



Keep it Audi

Remarketing Program

Audi
Truth in Engineering 



Keep it Audi Remarketing Program

Audi of America (Audi) and Audi Financial Services (AFS) are pleased to announce several changes and enhancements to the **Keep it Audi** program that will take effect in January 2014. The **Keep it Audi** program rewards dealers that work with Audi and AFS by purchasing off-lease/balloon and company vehicles via AudiDirect.com. Based on dealer feedback and suggestions, we are making changes designed to simplify the program and continue to support your Certified pre-owned (CPO) sales efforts.

Key changes for the 2014 Keep it Audi program include:

- ▶ All Lease and Premier Purchase (Balloon Note) vehicles will be made available for purchase on AudiDirect.com (from account funding through account closure) and count towards the quarterly purchase objective.
- ▶ Enhanced Bonus Structure:
 - ▶ Performer Level dealers can now earn up to a \$500 bonus:
 - \$250 CPO Sales Bonus
 - \$250 AFS CPO Contract Bonus (additional bonus for financing CPO unit with AFS)
 - ▶ Champion Level dealers can now earn up to a \$1,000 bonus:
 - \$500 CPO Sales Bonus
 - \$500 AFS CPO Contract Bonus (additional bonus for financing CPO unit with AFS)
- ▶ Elevated Performer Level Purchase Objectives:
 - ▶ 60% minimum overall
 - ▶ 50% minimum by vehicle group
- ▶ Pricing is AFS Online/MMR Based Pricing.*
- ▶ AudiDirect.com lifecycle has been reduced from 6 to 5 iterations.
- ▶ The **Keep it Audi** program will be reviewed annually and updated based on market conditions to remain competitive.

* AFS Online/MMR Based Pricing is comprised of data from, but not limited to the following sources: AFS Auctions, AudiDirect.com Sales, and MMR. Additional pricing considerations include, but are not limited to, mileage and vehicle condition.



Reasons to Increase Off-Lease Vehicle Purchases

Keep it Audi is designed to reward Audi dealers for purchasing returning off-lease/balloon and company vehicles via AudiDirect.com. The program provides dealers with an opportunity to engage maturing lessees working with Audi and Audi Financial Services. The program is designed to allow dealers to decide independently what level of participation provides the greatest benefit for them based on their unique market conditions.

Objectives are calculated each quarter based on active maturities. Since objectives are based on returning off-lease/balloon vehicles,

dealers are not given higher objectives during those quarters when they have fewer vehicles returning to their dealerships. In fact, those quarters are opportunities for dealers to purchase a greater percentage of their off-lease/balloon vehicle portfolio, which qualifies them to achieve greater reward level benefits.

The table below is an example of the reward level that a dealer would achieve based on their performance in a given quarter.

Quarter	Purchases	Reward Level
Q1	In Q1 Hometown Audi purchases 61% of its returning lease vehicles.	Therefore, Hometown Audi receives the Performer Level Rewards in Q2.
Q2	In Q2 Hometown Audi purchases 80% of its returning lease vehicles.	Therefore, Hometown Audi receives the Champion Level Rewards in Q3.
Q3	In Q3 Hometown Audi purchases 55% of its returning lease vehicles.	Therefore, Hometown Audi becomes a non-participating dealer in Q4.
Q4	In Q4 Hometown Audi purchases 85% of its returning lease vehicles.	Therefore, Hometown Audi receives the Champion Level Rewards in Q1 of the following year.

Keep it Audi has two levels of program rewards: Performer and Champion. By achieving a higher reward level dealers receive greater program rewards, which ultimately adds more money to the bottom line.



Program Benefits

The table below summarizes the revised program level structure and benefits under the new program.

	Non-Participating	Performer Level	Champion Level
Objective Calculation	Objective calculated quarterly based on all dealer’s active scheduled maturities		
Required Achievement of Overall Objective	Less than 60%	60% -79.9%	80% or greater
Required Achievement of Vehicle Group Objectives	Less than 50%	50% - 69.9%	70% or greater
Vehicle Groups		Group 1*: A3, A4, A5, Q5, TT Group 2*: A6, A7, A8, Q7, R8	
Eligible Purchases	<ul style="list-style-type: none"> ▶ AudiDirect.com Off-Lease/Balloon Vehicles ▶ AudiDirect.com Company Vehicles ▶ Customer Lease Buyouts on AudiDirect.com <p style="color: red; text-align: center;">▶ All active accounts are eligible for credit towards your quarterly objectives regardless of maturity date. NEW</p>		
CPO Purchase Bonus (Audi New Vehicle Margin & Bonus Program)	Not Earned	Earned	

* S, RS, Avant and Cabriolet models qualify at corresponding base model level.



Program Benefits Continued

	Non-Participating	Performer Level	Champion Level
Pricing (Grounded Vehicles)	AFS Online/MMR Based Pricing [†]	AFS Online/MMR Based Pricing [†]	Lesser of AFS Online/MMR Based Pricing [†] or Residual Value ^{**}
Pricing (Non-Grounded Vehicles)	AFS Online/MMR Based Pricing [†]		
CPO Sales Bonus* (Paid mid-month of the following month)	\$0	\$250	\$500
AFS CPO Contract Bonus ^{**} NEW	\$0	\$250	\$500
Company Vehicles	Access to company vehicles on Iteration 3	Preferred Access to company vehicles (Iterations 1–2)	Preferred Access to company vehicles (Iterations 1–2)

* The CPO Sales Bonus is earned on AudiDirect.com purchases that are subsequently enrolled as CPO then sold and reported as CPO (KOS 6) via AIM.

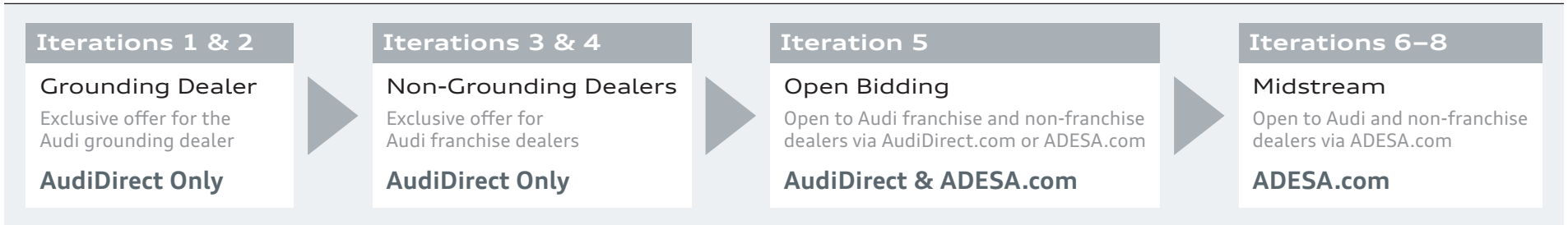
** Residual value plus any outstanding customer obligations

† AFS Online/MMR Based Pricing is comprised of data from, but not limited to the following sources: AFS Auctions, AudiDirect.com Sales, and MMR. Additional pricing considerations include, but are not limited to, mileage and vehicle condition.

** AFS CPO Contract Bonus is earned on AudiDirect.com purchases that are subsequently sold as CPO, reported as KOS 6 and financed through AFS.



Vehicle Availability and Pricing Overview



Vehicles Grounded on AudiDirect	Iterations 1-2	Iterations 3-4	Iteration 5	Iterations 6-8 (Midstream)
▶	<p>Company Vehicles Available to Performer and Champion Reward Level Audi dealers at AFS Online/MMR Based Pricing.*</p> <p>Off-Lease/ Balloon Vehicles Available to Audi grounding dealers. Pricing is determined by the dealer's participation level in the Keep it Audi program.</p>	<p>Company Vehicles Available to Audi franchise dealers at AFS Online/MMR Based Pricing.*</p> <p>Off-Lease/ Balloon Vehicles Available to Audi franchise dealers at AFS Online/MMR Based Pricing.*</p>	<p>Company Vehicles Current model year available to all Audi franchise dealers. Previous model year available to all Audi franchise and non-franchise dealers.</p> <p>Off-Lease/ Balloon Vehicles Audi franchise and non-franchise dealers can bid on vehicles.</p>	<p>Transportation Assistance is not available.</p> <p>Purchased vehicle's pickup location will be noted at a specific auction site.</p> <p>Purchase does not qualify for Keep it Audi credit.</p>

* AFS Online/MMR Based Pricing is comprised of data from, but not limited to the following sources: AFS Auctions, AudiDirect.com Sales, and MMR. Additional pricing considerations include, but are not limited to, mileage and vehicle condition.



Reward Level Eligibility Requirements

- ▶ Dealers can find information about **Keep it Audi** purchase objectives and rewards earned on AudiDirect.com.
- ▶ How are objectives set?
 - A. Objectives are based on a dealer’s active scheduled off-lease/balloon maturities each quarter.
 - B. Purchase objectives:
 - Performer Level:
60% minimum overall and a 50% minimum for each vehicle group
 - Champion Level:
80% minimum overall and a 70% minimum for each vehicle group
- ▶ To count towards the purchase requirement, vehicles must be purchased on AudiDirect.com using a valid Audi Dealer ID.

Minimum Purchase Requirements to Meet Reward Level Objectives

Reward Level	Total Purchases	Vehicle Group 1* A3, A4, A5, Q5 & TT	Vehicle Group 2* A6, A7, A8, Q7 & R8
Non-Participating	< 60%	< 50%	< 50%
Performer	60%	50%	50%
Champion	80%	70%	70%

* S, RS, Avant and Cabriolet models qualify at corresponding base model level.



Your One-Stop Shop For Keep it Audi Answers

Quarterly objectives and performance will be provided to dealers on AudiDirect.com.

By logging into AudiDirect.com dealers can find:

- ▶ Current reward level and reward level benefits.
- ▶ Total number of vehicles purchased through AudiDirect.com during the quarter.
- ▶ Purchases required to achieve Performer and Champion Reward Levels.
- ▶ CPO Sales Bonuses and AFS CPO Contract Bonuses earned for the current quarter.

Activity Overview

- ▶ Current quarter reward level and benefits

Purchases Required to Achieve Rewards

- ▶ Off-lease/balloon vehicle purchases
- ▶ Company vehicle purchases

CPO Sales Bonus*

- ▶ Displays CPO Sales Bonuses earned for the month and quarter

AFS CPO Contract Bonus+

- ▶ Displays AFS CPO Contract Bonuses earned for the month and quarter⁺⁺

The screenshot shows the AudiDirect.com 'KEEP IT AUDI' dashboard. At the top, it indicates the user is participating at a **Champion** level based on previous quarter activity (07/02/2013 thru 09/30/2013).

Current quarter activity (quarter to date)

	AudiDirect Off-lease & Balloon Purchases	AudiDirect Company Car Purchases	AFS Manual Purchases	Total Purchases	Additional Purchases Required to Achieve Rewards	
					PERFORMER	CHAMPION
Vehicle Group 1 *	68	0	0	68	0	24
Vehicle Group 2 *	20	0	0	20	1	9
Total	88	0	0	88	15	50
Level Achieved					<input type="checkbox"/>	<input type="checkbox"/>

Certified pre-owned sales bonus (Results are through November 2013)

	November 2013		Quarter to Date		Year to Date	
	Reported CPO Sales	CPO Sales Bonus	Reported CPO Sales	CPO Sales Bonus	Reported CPO Sales	CPO Sales Bonus
Performer	0	\$0	0	\$0	0	\$0
Champion	4	\$1,600	4	\$1,600	4	\$1,600
Total	4	\$1,600	4	\$1,600	4	\$1,600

AFS finance bonus (Results are through December 2013)

	December 2013		Quarter to Date		Year to Date	
	Reported AFS Contracts	AFS Bonus	Reported AFS Contracts	AFS Bonus	Reported AFS Contracts	AFS Bonus
Performer	0	\$0	0	\$0	0	\$0
Champion	4	\$1,600	4	\$1,600	4	\$1,600
Total	4	\$1,600	4	\$1,600	4	\$1,600

* Vehicle Group 1 - A3, A4, A5, Q5, TT & allroad, including S & RS variants Vehicle Group 2 - A6, A7, A8, Q7, R8 & TT RS, including S & RS variants

* The CPO Sales Bonus is earned on AudiDirect.com purchases that are subsequently enrolled as CPO then sold and reported as CPO (KOS 6) via AIM.

+ AFS CPO Contract Bonus is earned on AudiDirect.com purchases that are subsequently sold as CPO, reported as KOS 6 and financed through AFS.

++ AFS CPO Contract Bonus will not be reflected until contract is funded by AFS.



Frequently Asked Questions



Q How do early lease purchases affect my Keep it Audi objectives?

A Vehicles purchased between lease inception and the original maturity date will count towards meeting your purchase objectives and must be purchased through AudiDirect.com. The purchase will also reduce your purchase objectives in the quarter that the lease was scheduled to mature.

Q Will repossessed vehicles or vehicles that are totaled for insurance purposes affect my Keep it Audi objectives?

A Contracts that are no longer active at the beginning of a quarter will not be figured into your objective calculation. Vehicles that have been totaled or repossessed are not considered active.

Q What happens if a lease customer moves into my area?

A If a lease customer moves into your area, his/her lease vehicle will not be counted among your purchase objectives; however, that vehicle will count towards meeting your objectives if you purchase that vehicle through AudiDirect.com.

Q What happens if a lease customer moves out of my area?

A If a lease customer moves out of your area, his/her lease vehicle will still be counted among your purchase objectives when the lease ends.

Q Do company vehicles count towards my Keep it Audi objective?

A Company vehicles will not be included in calculating your objectives; however, any company vehicles you purchase through AudiDirect.com will count.

Q Do vehicles purchased through AudiDirect.com need to be reported sold under KOS “6” to be eligible to receive the CPO Sales Bonus?

A Vehicles purchased through AudiDirect.com need to be properly enrolled in the Audi CPO program, sold and reported through the Audi Inventory Management System (AIM) as KOS 6 to be eligible for the CPO Sales Bonus.



Frequently Asked Questions



Q Does a vehicle need to be enrolled in the CPO program in order to earn the AFS CPO Contract Bonus?

A Yes, the VIN needs to be enrolled, sold and reported as KOS 6 and subsequently funded by AFS.

Q How do I find out what my objectives are for the Keep it Audi program?

A Objectives and progress towards your quarterly objectives can be found on AudiDirect.com by clicking on the “Keep it Audi” tab.

Q How are dealers reimbursed on the CPO Sales and AFS CPO Contract Bonuses?

A Bonuses will be paid monthly by EFT, typically available mid-month of the following month. Detailed VIN level reports regarding your payments are available on the “My Dealership Reports and Publications” portal on AccessAudi.com.

Q How does my store earn the CPO Sales Bonus on vehicles purchased?

A The CPO Sales Bonus is earned on AudiDirect.com purchases that are subsequently enrolled as CPO then sold and reported as CPO (KOS 6) via AIM.

Q Is the CPO Sales Bonus paid to the dealership or the CPO sales manager?

A Bonuses are paid to the dealership.

Q Where do I obtain my password and log in for AudiDirect.com?

A To obtain access to AudiDirect.com, please register online at AudiDirect.com by clicking “Register Now” and following the instructions. Your log in credentials will be generated and sent via email within two business days.

Q Where do I find the arbitration policy for purchases made on AudiDirect.com?

A The arbitration policy is located on AudiDirect.com under “Terms of Use”.



Frequently Asked Questions



Q How do balloon vehicles affect my Keep it Audi objectives?

A Balloon vehicles are counted among the maturities when calculating objectives, and any balloon vehicles purchased through AudiDirect.com will count towards meeting your objectives.

Q Do vehicles purchased through my Volkswagen Dealer Code count towards my objectives?

A No. Dealerships must be logged into AudiDirect.com with the Audi Dealer Code for their vehicle purchases to count towards the objectives. There will be no adjustments after purchases are made.

Q I purchased more vehicles on AudiDirect.com than the Keep it Audi page displays. Who do I contact to verify my purchases?

A Please call the helpline at 877-557-6824 or email AFS-DealerConsultants@audifs.com.

Q My dealership just completed a buy/sell; do I inherit the previous dealer’s returning lease portfolio?

A Yes.

Q I am a brand-new dealer with no existing lease portfolio. How are my Keep it Audi objectives determined?

A A new dealership will start the program with Champion Level benefits until its return lease portfolio is established. A CPO sales objective will be used in lieu of a purchase objective to determine eligibility for CPO Purchase Bonus under the Audi New Vehicle Margin & Bonus Program.

Q If I arbitrate a vehicle, will that affect my Keep it Audi objective?

A If arbitration results in a vehicle being unwound, that purchase will no longer count towards meeting your objectives.



Frequently Asked Questions



Q Where do I find my off-lease/balloon maturities?

A Use Maturity Manager through the AFS Dealer Extranet to find your off-lease/balloon maturities.

Q I did not receive my funds for the CPO Sales or AFS CPO Contract Bonus; who do I call?

A Contact your local AFS Representative or call 877-557-6824.

Q Will Midstream purchases count towards my Keep it Audi objectives?

A No, Midstream vehicles will only be available for purchase on the ADESA.com site and will not count towards your objectives.

Q Where and when will Midstream vehicles be available for pick-up?

A Vehicles will be delivered to an AFS auction location. Upon receipt of dealer payment by ADESA.com, an email notification* will be sent advising who to contact at the auction to arrange pick-up prior to dispatching transportation. Vehicles will typically be available 48 hours after auction delivery.

Q Who do I contact about Midstream arbitration and transportation questions?

A Contact AFS Dealer Remarketing at 888-216-3375 (option #1 for arbitrations, option #2 for transportation).

* Notification email may be sent from either ADESA.com or OPENLANE.com.