



| Minutes: Dealer Council Meeting  |            |                  |       |
|--|------------|------------------|-------|
| <b>Date:</b>   | 01/10/2023 | <b>Location:</b> | Teams |
| <b>AoA Participants:</b> Daniel Weissland, Thiemo Rusch, <i>Mirjam Abel</i> , Jamie Dennis, Christian Fischer, Filip Brabec, <i>Tara Rush</i> , Emilie Cotter, Steve Martini, Jeremy Meyer, Pete Hamilton, Jeff Tolerico, <i>Robert Lecznar</i> , Fred Stolle, Danielle Russell, Pom Malhotra, Shana Falterman-Rogers, <i>Jim Briody</i> |            |                  |       |
| <b>AFS Participants:</b> Jens Effenberger, Kim Airey, Jun Watanabe   |            |                  |       |
| <b>Dealer Participants:</b> <i>Don Flow</i> , Brian Beatt, Mike Brown, John Coats, Chris Childs, Justin Findlay, Dan Flood, Tom McCollum, Michael McDonald, Jonathan Sobel, Ted Seibold, Justin Findlay  |            |                  |       |
| <i>Italics: Not present</i>  |            |                  |       |

| No.            | Content   | Key Takeaways & Feedback |
|----------------|---|--------------------------|
| <b>TOPIC 1</b> | <b>Welcome – Thiemo Rusch</b> <ul style="list-style-type: none"> <li>Welcome to new team members Justin Findlay and Ted Seibold</li> </ul>  |                          |
| <b>TOPIC 2</b> | <b>Business Update &amp; Outlook – Thiemo Rusch</b> <ul style="list-style-type: none"> <li>Market was surprisingly strong given volatility of stock market and uncertainty of the economy</li> <li>Lexus is facing similar supply chain constraints as Audi</li> <li>Audi is working on multiple initiatives to kick of January strong</li> <li>Supply chain faced some challenges in central region due to rail heads being frozen, however we were able to overcome them to close out the month strong</li> <li>Production has stabilized in Nov/Dec</li> <li>Seeing continued stabilization and hope to see a good mix into Q2</li> <li>CPO has also stabilized into Q4</li> <li>Seeing slightly lower lease returns in 2<sup>nd</sup> half of the year, however we are confident dealers can hit 100k again sourcing cars from other outlets</li> <li>Overall CPO inventory ended up lower than it was in 2021 year end.</li> </ul> |                          |
| <b>TOPIC 3</b> | <b>AFS Updated</b> <ul style="list-style-type: none"> <li>CPO Wrap delayed to February 1<sup>st</sup></li> <li>AFS will keep Dealer Council apprised when it is ready to go</li> </ul>  |                          |
| <b>TOPIC 4</b> | <b>Audi connect Update – Pom Malhotra</b> <ul style="list-style-type: none"> <li>Thank you to Dealer Council and Dealer network for supporting initiative to get enrollments up</li> </ul>  |                          |



| No.            | Content   | Key Takeaways & Feedback   |
|----------------|---|--|
|                | <ul style="list-style-type: none"> <li>• Sept/Oct higher failure rates do to migration of cloud, however his issue has resolved itself now</li> <li>• Key user metric hit KPI which was 76%, thank you to dealers for their support</li> <li>• At least 60% of Motion for Audi connect installations are activated for December</li> <li>• Total activation for the year is 34%, will work on improving that as Audi continues to reach out customers</li> </ul>  |  |
| <b>TOPIC 5</b> | <p><b>Hot Topics</b></p> <ul style="list-style-type: none"> <li>• Status of Alternator Topic: still experiencing 80/wk that are failing. The team has escalated with Germany to discuss it globally. Will keep Dealer Council updated.</li> <li>• There is a higher demand for Q4 in west coast right now with lack of inventory. Audi will look at ways to get units to the right markets through the allocation system. Overall availability of Q4 will not improve for right now</li> <li>• Automotive Mastermind- Dealers are hearing from reps that it is not ready to be activated. Automotive Mastermind should be available before month end. Audi added it in so dealers could see it ahead of time. Fastest it is able to be available is 3<sup>rd</sup> week in January with the vendor</li> <li>• Negative gross on Q5- would love to see an incentive program dig out of the hole. Audi will take a look to see what we can do to support regionally.</li> </ul> | <p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>• It was reported there are some issues with how the parts for the alternator are arriving. Germany has changed the way parts are shipping to improve that process</li> </ul> |
| <b>MISC</b>    | <p><b>Sub-Council &amp; Working Group Updates</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Dealer Council iAudi Page</a> (Meeting Minutes, Meeting Schedule &amp; More)</li> </ul>  |  |