inventory assistance program on select vehicles.

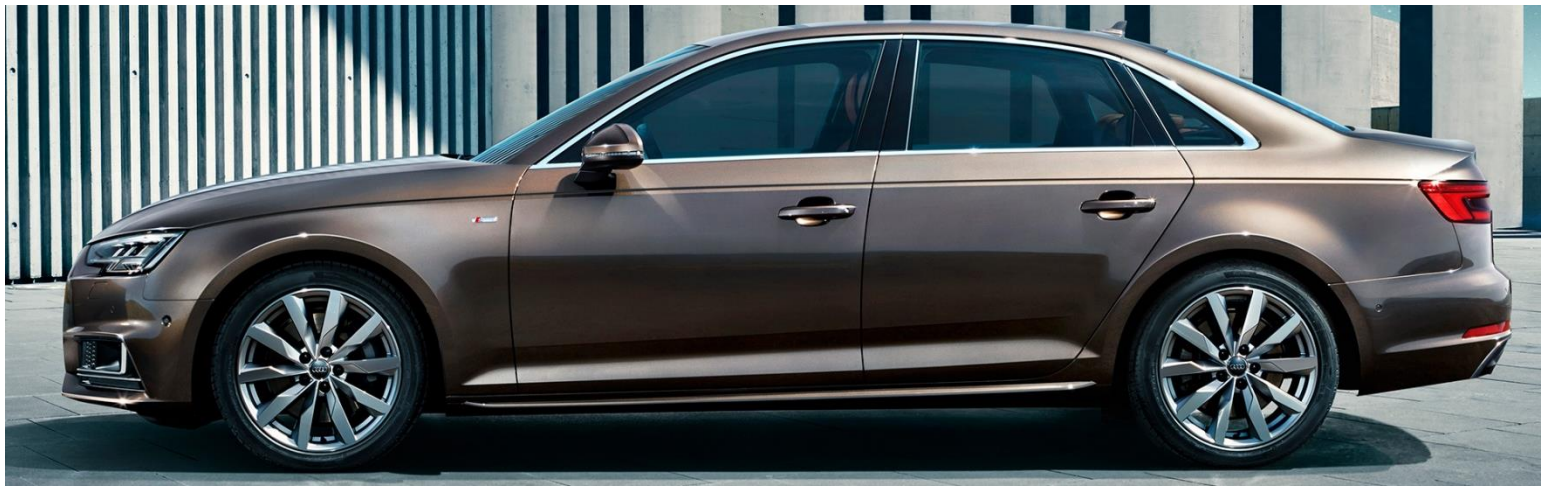
This program is designed to assist dealers that have select new, CPO and pre-owned vehicles in inventory that are affected by recall action 74D5.

New Vehicles	
Model	Reimbursement
A6 / S6	1% of MSRP
A7 / S7 / RS7	1% of MSRP

CPO & pre-owned							
Model	MY12	MY13	MY14	MY15	MY16	MY17	MY18
A6 / S6	\$550	\$600	\$600	\$650	\$650	\$700	\$700
A7 / S7 / RS7	\$650	\$700	\$700	\$750	\$750	\$800	\$800

Fine Print:

- Affected vehicles in dealer inventory are eligible for Inventory Assistance. This includes dealer new, pre-owned, CPO, AudiDirect.com purchases and vehicles taken-in on trade. Dealers can confirm the eligibility of affected vehicles by entering the VIN in Recall / Service Campaign Lookup on AudiUSA.com.
- The amounts listed in this program are designed to support dealer operating costs while CPO & pre-owned inventory is frozen for retail sale.
- Vehicles acquired from an outside source (wholesale, auction, etc.) after June 11, 2018 are **excluded** from this program.
- Any standard maintenance or repair work to these vehicles are the sole responsibility of the dealership.
- A monthly payment will be made to mitigate costs associated with retaining the affected vehicles in the dealer's used inventory until remedy parts are available.
- Dealer must submit the official VIN list for all affected vehicles in inventory **each month** to receive reimbursement.
- Documentation must be submitted by the 10th of the following month to AudiProgramEnrollment@audi.com.
 - Example: Vehicles in dealer stock during the month of June must be submitted using the official VIN claim form **by July 10th** to receive payment in July.
 - To qualify for inventory assistance, vehicles can be in dealer stock at any point of the preceding month to be eligible.
- Dealership will be paid via EFT following submission and verification of all required documentation under this program.
- Audi will validate each submitted VIN against their own internal records to confirm eligibility and reserves the right to audit a Dealer's inventory to ensure that only affected vehicles are being claimed. If determined a vehicle was not eligible under the terms of the program, the Dealer will be charged back for any transaction found to be ineligible.
- This program is **NOT** compatible with any other Dealer Inventory Assistance Programs.
- Audi's decisions are final in all matters relating to this incentive program. Audi has the right to amend or cancel this program at any time for any reason.



Customer Outreach Program – CPO

July 3, 2018 – July 31, 2018

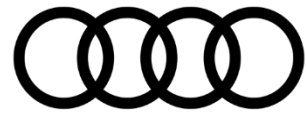
Bulletin No: A18UCOPC

Audi of America is pleased to announce a new customer focused program in support of Audi owners impacted by recall actions 19N3, 19N4, & 74D5. Eligible customers wishing to purchase a Certified pre-owned vehicle can use this program to support the trade-in and subsequent purchase of a Certified pre-owned Audi vehicle.

Model Year	Eligible Models	Amount
2013-2017	A3 Sedan/Sportback (includes S3 & Cab)	\$500
2013-2017	A4 Sedan (incl. S4)	\$500
2013-2017	allroad	\$500
2013-2017	A5 (incl. Cab & S5)	\$500
2013-2017	A6 Sedan (incl. S6)	\$500
2013-2017	A7 (incl. S7 & RS 7)	\$500
2013-2017	A8 (incl. S8)	\$500
2015-2017	Q3 SUV	\$500
2013-2017	Q5 SUV (incl. SQ5)	\$500
2013-2017	Q7 SUV	\$500
2013-2017	TT Coupe / Roadster (incl. TTS/TTRS)	\$500
2013-2017	R8	\$500
Vehicles must be sold and reported as retail KOS 6		

Fine Print:

- Eligible vehicles are identified by Audi of America as subject to the 19N3, 19N4, & 74D5 Safety Recall Campaigns.
- Dealer must submit screen print of confirmed eligibility utilizing the recall/campaign check tool found on the Audi USA website (www.audiusa.com).
- Must provide proof of affected vehicle ownership (unexpired state registration or insurance card), sales agreement with customer signature showing rebate, claim form with customer signature.
- Only one incentive claim will be paid per eligible VIN.
- Rental car companies, or returning customers that lease from, fleet leasing/management companies or dealer fleet leasing companies are not eligible.
- Vehicles must be sold and reported during the same monthly sales period. It is not a requirement to trade-in their current Audi vehicle.
- Household members of these qualifying vehicle owner/lessees are also eligible if new vehicle is reported, titled and registered in same household.
- For Business Customers, vehicle(s) must be sold, delivered and registered in the name of the business entity and must be properly reported during the aforementioned program period to be a bona fide customer who may be a buyer or lessee.
- This program is stackable with any Audi Certified pre-owned incentive programs.
- Submission deadline is sixty (60) days following the close of each monthly sales period.
- Documentation must be submitted via the new Audi Incentive Claims Portal found on iAudi under, "Vehicle Sales & CPO -> Audi Incentive Claims Portal".



July 3, 2018 to July 31, 2018

**Customer Outreach Program – Incentive Claims Portal
Claim Form A18UCOPC**

This claim form and all supporting documentation must be submitted via the Audi Incentives Claims Portal.

1. **REQUIRED:** Proof of affected vehicle ownership. **-AND-**
2. **REQUIRED:** Screen shot of confirmed eligibility from the recall/campaign check tool on Audi USA website. **-AND-**
3. **REQUIRED:** CPO Vehicle sales agreement (Buyer’s Order) with customer signature and proper disclosures. **-AND-**
4. **REQUIRED:** Claim Form with customer signature

Check applicable customer incentive (only one):

Model Year	Eligible Models	Amount	X
2013-2017	A3 Sedan/Sportback (includes S3 & Cab)	\$500	
2013-2017	A4 Sedan (incl. S4)	\$500	
2013-2017	allroad	\$500	
2013-2017	A5 (incl. Cab & S5)	\$500	
2013-2017	A6 Sedan (incl. S6)	\$500	
2013-2017	A7 (incl. S7 & RS 7)	\$500	
2013-2017	A8 (incl. S8)	\$500	
2015-2017	Q3 SUV	\$500	
2013-2017	Q5 SUV (incl. SQ5)	\$500	
2013-2017	TT Coupe / Roadster (incl. TTS/TTRS)	\$500	
2013-2017	R8	\$500	

Customer Acknowledgement:

By signing below, the customer acknowledges that they have received the full benefit of the consumer incentive checked above.

Customer Signature Date

Printed Name

Dealership Acknowledgement

By signing below, the dealership verifies that the customer is eligible under the terms of the Official Program Rules.

Authorized Dealership Signature Date

Printed Name & Title 6 Digit Dealer Code

New VIN: _____

Claimed VIN: _____

2018 Audi A.C.E. Program – Objectives

	Non-Participating	Performer Level	Champion Level
Objective Calculation	Objective calculated quarterly based on all Dealer's active scheduled maturities ¹		
Required Achievement of Overall Objective	Less than 60%	60% - 79.9%	80% or greater
Required Achievement of Vehicle Group Objectives	Less than 50%	50% or greater	50% or greater
Vehicle Groups		Vehicle Group ² : A6, A7, A8, Q7, R8	Vehicle Group ² : A6, A7, A8, Q7, R8
Eligible Purchases	AudiDirect.com Off-Lease/Balloon Vehicles AudiDirect.com Company Vehicles Customer Lease Buyouts on AudiDirect.com All active accounts are eligible for credit toward your quarterly objectives regardless of maturity date		
CPO Purchase Bonus (Audi New Vehicle Margin & Bonus Program)	Not Earned	Earned	

¹ 19N4 & 74D5 impacted maturities have been removed from Q3 2018 objectives.

² S, RS, Avant and Cabriolet models qualify at corresponding base model level.

2018 Audi A.C.E. Program – Pricing & Bonus Achievement

	Non-Participating	Performer Level	Champion Level
Pricing (Grounded Vehicles)	Market-Based Pricing ³	Market-Based Pricing ³	Lesser of Market-Based Pricing ³ or Residual Value ⁴
Pricing (Non-Grounded Vehicles)	Market-Based Pricing ³		
CPO Sales Bonus ⁵ (Paid mid-month of the following month)	\$0	\$250	\$500
A.C.E. DSP Stretch Bonus⁶	\$0	\$125	\$250
Company Vehicles	Access to company vehicles on Iteration 3	Preferred Access to company vehicles on Iteration 1-2	Preferred Access to company vehicles on Iteration 1-2

³ Market-Based Pricing is comprised of data from, but not limited to, the following sources: AFS Auctions, **AudiDirect.com** Sales, and MMR. Additional pricing considerations include, but are not limited to, mileage and vehicle condition.

⁴ Residual value plus any outstanding customer obligations.

⁵ The CPO Sales Bonus is earned on **AudiDirect.com** purchases that are subsequently enrolled as CPO then sold and reported as CPO (KOS 6) via OMD Web. CPO Sales Bonus payout amounts are based upon a Dealer's current Audi Certified Excellence (A.C.E.) reward level (Performer or Champion) and program bonus structure at the time of the CPO retail sale.

⁶ A.C.E. DSP Stretch Bonus is earned on **AudiDirect.com** purchased units that are subsequently sold as CPO and reported as CPO (KOS 6). Requirement to meet CPO DSP Stretch target to earn bonus has been removed in Q3 2018 due to 19N4 & 74D5 recalls.

Q3 2018 A.C.E. Program Announcements

Bulletin#: A1807-516INF

Effective Date: 07/03/2018 – 10/01/2018

Q3 2018 A.C.E. Program Overview:

- › All lease and premier purchase (balloon note), and company vehicles will be made available for purchase on AudiDirect.com (from account funding through account closure) and count towards the quarterly purchase objectives

	Performer Level	Champion Level
Overall Purchase Requirement	60%	80%
Vehicle Group Purchase Requirement	50%	50%

- › Vehicle group includes A6, A7, A8, Q7, R8 and all variants
- › CPO Sales Bonus (KOS-6)
 - › Champion level dealers - \$500 bonus
 - › Performer level dealers - \$250 bonus
- › 19N4 and 74D5 maturities will be removed from quarterly purchase objectives in Q3 2018
- › 19N4 and 74D5 maturities will only be made available for grounding dealer purchase
- › All Champion level dealers will receive the DSP Stretch Bonus regardless of attainment in Q3 due to the recalls
- › All Performer level dealers will receive the DSP Stretch Bonus regardless of attainment in Q3 due to the recalls

A.C.E. Dealer Sales Plan (DSP) Stretch Bonus on Eligible Purchases: Dealers that reach quarterly DSP “stretch” CPO sales plan earn a bonus. 2018 Dealer Sales Plans will be distributed by your Area Teams.

- › In Q3 2018 and while 19N4 and 74D5 stop sales are in effect, Audi Champion level Dealers will receive the \$250 DSP Stretch Bonus on eligible CPO sales regardless of DSP Stretch attainment; Performer level Dealers will receive the \$125 DSP Stretch Bonus
- › All units purchased on AudiDirect and reported as KOS-6 sales will pay-out in the month following the end of the quarter upon achieving the “stretch” objective
- › Vehicles purchased through AudiDirect in 2017 and subsequently reported as KOS-6 in 2018 will be eligible for the CPO Sales Bonus and the DSP Bonus when achieving the “stretch” objective

There are not any dealers who qualify for the Cap Addendum in Q3 based on the removal of 19N4 and 74D5 maturities.

Contact your appropriate AFS field representative or AFS Remarketing Dealer Services at 877-557-6824 with any questions.

AFS Remarketing Dealer Services

Phone: 877-557-6824

Monday – Friday 9:00 am – 8:00 pm EST

Saturday – 11:00 am – 3:00 pm EST