



Audi

Takata Recall Campaign

Communication Toolkit for Dealers

April 14, 2016

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Dear Dealer Partners,

This week we began mailing letters to the nearly 165,000 people whose Audi is part of the Takata front airbag safety recall.

As you know, many other automakers are confronting similar issues with Takata-manufactured airbag units, and this unprecedented scope has presented challenges in securing the necessary remedy. This means we do not yet have all the answers we want and the reality is we will have to wait for parts. That's as challenging for me as it is for you, but it's nothing like what our customers will feel.

They will look to you for information and this guide is designed to arm you, whether you are a dealer principal or General Manager or on the front line as an ABS or Service Consultant, to help them. The guidebook equips you with facts and solutions to help alleviate the customer's genuine anxiety and concern when they walk into your dealerships.

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

Where we have complete control is how we serve our customer. In that, I have total confidence. As was recently recognized, collectively you are the best in the business. It's time to show it again.

On behalf of Audi of America, thank you for your attention on this important issue and for your help. We'll work through this, as always, as partners.

Sincerely,

Scott Keogh
President
Audi of America

IMPORTANT SAFETY RECALL

Audi of America, Inc.



<MONTH YEAR>

<CUSTOMER NAME>

<CUSTOMER ADDRESS>

<CUSTOMER CITY STATE ZIPCODE>

IMPORTANT!

SAFETY RECALL 69N1 – TAKATA SDI DRIVER FRONTAL AIRBAG

This notice applies to your vehicle: <VIN>

NHTSA: 16V078

Your vehicle is identified as subject to the safety recall described in this letter. A RECALL REPAIR IS NOT YET AVAILABLE. You will receive a follow-up letter once it is confirmed that your dealer has parts & repair instructions available to address this safety recall.

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

Dear Audi Customer,

This notice is sent to you in accordance with the National Traffic and Motor Vehicle Safety Act. Audi, based on information received from Takata, has decided that a defect, which relates to motor vehicle safety, exists in certain 2010-2014 model year Audi A5 Cabriolet vehicles, and in certain 2009-2013 model year Audi Q5 vehicles equipped with a Takata SDI driver frontal airbag.

Takata has reported that the driver frontal airbag inflator could potentially rupture if the vehicle is involved in a crash where the frontal airbags are designed to deploy. In the event of an inflator rupture, metal fragments could pass through the air bag cushion material, which may result in serious injury or death to vehicle occupants.

While there are no known incidents of any ruptured SDI airbag inflators in any Audi vehicle worldwide, we are planning to conduct this recall as a precautionary measure.

Our records show that you are the owner of a vehicle affected by this action.

Please note that at the present time we do not have replacement parts available. Audi will notify you by another letter as soon as we can perform this recall on your vehicle.

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).

IMPORTANT SAFETY RECALL



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 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>.

Sincerely,

Audi Customer Protection

IMPORTANT SAFETY RECALL

Audi of America, Inc.



<MONTH YEAR>

<CUSTOMER NAME>

<CUSTOMER ADDRESS>

<CUSTOMER CITY STATE ZIPCODE>

IMPORTANT!

SAFETY RECALL 69N2 – TAKATA PSDI-5 DRIVER FRONTAL AIRBAG

This notice applies to your vehicle: <VIN>

NHTSA: 16V079

Your vehicle is identified as subject to the safety recall described in this letter. A RECALL REPAIR IS NOT YET AVAILABLE. You will receive a follow-up letter once it is confirmed that your dealer has parts & repair instructions available to address this safety recall.

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

Dear Audi Customer,

This notice is sent to you in accordance with the National Traffic and Motor Vehicle Safety Act. Audi, based on information received from Takata, has decided that a defect, which relates to motor vehicle safety, exists in certain 2007-2009 model year Audi A4 Cabriolet vehicles, and in certain 2006-2013 model year Audi A3 vehicles equipped with a Takata PSDI-5 driver frontal airbag.

Takata has reported that the driver frontal airbag inflator could potentially rupture if the vehicle is involved in a crash where the frontal airbags are designed to deploy. In the event of an inflator rupture, metal fragments could pass through the air bag cushion material, which may result in serious injury or death to vehicle occupants.

While there are no known incidents of any ruptured SDI airbag inflators in any Audi vehicle worldwide, we are planning to conduct this recall as a precautionary measure.

Our records show that you are the owner of a vehicle affected by this action.

Please note that at the present time we do not have replacement parts available. Audi will notify you by another letter as soon as we can perform this recall on your vehicle.

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 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 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>.

Sincerely,

Audi Customer Protection

Takata Dealer FAQ

If a customer contacts you:

Thank you for your inquiry regarding the current Takata front airbag safety recall. Audi of America takes this issue seriously. Audi has issued a recall for approximately 165,000 vehicles with the Takata SDI and PSDI-5 inflator for the driver frontal airbag. These vehicles cover model years 2006 to 2014. To date, Audi is not aware of any ruptured SDI or PSDI-5 inflator in any Audi vehicle worldwide. Given the size and scope of the action, we do not yet have a fixed date for replacement parts. Once they are available, owners will receive another letter with instructions on what to do to have the parts replaced.

While we recognize this may not answer all your questions, we hope it helps set the customer's expectation. We appreciate your patience as we work through this complex matter.

What vehicles are included in this recall?

This recall pertains specifically to the Takata SDI and PSDI-5 inflator for the driver frontal airbag.

Affected Vehicles:

Takata SDI Inflators:

- ▶ Certain MY 2009-2013 Q5
- ▶ Certain MY 2010-2014 A5 Cabriolet

Takata PSDI-5 Inflators:

- ▶ Certain MY 2006-2013 A3
- ▶ Certain MY 2007-2009 A4 Cabriolet

Models and model years not mentioned have driver-side front air bag systems not included in this recall.

Additional information can also be found on: <http://www.safercar.gov/rs/takata/index.html>, <http://web.audiusa.com/recall/>, or <http://www.safercar.gov/rs/takata/takata-faq.html>.

What is the issue?

Takata has stated that the driver frontal airbag inflator could rupture if the vehicle is involved in a crash where the frontal airbags are designed to deploy. In the event of an inflator rupture, metal fragments could pass through the air bag cushion material, which may result in serious injury or death to vehicle occupants.

Audi is not aware of any ruptured SDI or PSDI-5 inflator in any Audi vehicle worldwide.

Should I ask my dealer to deactivate my driver frontal airbag until it can be replaced?

The National Highway Traffic Safety Administration (NHTSA) does not recommend this approach. Audi dealers are not authorized to disconnect any airbag system as part of this safety recall action.

Why was this recall announced before dealers are able to perform the repairs?

Once a determination of safety defect or noncompliance is made, the law requires auto manufacturers to notify the government promptly – regardless of parts/repair availability, and then to notify customers.

When do you expect parts to be available for this repair?

We don't know yet. Because of the scope and nature of this recall, and because parts supply information is not yet available, it is too early to say when the repair parts will be available.

Are affected vehicles safe to drive?

When the U.S. National Highway Traffic Safety Administration (NHTSA) Administrator was asked this question during a press conference in May 2015, he encouraged customers to bring their vehicles in for service as soon as they are notified that the parts are available and said that they should continue to drive their vehicles until then.

Are there any warnings that this condition exists?

There is no way to detect if a car might have an airbag inflator potentially at risk of rupturing upon deployment in a crash.

If the airbag light is on in the customer's vehicle, it is not related to this recall issue. The problem should be diagnosed and repaired per normal operating process, and as soon as possible.

How will I be informed of this recall?

Once a repair and replacement parts are available, you will receive an additional letter directing them to schedule this repair with an authorized Audi dealer.

This communication will be clearly marked as important safety information and have the Department of Transportation (DOT) and National Highway Traffic Safety Administration (NHTSA) logos.

What measures will Audi take to resolve this issue?

Dealers will replace the airbag inflator in affected vehicles at no cost to our customers.

Do I have to wait for a recall repair letter before I can have my vehicle fixed for this recall issue?

Yes. Audi is in the process of obtaining the necessary parts, tools and defining the procedure(s) to rectify this issue. Once this is available, you will be instructed to schedule an appointment with their dealer for repair.

BE SURE YOU HAVE COVERED ALL THE PERTINENT INFORMATION AND FACTS ABOUT THE TAKATA RECALL BEFORE PROCEEDING TO THE NEXT STEP.

Affected Takata Customer Support Recommendations

If the customer doesn't want to drive their car any longer, what can I do?

Option 1: Utilize the Audi of America Takata Customer Loyalty Bonus to sell/lease the affected customer a new MY16/MY17 vehicle. Please see Audi Program Bulletin #16-N-0086/Program Code A16UTAK1-Takata

Model Year	Eligible Models	Takata Loyalty Bonus
2016	A3 & S3 Sedan	\$2,000
2016	A3 Cabriolet	\$2,000
2016/17	A4 & S4 Sedan	\$2,000
2016	A5, S5 & RS 5 Coupe	\$2,000
2016	A5, S5 & RS 5 Cabriolet	\$2,000
2016	allroad	\$2,000
2016	A6 & S6	\$3,000
2016	A7, S7 & RS 7	\$3,000
2016	A8 & S8	\$3,000
2016	Audi Q3	\$2,000
2016	Audi Q5 & SQ5	\$2,000
2016	TT & TTS Coupe	\$2,000
2016	TT & TTS Roadster	\$2,000
2017	Audi Q7	\$3,000

Model Year	Eligible Models	Cash, AFS APR, or other financing Takata Loyalty Bonus	AFS Lease Takata Loyalty Bonus
2016	Audi A3 e-tron	\$5,000	\$3,000

The Takata Customer Loyalty Bonus is stackable with all applicable incentive programs in the market at the time of the new vehicle sale

Example: MY2016 Audi A3 e-tron

April 2016 Owner Loyalty	\$1,000
Takata Customer Loyalty (APR)	\$5,000
Total Available Loyalty	\$6,000

Option 2: If after all options and incentive programs have been reviewed, the owner indicates they do not want to continue driving their affected vehicle until parts are available, authorized Audi dealers may elect to provide the customer with a loaner vehicle, provided the owner keeps the affected vehicle pursuant to the Customer Vehicle Retention Agreement (referenced below).

Takata Customer Courtesy Vehicle Process

1. Verify customer VIN is included in the Takata recall at: <http://web.audiusa.com/recall/>
2. Follow normal process to open repair order.
 - a. **To ensure consistent customer communications, the first line of RO should accurately describe the customer's request, for example:**
The customer chooses not to drive the vehicle, and has asked this dealership to provide alternate transportation until parts are available per the safety recall 69N1 or safety recall 69N2.
3. Complete normal dealer Courtesy Vehicle agreement process.
4. Owner is responsible to store personal vehicle.
 - a. *Owner signs Customer Vehicle Retention Agreement (ATTACHED).*
5. Scan and email the following documents to takataaction@audi.com and include affected VIN in the subject line.
 - a. Repair Order
 - b. Courtesy Vehicle Agreement
 - c. Customer Vehicle Retention Agreement
6. It is suggested that repair order remain open until the loaner vehicle is returned.

The completion of steps 4 and 5 are necessary to qualify for the Audi Courtesy Vehicle Support Program.

Dealer Support Programs

Takata Inventory Assistance Program

Takata Inventory Assistance Program			
Affected Takata Models	MY06-09	MY10-11	MY12-13
A3	\$300	\$400	\$500
A4 Cab, A5 Cab, Q5	\$400	\$500	\$650

1. Applies to affected Takata vehicles (<http://web.audiusa.com/recall/>) that dealers purchase or take in on trade from customers receiving the recall notice, and subsequently, retain in their used vehicle inventory. Please note vehicles purchased via wholesale from another dealer, auction or otherwise are not eligible.
2. Paid monthly as long as vehicle is retained in the dealer's inventory and until such time as parts become available to complete the recall.
3. Please reference Program Bulletin #16-N_0087/Program Code A16UTAK2—Takata for additional details.

Takata Customer Courtesy Vehicle Support Program

1. Audi Courtesy vehicles provided to affected Takata customers and documented in accordance with the process detailed in Option #2 (Takata Customer Courtesy Vehicle Process) above, will not incur the monthly 1% payment rate.
2. Dealers are responsible for all other rules, regulations, terms and conditions as set forth in the Audi Courtesy Vehicle Lease Program.
3. For the Takata Customer Courtesy Vehicle Support Program ONLY, customers are not required to re-sign a Courtesy Vehicle Agreement every 30 days.
4. In advance of a Courtesy Vehicle reaching its maturity date while still in the customer's possession, the dealer should proactively ground the vehicle and offer a replacement. The replacement must be formally activated utilizing the process detailed in Option #2 (Takata Customer Courtesy Vehicle Process) above.



_____, 2016
(Insert month and date)

AUDI TAKATA SAFETY RECALL
CUSTOMER VEHICLE RETENTION AGREEMENT

I, _____ (name) am the owner/lessee of:
_____, (model year) Audi
_____ (model)
_____ (insert VIN)
_____ miles as of this date (insert odometer mileage) ("Subject Vehicle").

Audi of America, Inc.
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Herndon, VA 20171
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I am aware that the Subject Vehicle is subject to an important safety recall.

I am aware that Audi has determined, based on information received from Takata, that a potential defect which relates to motor vehicle safety may exist in the Subject Vehicle. In some vehicles, the driver's front airbag inflator could produce excessive internal pressure upon deployment. If an affected airbag deploys, the increased internal pressure may cause the inflator to rupture and deploy abnormally. In the event of an inflator rupture, metal fragments could pass through the airbag cushion material possibly causing serious injury or fatality to vehicle occupants.

I understand that the Subject Vehicle's driver's front airbag inflator is required to be replaced under the recall described above ("Recall Repair"). I also understand that the replacement airbag inflator needed to make the Recall Repair is not available at this time.

Until the Recall Repair is available, I have chosen to drive a loaner vehicle, provided through an authorized Audi dealership ("Dealership"). Additionally, I desire to retain custody and control of the Subject Vehicle until the Recall Repair is available.

Further to obtaining the loaner vehicle, and maintaining custody and control of my Subject Vehicle until the Recall Repair becomes available, I specifically and knowingly agree to the following:



- I agree to use the loaner vehicle instead of the Subject Vehicle for my transportation needs and not drive the Subject Vehicle, or permit the Subject Vehicle to be driven, until the Recall Repair is completed, other than directly to or from the Dealership for purposes of the Recall Repair.

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- Should I sell or otherwise lose possession of the Subject Vehicle before the Recall Repair is performed, I agree to notify the Dealership and return the loaner vehicle no later than 24 hours after I have sold or lost possession of the Subject Vehicle. If I sell the Subject Vehicle prior to the completion of the Recall Repair, I will inform the buyer of the subject recall, described above, and necessary Recall Repair.

I agree to bring the loaner into the Dealership for any scheduled maintenance. (I understand that there will be no cost to me for this scheduled maintenance.)

- I agree to promptly bring the Subject Vehicle to the Dealership when I receive notice that the Recall Repair is available for the Subject Vehicle, and accordingly return the loaner vehicle immediately upon completion of the Recall Repair.

MY SIGNATURE BELOW INDICATES THAT I HAVE READ, UNDERSTAND, AND AGREE TO THE FOREGOING.

Name (sign name)

Name (print name)

Address

Telephone Number

Status (i.e., owner, lessor, lessee, etc.)

Date Signed: _____

Who to Contact

Should you have any questions, comments or inquiries, please feel free to contact your Area team.

Please do not engage with the media regarding the Takata situation. Should you receive any questions from the media, please refer them to Audi of America Corporate Communications:

Mark Clothier
Audi of America
c: 571-446-7790
o: 703-364-7489
mark.clothier@audi.com