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Customer Loyalty Assistance

General Communication

Number: VWG-13-01

Subject: **REVISED:** Customer Loyalty Assistance Program
(US Dealers)

Date: June 1, 2013

Supersedes VWG-12-02 dated December 19, 2012. This revised policy applies to claims with a Repair Order completion date of June 3, 2013 and later.

Program Overview

The Customer Loyalty Assistance Program is one of many tools a Volkswagen Dealer can use to create exceptional customer experiences. When providing Customer Loyalty Assistance, you can improve a customer's ownership experience by assisting with an out of warranty repair or offering a gift to acknowledge an event or poor experience.

The goal of the Customer Loyalty Assistance program is to leave the customer with the best impression of Volkswagen and increase brand loyalty.

The expectation is that all existing Warranty Policy and Procedures are adhered to when administering the program. Questions regarding this program or claims submission can be directed to the Warranty Helpline at 1-866-306-8447.

I. Program Administration

Decisions to provide Customer Loyalty Assistance should be decided on a case-by-case basis considering the individual customer, not the repair. When administering Customer Loyalty Assistance, all existing Warranty Policies and Procedures must be followed.

Factors to Consider When Offering Customer Loyalty Assistance include but are not limited to the following:

- The age and mileage of the vehicle. The higher the age and mileage, the greater the dealer and/or customer participation with the cost of the repair.
- The owner's overall vehicle experience?
- Is the customer the original owner? Or was it purchased outside the terms of the warranty?
- Has the customer (or their family members) been loyal to the brand and own more than one Volkswagen?
- If the customer is new to Volkswagen, is this an opportunity to leave them with the best impression of the brand?
- Is the customer's vehicle serviced as recommended by Volkswagen?
- Has the vehicle been well cared for and in good overall condition?



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II. Program Guidelines

So that our customers can experience the full benefit of loyalty assistance, it is important that the program be utilized as intended. Below are some examples of situations where assistance would not be considered appropriate.

Claims submitted that meet any of the criteria below are subject to cancellation.

| | |
|--|--|
| <p>Vehicles Covered by an Existing Warranty</p> <p><i>Note: Non-Technical Marketing Assistance may still be considered.</i></p> | <ul style="list-style-type: none"> - Aftermarket Repair Contract or other Service Contract - World Auto or other used car warranties - Factory Extended Warranty - Campaigns - New Vehicle Limited Warranty, Powertrain Limited Warranty, Limited Warranty Against Corrosion Perforation, Hybrid System Limited Warranty, Emissions Warranties, Limited Warranty Extensions and Spare Parts Warranty |
| <p>Other</p> | <ul style="list-style-type: none"> - Recovery of denied or adjusted warranty claims - Extension or a replacement of any Volkswagen warranty - Identifiable trends in spending that would indicate assistance was not being considered on a case-by-case basis - Funding for dealership promotions - A loaner car program - Vehicles that have not been sold to a retail customer - Costs related to shop comebacks due to ineffective repairs - Repairs resulting from unauthorized alteration of the vehicle's manufacturing specifications - Use of Loyalty Vouchers as a regular sales incentive |



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III. Types of Customer Loyalty Assistance

Below you will find an overview of the types of assistance that can be provided. Assistance should be offered on a case-by-case basis when deemed appropriate.

| Types of Assistance | |
|--|---|
| V. Technical Assistance 210 Claim Type | <p>Assistance with a repair that would normally be covered by the applicable VW warranty, however the <u>Volkswagen warranty has expired due to time or mileage.</u></p> <ul style="list-style-type: none"> - Repairs that would have been warrantable - Repairs are for a vehicle that is outside of warranty by time or mileage (warranty has expired). <p>Vehicle age and mileage should be considered when determining amount of assistance.</p> |
| VI. Non-Warrantable Technical (<i>Technical Marketing</i>) Assistance 2CM Claim Type | <p>Assistance with a repair that would <u>not be covered by a Volkswagen warranty.</u></p> <ul style="list-style-type: none"> - Repairs would <u>not</u> have been warrantable - Repair that has parts and/or and labor associated (only exceptions are Goodwill maintenance claims and accessories). <p>Vehicle age, mileage and nature of repair should be considered when determining amount of assistance.</p> |
| Vii. Marketing Assistance 2CM Claim Type | <p><u>Gift provided to acknowledge a repair, experience or event:</u></p> <ul style="list-style-type: none"> - Gift cards, dinner, lunch, flowers - Lease and/or loan payments - Driver Gear Accessories - Dealer maintenance as a gift to acknowledge a unique customer situation. <p>Customer experience, vehicle age, mileage and nature of repair should be considered when determining amount of assistance.</p> |



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IV. Technical Assistance (210 Claim Type)

VWoA will participate in contributing to a repair, on a percentage basis, considering the age and mileage of the vehicle.

The expectation is that the customer realizes the full benefit of this assistance. When utilizing assistance, warranty (versus retail) rates must be applied to the entire cost of the repair. Customer pay percentages must reflect warranty as opposed to retail rates.

| Participation Outside of New Vehicle Limited or Powertrain Limited Warranties | Maximum Volkswagen % Contribution | Dealer Authorization |
|---|--|---|
| 0-12 months or < 12,000 miles, whichever occurs first. | Up to 100% | Amount that can be submitted, in SAGA, without having to complete a WISE exception request. Tier 1: \$2000 per visit Tier 2: \$1500 per visit Non-Self-Authorized: Pre-authorization required |
| 13 - 24 months or < 24,000 miles, whichever occurs first. | Up to 75% | |
| 24+ months or > 24,000 miles, whichever occurs first. | Pre-authorization required Partial Assistance Considering High Age/Mileage. | |

For assistance beyond VW contribution and authorization maximums, refer to Exception Process .

| Participation Outside of All Other Warranties | Maximum Volkswagen % Contribution | Dealer Authorization |
|--|---|---|
| <ul style="list-style-type: none"> - Certified Pre-Owned / World Auto CPO - Limited Warranty Against Corrosion Perforation - Federal and California Emissions Warranties - Warranty Extensions - Spare Parts Warranty - Hybrid System Limited Warranty | On these high age/mileage vehicles, partial assistance is expected. | Amount that can be submitted, in SAGA, without having to complete a WISE exception request. Refer to Exception Process |



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V. Non-Warrantable Technical Assistance (2CM Claim Type)

This is assistance with repairs that are not warrantable, but may be necessary as a one-time Customer Loyalty Assistance gesture to leave the customer with the best impression of Volkswagen.

The expectation is that the customer realizes the full benefit of this assistance. When utilizing assistance, warranty (versus retail) rates must be applied to the entire cost of the repair. Customer pay percentages must reflect warranty as opposed to retail rates.

| Type of Assistance | Maximum Volkswagen % Contribution | Dealer Authorization |
|--|---|--|
| <p>Assistance with a repair that would <u>not be covered by a Volkswagen warranty.</u></p> <ul style="list-style-type: none"> - Repairs would <u>not</u> have been warrantable - Repair that has parts and/or and labor associated (only exceptions are Goodwill maintenance claims and accessories). <p>These are repairs that would not be considered by Warranty because the repair needed is due to a non-warrantable condition such as wear and tear, general use, outside influence etc . . .</p> <p>This is not a proactive Goodwill tool, but another gifting tool to acknowledge a unique customer situation.</p> <p>Vehicle age, mileage and nature of repair should be considered when determining amount of assistance.</p> | <p>% that can be submitted, in SAGA, without having to complete a WISE exception request.</p> <p><u>Up to 100%</u> within 12 months/12,000 whichever occurs first, from original in-service date.</p> | <p>Amount that can be submitted, in SAGA, without having to complete a WISE exception request.</p> <p>Tier 1: \$2000 per visit</p> <p>Tier 2: \$1500 per visit</p> <p>Non-Self-Authorized: Pre-authorization required via the Exception Process on WISE</p> |

For assistance beyond VW contribution and authorization maximums, refer to Exception Process.



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VI. Marketing Assistance (2CM Claim Type)

This is where a gift or gesture is provided to acknowledge a repair or overall experience.

This is a great way to acknowledge a poor experience while the customer is still within the terms of a warranty. It is also a way to offer additional reassurance to those customers who have had an especially difficult ownership experience.

| Type of Assistance | Maximum Volkswagen % Contribution | Dealer Authorization |
|--|--|--|
| Gifts (CAW_ claims only). <ul style="list-style-type: none"> - Gift cards, dinner, lunch, flowers - Lease and/or loan payments - Driver Gear Accessories - Dealer maintenance as a gift to acknowledge a unique customer situation. | % that can be submitted, in SAGA, without having to complete a WISE exception request. Up to \$750 per RO* | Amount that can be submitted, in SAGA, without having to complete a WISE exception request. Tier 1: \$750 per visit Tier 2: \$500 per visit Non-Self-Authorized: Pre-authorization required via the Exception Process on WISE |
| *For assistance beyond VW contribution and authorization maximums, refer to Exception Process | | |
| Loyalty Vouchers | Up to \$1000 per VIN | Pre-Approval Required via WISE Exception request. |
| DriveEasy Service Contract | Case-by-Case Basis via a WISE exception request | |
| Loaner Vehicles/Alternate Transportation | Case-by-Case Basis via a WISE exception request. | |
| Component Coverage Correspondence Use is appropriate when there is concern about a particular component. To promote customer satisfaction, VWoA can provide written reassurance of future (limited) warranty coverage. | Requires pre-approval from Region Case Manager <u>Not to be used in: California, New Hampshire, or Vermont</u> | |



Customer Loyalty Assistance

VII. Dealer Authorization Guidelines

The level of assistance a dealer can provide without pre-approval is determined by the dealer's earned authorization levels. Authorization levels will be reviewed/measured every quarter based on the Top Performing Warranty Service Dealer program as described in WISE>Resource Center>Top Performing Svc. Dlr.

VIII. Exception Process

We understand that there are sometimes exceptions to the process. This process is in place to provide flexibility in offering assistance.

This exception process is for consideration of assistance beyond:

- **Dealer authorization guidelines** (per RO visit \$ maximums)
- **Volkswagen repair contribution maximums** (additional percentage assistance)
- **Volkswagen authorization time/mileage maximums** (assistance beyond 2/24 New Vehicle Limited and/or Powertrain Warranty expiration).

This process is in place to provide flexibility in offering assistance. **This process is reserved for situations that merit an exception** (beyond existing guidelines).

To submit for an exception please utilize the Customer Loyalty Assistance Authorization form available under the Operations section in WISE: <https://www.vwhub.com/>. The claim will then go to your FOM and/or CARE RCM for review and approval.

An additional contact (call) to your FOM or RCM is not required.

When submitting the claim for pre-approval, make sure the request clearly indicates why the case merits additional consideration. **This is more than just identifying the repair needed, but also identifying what factors make this claim worthy of exception.**

WISE tracking numbers are intended to record a request. Approval is indicated by the percentage of assistance entered by your FOM or RCM.



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IX. Marketing Assistance (2CM) Claim Validation

A customer repair order is required to substantiate the claim. In addition, the following information must be included on the customer repair order:

- Description of Customer Loyalty Assistance provided
- Monetary value of the offer
- Brief justification for the claim (why did you think assistance was warranted)

Copy of WISE approvals and approval emails are not required. **Claims should then be emailed to vwgoodwill@vw.com or fax it to 248.754.6507.**

This process is not in place to re-evaluate decisions. Claims would only be levied back or cancelled due to improper claim submission or if claim was in violation with outlined policies.

X. General Administration

- The Warranty Policy and Procedure that is applied when entering a warranty claim also applies to Customer Loyalty Assistance.
- Claims must be submitted within 30 days from repair completion date or are subject to cancellation.
- Claims meeting program standards will be paid within 30 days.
- Claims will not be paid until all required information is received.
- Claims that are submitted without required documentation will be cancelled if not resubmitted within 30 days from claim cancellation date.

Occasional use of Customer Loyalty Assistance is highly encouraged. Dealers with a high volume of claims, relative to their overall service volume, may be subject to further review.

XI. Volkswagen Customer Loyalty Assistance Administration Guide

The attached Volkswagen Customer Loyalty Assistance Administration Guide has been created to assist dealers in utilizing the Customer Loyalty Assistance policy. It includes the Customer Loyalty Assistance Policy, quick reference guides, claim documentation examples, FAQ and detailed information on how to properly administer Goodwill.

The Customer Loyalty Assistance Administration Guide is available in the Resource Center (Customer Loyalty Assistance folder) in WISE.



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VOLKSWAGEN OF AMERICA, INC.

**CUSTOMER LOYALTY ASSISTANCE
ADMINISTRATION GUIDE**

JUNE 3, 2013



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PROGRAM OVERVIEW

The Customer Loyalty Assistance Program is one of many tools a Volkswagen Dealer can use to create exceptional customer experiences. When providing Customer Loyalty Assistance, you can improve a customer's ownership experience by assisting with an out of warranty repair or offering a gift to acknowledge an event or poor experience.

The goal of the Customer Loyalty Assistance program is to leave the customer with the best impression of Volkswagen and increase brand loyalty.

The expectation is that all existing Warranty Policy and Procedures are adhered to when administering the program. Questions regarding this program or claims submission can be directed to the Warranty Helpline at 1-866-306-8447.

PROGRAM ADMINISTRATION

Decisions to provide Customer Loyalty Assistance should be decided on a case-by-case basis considering the individual customer, not the repair. When administering Customer Loyalty Assistance, all existing Warranty Policies and Procedures must be followed.

Factors to Consider When Offering Customer Loyalty Assistance include but are not limited to the following:

- The age and mileage of the vehicle. The higher the age and mileage, the greater the dealer and/or customer participation with the cost of the repair.
- The owner's overall vehicle experience?
- Is the customer the original owner? Or was it purchased outside the terms of the warranty?
- Has the customer (or their family members) been loyal to the brand and own more than one Volkswagen?
- If the customer is new to Volkswagen, is this an opportunity to leave them with the best impression of VW?
- Is the customer's vehicle serviced as recommended by Volkswagen?
- Has the vehicle been well cared for and in good overall condition?



PROGRAM GUIDELINES

So that our customers can experience the full benefit of loyalty assistance, it is important that the program be utilized as intended. Below are some examples of situations where assistance would not be considered appropriate.

Claims submitted that meet any of the criteria below are subject to cancellation.

| | |
|---|--|
| <p>Vehicles Covered by an Existing Warranty</p> <p>Note: <i>Non-Technical Marketing Assistance may still be considered.</i></p> | <ul style="list-style-type: none">- Aftermarket Repair Contract or other Service Contract- World Auto or other used car warranties- Factory Extended Warranty- Campaigns- New Vehicle Limited Warranty, Powertrain Limited Warranty, Limited Warranty Against Corrosion Perforation, Hybrid System Limited Warranty, Emissions Warranties, Limited Warranty Extensions and Spare Parts Warranty |
| <p>Other</p> | <ul style="list-style-type: none">- Recovery of denied or adjusted warranty claims- Extension or a replacement of any Volkswagen warranty- Identifiable trends in spending that would indicate assistance was not being considered on a case-by-case basis- Funding for dealership promotions- A loaner car program- Vehicles that have not been sold to a retail customer- Costs related to shop comebacks due to ineffective repairs- Repairs resulting from unauthorized alteration of the vehicle's manufacturing specifications- Use of Loyalty Vouchers as a regular sales incentive |



TYPES OF CUSTOMER LOYALTY ASSISTANCE

Below you will find an overview of the two types of assistance that can be provided. Assistance should be offered on a case-by-case basis when deemed appropriate.

| Types of Assistance | |
|--|--|
| <p>V. Technical Assistance 210 Claim Type</p> | <p>Assistance with a repair that would normally be covered by the applicable VW warranty, however the Volkswagen warranty has expired due to time or mileage.</p> <ul style="list-style-type: none"> - Repairs that would have been warrantable - Repairs are for a vehicle that is outside of warranty by time or mileage (warranty has expired). <p>Vehicle age and mileage should be considered when determining amount of assistance.</p> |
| <p>VI. Non-Warrantable Technical (<i>Technical Marketing</i>) Assistance 2CM Claim Type</p> | <p>Assistance with a repair that would not be covered by a Volkswagen warranty.</p> <ul style="list-style-type: none"> - Repairs would not have been warrantable - Repair that has parts and/or and labor associated (only exception are Goodwill maintenance claims and accessories). <p>Vehicle age, mileage and nature of repair should be considered when determining amount of assistance.</p> |
| <p>Vii. Marketing Assistance 2CM Claim Type</p> | <p>Gift provided to acknowledge a repair, experience or event:</p> <ul style="list-style-type: none"> - Gift cards, dinner, lunch, flowers - Lease and/or loan payments - Driver Gear Accessories - Dealer maintenance as a gift to acknowledge a unique customer situation. <p>Customer experience, vehicle age, mileage and nature of repair should be considered when determining amount of assistance.</p> |

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TECHNICAL ASSISTANCE (210 CLAIM)

VWoA will participate in contributing to a repair, on a percentage basis, considering the age and mileage of the vehicle.

The expectation is that the customer realizes the full benefit of this assistance. When utilizing assistance, warranty (versus retail) rates must be applied to the entire cost of the repair. Customer pay percentages must reflect warranty as opposed to retail rates.

| Participation Outside of New Vehicle Limited or Powertrain Limited Warranties | Maximum Volkswagen % Contribution % that can be submitted, in SAGA, without having to complete a WISE exception request. | Dealer Authorization Amount that can be submitted, in SAGA, without having to having to complete a WISE exception request. |
|---|---|---|
| 0-12 months or < 12,000 miles, whichever occurs first. | Up to 100% | Tier 1: \$2000 per visit |
| 13 - 24 months or < 24,000 miles, whichever occurs first. | Up to 75% | Tier 2: \$1500 per visit |
| 24+ months or > 24,000 miles, whichever occurs first. | Pre-authorization required Partial assistance considering high age/mileage. | Non-Self-Authorized: Pre-authorization required |

For assistance beyond VW contribution and authorization maximums, refer to Exception Process .

| Participation Outside of All Other Warranties | Maximum Volkswagen % Contribution % that can be submitted, in SAGA, without having to obtain a a WISE exception request . | Dealer Authorization Amount that can be submitted, in SAGA, without having to obtain a WISE exception request. |
|--|--|---|
| <ul style="list-style-type: none"> - Certified Pre-Owned / World Auto CPO - Limited Warranty Against Corrosion Perforation - Federal and California Emissions Warranties - Warranty Extensions - Spare Parts Warranty - Hybrid System Limited Warranty | On these high age/mileage vehicles, partial assistance is expected. | Refer to Exception Process |

* Amount of assistance requested versus total cost of repair.

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NON-WARRANTABLE TECHNICAL ASSISTANCE (2CM CLAIM)

This is assistance with repairs that are not warrantable, but may be necessary as a one-time Customer Loyalty Assistance gesture to leave the customer with the best impression of Volkswagen.

The expectation is that the customer realizes the full benefit of this assistance. When utilizing assistance, warranty (versus retail) rates must be applied to the entire cost of the repair. Customer pay percentages must reflect warranty as opposed to retail rates.

| Type of Assistance | Maximum Volkswagen % Contribution | Dealer Authorization |
|--|---|---|
| <p>Assistance with a repair that would <u>not be covered by a Volkswagen warranty.</u></p> <ul style="list-style-type: none"> - Repairs would <u>not</u> have been warrantable - Repair that has parts and/or and labor associated (only exceptions are Goodwill maintenance claims and accessories). <p>These are repairs that would not be considered by Warranty because the repair needed is due to a non-warrantable condition such as wear and tear, general use, outside influence etc . . .</p> <p>This is not a proactive Goodwill tool, but another gifting tool to acknowledge a unique customer situation.</p> <p>Vehicle age, mileage and nature of repair should be considered when determining amount of assistance.</p> | <p>% that can be submitted, in SAGA, without having to obtain a WISE exception request.</p> <p><u>Up to 100%</u> within 12 months/12,000 whichever occurs first, from original in-service date.</p> | <p>Amount that can be submitted, in SAGA, without having to complete a WISE exception request</p> <p>Tier 1: \$2000 per visit</p> <p>Tier 2: \$1500 per visit</p> <p>Non-Self-Authorized: Pre-authorization required via the Exception Process on WISE</p> |

*For assistance beyond VW contribution and authorization maximums, refer to Exception Process

* Amount of assistance requested versus total cost of repair.

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MARKETING ASSISTANCE (2CM CLAIM)

This is where a gift or gesture is provided to acknowledge a repair or overall experience: Dinners, lease payments, accessories, gift certificates, etc . . .

This is a great way to acknowledge a poor experience while the customer is still within the terms of a warranty. It is also a way to offer additional reassurance to those customers who have had an especially difficult ownership experience.

| Type of Assistance | Maximum Volkswagen % Contribution | Dealer Authorization |
|--|---|--|
| Gifts (CAW* claims only). <ul style="list-style-type: none"> - Gift cards, dinner, lunch, flowers - Lease and/or loan payments - Driver Gear Accessories - Dealer maintenance as a gift to acknowledge a unique customer situation. | % that can be submitted, in SAGA, without having to obtain a WISE exception request. Up to \$750 per RO* | Amount that can be submitted, in SAGA, without having to complete a WISE exception request. Tier 1: \$750 per visit Tier 2: \$500 per visit Non-Self-Authorized: Pre-authorization required via the Exception Process on WISE |
| *For assistance beyond VW contribution and authorization maximums, refer to Exception Process (request) | | |
| Loyalty Vouchers | Up to \$1000 per VIN | Pre-Approval Required via WISE Exception request. |
| DriveEasy Service Contract | Case-by-Case Basis via a WISE exception request | |
| Loaner Vehicles/Alternate Transportation | Case-by-Case Basis via a WISE exception request. | |
| Component Coverage Correspondence Use is appropriate when there is concern about a particular component. To promote customer satisfaction, VWoA can provide written reassurance of future (limited) warranty coverage. | Requires pre-approval from Region Case Manager <u>Not to be used in:</u> <u>California, New Hampshire, or Vermont</u> | |



DEALER AUTHORIZATION GUIDELINES

The level of assistance a dealer can provide without pre-approval is determined by the dealer's earned authorization levels. Authorization levels will be reviewed/measured every quarter based on the Top Performing Warranty Service Dealer program as described in WISE>Resource Center >Top Performing Svc. Dlr.

WISE EXCEPTION PROCESS

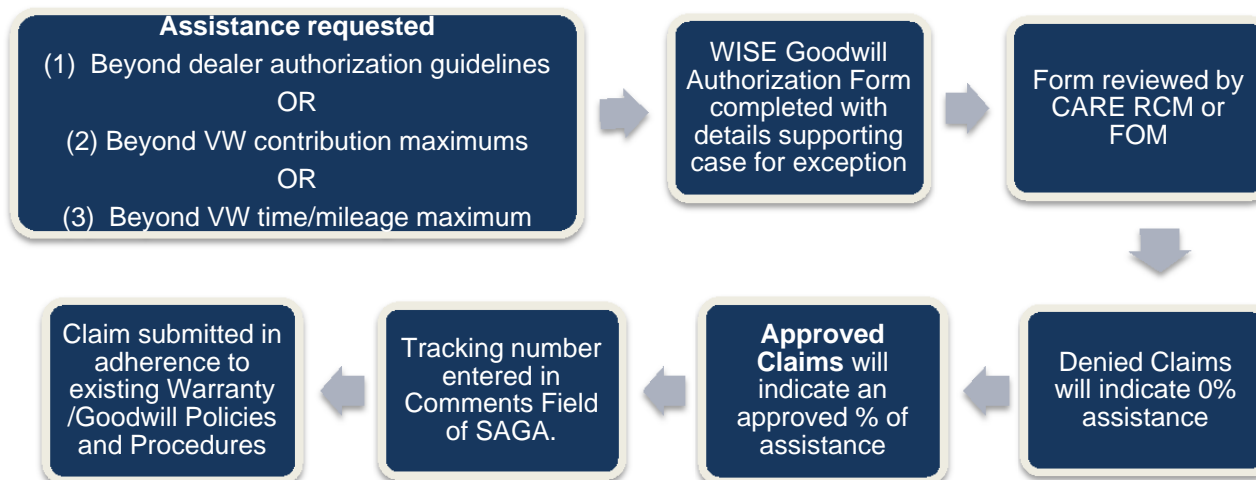
We understand that there are sometimes exceptions to the process. This process is in place to provide flexibility in offering assistance. **This process is reserved for situations that merit an exception** (beyond exiting guidelines).

This exception process is for consideration of assistance beyond:

- **Dealer authorization guidelines** (per RO visit maximums)
- **Volkswagen repair contribution maximums** (additional percentage assistance)
- **Volkswagen authorization time/mileage maximums** (assistance beyond 2/24 New Vehicle Limited and/or Powertrain Warranty expiration).

After a claim is submitted, the WISE system will generate a tracking number. This is not an authorization. Approved claims will indicate an approved percentage of assistance 1-100%. Denied claims will indicate 0% assistance.

To submit for an exception please utilize the Customer Loyalty Assistance Authorization form available under the Operations section in WISE: <https://www.vwclub.com/>. The claim will then go to your FOM and/or CARE RCM for review and approval. **An additional contact (call) to your FOM or RCM is not required. WISE tracking numbers are intended to record a request.** Approval is indicated by the percentage of assistance entered by your FOM or RCM.



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Filling out the WISE Operations Form (Customer Loyalty Assistance Authorization Form) properly is the first step in an effective and timely Customer Loyalty Assistance review.

A WISE Authorization is not required for every Customer Loyalty Assistance repair. This exception process is for consideration of assistance:

- **Dealer authorization guidelines** (per RO visit maximums)
- **Volkswagen repair contribution maximums** (additional percentage assistance)
- **Volkswagen authorization time/mileage maximums** (assistance beyond 2/24 New Vehicle Limited and/or Powertrain Warranty expiration).

The key to timely claim submission is proper documentation. Properly filling out the “Please explain reason for authorization request” field is critical to justifying the reason for the exception.

When submitting the claim for pre-approval, make sure the request clearly indicates why the case merits additional consideration. **This is more than just identifying the repair needed, but also identifying what factors make this claim worthy of exception.**

| Proper Documentation | Improper Documentation |
|--|--|
| Customer had the same repair completed twice while inside warranty. Due to low mileage have would like to help loyal customer with 50% of repair costs. | Mil light on code P0420 converter efficiency below threshold for the amount of \$1,150.63. |
| Vehicle well maintained 40k with DSG service done here at 41k miles. Mechatronic unit improved condition, but not complete correction. Clutch pack required. Due to low mileage and loyalty would like to assist with 75% of the repair. | Customer Loyalty Assistance split between store and customer. Store paid 100% labor and customer assisting with 100% of parts. |
| Loyal customer to dealer. Has a good overall service experience. Ignition coil needed, warranty just expired 3000 miles ago. Based on time outside of warranty, would like to assist with parts only. | Vehicle needs headliner, car is certified, customer is asking for assistance |
| Good, long-term customer. Has all services/repairs performed with us. Customer frustrated with having to cut himself out of his belt. | Customer had purchased vehicle as a CPO unit. Ran out of warranty. |

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SAGA CLAIM SUBMISSION: Technical Claims 210/2CM

All existing Warranty Policies and Procedures / Claim Submission Guidelines apply.

| Claim Type | Definition | Service Number/ Damage Code | Labor/Outside Labor & Materials/ Outside Materials: | Goodwill Share Tab | Other Documentation Required |
|---|--|--|--|--|--|
| Comments Field: <ul style="list-style-type: none"> - Complete claim per Warranty Policies and Procedure requirements including cause, complaint and correction. - WISE Tracking Number if utilizing the Exception Process. | | | | | |
| 210 Technical Repairs | Assistance with a repair that would normally be covered by the applicable VW warranty, however the <u>warranty has expired due to time or mileage.</u> | Entire repair cost must be accounted for. | Labor/Outside Labor & Materials/ Outside Materials: | Entered % should reflect how much the <u>customer or dealer</u> is contributing. All four % fields must have a value. Example (1) : VW assisting with 50% of total repair cost on an “xyz” replacement. Labor = 50% Material = 50% Outside Labor = 0% Outside Material = 0% | Upon request. Not required for claim submission. |
| 2CM (Non-Warrantable) Technical Repair Claims | Assistance with a repair that would normally not be covered by any Volkswagen warranty: These are repairs that would not be considered by Warranty because the repair needed is due to a non-warrantable condition. | Complete claim per Warranty Policies and Procedure requirements. | Labor/Outside Labor & Materials/ Outside Materials: | Example (2) : VW assisting with labor cost on an “xyz” replacement. Labor = 0% Material = 100% Outside Labor = 100% Outside Material = 100% | A copy of the final signed customer repair order with the required standard documentation is required. |

Customer Loyalty Assistance Administration Guide



SAGA CLAIM SUBMISSION: Marketing Claims 2CM

All existing Warranty Policies and Procedures / Claim Submission Guidelines apply.

| Claim Type | Definition | Service Number/ Damage Code | Labor/Outside Labor & Materials/ Outside Materials: | Goodwill Share Tab | Comments Field* | Other Documentation Required | | | |
|---|---|-----------------------------|---|--|--|--|--|--|---|
| Comments Field: <ul style="list-style-type: none"> - Complete claim per Warranty Policies and Procedure requirements including cause, complaint and correction. - WISE Tracking Number if utilizing the Exception Process. | | | | | | | | | |
| 2CM | VW Gift: Gift of a VW accessory or DriverGear Extended Warranty to recognize a significant repair event (s) or experience. | CAWE | | | | | | | |
| 2CM | Gift – General: Gift certificates, fuel cards, dinner, flowers, etc . . . to recognize a repair event (s) or experience. | CAWE | | | | | | | |
| 2CM | Gift Service: Complimentary maintenance service. This is not to be used as a tool to extend the CFM Program and must be associated with an experience or repair event. | CAWE | | Enter % in <u>Outside Labor/Parts</u> only. | Enter the causal Service Number. Enter the type and BRIEF justification of claim. | A copy of the final signed customer repair order with the required standard documentation is required. | | | |
| 2CM | Deductible: Cost associated with covering an extended warranty deductible to recognize an on-going technical issue. | CAWE | These claims only have Outside Labor. | Entered % should reflect how much the <u>customer or dealer</u> is contributing. | <type of assistance> for <justification of offer>. | | | | |
| 2CM | Lease or Loan Payment: Gift of a lease or loan payment to recognize a significant repair event (s) or experience. | CAWF | | | | | | | |
| 2CM | Reunites: Cost associated with reuniting a customer with their vehicle under extenuating circumstances. | CAWG | | | | | | | |
| 2CM | Loyalty Voucher : Money applied toward a purchase of a new car as opposed to completing a Customer Loyalty Assistance repair. | CAWG | | | | | | | |
| 2CM | Customer Loyalty Assistance Loaner/Rental: Exception basis only with FOM approval. Use “10” as damage code and “K21” in “Removed part” field (“USM” for Routan only) | LOAN | | | | | | | Enter number of days and if VW vehicle. |

MARKETING ASSISTANCE (2CM) CLAIM VALIDATION

A customer repair order is required to substantiate the claim. In addition, the following information must be included on the customer repair order:

- Description of Customer Loyalty Assistance provided
- Monetary value of the offer
- Brief justification for the claim (why did you think assistance was appropriate)

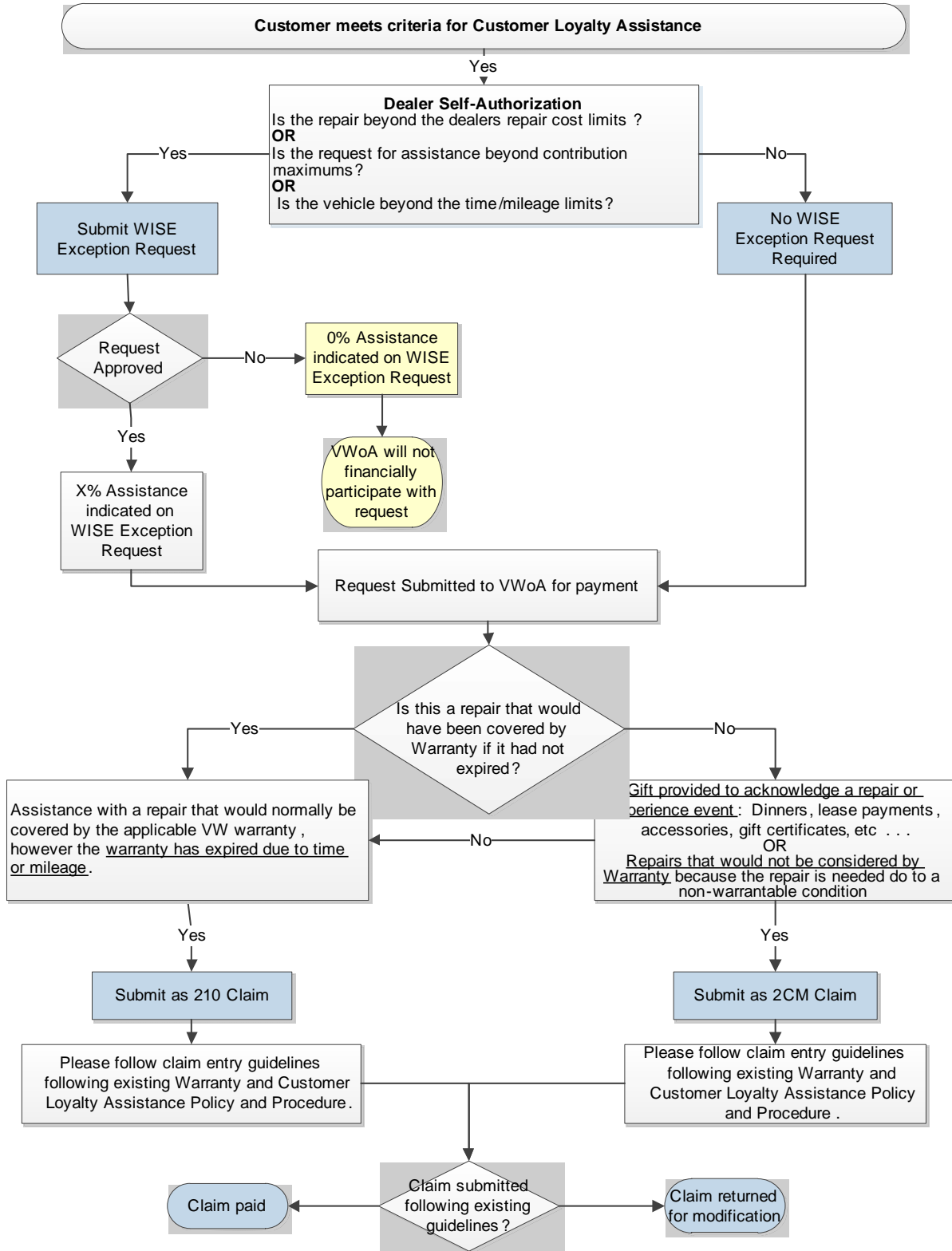
Copy of WISE approvals and approval emails are not required. **Claims should then be emailed to vwgoodwill@vw.com or fax it to 248.754.6507.**

This process is not in place to re-evaluate CARE and/or FOM decisions. Claims would only be levied back or cancelled due to improper claim submission or if claim was in violation with outlined policies.

| <u>Correct</u> Repair Order Documentation | <u>Incorrect</u> Repair Order Documentation |
|---|---|
| Gift card provided for \$125 for dinner. Vehicle broke down while on vacation. Offering dinner as to acknowledging inconvenience. | Provided gift. |
| Repaired torn passenger seat. Repair not warrantable. Customer indicates no outside influence. Acknowledging loyal customer with \$500 repair. | Driver side seat ripped. Covering under warranty. |
| Providing free oil change to acknowledge vehicle breakdown while travelling. Cost of service \$50. | No charge oil change. |
| Assisting with cost to replace flat tire. Customer brand new vehicle owner. To acknowledge recent purchase assisting with tire replacement cost (\$220) | Warranty will not cover tires. VW to Goodwill. |
| 2 nd VW. Would like to recognize loyalty by covering the cost of out of warranty repair. Total cost \$1245.34. | Master cylinder failed. |
| Vehicle outside of warranty by less than 1000 miles. Assisting with entire cost of out of warranty repair. Total repair cost \$672.43. | Vehicle not under warranty. Paid for inoperable door. |
| Customer 10,000 miles outside of warranty. Loyal customer assisting with 50% of out of warranty repair costs. Total cost of assistance \$500. | Proactively paying for repair. |



CUSTOMER LOYALTY ASSISTANCE FLOW SUMMARY



ADMINISTRATION

- Occasional use of Customer Loyalty Assistance is highly encouraged. Dealers with a high volume of claims, relative to their overall service volume, may be subject to further review.

All Warranty Policies and Procedures that are in place for a Warranty claim also apply to Customer Loyalty Assistance.

- Claims must be submitted within 30 days from repair completion date or are subject to cancellation. Claims meeting program standards will be paid within 30 days.
- Claims will not be paid until all required information is received.
- Claims that are submitted without required documentation will be cancelled if not resubmitted within 30 days from claim cancellation date.
- All paperwork to substantiate the claim must be retained in accordance with Warranty Policies and Procedures.



CUSTOMER LOYALTY ASSISTANCE CHECKLIST

- All documentation such as repair orders must contain the following information:**
 - Indication Customer Loyalty Assistance was provided
 - Monetary value of the offer
 - Brief justification for the claim

- Exception Request (WISE Claim Request) only required if:**
 - Claim is beyond dealers repair cost limits
 - Claim is beyond contribution maximums
 - Vehicle is beyond the time/mileage limits

- SAGA claim submission tips:**
 - 2CM or 210 claim type
 - Correct Service number
 - Complete labor operations and part numbers
 - Complete claim comments along with WISE tracking number
 - Correct repair reception and completion dates
 - Correct mileage
 - Correct Customer Loyalty Assistance share percentage
 - Compliance with all Warranty Policies and Procedures
 - Faxed or emailed documents for 2CM claims only



TOOLS AND RESOURCES

To effectively administer Customer Loyalty Assistance the following tools are/will be available:

| Tool | Location |
|--|--|
| WISE (Exception Process) | https://www.vw-wise.com |
| 411 Customer Loyalty Assistance Updates | WISE > Resource Center > Videos |
| WISE Goodwill Authorization Process Video | WISE > Resource Center > Videos > Operations Section Videos > Goodwill Authorization |
| Individualized Coaching Programs | Individualized coaching programs are also available. If you are interested in an individual coaching session please send an email to vwgoodwill@vw.com to arrange a time. |

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QUICK REFERENCE

| | Claim Type | Definition | VW Contribution | Auth Limits (Per Visit Limits) | WISE Exception Process | Claim Submission |
|---|------------|---|--|--|--|--|
| DEALER PARTICIPATION IS ENCOURAGED | | | | | | |
| Technical Assistance | 210 | Assistance with a repair that would normally be covered by the applicable VW warranty, however the <u>Volkswagen warranty has expired due to time or mileage.</u> | 100% for the first 12/12 outside of NVL or PT Warranty | Tier 1: \$2000 Tier 2: \$1500 Non-Self-Authorized: Pre-authorization required via the Exception Process on WISE | VW cost participation greater than 75% beyond 12/12. | Entry into SAGA |
| | | | and 75% assistance within 2/24 from NVLW or PT. | | or Additional assistance beyond authorization limits. or Assistance beyond 24/24 past NVLW or PT warranty | |
| Non-Warrantable Technical Assistance | 2CM | Assistance with a repair that would <u>not be covered by a Volkswagen warranty.</u> <ul style="list-style-type: none"> - Repair does not fit Warranty Policy and Procedure - Repair that has parts and/or and labor associated (only exceptions are Goodwill maintenance claims and accessories). Vehicle age, mileage and nature of repair should be considered when determining amount of assistance. | 100% for the first 12/12 inside NVLW | Tier 1: \$2000 Tier 2: \$1500 Non-Self-Authorized: Pre-authorization required via the Exception Process on WISE | VW cost participation beyond 12/12 | Entry into SAGA and Customer RO required |
| Marketing Assistance | 2CM | <u>Gift provided to acknowledge a repair or experience event:</u> <ul style="list-style-type: none"> - Dinners - Lease payments - Accessories - Gift certificates | Tier 1: \$750 Tier 2: \$500 | Tier 1: \$750 Tier 2: \$500 Non-Self-Authorized: Pre-authorization required via the Exception Process on WISE | Assistance beyond VW contribution amounts | Entry into SAGA and Customer RO required |



LOYALTY ASSISTANCE FAQ

| Question | Answer |
|---|---|
| <p>My claim is taking longer than expected to process. Why the delay?</p> | <p>The most common reason for delays is the result of improper documentation on 2CM claims. In addition to submitting your claim into your DMS/SAGA, a copy of the customer repair order must also be provided.</p> |
| <p>My claims are being “denied” why?</p> | <p>Here are the top few reasons for claim cancellation. Keep in mind; <u>claims are being reviewed for adherence to Warranty and Customer Loyalty Assistance Policies and Procedures</u>. Claims will not be cancelled for decision making.</p> <ol style="list-style-type: none"> 1. The necessary paperwork required to process a 2CM claim was not provided. 2. Existing Warranty Policies and Procedures was not adhered to when submitting the claim. Customer Loyalty Assistance is not a means to bypass any existing Warranty Policies and Procedures. 3. Submission of a denied/adjusted Warranty claim. 4. Claim submitted more than 30 days from the repair completion date are subject to cancellation. |
| <p>What if Customer Loyalty Assistance is not indicated on the <u>customer repair order</u>?</p> | <p>The claim will be subject to cancellation. A copy of the final signed customer repair order is required. RO must indicate:</p> <ol style="list-style-type: none"> 1. Customer Loyalty Assistance was provided 2. Monetary value of the offer 3. Justification for the claim |
| <p>What is the Exception Process and when do I use it?</p> | <p>The Exception Process is for consideration of assistance:</p> <ul style="list-style-type: none"> • Beyond dealer authorization guidelines OR • Beyond Volkswagen repair contribution maximums OR • Beyond Volkswagen authorization time/mileage maximums. <p>This process is reserved for situations that merit special consideration.</p> |

Customer Loyalty Assistance Administration Guide



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| Question | Answer |
|--|--|
| <p>How do I submit for an exception?</p> | <p>To submit for an exception (or pre-authorization) please utilize the Customer Loyalty Assistance Authorization form available under the Operations section in WISE: https://www.vwhub.com/. The claim will then go to your FOM and/or CARE RCM for review and approval.</p> <p>An additional contact (call) to your FOM or RCM is <u>not</u> required.</p> <p>When submitting the claim for pre-approval, make sure the request clearly indicates why the case merits additional consideration.</p> |
| <p>Why do I need to submit a customer RO for every 2CM claim? It seems like unnecessary work?</p> | <p>2CM Customer Loyalty Assistance accounts for less than a quarter of all Customer Loyalty Assistance claims. To keep the process simple, all that is required is a signed customer repair order with a description of what Customer Loyalty Assistance was offered.</p> |
| <p>Am I still required to follow the 2CM claim validation process if my FOM or RCM approves my claim?</p> | <p>Yes. You are still required to follow existing Policies and Procedures when submitting that claim.</p> |
| <p>My FOM and/or RCM approved a claim. Why is it being “denied”?</p> | <p>When a claim approved by a FOM and/or RCM is cancelled, it is due to improper claim submission. <u>The decision is not being denied.</u></p> <p>Regardless of who approves the claim, the expectation is that all Warranty and Customer Loyalty Assistance claim coding procedures are adhered to when submitting the claim.</p> |
| <p>I submitted a WISE Exception and was provided a tracking number. Why is my claim now being “denied”?</p> | <p>A WISE Tracking Number approves a decision. When a WISE approved claim is cancelled, it is due to improper claim submission.</p> <p>The decision is not being “denied”. The expectation is that all Warranty and Customer Loyalty Assistance claim coding procedures are adhered to when submitting the claim.</p> |

Customer Loyalty Assistance Administration Guide



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| Question | Answer |
|---|---|
| <p>Is there a time limit on Customer Loyalty Assistance claim submission?</p> | <p>Yes. Claims must be submitted within 30 days from repair completion date or are subject to cancellation.</p> |
| <p>I submitted a WISE exception request and obtained a tracking number. Why am I being asked for additional approvals?</p> | <p>When a WISE exception requested is submitted, a system generated tracking number is provided. This is not an approval number, but documentation that your exception request was received.</p> <p>Approved claims will indicate an approved percentage of assistance 1-100%. Denied claims will indicate 0% assistance</p> |
| <p>Why is my claim in “processing status” even after I have submitted all required documentation?</p> | <p>It may be that your claim is requiring correction or confirmation. Please see claims pending on the Process/Confirm tab on the List of Claims screen in SAGA. Open the claim record and look for the data (1) flagged for correction or (2) changes flagged for confirmation.</p> <ul style="list-style-type: none"> • When you accept the changes, you will need to return the claim. • When you accept the correction, you will need to re-submit the claim. • When you reject the claim, enter rejection comments and return claim for processing. |