Bulletin Number	National Incentive Program Code		Program Name		Date Issued	
14-N-0076	A14UBOR1		Bang &	Bang & Olufsen "Driven By Innovation 2.0"		06/04/2014
		Start Date		Dealer Review Period End Date 60 Days after each Sales Period		
Distribution DIr. Principal Gen. Mgr. Sales Mgr.	⊠ F&I Mgr ⊠ Office W ⊠ ABS		Audi Incentives Service Desk (888)777-9336 Audi Financial Services Dealer Line		Source Audi Operations Audi New Corporate Sales	☐ Audi CPO ☐ AFS



Bang & Olufsen "Driven by Innovation 2.0"

Qualify for exciting rewards through wholesale & retail incentive programs!

Official Rules & Regulations, Terms and Conditions Retail Component

Program Periods (2 components)

- June 3, 2014 December 1, 2014 (Wholesale)
- June 3, 2014 February 2, 2015 (Retail)
- Program website to launch August 1, 2014

Program Summary

- Audi of America and Bang & Olufsen (B&O) are excited to announce the "Driven by Innovation 2.0" incentive program.
- This initiative has both wholesale and retail sales components.
- Sales Managers, Audi Brand Specialists (ABSs), and Audi Area Sales Managers (ASMs) are all eligible to earn points over the course of the program periods that can be redeemed for incredible B&O products.

Wholesale Component

- · Sales Managers who place wholesale orders through Audi of America for new MY15 Audi vehicles that are equipped with either B&O Premium or Advanced Sound Systems will have the opportunity to qualify for rewards based on order goals.
- Multiple Sales Managers per dealership can participate and will be responsible for ordering these B&O system-equipped Audi vehicles. Points will be allocated equally if multiple Sales Managers are assigned.
- The Sales Managers are required to visit the B&O website and click on the enrollment link to register their full name and email address. The website address bangolufsen.drivenbyinnovationprogram.com.
- The default passcode/username is the six (6) digit alphanumerical dealer code.
- B&O has established goals for dealers based on their previous year's penetration rates. This information will be communicated to Sales Managers via email and through the program website.
- A monthly email will be generated and sent to the Sales Manager(s) that shows actual orders versus target goal orders beginning the week of August 11, 2014.
- Vehicles equipped with B&O Premium Sound Systems in MY15 A3s, A4s, A5s, Q5s or R8s and Advanced Sound Systems in A6s, A7s, A8s, or Q7s qualify towards the target goal (all variants).
- If the wholesale target is achieved, then the Sales Manager of record's points achieved through the retail component (25% of accumulated ABS points at dealership) will be doubled. Please see step number 7 under the "Point Redemption Opportunities" section of the retail component program for details.
- Sales Manager enrollment for the wholesale component ends on December 1, 2014.

- Sales Managers and ABSs who sell eligible MY15 Audi vehicles equipped with B&O systems will earn reward points that can be redeemed for B&O products.
- Additionally, upon confirmation through the B&O website, points can be earned for correctly answering training guestions.
- Participants must have an active, accurate profile in the Audi Learning Management System (LMS), associated with the proper 3-digit Selling Code for this Reward eligibility.
- LMS profile updates and 3-digit code changes must be completed in the system no later than March 2, 2015. No exceptions will be granted.

Point Redemption Opportunities

- Each vehicle sold with a B&O Premium Sound System earns the participant fifty (50) points.
- Each vehicle sold with a B&O Advanced Sound System earns the participant one hundred (100) points.
- Beginning the week of August 11, 2014, each participant with an eligible vehicle sold will receive an email with their username and password. Participants should use this information to log into the program website to activate their account and begin claiming their sales and points.
- On the website, the participant will see a list of VINs they have sold. The participant should click on the link of each VIN to get points and then answer training questions for additional points.
 - Please note: the program website will have training resources related to Audi and B&O Sound Systems which will assist participants in answering the questions.
- Participants will be asked a total of two (2) training questions per VIN. The participant has only one chance to answer each question.
 - o Ten (10) points can be earned for each correct B&O Premium Sound System question answered.
 - Twenty (20) points can be earned for each correct B&O Advanced Sound System guestion answered.
- At the end of the program starting February 16, 2015, participants can use their points to redeem for B&O products on the program website.
- Once an ABS claims a valid VIN, the Sales Manager of record will receive 25% of the points earned by the ABS. If a Sales Manager is the selling agent, these multiplier points will not be earned; the Sales Manager would still earn points for the actual sale of the system.

Program Rules continued on Page 2 3

Certification Bonus Test

- Participants can also earn one hundred (100) bonus points by scoring 80% or above on the B&O "Driven by Innovation 2.0" Certification test (available throughout the program).
- It is highly recommended to review the training videos and other resources provided on the program website to ensure passing and receiving the 100 bonus points.
- The bonus test is located on the program website <u>bang-olufsen.drivenbyinnovationprogram.com</u> and can be accessed by the Audi Sales ID#.

Audi ASM Enrollment

 Based on the following dealer wholesale enrollment percentages, Audi ASMs will qualify for the following B&O awards:

Dealer Wholesale Enrollment Level	Award		
80% - 99%	B&O Play Earset 3i (headphones w/microphone)		
100%	B&O Play Bluetooth speaker		

- Enrollment must be completed by July 31, 2014, and rewards will be fulfilled in September 2014.
- Audi ASMs will also earn 5% of total points accrued by their Audi dealers for retail sales that can be used for reward redemption at the end of the program.

Reward Redemption

- Starting February 16, 2015 through March 2, 2015, Audi Sales Managers, ABSs, and ASMs can use their approved accrued points for reward redemption based on their reward level.
- Reward levels and prizes are found on page 3 of this announcement and also on the program website.
- The last day to claim VINs on the website is February 11, 2015.
- The maximum number of points that can be redeemed is ten thousand (10,000).
- Points cannot be bought, sold or traded.
- Participants can place an order for a reward based on the corresponding point level.
- Only one reward level package may be redeemed per individual. Points cannot be split to redeem multiple reward level packages.
- During May 2015, rewards will be shipped to eligible participants who have placed an order via the program website.

Grand Prize Reward Opportunities

- A grand prize of a Bang & Olufsen BeoVision Avant 55 (55 inch television with 3D technology, Smart TV, motorized wall mount and Beo Remove One Control) will be awarded to top performing Audi dealers for each of these accomplishments:
 - Most approved points
 - o Most retail sales of Advanced Sound Systems
 - o Dealers who meet or exceed Wholesale goal
 - one (1) random drawing
- A total of three (3) grand prizes will be awarded, and only one (1) grand prize per dealership.

Eligible Vehicles and Allowances

 Any New MY15 Audi vehicle ordered (wholesale component) and/or sold (retail component) with a B&O system will count towards participant point totals. • Vehicles must be new, untitled, and unreported.

Sales Reporting

- Vehicles must be <u>sold and reported</u> during the program period as a retail kind of sale (KOS 0,2,3) to qualify.
- It is the dealership's responsibility to properly report each sale with the correct 3-digit selling code.
- B&O will provide incentive reporting via their program website.

Program Guidelines

- Any unit found to be reinstated will result in the reward being charged back to the dealer.
- The incentive <u>IS COMPATIBLE</u> with all Audi incentive programs with the exclusion of the Courtesy Vehicle Lease Program (CL/DECL).

Reward Fulfillment

- B&O will ship rewards directly to the participants after the redemption period has ended.
- Rewards are not redeemable for cash and are not transferrable or substitutable, except by B&O with one of equal or greater value
- All costs and expenses, including any federal, state or local taxes are solely the responsibility of each participant who redeems for rewards.
- Participants who redeem points for rewards valued \$600 or greater will be required to fill out a W9 Tax Form and will then be issued Form 1099-MISC for the MSRP amount of the reward within the tax season in which the reward was received.

Questions

- Full details regarding terms and conditions of the program can be found on the program website, <u>bang-olufsen.drivenbyinnovationprogram.com</u>.
- For any additional questions, please contact B&O program headquarters at (877) 881-1344 or email to drivenbyinnovationprogram@tpa-usa.com.