
EQUITY SUBSCRIPTION AGREEMENT

Between

NEW CARCO ACQUISITION LLC

And

THE UNITED STATES DEPARTMENT OF THE TREASURY

DATED AS OF APRIL 30, 2009

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I ISSUANCE AND RELATED MATTERS	1
Section 1.1 Issuance of Membership Interests to the Subscriber	1
Section 1.2 Deliveries by the Company to the Subscriber	1
ARTICLE II REPRESENTATIONS AND WARRANTIES OF THE COMPANY	2
Section 2.1 Master Transaction Agreement	2
Section 2.2 Additional Representations.....	2
ARTICLE III CONDITIONS PRECEDENT	2
Section 3.1 Conditions Precedent to the Obligation of the Subscriber.....	2
ARTICLE IV MISCELLANEOUS PROVISIONS	3
Section 4.1 Notices	3
Section 4.2 GOVERNING LAW	3
Section 4.3 Assignment	4
Section 4.4 Entire Agreement.....	4
Section 4.5 Amendments	4
Section 4.6 Counterparts	4
Section 4.7 Severability; Enforcement	4
Section 4.8 WAIVER OF TRIAL BY JURY	4
Section 4.9 Waiver	4
Section 4.10 Agreements in Writing	4
Section 4.11 Expenses	5
Section 4.12 Binding Effect; No Third-Party Beneficiaries	5

EQUITY SUBSCRIPTION AGREEMENT

EQUITY SUBSCRIPTION AGREEMENT (as amended or otherwise modified from time to time, this “Agreement”) dated as of April 30, 2009, between **NEW CARCO ACQUISITION LLC**, a Delaware limited liability company (together with its successors and permitted assigns, the “Company”), and **THE UNITED STATES DEPARTMENT OF THE TREASURY** (together with its successors and permitted assigns and designees, the “Subscriber”). Capitalized terms used in this Agreement and not otherwise defined shall have the meanings set forth in the Master Transaction Agreement, dated as of April 30, 2009, by and among the Company, Fiat S.p.A., Chrysler LLC and the other Sellers identified therein (the “Master Transaction Agreement”).

RECITALS:

WHEREAS, the Company has been formed under the laws of the State of Delaware and is authorized to issue two classes of Membership Interests, consisting of 800,000 Class A Membership Interests which may be issued in one or more series and 200,000 Class B Membership Interests;

WHEREAS, in connection with the transactions contemplated by the Master Transaction Agreement, the Subscriber wishes to acquire 98,461 Class A Membership Interests of the Company and be admitted as a member of the Company; and

WHEREAS, the Company wishes to consent to the Subscriber undertaking such actions and to admit the Subscriber as a Member of the Company.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants contained herein, the Master Transaction Agreements and in the other Transaction Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I ISSUANCE AND RELATED MATTERS

Section 1.1 Issuance of Membership Interests to the Subscriber. (a) Subject to the terms and conditions of this Agreement, on the Closing Date, the Company shall issue and deliver to the Subscriber (or, at the election of the Subscriber, its designee) and the Subscriber (or, at the election of the Subscriber, its designee) shall acquire, 98,461 Class A Membership Interests. The Membership Interests that the Subscriber (or, at the election of the Subscriber, its designee) will acquire hereunder on the Closing Date are referred to collectively as the “Closing Date Membership Interests”.

(b) On the Closing Date, the Company shall record the Subscriber (or, at the election of the Subscriber, its designee) as the holder of the Closing Date Membership Interests in the books and records of the Company.

Section 1.2 Deliveries by the Company to the Subscriber. On the Closing Date, the Company shall deliver to the Subscriber (or, at the election of the Subscriber, its designee) a written confirmation evidencing the number of Closing Date Membership Interests acquired by the Subscriber pursuant to this Agreement.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Section 2.1 Master Transaction Agreement. The Company hereby represents and warrants to the Subscriber that all representations and warranties set forth in the Master Transaction Agreement are true and correct as of the date hereof or, if such representations are made as of a specified date, as of such date.

Section 2.2 Additional Representations.

(a) This Agreement has been duly authorized, executed and delivered by the Company and constitutes a valid and binding agreement of the Company, enforceable against it in accordance with its terms, subject as to enforcement, to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(b) The execution, delivery and performance by the Company of this Agreement, and the consummation by it of the transactions contemplated thereby, do not and will not conflict with, or result in a breach or violation of or default under, any applicable law or any note, indenture, contract, agreement or instrument to which the Company (or any of its properties) is a party or is otherwise subject.

(c) The Company has not taken any action, nor have any other steps been taken or legal proceedings been started or (to the best of the Company's knowledge and belief) threatened against the Company for its winding-up, dissolution, administration or reorganization or for the appointment of a custodian, receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or of any or all of its assets or revenues.

(d) When issued, the Subscriber will receive all right, title and interest in and to the Closing Date Membership Interests, free and clear of any liens.

(e) The Company is not, and immediately after giving effect to the issuance of the Class A Membership Interests pursuant hereto the Company will not be, an "investment company", or a company "controlled" by a Person required to register as an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

ARTICLE III
CONDITIONS PRECEDENT

Section 3.1 Conditions Precedent to the Obligation of the Subscriber. The Subscriber's obligation to acquire the Closing Date Membership Interests on the Closing Date is subject to the fulfillment on or before the Closing Date of the following conditions, unless waived by the Subscriber:

(a) Each representation and warranty made by the Company contained herein shall be true and correct in all material respects, except to the extent such representations and warranties specifically relate to an earlier date thereto, in which case, such representations and warranties shall be true and correct as of such earlier date.

ARTICLE IV
MISCELLANEOUS PROVISIONS

Section 4.1 Notices. All notices or other communications hereunder shall be deemed to have been duly given and made if in writing and (i) if served by personal delivery upon the party for whom it is intended on the day so delivered, (ii) if delivered by registered post or certified mail, return receipt requested, on the third Business Day following such mailing, (iii) if sent by a national or international courier service, on the second Business Day following such sending, or (iv) if sent by telecopier, on the day telecopied, or if not a Business Day, the next Business Day, provided that the telecopy promptly is confirmed by telephone, in each case to the person at the address set forth below, or at such other address as may be designated in writing hereafter in the same manner by such Person:

To the Company:

New CarCo Acquisition LLC
1000 Chrysler Drive
Auburn Hills, MI 48326
United States of America
Attention: General Counsel

with copy to:

Fiat S.p.A.
Via Nozza n. 250
10125 Torino
Italy
Attention: Chief Executive Officer

To the Subscriber:

The United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220
Attention: Chief Counsel Office of Financial Stability
Facsimile: (202) 927-9225
Email: OFSChiefCounselNotices@do.treas.gov

with a copy to:

Cadwalader, Wickersham & Taft LLP
One World Financial Center
New York, New York 10281
Attention: John J. Rapisardi, Esq.
R. Ronald Hopkinson, Esq.
Facsimile: (212) 504-6666

Section 4.2 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (SUBJECT TO ANY MANDATORY PROVISIONS OF THE LLC

ACT), EXCLUDING (TO THE EXTENT PERMISSIBLE BY LAW) ANY RULE OF LAW THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.

Section 4.3 Assignment. Neither this Agreement nor any of the rights granted herein, nor any of the other interests and obligations created hereunder, shall be assigned or delegated by either of the parties hereto without prior written consent of the other, provided, however, that the Subscriber may, without the consent of the Company, freely effect such assignment or delegation if made to an Affiliate Controlled by the Subscriber.

Section 4.4 Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter contained herein and therein, and supersede and cancel all prior agreements, negotiations, correspondence, undertakings and communications of the parties, oral or written, regarding such subject matter.

Section 4.5 Amendments. This Agreement may be amended only by a written instrument executed by the parties hereto or their respective successors or permitted assigns.

Section 4.6 Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

Section 4.7 Severability; Enforcement. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of Law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement are not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner to the fullest extent possible.

Section 4.8 WAIVER OF TRIAL BY JURY. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF ANY PARTY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT THEREOF.

Section 4.9 Waiver. The failure of any party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of such party thereafter to enforce each and every such provision. No waiver of any breach hereof or non-compliance herewith shall be held to be a waiver of any other or subsequent breach hereof or non-compliance herewith.

Section 4.10 Agreements in Writing. Any agreement between the parties with respect to the subject matter hereof, or any amendment, waiver, discharge or termination, shall be

invalid unless it is in writing and signed by the parties hereto or their respective successors or permitted assigns.

Section 4.11 Expenses. Except as otherwise specified in this Agreement all costs and expenses incurred in connection with this Agreement and the transactions contemplated by this Agreement shall be borne by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

Section 4.12 Binding Effect; No Third-Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors, legal representatives and permitted assigns. Notwithstanding anything in this Agreement to the contrary, the Subscriber shall only be bound by this Agreement in its capacity as a Subscriber and nothing in this Agreement shall be binding on or create any obligation on the part of the Subscriber in any other capacity or on any branch of the United States Government or subdivision thereof. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties hereto, and their respective successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Agreement as of the day and year first above written.

NEW CARCO ACQUISITION LLC

By: Fiat Group Automobiles S.p.A.,
as Sole Member

By: 

Name: Sergio Marchionne
Title: Chief Executive Officer

**THE UNITED STATES DEPARTMENT OF
THE TREASURY**

By: _____

Title: Interim Assistant Secretary of the
Treasury for Financial Stability

**THE UNITED STATES DEPARTMENT OF
THE TREASURY**

By: 

Name: NEEL KASHKARI

Title: Interim Assistant Secretary of the Treasury for
Financial Stability