



## *Program Summary Audi*

Audi has agreed to arbitrate two types of consumer claims relating to its vehicles:

1. Claims covered by the terms of applicable state lemon laws; and
2. Claims covered by Audi's New Vehicle Limited Warranty but not covered by the applicable state lemon law.

The standards relevant to either type of claim as well as the remedies available thereunder (fully discussed below) are separate and distinct from one another. Remedies under the two types of claims are *in the alternative*, meaning that a remedy may only be awarded under one claim or the other.

### **LEMON LAW CLAIMS**

A claim seeking relief under a state's lemon law must meet all standards set out by that state's lemon law.

### **Time Period for Filing Claims**

Claims under a state's lemon law statute must be received by BBB AUTO LINE within the earlier of the time period for filing a civil or administrative action under such state law or 4 years from the date the vehicle was originally placed into service. A description of the standards of the applicable lemon law is provided with this Program Summary.

### **Remedies**

If the claim meets all standards set out by the state's lemon law, the arbitrator will award a refund or replacement vehicle including all remedies specifically provided by the applicable state's lemon law statute **excluding** attorney's fees. An arbitrator may not award any penalties or multiple damages. The manner in which a consumer's refund is calculated, including but not limited to which charges and fees are to be refunded by the manufacturer and any allowances for the consumer's use of the vehicle and/or vehicle damage, will be determined with reference to the applicable state lemon law. However, in all cases, a refund will not include: (1) amounts constituting debt from a previous transaction or a trade-in over-allowance (often referred to as "negative equity"); or (2) amounts not paid by the consumer including manufacturer rebates or other credits. The award will be reduced or require payment for any damage to the vehicle exceeding normal wear and tear.

## **Customer Responsibilities**

If a repurchase or replacement is awarded, the customer will be responsible for turning over the vehicle with a current registration and all equipment and items provided at the point of sale (e.g. two keys, owner's literature, and charging cables if provided). The customer will be responsible for repairing any damage beyond normal wear and tear. Alternatively, Audi will deduct from the refund the cost for repairing any damage or replacing missing equipment on the vehicle at the time the vehicle is turned in. The customer will also be responsible for providing clear title to the vehicle and signing all documents necessary to effect transfer of title.

## **WARRANTY CLAIMS NOT COVERED BY THE LEMON LAW**

### **Time Period for Filing Claims**

Claims under the Audi New Vehicle Limited Warranty must be received within 4 years or 50,000 miles – whichever comes first – from the date the vehicle was originally placed into service.

### **Eligible Claims**

### **Eligible Claims**

Claims must allege a defect in material or workmanship covered by the Audi New Vehicle Limited Warranty and the claims must allege the defect continues to exist, unless the customer is only seeking reimbursement for past repairs. In addition, a vehicle will not be considered eligible for relief under this program if the vehicle was otherwise eligible for relief under the applicable state lemon and the Consumer failed to comply with any terms and / or conditions of the applicable state lemon law.

### **Eligible Vehicles**

The customer's vehicle must be:

- Owned or leased in the name of an individual; or
- Used primarily for personal, family or household purposes.

### **Remedies**

**The arbitrator may award the following remedies:**

- Repairs.
- Reimbursement for money the customer paid for repairs the arbitrator determines are entitled to coverage under Audi's New Vehicle Limited Warranty.
- Reimbursement for reasonably incurred towing costs and car rental costs – excluding car rental costs incurred for same day service.
- Repurchase of the vehicle (if allowed under state law and legal authority for such remedy must be cited).

- Diminution of value of the vehicle

The arbitrator may not award any attorney's fees, statutory or otherwise.

## **Repairs / Reimbursement for Repairs**

- The arbitrator may award repair of defects in material or workmanship. If repairs are awarded, the arbitrator may not order a change in the vehicle's options or its designs.
- The arbitrator may award reimbursement for money paid for the repair of defects in material or workmanship only if Audi or its dealer declined to repair the defects under the terms of the Audi New Vehicle Limited Warranty or to reimburse the consumer under an express warranty provision allowing for such reimbursement.

## **Repurchase**

The arbitrator may award a repurchase only if the arbitrator finds that the claim meets the following conditions:

- The defect(s) in material or workmanship was first reported to Audi or an authorized dealer within 2 years or 24,000 miles – whichever occurs first – after the vehicle's warranty start date;
- The defect(s) substantially impairs the use, value or safety of the vehicle to the reasonable consumer; and
- Either the same defect was subject to repair four or more times and continues to exist, or the vehicle was out of service for 45 or more cumulative calendar days for repairs to any defect(s); and

If a repurchase is awarded, the arbitrator may award up to the following remedies:

- **Owned vehicle repurchase** – The JD Power “clean” trade-in value at the time the award is issued less the mileage offset as set forth below. This will not include taxes, fees, and finance charges.
- **Leased vehicle repurchase** – To the lessor: pay-off amount pursuant to the lease. To the lessee: any trade-in allowance/downpayment and all base monthly payments actually paid, excluding all collateral charges (e.g., taxes, fees, and finance/lease charges), less the mileage offset as set forth below.

## **Deductions/Exclusions from a Repurchase Award**

The repurchase award will be reduced for the customer's use of the vehicle in accordance with the following formula:

# of miles attributable to the customer at the time of the arbitration hearing /  
100,000 x vehicle purchase price or gross capitalized cost = usage fee deduction

- The award will be reduced or require payment for damage to the vehicle exceeding normal wear and tear.
- The award will not include debt from a previous transaction.

- The award will not include amounts not paid by the consumer including manufacturer rebates or other credits.

### **Diminution of value of the vehicle**

- Any diminished value award shall set forth (1) the arbitrator's calculations, and (2) the evidence upon which the calculations are based, and the specific legal authority relied upon, each as presented or provided to the arbitrator by the parties.

### **Customer Responsibilities**

If a repurchase is awarded, the customer will be responsible for turning over the vehicle with a current registration and in a similar condition as it was at the time of the hearing. The customer will also be responsible for providing clear title to the vehicle and signing all documents necessary to effect transfer of the title.

### **CLAIMS THAT WILL NOT BE ARBITRATED**

- Claims involving salvaged or "total loss" vehicles, or vehicles otherwise not covered by a Audi USA Warranty.
- Claims alleging that an airbag failed to deploy or deployed when it should not have.
- Claims for vehicles not originally sold in the United States.
- Claims involving a vehicle defect if the customer alleges – either as part of the BBB AUTO LINE claim or at any other time – that the vehicle defect has caused an accident or fire that resulted in damage to any vehicle or damage to property.
- Claims involving a vehicle defect if the customer alleges – either as part of the BBB AUTO LINE claim or at any other time – that the vehicle defect has caused bodily injury.
- Allegations of fraud or other violations of law.
- Claims covered by insurance or by warranties of other manufacturers.
- Claims seeking compensation for legal fees or loss of wages.
- Claims seeking compensation for personal injury or mental anguish.
- Claims seeking punitive damages.
- Claims identical to any claim that was resolved by a previous mediation or arbitration, court action, settlement, or agreement between the customer and Audi.

### **OTHER IMPORTANT INFORMATION**

- The customer must own or lease the vehicle throughout the entire arbitration process.
- If the customer files suit or a state administrative action against Audi prior to the completion of the arbitration process, Audi will not be obligated to continue with the arbitration.
- Audi may, at its option, make an exception to the above-stated requirements for the eligibility of a vehicle.

- A test drive may be taken in the vehicle only if the customer has liability insurance that satisfies his/her state's minimum requirements.

**BBB AUTO LINE will let the parties know if other restrictions apply.**