



**Audi**

**Takata Recall Campaign  
Communication Toolkit for Dealers  
August 19, 2016**

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Dear Dealer Partners,

The National Highway Transportation Safety Administration (NHTSA) recently expanded its recall of Takata airbag inflators by 35-40 million inflators to be phased in through December 2019. These actions come on top of the 28.8 million inflators already under recall. The scope of this recall presents challenges for the industry, dealers and customers.

The expansion adds nearly 200,000 vehicles to the Audi models under the recall and includes passenger side inflators in certain MY2005 – MY2008 A4 vehicles and certain MY2005 - MY2011 A6 vehicles. Consumer advance notice recall letters, as required by NHTSA, have been mailed.

As a result, we are extending the Takata Customer Loyalty Program and Dealer Takata Inventory Assistance Program through September 30, 2016. These programs are designed to support your efforts with customers from both recalls.

You have also communicated the need for support solutions for customers with affected older model year vehicles. Thus, we are pleased to offer the Takata Customer Certified pre-owned (CPO) Loyalty Program, also available to customers impacted by both related recalls. The applicable Program Bulletin was distributed on July 6, 2016 and can also be found in the iAudi Library. This specific CPO program replaced the Takata Loaner Program effective July 6, 2016. Takata loaners currently in-service will continue to receive the same level of support, but no further enrollments will be accepted.

In May, the National Highway Traffic Safety Administration also announced a plan to recall certain Takata airbags in stages. Included in this program are the MY 17 R8 and MY 16 TT, which NHTSA expects to recall in the future. The airbag module in these vehicles does not now pose a safety risk and will perform as intended if needed. For these vehicles, we will provide a disclosure notice to be signed by the customer upon purchase and retained in your deal jacket as well as a similar notice to place in the vehicle glove box. In fact, you will receive a full communication package including an updated Takata Dealer Toolkit within the next week.

This recall is global and unprecedented in its scale and complexity. We are working hard to secure the parts and develop the procedures to remedy as soon as possible all Audi vehicles affected by the Takata issue.

On behalf of Audi of America, thank you for your patience, your attention on this important issue and for your hard work. Together, as always, we will work through this.

Sincerely,

Scott Keogh  
President Audi of America



Date: July 27, 2016

To: Audi Dealer Principal, Service Manager, Warranty Administrator, Sales Manager, General Manager & Parts Manager

From: Audi Customer Protection

Subject: Interim Customer Notification Mailing  
Safety Recall 69O2 – Takata Front Passenger Airbag

This is to inform you that recently we began an NHTSA required interim customer notification mailing for the 69O2 Takata front passenger frontal airbag inflator safety recall. This letter informs our customers that their vehicle is affected by this safety recall, however, a repair is not yet available at this time.

If you or your customers have questions relating to this recall visit the Takata Front Airbag Recall site at [www.audiusa.com/about/takata](http://www.audiusa.com/about/takata) to obtain further information about this safety recall.

Customers can also visit the **Recall/Service Campaign Lookup** tool at [www.audiusa.com](http://www.audiusa.com) to determine if their vehicle is affected by this recall.

A list of affected vehicles is listed below:

AFFECTED VEHICLES	
<u>Model Year(s)</u>	<u>Model</u>
2005-2008	A4 Avant
2007-2009	A4 Cabriolet
2005-2008	A4 Sedan
2006-2011	A6 Avant
2005-2011	A6 Sedan
2008	RS 4 Cabriolet
2007-2008	RS 4 Sedan
2005-2008	S4 Avant
2007-2009	S4 Cabriolet
2005-2008	S4 Sedan
2007-2011	S6 Sedan

Audi Customer Protection

## Dealer Disclosure Execution Process

For new or CPO MY 17 R8's and MY 16 TT's equipped with TAKATA airbags that will be recalled at a later date, it is important and required that you disclose this information to prospective customers.

If a customer acknowledges this and decides to go through with the sale, you are required to follow the process outlined below:

**Step 1:** Present and review Takata disclosure form with customer. Customer must sign disclosure form before the sales process can be completed. Form can be found in the Dealer Toolkit emailed to you from AoA and on iAudi.

**Step 2:** Customer and Dealer must date and sign the disclosure form and dealer must keep a copy of the form, preferably with the deal jacket.

**Step 3:** A general "Future Phase Recall Notice" must be placed in the vehicle glove box.



**Future Phase Recall Notice Form**

*Takata Airbag Inflator – Future Safety Recall Applicability*

The vehicle listed below is equipped with an airbag inflator(s) produced by Takata. While the inflator(s) ARE NOT currently involved in a recall, the National Highway Traffic Safety Administration (NHTSA) announced a plan in May 2016 to recall certain Takata airbags through several phases over time. According to NHTSA, a combination of time, environmental moisture and fluctuating high temperatures contribute to a degradation of the airbag inflators. Such degradation can cause the propellant to burn too quickly, rupturing the inflator module and sending shrapnel into the passenger compartment. NHTSA expects the airbag module(s) in this vehicle will accordingly be recalled in the future. The airbag module(s), nevertheless, **DO NOT** pose a current safety risk and will perform as intended if needed.

Your satisfaction and safety is of utmost importance for Audi and we are working closely with NHTSA regarding this matter. *You will receive a notice when the Takata inflator in your vehicle becomes under recall, including instructions regarding how to obtain a remedy.* This action will be completed at NO CHARGE.

You can obtain additional information and check recall availability by going to either <https://www.audiusa.com/takata/> or the NHTSA website located at [www.safercar.gov](http://www.safercar.gov). Once you access the site, you will need to enter your 17 digit Vehicle Identification Number (VIN) for an applicable data to display.

VIN

Customer Information:

Customer Name: \_\_\_\_\_ Customer Email: \_\_\_\_\_

Customer Address: \_\_\_\_\_ Home Phone #: \_\_\_\_\_

\_\_\_\_\_ Mobile Phone #: \_\_\_\_\_

\_\_\_\_\_

This information will only be used by Audi of America or your local Audi dealer to notify you when the remedy is available. It will not be used for any other purpose outside of safety recall and other campaign communications.

**Customer Signature:** \_\_\_\_\_

Dealer Information

Dealer Name: \_\_\_\_\_ Dealer Number: \_\_\_\_\_

Dealer Address: \_\_\_\_\_ Dealer Phone #: \_\_\_\_\_

\_\_\_\_\_ Dealer Staff Name: \_\_\_\_\_

\_\_\_\_\_ Dealer Staff Signature: \_\_\_\_\_



## Future Phase Recall Notice

### *Takata Airbag Inflator – Future Safety Recall Applicability*

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# Dealer FAQ

## 1. How did Audi become aware of these issues?

Audi became aware of this issue from Takata and the NHTSA.

## 2. What are the issues?

The driver or passenger airbag inflator can 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 airbag cushion material, which may result in serious injury or death to vehicle occupants.

NHTSA has said the ammonium nitrate propellant in non-desiccated frontal Takata air bag inflators degrades over time, after long-term exposure to environmental moisture and fluctuating high temperatures. Non-desiccated inflators contain no drying agent compound to protect the propellant from possible moisture entering into the area where the propellant is stored. The exposure time and rate at which the propellant degrades is accelerated in warmer climates with high absolute humidity.

Additional information can also be found on: <http://www.safercar.gov/rs/takata/index.html>

## 3. Is this recall comparable to similar recalls being conducted by other automakers?

Yes, this recall is similar to the Takata airbag issues at other auto manufacturers.

## 4. Are there any warnings that this condition exists?

There is no way to detect if your car might have an airbag inflator potentially at risk of rupturing upon deployment in a crash. NHTSA said that, based on testing, field experience, and research, older inflators in vehicles that have experienced prolonged exposure to hot and humid conditions pose a much greater risk of rupturing. NHTSA has ordered manufacturers to replace inflators in older vehicles that are most likely to have been exposed to hot and humid conditions first. Additional factors, such as whether the inflator is in a driver or passenger side air bag, factor into how your vehicle's repair has been prioritized.

If the airbag light is on in your vehicle, it is not related to this recall issue. Contact your authorized dealer without delay to make arrangements to have the problem diagnosed and repaired.

## 5. Do customers have to wait for a recall repair letter before they can have their vehicle fixed for these recall issues?

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

## 6. Is Audi providing a loaner program or alternate transportation reimbursement?

We recommend working with your dealer to discuss alternate transportation options.

## 7. Why has this recall been announced when dealers are not yet 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.

## 8. What is the difference between the existing and the repair parts?

Specific repair information is not yet available. Audi is in the process of obtaining the necessary parts, tools and defining the procedure(s) to rectify this issue.

## 9. Should dealers deactivate affected airbags until they can be replaced?



No, NHTSA has advised against it. Audi dealers are not authorized to disconnect any airbag system as part of this safety recall action.

#### **10. Are both of the driver and passenger frontal airbags in my vehicle included?**

In some vehicles both the driver and passenger frontal airbags are included in a recall. To identify which recalls are applicable for a specific VIN please enter the VIN into the VIN search tool available on <http://web.audiusa.com/recall/> or <http://www.safercar.gov>

NHTSA expects a future recall of MY17 R8 and MY16 TT vehicles that does not currently display on the VIN search tool.

#### **11. Do customers who have had the driver airbag in their vehicle replaced previously need to have a repair performed under these safety recalls?**

If a customer's vehicle is identified as needing repair under these recalls, the recall work will need to be done regardless of whether or not a previous airbag replacement was performed.

#### **12. Will replacement parts include airbags produced by Takata?**

Specific repair information is not yet available. Audi is in the process of obtaining the necessary parts, tools and defining the procedure(s) to rectify this issue.

#### **13. How will customers be informed of these recalls?**

If a customer's vehicle is affected, they will receive an interim notification letter advising them of the recall.

Once a repair and replacement parts are available, customers will receive an additional letter directing them to schedule the repair with their 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.

If customers do not receive a notification, but feel their vehicle might be affected, they can enter their 17-character VIN (Vehicle Identification Number) into the VIN search tool available on <http://web.audiusa.com/recall/> or <http://www.safercar.gov> to confirm.

#### **14. What does NHTSA say about timing?**

The Consent Order between NHTSA and Takata, amended in May 2016, provides a schedule to address the most at risk vehicles first and is divided into three geographic zones based on temperature fluctuations and humidity and the exposure time required under those environmental conditions to degrade the propellant to the point where it poses an unreasonable risk to safety.

Based on multiple independent investigations and NHTSA's independent expert, NHTSA has concluded that the non-desiccated frontal Takata airbag inflators do not pose an unreasonable risk to safety until they reach a certain level of propellant degradation after long-term exposure to environmental moisture and fluctuating high temperatures

Zone A covers states with high temperature cycling and humidity. Time until unsafe propellant degradation may occur is projected at between six and nine years.

Zone B includes states that have moderate temperature cycling and humidity. Time until unsafe propellant degradation may occur is projected at between 10 and 15 years.

Zone C is includes states with lower temperature cycling and humidity. Time until unsafe propellant degradation may occur is projected at between 15 and 20 years.

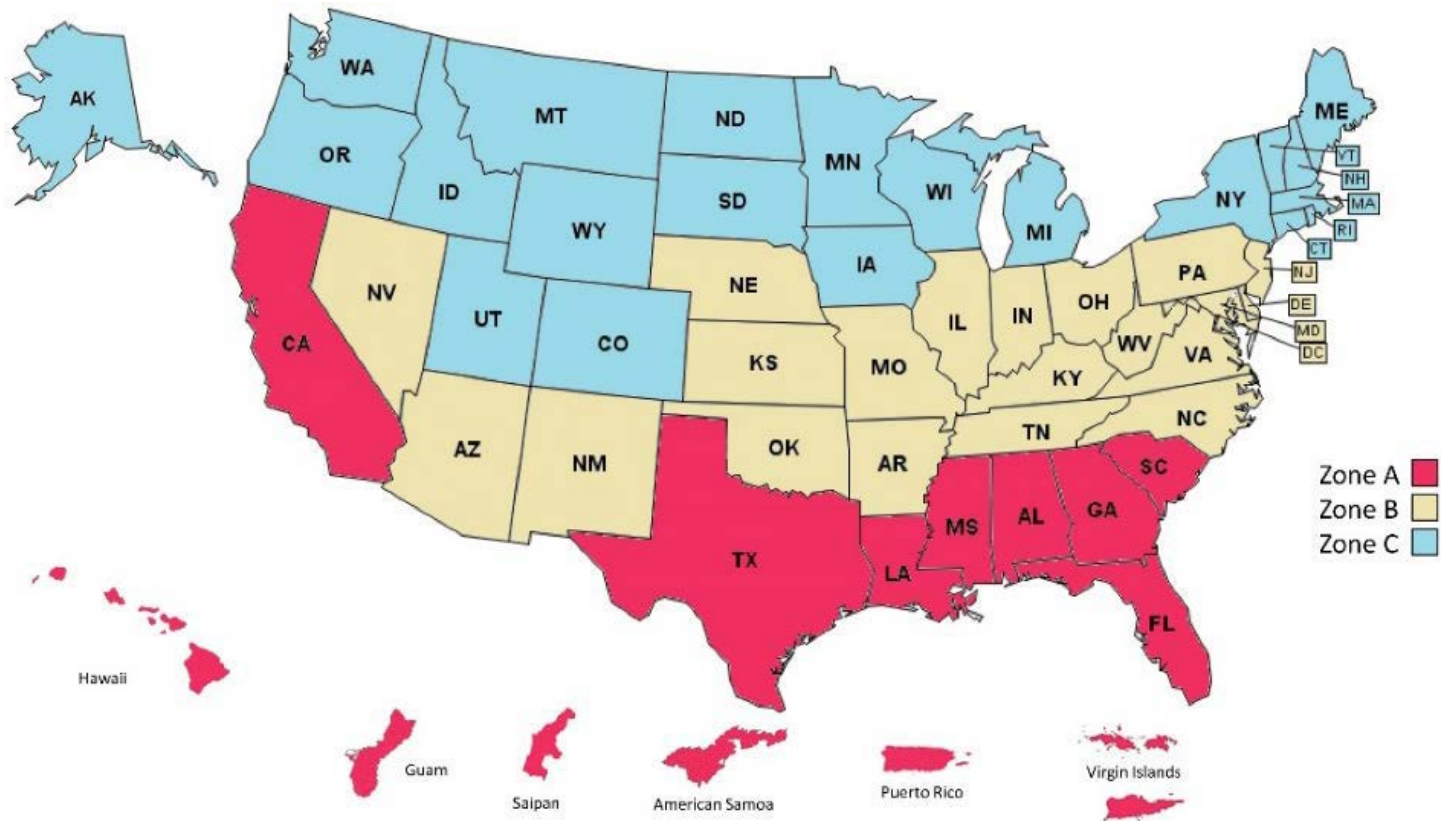
NHTSA may alter the schedule at any time to protect the public from an unreasonable risk to safety.

### 15. What states are in each zone?

Zone A includes Alabama, California, Florida, Georgia, Hawaii, Louisiana, Mississippi, South Carolina, Texas, Puerto Rico, American Samoa, Guam, the Northern Mariana Islands (Saipan) and the U.S. Virgin Islands.

Zone B includes Arizona, Arkansas, Delaware, District of Columbia, Illinois, Indiana, Kansas, Kentucky, Maryland, Missouri, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, Virginia and West Virginia.

Zone C includes Alaska, Colorado, Connecticut, Idaho, Iowa, Maine, Massachusetts, Michigan, Minnesota, New Hampshire, New York, North Dakota, Oregon, Rhode Island, South Dakota, Utah, Vermont, Washington, Wisconsin, and Wyoming.



### 16. Are any vehicles currently being manufactured by Audi being equipped with Takata frontal airbag inflators manufactured with PSAN propellant that does not include a desiccant?

Yes. MY17 R8 and MY16 TT, which NHTSA expects to recall in the future. For these vehicles, we will provide a disclosure notice to be signed by the customer upon purchase and retained in your deal jacket as well as a similar notice to place in the vehicle glove box.

### 17. Is Audi of America providing dealers with programs to support customers who no longer desire to drive their affected vehicles?

Yes. On July 6, 2016. Audi of America extended the Customer Loyalty Program – Takata (Bulletin# A16UTAK1) through September 30, 2016 and expanded the list of eligible vehicles to include those affected by the Takata Front Passenger Airbag Inflator (6902) advanced recall notice. Additionally, Audi of America extended the Takata Inventory Assistance Program through September 30, 2016 and expanded the list of eligible vehicles to include those affected by the Takata Front Passenger Airbag Inflator (6902) advance recall notice.

These programs bulletins are included in this updated Dealer Toolkit and can be found on iAudi/Library/Vehicle Sales

## **18. What vehicles are included in these recalls?**

These recalls pertain specifically to the Takata airbags in affected vehicles:

### Takata Frontal Driver Side Airbag SDI Inflators (69N1):

- ▶ Certain MY 2009-2012 Q5
- ▶ Certain MY 2010-2012 A5 Cabriolet
- ▶ Certain MY 2010-2012 S5 Cabriolet

### Takata Frontal Driver Side Airbag PSDI-5 Inflators (69N2):

- ▶ Certain MY 2006-2013 A3
- ▶ Certain MY 2007-2009 A4 Cabriolet
- ▶ Certain MY 2008 RS4 Cabriolet
- ▶ Certain MY 2007-2009 S4 Cabriolet

### Takata Front Passenger Airbag Inflator (69O2):

- ▶ Certain MY 2007-2009 S4 Cabriolet
- ▶ Certain MY 2007-2011 S6
- ▶ Certain MY 2005-2008 A4 Avant
- ▶ Certain MY 2005-2008 S4
- ▶ Certain MY 2005-2008 S4 Avant
- ▶ Certain MY 2007-2008 RS4
- ▶ Certain MY 2008 RS4 Cabriolet
- ▶ Certain MY 2005-2011 A6
- ▶ Certain MY 2006-2011 A6 Avant
- ▶ Certain MY 2007-2009 A4 Cabriolet
- ▶ Certain MY 2005-2008 A4

NHTSA expects a future recall of MY17 R8 and MY16 TT vehicles.

Models and model years not mentioned above have airbag systems that were produced with different inflators and are therefore not included in these recalls.

To verify whether a vehicle is impacted by these recalls, enter the 17-character VIN (Vehicle Identification Number) using the VIN search tool available on <http://web.audiusa.com/recall/> or <http://www.safercar.gov>

Additional information can also be found on: <http://www.safercar.gov/rs/takata/index.html>.

## **19. Are affected vehicles safe to drive?**

NHTSA said vehicles equipped with air bags, including air bags that are under recall, save lives and reduce injuries. The vast majority of Takata air bags will perform as expected. NHTSA has encouraged customers to continue driving their vehicles until they are notified that parts are available.

Audi recommends avoiding use of the front passenger seat whenever possible until the recall repair has been performed.

Additional information can also be found on the NHTSA website: <http://www.safercar.gov/rs/takata/index.html>.

@[name] Please DM us your contact info and VIN so we can answer questions related to your specific vehicle

## **20. What measures will Audi take to resolve these issues?**

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

@[name] Audi dealers will replace the airbag inflator in affected vehicles at no cost for customers. More details: [audiusa.com/recall](https://www.audiusa.com/recall)

## **21. When do you expect parts to be available for this repair?**

Due to the scope and nature of these recalls, and because parts supply information is not yet available, it is too early to say when the repair parts will be available.

NHTSA said that, based on testing, field experience, and research, older inflators in vehicles that have experienced prolonged exposure to hot and humid conditions pose a much greater risk of rupturing. NHTSA has ordered manufacturers to replace inflators in older vehicles that are most likely to have been exposed to hot and humid conditions first. Additional factors, such as whether the inflator is in a driver or passenger side air bag, factor into how your vehicle's repair has been prioritized.

Based on multiple independent investigations and NHTSA's independent expert, NHTSA has concluded that the non-desiccated frontal Takata airbag inflators do not pose an unreasonable risk to safety until they reach a certain level of propellant degradation after long-term exposure to environmental moisture and fluctuating high temperatures

Every subject air bag inflator must be—and will be—replaced. We ask for your and our customer's patience and understanding while the air bags that pose a higher risk to their vehicle's drivers and occupants are replaced first.

@[name] Due to the scope, nature and parts supply not yet available. More details here: [audiusa.com/takata](https://www.audiusa.com/takata)

## **22. Can customers bring their vehicle in today for repair?**

Parts required to complete these recalls are not yet available, so dealerships are unable to complete recall repairs at this time. Once parts are available, customers will receive an additional letter directing them to schedule the repair with their authorized Audi dealer.

@[name] Parts are not yet available. Once available, you will be notified to contact your dealer for the repair. [audiusa.com/recall](https://www.audiusa.com/recall).

## **23. Where can I get more information about the Takata airbag inflator recalls?**

Please visit <https://www.audiusa.com/about/takata.html> or NHTSA's Takata Recall website <http://www.safercar.gov/rs/takata/index.html> for comprehensive information about these recalls.

@[name] You can visit <https://www.audiusa.com/about/takata.html> or NHTSA's Takata Recall website <http://www.safercar.gov/rs/takata/index.html> for comprehensive information about these recalls.



# Audi Owner Loyalty Program - Takata

July 6, 2016 – September 30, 2016

Bulletin No: A16UTAK1

Audi of America is pleased to announce a new loyalty program for Takata affected customers!

This program is extended to Audi customers that currently own or lease any MY05-MY14 Audi models that have been identified as affected by the Takata airbag recall.

These loyal customers will receive additional incentives as outlined below.

Model Year	Eligible Models	Incentive
2016	A3 Sedan (incl. S3)	\$2,000
2016	A3 Cabriolet	\$2,000
2016 / 2017	A4 Sedan (incl. S4)	\$2,000
2016 / 2017	A5 Coupe (incl. S5/RS5)	\$2,000
2016 / 2017	A5 Cabriolet (incl. S5/RS5)	\$2,000
2016	allroad	\$2,000
2016 / 2017	A6 Sedan (incl. S6)	\$3,000
2016 / 2017	A7 Sedan (incl. S7/RS7)	\$3,000
2016 / 2017	A8 Sedan (incl. S8/S8+)	\$3,000
2016 / 2017	Q3 SUV	\$2,000
2016 / 2017	Q5 SUV (incl. SQ5)	\$2,000
2016 / 2017	TT/TTS Coupe & Roadster**	\$2,000
2017	Q7 SUV	\$3,000
Vehicles must be sold and reported as retail KOS 0,2,3		
**Any retained MY16 TT's require Takata Customer Disclosure Form to be signed and retained in the deal jacket.		

Model Year	Eligible Models	Cash, AFS APR or Other Financing	AFS Lease
2016	A3 Sportback e-tron	\$5,000	\$3,000

**Fine Print:**

- Must submit proof of MY05-MY14 Audi vehicle ownership, sales agreement showing proper rebate and claim form with customer signature
- Please submit one eligible VIN at a time via email to [IncentiveClaims@audi.com](mailto:IncentiveClaims@audi.com)
- Dealership will receive payment via EFT following the submission and verification of all required documentation under this program.
- Vehicles reported under the dealership's name are not eligible for this incentive
- This must be itemized separately from all other applicable incentives.
- This program is stackable with the Audi Owner Loyalty Program.

# Appendix [D] - Takata Owner Loyalty

## 1) Program Summary

For Audi customers affected by the Takata airbag recall, Audi of America is pleased to offer an additional Audi Owner Loyalty incentive to be used towards the purchase or lease of a new Audi vehicle.

Returning Audi customers that currently own or lease a MY05-MY14 Audi vehicle that has been identified as part of the Takata airbag recall are eligible for this program (proof of ownership and customer trade-in is required). Trade-in is not required in the event of a lease termination (i.e. customer turns in vehicle).

The dealer should confirm the eligibility of an affected Audi vehicle by entering the VIN in Recall / Service Campaign Lookup website at: <http://web.audiusa.com/recall/>

As part of the trade-in requirement, Audi vehicles affected by the recall and grounded at an Audi dealership for resale at a later date are eligible for Takata inventory assistance.

The owner loyalty incentive must be disclosed to the customer in its entirety on the sale documents. The customer must also sign a completed claim form.

To be eligible for reimbursement, the Audi dealership must submit all required documentation to the Audi Incentives Service Desk prior to the end of the Dealer Review Period as described in the "Documentation Submission Process" section of this document.

## 2) Eligible Vehicles and Allowances

All new, untitled, and unreported Audi vehicles listed below are eligible.

For MY16 Audi Sportback e-tron, incentive offer will vary by financing type and source.

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

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

## 3) Inventory Assistance

Audi vehicles returned to a dealership due to the trade-in requirement are eligible for Takata Inventory Assistance. Additionally, Audi vehicles affected by the Takata recall that are placed into used inventory WITHOUT an associated new vehicle sale (either by purchasing directly from a customer or prior to the stop sale issued in February 2016) are also eligible for this Inventory Assistance.

The VIN captured from the Loyalty claim form will be registered in the Audi Incentives database and will be used for payment submission.

A monthly payment will be made to your dealership to mitigate costs associated with retaining the affected vehicle(s) in your used vehicle inventory until parts are available to remedy the recall.

	MY05	MY06	MY07	MY08	MY09	MY10	MY11	MY12	MY13	MY14
A3	-	\$350	\$350	\$350	\$350	\$400	\$400	\$500	\$500	-
A4/S4 Avant	\$350	\$350	\$350	\$350	-	-	-	-	-	-
A4/S4 Sedan	\$350	\$350	\$350	\$350	\$350	\$450	\$450	\$575	\$575	-
A4/S4 Cabriolet	-	-	\$400	\$400	\$400	\$500	\$500	\$650	\$650	-
RS4 Sedan	-	-	\$350	\$350	-	-	-	-	-	-
RS4 Cabriolet	-	-	-	\$400	-	-	-	-	-	-
A5/S5 Cabriolet	-	\$400	\$400	\$400	\$400	\$500	\$500	\$650	\$650	\$650
A6 Avant	-	\$400	\$400	\$400	\$400	\$500	\$500	\$650	\$650	-
A6 Sedan	-	\$400	\$400	\$400	\$400	\$500	\$500	\$650	\$650	-
S6 Sedan	-	-	\$400	\$400	\$400	\$500	\$500	-	-	-
Q5	-	\$400	\$400	\$400	\$400	\$500	\$500	\$650	\$650	-

Audi of America reserves the right to audit a dealer's inventory to ensure that the affected Takata vehicles are still in dealer storage.

To be eligible for reimbursement, the Audi dealership must submit all required documentation to the Audi Incentives Service Desk prior to the end of the Dealer Review Period.

If a customer affected by the Takata recall elects to purchase a new Audi vehicle and receives the additional Audi Owner Loyalty incentive support, the dealer will also receive the Takata Inventory Assistance based on that claim. The dealer SHOULD NOT submit a claim through this program.

**Documentation Submission:** The following documentation must be submitted in order to receive payment under this program:

- Original copy of purchase order or buyer's order showing Audi dealership has purchased a MY05-MY14 Audi vehicle that has been identified as part of the Takata airbag recall.

- Claim Form with authorized dealership personnel signature.

Documentation must be submitted via e-mail to: [IncentiveClaims@audi.com](mailto:IncentiveClaims@audi.com).

To ensure efficient claim processing and payment, please send one e-mail per eligible VIN. Do not combine multiple VIN submissions into one e-mail, or send multiple e-mails on the same VIN.

Status of claims is reported weekly via the "Audi Claim Verification Report", accessible on iAudi (My Dealership Reports & Publications).

The Audi dealership will receive payment via EFT following submission and verification of all required documentation under this program.

## 4) Eligible Customers

Current owners and lessees of MY05-MY14 Audi models who have been identified as being part of the Takata airbag recall.

Individual customers and business customers are eligible for the Owner Loyalty program. Owner Loyalty is defined as having a returning Audi vehicle registered in one or more individuals' name(s) or business entity's name.

Ownership of one (1) eligible Audi vehicle can be applied on a maximum of one (1) new vehicle owner loyalty incentive claims.

## 5) Individual Customers

Household members of qualifying Audi Individual owners/lessees are also eligible if the new vehicle is reported, titled, and registered in the same household as the qualifying Individual loyalty vehicle.

## 6) Business Customers

The 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 a bona fide customer who may be a buyer or lessee.

## 7) Fleet Customers

Rental car companies, fleet leasing companies, fleet management companies and/or dealer fleet leasing companies are not eligible to receive this loyalty incentive.

A returning customer that leases a vehicle through a fleet leasing company, fleet management company or dealer-affiliated fleet leasing company is not eligible to receive this loyalty incentive.

## 8) Sales Reporting

Vehicles must be sold and reported during the same monthly sales period as a retail kind of sale (KOS 0,2,3) to qualify.

Vehicles reported in the dealership's name are NOT ELIGIBLE under this program.

In addition to documentation requirements, Loyalty VINs will be verified for eligibility based on the master list of affected Audi vehicles equipped with Takata airbags.

## 9) Documentation Submission Process

The following documentation must be submitted in order to receive payment under this program:

- Proof of MY05-MY14 Audi vehicle ownership. (Original copy of either unexpired official state registration or insurance card). The Audi vehicle has been identified as part of the Takata airbag recall.

- Sales Agreement (Contract or Buyer's Order with customer signature), showing rebate properly disclosed.

- Claim Form with customer signature.

- Documentation must be submitted via e-mail to: [IncentiveClaims@audi.com](mailto:IncentiveClaims@audi.com).

- To ensure efficient claim processing and payment, please send one e-mail per eligible VIN. Do not combine multiple VIN submissions into one e-mail, or send multiple e-mails on the same VIN.

- Status of claims is reported weekly via the "Audi Claim Verification Report", accessible on iAudi (My Dealership Reports & Publications).

- Dealer is responsible for retaining a copy of the signed Claim Form and any other documentation (i.e. Takata Customer Disclosure Form) in the deal jacket.



# Takata Inventory Assistance Program

July 6, 2016 – September 30, 2016

Bulletin No: A16UTAK2

Audi of America is pleased to announce an inventory assistance program for Takata vehicles!

This program is designed to assist dealers that place Audi vehicles affected by the Takata recall into their used inventory without an associated new vehicle sale.

	MY05	MY06	MY07	MY08	MY09	MY10	MY11	MY12	MY13	MY14
A3	-	\$350	\$350	\$350	\$350	\$400	\$400	\$500	\$500	-
A4/S4 Avant	\$350	\$350	\$350	\$350	-	-	-	-	-	-
A4/S4 Sedan	\$350	\$350	\$350	\$350	\$350	\$450	\$450	\$575	\$575	-
A4/S4 Cabriolet	-	-	\$400	\$400	\$400	\$500	\$500	\$650	\$650	-
RS4 Sedan	-	-	\$350	\$350	-	-	-	-	-	-
RS4 Cabriolet	-	-	-	\$400	-	-	-	-	-	-
A5/S5 Cabriolet	-	\$400	\$400	\$400	\$400	\$500	\$500	\$650	\$650	\$650
A6 Avant	-	\$400	\$400	\$400	\$400	\$500	\$500	\$650	\$650	-
A6 Sedan	-	\$400	\$400	\$400	\$400	\$500	\$500	\$650	\$650	-
S6 Sedan	-	-	\$400	\$400	\$400	\$500	\$500	-	-	-
Q5	-	\$400	\$400	\$400	\$400	\$500	\$500	\$650	\$650	-

Fine Print:

- If a customer affected by this recall elects to purchase a new Audi vehicle and receives the additional Owner Loyalty incentive support, the dealer will also receive the inventory assistance based on that claim. The dealer should NOT submit a claim through this program.
- Audi vehicles affected by the Takata recall and purchased wholesale by a dealership are NOT eligible for this incentive.
- 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 a remedy is available.
- Audi of America reserves the right to audit a dealer's inventory to ensure affected vehicles are still in dealer storage
- Dealer must submit original copy of purchase order showing dealership purchased affected vehicle and claim form with authorized dealership personnel signature.
- Documentation must be submitted once per eligible VIN to [IncentiveClaims@audi.com](mailto:IncentiveClaims@audi.com).
- Dealership will be paid via EFT following submission and verification of all required documentation under this program.

For complete program rules, terms and conditions, please refer to associated appendix pages.



# Audi CPO Owner Loyalty Program-Takata

July 6, 2016 – September 30, 2016

Bulletin No: A16UTAK3

Audi of America is pleased to announce the Certified pre-owned (CPO) owner loyalty program for Takata affected customers!

This program is extended to Audi customers that currently own or lease any MY05-MY14 Audi models that have been identified as affected by the Takata airbag recall.

These loyal customers will receive additional incentives as outlined below.

Model Year	Eligible Models	Incentive
2011-15	A3 (incl. S3 & Cab)	\$1,500
2011-15	A4 Sedan (incl. S4)	\$1,500
2011-15	allroad	\$1,500
2011-15	A5 (incl. Cab & S5)	\$1,500
2011-15	A6 Sedan (incl. S6)	\$2,000
2012-15	A7 Sedan (incl. S7)	\$2,000
2011-15	A8 Sedan (incl. S8)	\$2,500
2011-15	Q5 SUV (incl. SQ5)	\$1,500
2011-15	Q7 SUV	\$2,000
Vehicles must be sold and reported as retail <u>KOS 6</u>		
<p><b>NOTE</b> - certain model year CPO vehicles are affected by the Takata recall and as a result are subject to a stop sale. These vehicles are not eligible for this incentive program until a remedy is available.            Visit <a href="http://web.audiusa.com/recall/">http://web.audiusa.com/recall/</a> to determine if a vehicle is subject to the stop sale.</p>		

Fine Print:

- Must submit proof of MY05-MY14 Audi vehicle ownership, sales agreement showing proper rebate and claim form with customer signature
- Please submit one eligible VIN at a time via email to [IncentiveClaims@audi.com](mailto:IncentiveClaims@audi.com)
- Dealership will receive payment via EFT following the submission and verification of all required documentation under this program.
- Vehicles reported under the dealership’s name are not eligible for this incentive
- This must be itemized separately from all other applicable incentives.
- This program is stackable with any Audi Certified pre-owned incentive programs.

For complete program rules, terms and conditions, please refer to associated appendix pages.



# Appendix [E] -CPO Takata Owner Loyalty

## 1) Program Summary

For Audi customers affected by the Takata airbag recall, Audi of America is pleased to offer an additional Audi Owner Loyalty incentive to be used towards the purchase of an Audi Certified pre-owned vehicle. Returning Audi customers that currently own or lease a MY05-MY14 Audi vehicle that has been identified as part of the Takata airbag recall are eligible for this program (proof of ownership and customer trade-in is required). Trade-in is not required in the event of a lease termination (i.e. customer turns in vehicle).

**The dealer should confirm the eligibility of an affected Audi vehicle by entering the VIN in Recall / Service Campaign Lookup website at: <http://web.audiusa.com/recall/> As part of the trade-in requirement, Audi vehicles affected by the recall and grounded at an Audi dealership are subject to a stop sale, and cannot be retailed as CPO vehicles until the campaign closes. Subsequently these units are also not eligible for the Takata CPO Loyalty program.**

The owner loyalty incentive must be disclosed to the customer in its entirety on the sale documents. The customer must also sign a completed claim form.

To be eligible for reimbursement, the Audi dealership must submit all required documentation to the Audi Incentives Service Desk prior to the end of the Dealer Review Period as described in the "Documentation Submission Process" section of this document.

## 2) Eligible Vehicles and Allowances

All Certified pre-owned Audi vehicles listed below are eligible.

Model Year	Eligible Models	Incentive
2011-2015	A3 (incl. S3 & Cab)	\$1,500
2011-2015	A4 Sedan (Incl. S4)	\$1,500
2011-2015	allroad	\$1,500
2011-2015	A5 (Incl. Cab & S5)	\$1,500
2011-2015	A6 Sedan (incl. S6)	\$2,000
2012-2015	A7 (incl. S7)	\$2,000
2011-2015	A8 (incl. S8)	\$2,500
2011-2015	Q5 SUV	\$1,500
2011-2015	Q7 SUV	\$2,000

**NOTE** - certain model year CPO vehicles are affected by the Takata recall and as a result are subject to a stop sale. These vehicles are not eligible for this incentive program until a remedy is available.

## 3) Inventory Assistance

Any Audi vehicles returned to a dealership due to the trade-in requirement is eligible for Takata Inventory Assistance. Additionally, Audi vehicles affected by the Takata recall that are placed into used inventory WITHOUT an associated new or CPO vehicle sale (either by purchasing directly from a customer or prior to the stop sale issued in February 2016) are also eligible for this Inventory Assistance.

The VIN captured from the Loyalty claim form will be registered in the Audi Incentives database and will be used for payment submission.

A monthly payment will be made to your dealership to mitigate costs associated with retaining the affected vehicle(s) in your used vehicle inventory until parts are available to remedy the recall.

	MY05	MY06	MY07	MY08	MY09	MY10	MY11	MY12	MY13	MY14
A3	-	\$350	\$350	\$350	\$350	\$400	\$400	\$500	\$500	-
A4/S4 Avant	\$350	\$350	\$350	\$350	-	-	-	-	-	-
A4/S4 Sedan	\$350	\$350	\$350	\$350	\$350	\$450	\$450	\$575	\$575	-
A4/S4 Cabriolet	-	-	\$400	\$400	\$400	\$500	\$500	\$650	\$650	-
RS4 Sedan	-	-	\$350	\$350	-	-	-	-	-	-
RS4 Cabriolet	-	-	-	\$400	-	-	-	-	-	-
A5/S5 Cabriolet	-	\$400	\$400	\$400	\$400	\$500	\$500	\$650	\$650	\$650
A6 Avant	-	\$400	\$400	\$400	\$400	\$500	\$500	\$650	\$650	-
A6 Sedan	-	\$400	\$400	\$400	\$400	\$500	\$500	\$650	\$650	-
S6 Sedan	-	-	\$400	\$400	\$400	\$500	\$500	-	-	-
Q5	-	\$400	\$400	\$400	\$400	\$500	\$500	\$650	\$650	-

Audi of America reserves the right to audit a dealer's inventory to ensure that the affected Takata vehicles are still in dealer storage.

To be eligible for reimbursement, the Audi dealership must submit all required documentation to the Audi Incentives Service Desk prior to the end of the Dealer Review Period.

If a customer affected by the Takata recall elects to purchase a new Audi vehicle and receives the additional Audi Owner Loyalty incentive support, the dealer will also receive the Takata Inventory Assistance based on that claim. The dealer SHOULD NOT submit a claim through this program.

**Documentation Submission:** The following documentation must be submitted in order to receive payment under this program:

- Original copy of purchase order or buyer's order showing Audi dealership has purchased a MY05-MY14 Audi vehicle that has been identified as part of the Takata airbag recall.
- Claim Form with authorized dealership personnel signature.

Documentation must be submitted via e-mail to: [IncentiveClaims@audi.com](mailto:IncentiveClaims@audi.com).

To ensure efficient claim processing and payment, please send one e-mail per eligible VIN. Do not combine multiple VIN submissions into one e-mail, or send multiple e-mails on the same VIN. Status of claims is reported weekly via the "Audi Claim Verification Report", accessible on iAudi (My Dealership Reports & Publications).

The Audi dealership will receive payment via EFT following submission and verification of all required documentation under this program.

## 4) Eligible Customers

Current owners and lessees of MY05-MY14 Audi models who have been identified as being part of the Takata airbag recall.

Individual customers and business customers are eligible for the CPO Owner Loyalty program. Owner Loyalty is defined as having a returning Audi vehicle registered in one or more individuals' name(s) or business entity's name.

Ownership of one (1) eligible Audi vehicle can be applied on a maximum of one (1) CPO vehicle owner loyalty incentive claims.

## 5) Individual Customers

Household members of qualifying Audi Individual owners/lessees are also eligible if the vehicle is reported, titled, and registered in the same household as the qualifying Individual loyalty vehicle.

## 6) Business Customers

The 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 a bona fide customer who may be a buyer or lessee.

## 7) Fleet Customers

Rental car companies, fleet leasing companies, fleet management companies and/or dealer fleet leasing companies are not eligible to receive this loyalty incentive.

A returning customer that leases a vehicle through a fleet leasing company, fleet management company or dealer-affiliated fleet leasing company is not eligible to receive this loyalty incentive.

## 8) Sales Reporting

Vehicles must be sold and reported during the same monthly sales period as a retail kind of sale (KOS 6) CPO to qualify.

Vehicles reported in the dealership's name are NOT ELIGIBLE under this program.

In addition to documentation requirements, Loyalty VINs will be verified for eligibility based on the master list of affected Audi vehicles equipped with Takata airbags.

## 9) Documentation Submission Process

The following documentation must be submitted in order to receive payment under this program:

- Proof of MY05-MY14 Audi vehicle ownership. (Original copy of either unexpired official state registration or insurance card). The Audi vehicle has been identified as part of the Takata airbag recall.
- Sales Agreement (Contract or Buyer's Order with customer signature), showing rebate properly disclosed.
- Claim Form with customer signature.

Documentation must be submitted via e-mail to: [IncentiveClaims@audi.com](mailto:IncentiveClaims@audi.com).

To ensure efficient claim processing and payment, please send one e-mail per eligible VIN. Do not combine multiple VIN submissions into one e-mail, or send multiple e-mails on the same VIN. Status of claims is reported weekly via the "Audi Claim Verification Report", accessible on iAudi (My Dealership Reports & Publications).



