VWoA Compliance

Subject: 2.0L & 3.0L TDI Appointment Process Changes

Importance: High

From: Audi Communications Sent: Friday, December 15, 2017 4:00 PM Subject: 2.0L & 3.0L TDI Appointment Process Changes Importance: High

Dealer Communication



From: Audi Operations

2.0L & 3.0L TDI Appointment Process Changes

Dear Dealer Partners,

Over the last twelve months, Volkswagen Group of America (VWGoA) has made tremendous progress towards completing the terms of the 2.0L & 3.0L Settlements. With your help, we have closed over 356,000 consumer buybacks and modified over 43,000 vehicles. This has driven a tremendous amount of traffic through your stores, much of which came during a short period of time. We truly thank you for your efforts and assistance during this phase.

Turning to the present, we've all been witness to a steady decline in appointment volumes over the last few months as we have worked our way through the bulk of the eligible population early on. From reaching a high of 3,300+ appointments in July 2017 when the 3.0L program launched, appointment volume has averaged just over 800 appointments during the months of Aug '17 – Nov '17. Heading into 2018, we forecast this decline to continue and we expect our monthly average of appointments to drop below 300 very soon. With this significant decline in appointment volumes, we must look to change the way we handle closing appointments. As we've heard from numerous dealers, the current process is now becoming an inefficient use of time and space within your stores.

To solve this issue, we have developed a new process that we are referring to as the "Virtual Closing Process." Utilizing technology, newly hired Closing Support Agents in Auburn Hills, MI, and the support of your Dealer Program Ambassadors, we will be able to effectuate the settlement appointments remotely. In turn, the Settlement Specialists currently employed by VWGoA, but working in your stores, will no longer be required to remain present once the new process is fully launched.

Details regarding this new process can be found by clicking the links referenced below. It is important to note this new process will require you to opt-in to participate and will require the acceptance of the Virtual

Closing Participation Agreement. Dealers choosing not to participate in the new Virtual Closing process will no longer have buyback/trade-in appointments occur at their facilities beginning in midlate February, 2018.

- 1. Virtual Closing Overview Video
- 2. Program Overview Packet
- 3. Virtual Closing Dealer Participation Agreement
- 4. Virtual Closing Dealer FAQ

After reviewing these documents, should you have any additional questions about details of the process, please call the Settlement Dealer Support Team at **844-DLR-SPRT** (844-357-7778).

This change towards the Virtual Closing Process provides a tremendous opportunity to you as a Dealer to directly assist customers as they participate in the settlement, and hopefully remain within the Audi product family. In addition, it provides additional revenue opportunities through an increase in the Dealer Facilitation Fee, and will return space to your stores once occupied by Settlement Specialists.

Thank you for your attention to this important communication, and please watch for further details as we move towards full launch.

Sincerely,

TDI Dealer Communications Team

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