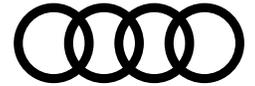


Safety Recall Campaign 74D9 – A4 & A5

Communication Toolkit for Dealers

August 1, 2019

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

Subject: Safety Recall 74D9 – Passenger Occupant Detection System (PODS) – Dealer Toolkit Update

Dear Audi Dealers,

August 1, 2019

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 campaign 74D9 (Passenger Occupant Detection System or PODS) for select Audi A4 and A5 vehicles. Please review the Campaigns/Actions screen in the Elsa system to verify that a VIN qualifies for a repair under recall campaign 74D9 as not all vehicles are affected.

Audi of America

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Support Programs and Enhancements:

1. **Customer Outreach Programs:** Audi A4 and A5 customers whose vehicles are impacted by the aforementioned recall are eligible for an incentive towards the purchase or lease of an Audi vehicle (New and CPO).
2. **Audi Dealer Inventory Assistance Programs:** Audi A4 and A5 vehicles in dealer inventory that are impacted by the recall are eligible to receive monthly Inventory Assistance payments. This assistance offsets any costs related to storage, maintenance, and depreciation. Payments will be issued after each thirty (30) day period where vehicles have been frozen.
 - a. **No action is required on the part of the Audi dealer for the new vehicle inventory assistance support.** Dealers will receive a monthly inventory support payment equal to 1% of MSRP for each impacted vehicle, until remedy parts are available.
 - b. For Certified pre-owned and pre-owned inventory assistance support, Audi dealers must submit the attached claim form to the Audi Incentive Claims Portal detailing the VIN in order to receive payment.



3. **Audi Courtesy Vehicle Support:** Audi Dealers will not be charged a monthly fee for grounded Audi A4 and A5 Courtesy Vehicle service loaners administered by Audi Financial Services (AFS) and impacted by the recall. **These vehicles must be grounded and in dealer inventory to qualify.** There is no action required on the part of the dealer. These vehicles **may not** be used until the remedy parts are available.

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 these customers with the utmost care.

Sincerely,

Audi Operations



Audi

AUDI DEALER COMMUNICATION

Advance Notice – Safety Recall 74D9 / Passenger Occupant Detection System (PODS)

This notice is for:

- ✓ Dealer Principal
- ✓ General Manager
- ✓ Sales Managers

- ✓ Service Manager
- ✓ Parts Manager
- ✓ Service Advisor

- ✓ Warranty Administrator
- ✓ Technicians

Date: July 31, 2019

Issue: The self-diagnosis of the passenger occupant detection system (PODS) connecting cable is too sensitive in case of a partial surface oxidation of the electrical shielding inside the cable harness. This may cause the PODS to detect a malfunction and switch off the passenger airbag even though the seat may be occupied.

Precautions As designed, a warning light in the instrument panel comes on together with an acoustic warning sound and an error message is displayed in the instrument cluster. The airbag indicator light shows "passenger airbag off". If this happens, customers are advised to contact an authorized Audi dealer to have the vehicle inspected/repaired without delay.

- Repair:**
- REPAIR NOT YET AVAILABLE
 - Check daily campaign open inventory report or OMD for affected vehicles in inventory
 - Repair every affected inventory vehicle before delivery to consumers.

Affected Vehicles

Country	Model Year	Vehicle	Vehicle Count
USA	2018	S5 CABRIOLET	2,784
USA	2017-2018	A4 ALLROAD	6,696
USA	2018	S4 SEDAN	5,905
USA	2018	A5 COUPE	7,248
USA	2018	A5 SPORTBACK	16,100
USA	2018	S5 SPORTBACK	7,893
USA	2018	S5 COUPE	3,030
USA	2017-2018	A4 SEDAN	56,660
USA	2017-2018	A4 SEDAN	30,302
USA	2018	A5 CABRIOLET	7,474
CAN	2018	S5 CABRIOLET	341
CAN	2017-2018	A4 ALLROAD	1,883
CAN	2018	S4 SEDAN	1,382
CAN	2018	A5 COUPE	1,248

Ensure all dealership personnel are aware of this notice so they are able to address customer questions. Contact Warranty if you require additional assistance. Direct press inquiries to Audi Public Relations.

CAN	2018	A5 SPORTBACK	2,675
CAN	2018	S5 SPORTBACK	2,635
CAN	2018	S5 COUPE	1,043
CAN	2017-2018	A4 SEDAN	10,993
CAN	2018	A5 CABRIOLET	297
CAN	2017-2018	A4 SEDAN	3,543

**Counts reflect overall recall population; some vehicles may have already been repaired. Check Campaigns/Actions screen in Elsa on the day of repair to verify that a VIN qualifies for repair under this action. Elsa is the only valid campaign inquiry & verification source.*

Notes:

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.

-END OF MESSAGE-



A4/A5 Customer Outreach Program

August 1, 2019 – September 3, 2019

Bulletin No: A19UCOP5

Audi of America is pleased to announce a new customer focused program in support of Audi owners or lessees impacted by recall action 74D9. 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
2018 / 2019	A3 Sedan (incl. S3/RS3)	\$500
2018 / 2019	A3 Cabriolet	\$500
2018 / 2019	A4 (incl. S4 & Ultra)	\$500
2018 / 2019	allroad	\$500
2018 / 2019	A5 Coupe (incl. S5 & RS5)	\$500
2018 / 2019	A5 Cabriolet (incl. S5)	\$500
2018 / 2019	A5 Sportback (incl. S5 & RS5)	\$500
2018 / 2019	A6	\$500
2018 / 2019	A7	\$500
2018 / 2019	A8	\$500
2018 / 2019	Q3	\$500
2018 / 2019	Q5 / SQ5	\$500
2018 / 2019	Q7	\$500
2018 / 2019	Q8	\$500
2018 / 2019	TT Coupe / Roadster (incl. TTS/TTRS)	\$500
Must be new, untitled and unreported – KOS 0,2,3		

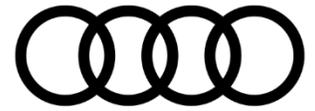
Fine Print:

- Eligible vehicles are identified by Audi of America as subject to the 74D9 Safety Recall Campaign.
- 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.
- 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 all new vehicle retail incentive programs with the exclusion of Dealer Small Fleet Incentive (DSFI) & Courtesy Vehicle Program (CV).
- 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 Audi Incentive Claims Portal found on iAudi under, "Vehicle Sales & CPO -> Audi Incentive Claims Portal"

The contents of this document are privileged and confidential, and should not be shared or distributed among third parties.

Audi

A4/A5 Customer Outreach Program



August 1, 2019 to September 3, 2019

A4/A5 Customer Outreach Program – Incentive Claims Portal Claim Form A19UCOP5

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
2018 / 2019	A3 Sedan (incl. S3 & RS3)	\$500	
2018 / 2019	A3 Cabriolet	\$500	
2018 / 2019	A3 Sportback e-tron	\$500	
2018 / 2019	A4 (incl. Ultra) / S4	\$500	
2018 / 2019	allroad	\$500	
2018 / 2019	A5 / S5 & RS5 Coupe	\$500	
2018 / 2019	A5 / S5 Cabriolet	\$500	
2018 / 2019	A5 / S5 & RS5 Sportback	\$500	
2018 / 2019	A6	\$500	
2018 / 2019	A7	\$500	
2018 / 2019	A8	\$500	
2018 / 2019	Q3	\$500	
2018 / 2019	Q5 / SQ5	\$500	
2018 / 2019	Q7	\$500	
2018 / 2019	Q8	\$500	
2018 / 2019	TT / TTS / TTRS Coupe & Roadster	\$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: _____



A4/A5 Customer Outreach Program – CPO

August 1, 2019 – September 3, 2019

Bulletin No: A19UCOP6

Audi of America is pleased to announce a new customer focused program in support of Audi owners impacted by recall actions 74D9. 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.

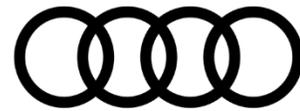
Model Year	Eligible Models	Amount
2014-2019	All Models/All Variants	\$500
Vehicles must be sold and reported as retail KOS 6		

Fine Print:

- Eligible vehicles are identified by Audi of America as subject to the 74D9 Safety Recall Campaign.
- 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, and 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".

Audi

A4/A5 Customer Outreach - CPO



August 1, 2019 to September 3, 2019

**A4/A5 Customer Outreach Program – Audi Incentive Claims Portal – 74D9
Claim Form A19UCOP6**

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:** CPO Vehicle sales agreement (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
2014-2019	A3 Sedan/Sportback (includes S3 & Cab)	\$500	
2014-2019	A4 Sedan (incl. S4)	\$500	
2014-2019	allroad	\$500	
2014-2019	A5 (incl. Cab,S5, RS 5, & A5/S5 Sportback)	\$500	
2014-2019	A6 Sedan (incl. S6)	\$500	
2014-2019	A7 (incl. S7 & RS 7)	\$500	
2014-2019	A8 (incl. S8)	\$500	
2015-2019	Q3 SUV	\$500	
2014-2019	Q5 SUV (incl. SQ5)	\$500	
2014-2019	Q7 SUV	\$500	
2019	Q8 SUV	\$500	
2014-2019	TT Coupe / Roadster (incl. TTS/TTRS)	\$500	
2014-2019	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: _____



Dealer Inventory Assistance Program – A4/A5

August 1, 2019 – September 3, 2019

Bulletin No: A19UINV3

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 74D9.

New Vehicles	Reimbursement
A4/allroad/S4	1% of MSRP
A5 Cabriolet/Coupe/Sportback	
S5 Cabriolet/Coupe/Sportback	

CPO & pre-owned	MY17	MY18
A4/allroad	\$550	\$600
S4	-	\$750
A5 Cabriolet/Coupe/Sportback	\$600	\$700
S5 Cabriolet/Coupe/Sportback	\$700	\$800

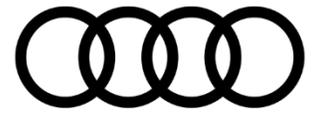
Fine Print:

- Affected vehicles in dealer inventory are eligible for Inventory Assistance. This includes dealer new, CPO, pre-owned, AudiDirect.com purchases, vehicles taken-in on trade, and retired service loaners. 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 inventory is frozen for retail sale.
- Vehicles acquired from an outside source (wholesale, auction, etc.) after August 1, 2019 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 a claim form for each **affected CPO & used vehicle** in inventory **once during the recall campaign period** to receive monthly reimbursements. No action is required on the part of the Audi dealer for the new vehicle inventory assistance support. Payments will be issued after each monthly period of thirty (30) days, and prorated payments based on the number of days in dealer inventory prior to parts availability notification will be executed for partial months, as based on program period and dealer inventory dates.
- 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.
- Documentation must be submitted via the Audi Incentive Claims Portal found on iAudi under "Vehicle Sales & CPO -> Audi Incentive Claims Portal".

The contents of this document are privileged and confidential, and should not be shared or distributed among third parties. **11**

Safety Recall 74D9

Dealer Inventory Assistance Program



August 1, 2019 – September 3, 2019

**Dealer Inventory Assistance Program – Audi Incentives Claims Portal
Claim Form A19UINV3**

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

- 1. REQUIRED:** Dealer must own a MY17-MY18 A4/allroad, S4, A5 Cabriolet/Coupe, S5 Cabriolet/Coupe, A5 Sportback, or S5 Sportback Certified pre-owned, pre-owned, AudiDirect.com purchased, vehicle taken-in on trade, or retired service loaner vehicle that is impacted by the Safety Recall 74D9. Please confirm eligibility utilizing the Recall/Campaign check tool found on www.audiusa.com or <https://www.nhtsa.gov/recalls>.
- AND-**
- 2. REQUIRED:** This Program Claim Form must be completed and submitted via the Audi Incentives Claim Portal.

CPO & pre-owned	MY17	MY18
A4/allroad	\$550	\$600
S4	-	\$750
A5 Cabriolet/Coupe/Sportback	\$600	\$700
S5 Cabriolet/Coupe/Sportback	\$700	\$800

Please complete the following information (form should be submitted ONCE for each VIN):

Impacted VIN: _____

Dealer Inventory Date: _____

Dealership Acknowledgement:

Authorized Dealership Signature

Date

Printed Name & Title

6 Digit Dealer Code