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SETTLEMENT AGREEMENT III

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Among

CG INVESTMENT GROUP, LLC  
CG INVESTOR, LLC  
CHRYSLER HOLDING LLC  
CARCO INTERMEDIATE HOLDCO I LLC  
CHRYSLER LLC,  
the Chrysler Parties hereto,

DAIMLER AG  
DAIMLER NORTH AMERICA FINANCE CORPORATION  
DAIMLER INVESTMENTS US CORPORATION,  
the Daimler Parties hereto,

and

the PENSION BENEFIT GUARANTY CORPORATION

Dated as of June 5, 2009

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SCHEDULES

- A SINGLE PLAN REQUIRED CONTRIBUTION AMOUNT
- B GUARANTY
- C INFORMATION RIGHTS

EXHIBITS

- A APPROVAL ORDER

This SETTLEMENT AGREEMENT III, dated as of June 5, 2009 (this “Agreement”), by and among DAIMLER NORTH AMERICA FINANCE CORPORATION (formerly known as DaimlerChrysler North America Finance Corporation), a Delaware corporation (“DNAF”), DAIMLER INVESTMENTS US CORPORATION (formerly known as DaimlerChrysler Holding Corporation), a Delaware corporation (“DIUS”, and together with DNAF, the “DC Contributors”), DAIMLER AG (formerly known as DaimlerChrysler AG), a German *Aktiengesellschaft* (“Daimler”, and together with the DC Contributors, the “Daimler Parties”), CG INVESTMENT GROUP, LLC, a Delaware limited liability company (the “Investor”), an affiliate of Cerberus Capital Management, L.P., CG INVESTOR, LLC, a Delaware limited liability company (“CGI”), an affiliate of Cerberus Capital Management, L.P., CHRYSLER HOLDING LLC, a Delaware limited liability company (the “Company”), CARCO INTERMEDIATE HOLDCO I LLC, a Delaware limited liability company (“Intermediate HoldCo”), CHRYSLER LLC, a Delaware limited liability company (“CarCo”, and together with the Investor, CGI, the Company and Intermediate HoldCo, the “Chrysler Parties”), and the PENSION BENEFIT GUARANTY CORPORATION, a United States Government corporation (the “PBGC”).

WHEREAS, the DC Contributors, the Investor and, with respect to Section 5.03 (Confidentiality) and Section 11.10 (Guarantee), Daimler, are parties to the Contribution Agreement, dated as of May 14, 2007 (as amended, supplemented or otherwise modified through the date hereof, the “Contribution Agreement”; capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Contribution Agreement);

WHEREAS, Daimler, the DC Contributors, Daimler Financial Services AG, Daimler Trucks North America LLC, Daimler Automotive de Venezuela C.A., Mercedes-Benz do Brasil Ltda., Mercedes-Benz Egypt S.A.E., Daimler Vehiculos Comerciales Mexico, S. de R.L. de C.V., the Investor, the Company, CarCo, Chrysler International Corporation (“CIC”), Chrysler International Limited LLC, Chrysler Group Egypt Limited and Chrysler de Venezuela LLC are parties to the Settlement Agreement, dated as of March 31, 2009 (the “Settlement Agreement I”);

WHEREAS, the DC Contributors, Daimler Financial Services AG, Daimler North America Corporation, Daimler, MBtech Autodie LLC, MB-Technology GmbH, the Investor, the Company, CarCo, Chrysler Motors LLC, Chrysler Vans LLC, Chrysler Canada Inc. (“CCI”) and CIC are parties to the Settlement Agreement II, dated as of April 17, 2009 (the “Settlement Agreement II”);

WHEREAS, the DC Contributors, Daimler, the Investor, the Company, CarCo, CCI, Chrysler Canada Holding ULC, 3217923 Nova Scotia Company ULC, Alpha Holding LP, Chrysler Mexico Holding, S. de R.I. de C.V., Chrysler de Mexico S.A. de C.V. and Chrysler de Venezuela LLC are parties to the Tax Settlement Agreement, dated as of June 3, 2009 (the “Tax Settlement Agreement”);

WHEREAS, on April 30, 2009, CarCo and twenty-four of its subsidiaries (the “CarCo Debtors”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Bankruptcy Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”), which cases are being jointly administered under Case No. 09-50002 (AJG) (the “CarCo Chapter 11 Cases”);

WHEREAS, the DC Contributors, the Investor, CG Investment Group II, LLC (“CGI II”), the Company, Chrysler Holding Management LLC, FinCo Management LLC and CarCo Management LLC are each party to a Redemption Agreement, dated as of June 3, 2009 (the “Redemption Agreement”), pursuant to which the Company has redeemed (the consummation of such redemption, the “Redemption”) all of the membership interests of the Company held by the DC Contributors;

WHEREAS, subject to the terms and conditions hereof, DNAF and the Investor have agreed to forgive the entire outstanding principal amount, together with all accrued and unpaid interest, fees or other obligations thereon, or related thereto, owed by CarCo and the other Loan Parties (as defined in the Second Lien Term Loan Agreement (as defined below)) to DNAF and the Investor under the Second Lien Term Loan Agreement;

WHEREAS, subject to the terms and conditions hereof, DNAF has agreed to forgive the entire outstanding principal amount, together with all accrued and unpaid interest, fees or other obligations thereon, or related thereto owed by Intermediate HoldCo to DNAF under the Subordinated Note (as defined below);

WHEREAS, subject to the terms and conditions hereof, the Daimler Parties and the Chrysler Parties have resolved certain claims;

WHEREAS, the PBGC is a wholly-owned United States government corporation that administers the pension plan termination insurance program established by Title IV of ERISA;

WHEREAS, the Plan Sponsor maintains and sponsors the Plans, which are covered by the ERISA Title IV pension plan termination insurance program administered by the PBGC;

WHEREAS, the PBGC, Daimler, the Company, CarCo, and CGI are parties to the PBGC Agreement, dated as of May 13, 2007 (the “PBGC Agreement”), that required, inter alia, (a) the making of certain contributions to the Plans, and (b) Daimler and DNAF to provide the PBGC Guaranty (as defined below);

WHEREAS, the PBGC, Daimler and DNAF are parties to the PBGC Guaranty, dated as of August 3, 2007 (the “PBGC Guaranty”), wherein Daimler and DNAF guaranteed payment of certain liabilities which would arise in the event one or more of the Plans is terminated;

WHEREAS, the PBGC is willing to agree to the termination of the PBGC Agreement and the PBGC Guaranty in exchange for the payment by Daimler of the Required Contributions (as defined below) and the giving by Daimler of the Guaranty (as defined below), in each case, in accordance with the terms hereof; and

WHEREAS, contemporaneously with the execution of this Agreement, Daimler and the PBGC have executed the Guaranty attached hereto as Schedule B (the “Guaranty”).

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein, and intending to be legally bound, the parties hereto agree as follows:

SECTION 1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

“363 Process and Transactions” means the sale and auction process contemplated under the order of the Bankruptcy Court entered on May 8, 2009 approving bidding procedures for the sale of substantially all of the CarCo Debtors’ assets.

“Act” has the meaning given such term in Section 5(e).

“Action” means any claim, action, suit, arbitration, inquiry or proceeding by or before any Governmental Authority.

“Affiliate” means an “affiliate” as defined in Section 101(2) of the Bankruptcy Code.

“Agreement” has the meaning given such term in the Preamble.

“Agreement Notice” has the meaning given such term in Section 5(b)(ii).

“Approval Order” means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, in the form attached as Exhibit A hereto or as otherwise reasonably satisfactory to the parties hereto, authorizing CarCo to enter into and perform under this Agreement; provided that, if a party hereto has not raised an objection with CarCo as to the form and substance of the Approval Order prior to its entry, such Approval Order shall be deemed to be satisfactory to such party.

“Avoidance and Other Actions” means any and all avoidance, recovery, subordination or other actions or remedies that may be brought by a debtor-in-possession or a trustee under the Bankruptcy Code or applicable non-bankruptcy law (or by any similar representative in a similar proceeding under applicable non-bankruptcy law), including, without limitation, all such Section 101 Claims, actions or remedies arising under Sections 510 and 542-553 of the Bankruptcy Code.

“Bankruptcy Code” has the meaning given such term in the Recitals.

“Bankruptcy Court” has the meaning given such term in the Recitals.

“CarCo” has the meaning given such term in the Preamble.

“CarCo Chapter 11 Cases” has the meaning given such term in the Recitals.

“CarCo Debtors” has the meaning given such term in the Recitals.

“CCI” has the meaning given such term in the Recitals.

“CGI” has the meaning given such term in the Preamble.

“CGI II” has the meaning given such term in the Recitals.

“CGI Side Letter” means the Letter Agreement between the PBGC and CGI dated August 3, 2007 relating to the PBGC Agreement.

“Challenge Period” has the meaning given such term in Section 6(b).

“Chrysler Parties” has the meaning given such term in the Preamble.

“Chrysler Party Material Adverse Effect” has the meaning given such term in Section 3(c).

“CIC” has the meaning given such term in the Recitals.

“Committee” has the meaning given such term in Section 6(b).

“Committee Complaint” has the meaning given such term in Section 6(b).

“Committee Demand” has the meaning given such term in Section 6(b).

“Company” has the meaning given such term in the Preamble.

“Contribution Agreement” has the meaning given such term in the Recitals.

“Daimler” has the meaning given such term in the Preamble.

“Daimler Group” means Daimler and each of its Subsidiaries, other than the Company and its Subsidiaries.

“Daimler Note(s)” has the meaning given such term in Section 5(c)(i).

“Daimler Parties” has the meaning given such term in the Preamble.

“Daimler Party Material Adverse Effect” has the meaning given such term in Section 2(c).

“Daimler Released Parties” has the meaning given such term in Section 6(b).

“Daimler Side Letter” means the Letter Agreement between Daimler and CarCo dated August 2, 2007 relating to the PBGC Agreement.

“DC Contributors” has the meaning given such term in the Preamble.

“Debtor Complaint” has the meaning given such term in Section 6(b).

“Distress Termination” means a distress termination of one or more of the Plans pursuant to Section 4041 of ERISA.

“DIUS” has the meaning given such term in the Preamble.

“DNAF” has the meaning given such term in the Preamble.

“Encumbrance” means any mortgages, deeds of trust, deeds to secure debt, pledges, liens (including liens imposed by Law, such as, but not limited to, mechanics liens), claims, security or other interests (including any reversionary interests), conditional and installment sale agreements or other title retention agreements, options to purchase or lease real property, charges, easements and other conditions, covenants, zoning and any other restrictions, encumbrances or other matters affecting title of any kind.

“Entity” means an “entity” as defined in Section 101(15) of the Bankruptcy Code.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, together with the regulations thereunder.

“Estate(s)” means the estate(s) of the CarCo Debtors as set forth in Section 541 of the Bankruptcy Code.

“Final Order” means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, which has not been reversed, stayed, modified or amended, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought.

“FinCo” means Chrysler Financial Services Americas LLC.

“FinCo Holdco” means FinCo Intermediate Holdco LLC.

“Fundamental Documents” shall mean the documents by which any Person (other than an individual) establishes its legal existence or which govern its internal affairs. For example, the “Fundamental Documents” of a limited liability company would be its certificate or articles of formation and limited liability company agreement or operating agreement and the “Fundamental Documents” of a corporation would be its certificate or articles of incorporation and its bylaws.

“Governmental Authority” means any federal, national, international, supranational, state, provincial, local or other government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body (including private arbitrators or arbitral panels to the extent empowered to issue binding decisions).

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“Guaranty” has the meaning given such term in the Recitals.

“Individuals” means with respect to any Person, such Person’s present and former members, partners, equity-holders, co-investors, officers, directors, employees, representatives, advisors, attorneys, agents and professionals, in each case acting in such capacity and not in any other capacity.

“Intermediate HoldCo” has the meaning given such term in the Preamble.

“Investor” has the meaning given such term in the Preamble.

“Involuntary Termination” means a PBGC-initiated termination of one or more of the Plans pursuant to Section 4042 of ERISA.

“Law(s)” means any federal, national, international, supranational, state, provincial, local or similar (including foreign) statute, law, ordinance, regulation, rule, code, order, requirement or rule of law (including common law).

“LLC Agreement” means the Amended and Restated Limited Liability Company Operating Agreement of the Company, dated as of August 3, 2007, as amended from time to time, among the DC Contributors, the Investor, CGI II, Chrysler Holding Management LLC, FinCo Management LLC and CarCo Management LLC.

“Loan Release Condition” has the meaning given such term in Section 6(b).

“Master AutoFinance Agreement” means the Master AutoFinance Agreement, dated as of August 3, 2007, between Chrysler LLC and DaimlerChrysler Financial Services Americas LLC, as amended.

“Master Transaction Agreement” means the Master Transaction Agreement, dated as of April 30, 2009, among Fiat S.p.A., NewCar Acquisition LLC, Chrysler LLC and the other Sellers identified therein, as amended by Amendment No. 1, and as it may be further amended from time to time; provided, however, that any such further amendment will not be given effect for purposes of Section 6(c) to the extent that the amendment has the effect of transferring to Purchaser (as defined in the Master Transaction Agreement), any Section 101 Claim that would otherwise be released under Section 6(b) other than those incidental to the bona fide sale of a Purchased Asset (as defined in the Master Transaction Agreement) to which such Section 101 Claim relates. For the avoidance of doubt, the inclusion or exclusion of Assumed Contracts (as defined in the Master Transaction Agreement) or other Purchased Assets after the MTA Closing date in accordance with the terms of the Master Transaction Agreement shall not constitute an amendment to the Master Transaction Agreement so long as no such subsequently included or excluded Assumed Contract or Purchased Asset is an “Excluded Asset” as defined in the Master Transaction Agreement, as amended by Amendment No. 1.

“MTA Closing” has the meaning given such term in Section 5(b)(i).

“Non-Closing” has the meaning given such term in Section 5(b)(ii).

“Notifying Party” has the meaning given such term in Section 11(c).

“PBGC” has the meaning given such term in the Preamble.

“PBGC Agreement” has the meaning given such term in the Recitals.



“PBGC Confidentiality Agreement” has the meaning given such term in Section 11(b).

“PBGC Guaranty” has the meaning given such term in the Recitals.

“Person(s)” means any natural person, corporation, general or limited partnership, limited liability company, firm, trust, association, government, Governmental Authority or other Entity, whether acting in an individual, fiduciary or other capacity.

“Plan Sponsor” means CarCo or any entity that assumes the liabilities under any of the Plans and becomes the sponsor of any of the Plans.

“Plan Sponsor Bank Account” means the bank account of a Plan Sponsor as specified in a notice given by a Plan Sponsor to Daimler in accordance with Section 14 no later than two Business Days prior to the date Daimler is required to pay any installment of the Required Contributions to such Plan Sponsor in accordance with Section 5.

“Plans” means the following: (i) the Chrysler LLC Pension Plan, (ii) Pension Agreement between Chrysler LLC and UAW Automobile, Aerospace and Agricultural Implement Workers of America, (iii) Pension Agreement between Chrysler LLC and the International Union of Electronic, Electrical, Technical, Salaried, Machine and Furniture Workers, (iv) Pension Agreement between Chrysler LLC and SPFPA Pension Agreement (formerly known as UPGWA), (v) American Motors Corp. Retirement Income Plan, (vi) Jeep Corp. UAW Retirement Income Plan, (vii) GEMA UAW Pension Plan, (viii) Chrysler LLC Executive Salaried Employees’ Retirement Plan, (ix) Chrysler LLC Salaried Employees’ Retirement Plan, and (x) Chrysler LLC Subsidiaries’ Pension Plan; in each case as such Plan may be subsequently amended or modified.

“Plans Bank Account” means the following account (or such other trust account of the Plans as may be specified in a notice given by the Plan Sponsor to Daimler in accordance with Section 14, no later than two Business Days prior to the due date for any payment Daimler is required to make to such trust account):

|                 |   |
|-----------------|---|
| Bank Name:      | State Street Bank and Trust Company<br>Boston, MA 02105 |
| Beneficiary:    | Chrysler LLC MRT Fund #2XBD                             |
| Account Number: | 17220401  |
| ABA:            | 011-000-028   |
| Reference:      | Master Trust Division<br>Attn: Tom Donovan              |

“Prior Settlement Agreements” means (i) the Settlement Agreement I, (ii) the Settlement Agreement II, and (iii) the Tax Settlement Agreement.

“Redemption” has the meaning given such term in the Recitals.

“Redemption Agreement” has the meaning given such term in the Recitals.

“Registration Rights Agreement” means the Registration Rights Agreement, dated as of August 3, 2007, as amended from time to time, among the Company, the DC Contributors and the Investor.

“Released Claims” means the claims released pursuant to Sections 6(a) and 6(b).

“Required Contributions” means the amount of \$600,000,000 (Six Hundred Million U.S. Dollars) payable, pursuant to this Agreement, for the sole benefit of the Plans.

“Risk Sharing Agreement” means the Term Sheet for Proposed Chrysler Financial Risk Sharing with Chrysler LLC for Terminated Dealers among CarCo, FinCo and New CarCo Acquisition LLC, agreed and accepted May 6, 2009.

“Scheduled Payment Dates” has the meaning given such term in Section 5(b)(i).

“Second Lien Term Loan Agreement” means the Second Lien Term Loan Agreement, dated as of August 3, 2007, as amended from time to time, among CarCo Intermediate Holdco II LLC, CarCo, JPMorgan Chase Bank, N.A., as administrative agent (the “Administrative Agent”), Goldman Sachs Credit Partners, L.P. and Citibank, N.A., as syndication agents, and the other parties thereto, and the Lender Addendum thereto, dated as of August 3, 2007, as amended from time to time, among DNAF, CarCo and the Administrative Agent, and the Lender Addendum thereto, dated as of August 3, 2007, as amended from time to time, among the Investor (as assignee of Madeleine L.L.C.), CarCo and the Administrative Agent and each other Loan Document (as defined therein) executed in connection therewith by any Loan Party (as defined therein).

“Section 101 Claim” means a “claim” as defined in Section 101(5) of the Bankruptcy Code.

“Settlement Agreement I” has the meaning given such term in the Recitals.

“Settlement Agreement II” has the meaning given such term in the Recitals.

“Single Plan Required Contribution Amount” means, with respect to a Plan, the portion of the Required Contributions allocated to such Plan in accordance with Schedule A.

“Subordinated Note” means the \$400,000,000 (Four Hundred Million U.S. Dollars) CarCo Intermediate Holdco I LLC Promissory Note, dated August 3, 2007, as amended from time to time, issued by Intermediate Holdco to DNAF.

“Tax Settlement Agreement” has the meaning given such term in the Recitals.

“Umbrella Agreement” means the Agreement (Residual Cash Flow Sharing), dated as of August 3, 2007, as amended from time to time, among FinCo, the DC Contributors and the Investor.

**SECTION 2. Representations and Warranties of the Daimler Parties.** The Daimler Parties hereby represent and warrant, jointly and severally, as of the date hereof, to the Chrysler Parties and the PBGC as follows:

(a) Each of the Daimler Parties is an entity duly organized and validly existing under the Laws of its jurisdiction of organization. Each of the Daimler Parties has all necessary corporate power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby.

(b) The execution and delivery by each of the Daimler Parties of this Agreement, the performance by such Daimler Party of its obligations hereunder and the consummation by such Daimler Party of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of such Daimler Party. This Agreement has been duly executed and delivered by each of the Daimler Parties and (assuming due authorization, execution and delivery by each of the Chrysler Parties) constitutes a legal, valid and binding obligation of such Daimler Party, enforceable against such Daimler Party in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency (including all Laws relating to fraudulent transfers), reorganization, moratorium or similar Laws affecting creditors' rights generally and subject to the effect of general principles of equity (regardless of whether considered in a proceeding at law or in equity).

(c) Except as may result from any facts or circumstances relating solely to the Chrysler Parties or their Subsidiaries, the execution, delivery and performance by each of the Daimler Parties of this Agreement, does not and will not (i) violate, conflict with or result in the breach of any provision of the Fundamental Documents of such Daimler Party, (ii) conflict with or violate any Law or Governmental Order applicable to such Daimler Party, or (iii) conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, require any consent under, or give to others any rights of termination, amendment, payment, acceleration or cancellation of, any note, bond, mortgage or indenture, contract, agreement, lease, sublease, license, permit, franchise or other instrument or arrangement to which such Daimler Party is a party, or (iv) result in the creation of any Encumbrance upon the assets of such Daimler Party, except, in the case of clauses (ii), (iii) and (iv), as would not have, individually or in the aggregate, a material adverse effect on the ability of such Daimler Party to consummate any of the transactions contemplated by this Agreement or perform its obligations hereunder (a "Daimler Party Material Adverse Effect").

(d) The execution, delivery and performance of this Agreement by each of the Daimler Parties does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to any Governmental Authority or third party, except where such failure to obtain such consent, approval, authorization, order or action, or to make such filing or notification, would not have, individually or in the aggregate, a Daimler Party Material Adverse Effect.

(e) There are no Actions pending or, to the Daimler Parties' knowledge, threatened in writing, that would materially affect the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby.

(f) No Daimler Party, nor any of their respective Affiliates, has assigned, conveyed or otherwise transferred any right, title or interest in or to, or arising out of or in connection with, any of the Released Claims to any Person.

(g) No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of any Daimler Party.

(h) DNAF has not assigned, conveyed or otherwise transferred any right, title or interest in or to, or arising out of or in connection with, any of the obligations owed to it pursuant to the terms of the Second Lien Term Loan Agreement or the Subordinated Note, and is the lender of record with respect to such obligations.

**SECTION 3. Representations and Warranties of the Chrysler Parties.** Each of the Investor, CGI, Intermediate HoldCo, the Company and CarCo hereby represents and warrants solely as to itself, severally and not jointly, as of the date hereof, to the Daimler Parties and the PBGC as follows:

(a) Such Chrysler Party is an entity duly organized, validly existing and in good standing (with respect to jurisdictions that recognize the concept of good standing) under the Laws of its jurisdiction of organization. Such Chrysler Party has all necessary limited liability company power and authority to enter into this Agreement to carry out its obligations hereunder and to consummate the transactions contemplated hereby; provided that, with respect to CarCo, such power and authority is subject to approval by the Bankruptcy Court pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure.

(b) The execution and delivery by such Chrysler Party of this Agreement, the performance by such Chrysler Party of its obligations hereunder and the consummation by such Chrysler Party of the transactions contemplated hereby have been duly authorized by all requisite limited liability company action on the part of such Chrysler Party. This Agreement has been duly executed and delivered by such Chrysler Party and (assuming due authorization, execution and delivery by each of the Daimler Parties), subject to approval of the Bankruptcy Court with respect to CarCo in the CarCo Chapter 11 Cases, constitutes a legal, valid and binding obligation of such Chrysler Party, enforceable against such Chrysler Party in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency (including all Laws relating to fraudulent transfers), reorganization, moratorium or similar Laws affecting creditors' rights generally and subject to the effect of general principles of equity (regardless of whether considered in a proceeding at law or in equity).

(c) Assuming that all approvals and consents described in Section 3(d) have been obtained, and except as may result from any facts or circumstances relating solely to the Daimler Parties or their Subsidiaries, the execution, delivery and performance by such Chrysler Party of this Agreement, does not and will not (i) violate, conflict with or result in the breach of any provision of the Fundamental Documents of such Chrysler Party, (ii) conflict with or violate any Law or Governmental Order applicable to such Chrysler Party, or (iii) conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, require any consent under, or give to others any rights of termination, amendment, payment, acceleration or cancellation of, any note, bond, mortgage or indenture, contract, agreement, lease, sublease, license, permit, franchise or other instrument or arrangement to which such Chrysler Party is a party, or (iv) result in the creation of any Encumbrance upon the assets of such Chrysler Party, except, in the case of clauses (ii), (iii) and

(iv), as would not have, individually or in the aggregate, a material adverse effect on the ability of such Chrysler Party to consummate any of the transactions contemplated by this Agreement or perform its obligations hereunder (a “Chrysler Party Material Adverse Effect”).

(d) Other than (i) approval by the Bankruptcy Court with respect to CarCo in the CarCo Chapter 11 Cases, and (ii) the approval of the U.S. Treasury Department, the execution, delivery and performance of this Agreement by such Chrysler Party does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to any Governmental Authority or third party, except where such failure to obtain such consent, approval, authorization, order or action, or to make such filing or notification, would not have, individually or in the aggregate, a Chrysler Party Material Adverse Effect.

(e) Other than objections, if any, to the motion seeking an Approval Order that are filed with the Bankruptcy Court, there are no Actions pending or, to such Chrysler Party’s knowledge, threatened in writing, that would materially affect the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby.

(f) No Chrysler Party, nor any of their respective Affiliates, has assigned, conveyed or otherwise transferred any right, title or interest in or to, or arising out of or in connection with, any of the Released Claims to any Person; except to the extent any Released Claims became property of a CarCo Debtor’s Estate upon commencement of that CarCo Debtor’s chapter 11 case.

(g) No broker, finder or investment banker is entitled to any brokerage, finder’s or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of such Chrysler Party.

(h) Each Plan is intended to be qualified under Section 401(a) of the Code and has received a favorable determination letter from the Internal Revenue Service providing that such Plan is so qualified and each trust established in connection with such Plan is exempt from federal income taxation under Section 501(a) of the Code.

(i) The Investor has not assigned, conveyed or otherwise transferred any right, title or interest in or to, or arising out of or in connection with, any of the obligations owed to it pursuant to the terms of the Second Lien Term Loan Agreement, and is the lender of record with respect to such obligations.

**SECTION 4. Representations and Warranties of the PBGC.** The PBGC represents and warrants, as of the date hereof, to the Daimler Parties and the Chrysler Parties as follows:

(a) The PBGC is a wholly-owned United States government corporation established under Title IV of ERISA. The PBGC has full power and authority to enter into and perform its obligations under this Agreement and to carry out and consummate the transactions contemplated by this Agreement.

(b) The PBGC’s execution and delivery of this Agreement, the PBGC’s performance of its obligations under this Agreement, the PBGC’s consummation of the

transactions contemplated by this Agreement and the PBGC's compliance with the terms and provisions of this Agreement: (i) do not violate in any material respect any Law applicable to the PBGC or any of its properties; and (ii) do not violate any provision of Title IV of ERISA or the PBGC's By-Laws, other applicable statutes, regulations and rules governing the PBGC, or any material contract or agreement which is binding on the PBGC or its properties.

(c) This Agreement has been duly executed by authorized officers or other representatives of the PBGC. This Agreement constitutes a legal, valid and binding contract and agreement of the PBGC.

#### SECTION 5. Agreements Related to the Plans.

(a) Termination of PBGC Agreement, PBGC Guaranty and CGI Side Letter. The PBGC Agreement, the PBGC Guaranty and the CGI Side Letter are hereby terminated in their entirety and shall be void and of no further force or effect.

(b) Daimler Contributions. (i) Daimler shall pay the Required Contributions in three equal installments. Subject to the provisions of Section 5(b)(ii) below, on the earlier to occur of Two Business Days following (A) the closing of the transactions contemplated by the Master Transaction Agreement (the "MTA Closing") and (B) June 15, 2009, Daimler shall pay \$200,000,000 (Two Hundred Million U.S. Dollars) of the Required Contributions, allocated in accordance with Schedule A, by wire or intra-bank transfer of immediately available funds to the Plan Sponsor(s) Bank Account(s). Immediately upon receipt of such amount, the Plan Sponsor(s) shall pay such \$200,000,000 (Two Hundred Million U.S. Dollars) by wire or intra-bank transfer of immediately available funds to the Plans Bank Account and instruct the trustee of the Plans to allocate such amount among the Plans in accordance with Schedule A. Subject to the provisions of Section 5(b)(ii) below, the remaining \$400,000,000 (Four Hundred Million U.S. Dollars) of the Required Contributions shall be paid to the Plan Sponsor(s) Bank Account(s) in two equal annual installments on each of the first and second anniversaries of the date of this Agreement (the "Scheduled Payment Dates"), allocated in accordance with Schedule A. Immediately upon receipt of such Required Contributions by the Plan Sponsor(s), the Plan Sponsor(s) shall pay the full amount of the Required Contributions received to the Plans Bank Account and instruct the trustee of the Plans to allocate such amount among the Plans in accordance with Schedule A. Within five Business Days after the receipt by the Plan Sponsor(s) of any portion of the Required Contributions, the Plan Sponsor(s) shall provide the PBGC with written evidence of payment of such amount to the Plans Bank Account and written evidence of its instructions to the trustee of the Plans to allocate such amounts in accordance with Schedule A.

(ii) In the event that the MTA Closing has not occurred at least two Business Days prior to the time that a payment is required to be made by Daimler under Section 5(b)(i) above (a "Non-Closing"), and the PBGC and the Plan Sponsor(s) have reasonably agreed that such payment can be structured so that, if made to the Plan Sponsor(s) and then to the Plans, it would not be subject to claims by or on behalf of the Plan Sponsor(s)' creditors or otherwise subject to any disgorgement or repayment obligation by the Plans, then the PBGC and the Plan Sponsor(s) shall jointly notify Daimler of such agreement in accordance with Section 14 (an "Agreement Notice") and Daimler shall pay the applicable installment of the Required Contributions to the Plan Sponsor(s) Bank Account(s), on the later of the date on which such payment is due to be made

under Section 5(b)(i) above and two Business Days after it receives an Agreement Notice. In the event of a Non-Closing following which Daimler does not receive an Agreement Notice prior to 5:00 p.m. EST on the tenth Business Day following the date that a payment was otherwise due to be made by Daimler under Section 5(b)(i), Daimler shall pay the applicable installment of the Required Contributions directly to the trustee of the Plans, by wire or intra-bank transfer of immediately available funds to the Plans Bank Account, rather than to the Plan Sponsor(s), on the twelfth Business Day following the date such payment would otherwise have been made by Daimler under Section 5(b)(i) and instruct the trustee of the Plans to allocate such payment among the Plans in accordance with Schedule A.

(iii) Daimler's payment of the Required Contributions to the Plan Sponsor(s) or the trustee of the Plans in accordance with this Section 5 shall fully discharge Daimler's obligation to make the Required Contributions. If a Plan is terminated in an Involuntary Termination or a Distress Termination prior to any Scheduled Payment Date, Daimler shall make the Single Plan Required Contribution Amount applicable to such Plan on the Scheduled Payment Date(s) directly to the statutory trustee appointed for such Plan pursuant to Section 4042 of ERISA.

(c) Cooperation with Respect to Potential Restructuring. (i) Daimler, the PBGC and the Plan Sponsor(s) shall reasonably cooperate to restructure the \$400,000,000 (Four Hundred Million U.S. Dollars) of Required Contributions payable on the Scheduled Payment Dates (A) in a manner that would achieve the parties' express intention that the Required Contributions are exclusively for the benefit of the Plans and are not subject to the claims by or on behalf of the creditors of the Plan Sponsor(s) or otherwise subject to any disgorgement or repayment obligation by the Plan, (B) in a manner that would result in the Required Contributions being deemed to have been contributed to the Plans prior to the Scheduled Payment Dates and (C) so that the Plan Sponsor(s) may, to the extent permitted by applicable Law, apply the Required Contributions to the Plan Sponsor's minimum funding requirements applicable to the Plans; provided, however, that no such restructuring shall affect the rights or obligations of any of the parties to this Agreement. The parties intend, subject to any necessary government approvals and entering into reasonably acceptable definitive agreements, to restructure the \$400,000,000 (Four Hundred Million U.S. Dollars) of Required Contributions to be made on the Scheduled Payment Dates as follows: (Y) Daimler will execute and deliver a note(s) to the Plan Sponsor(s) evidencing Daimler's obligation to make the Required Contributions on the applicable Scheduled Payment Dates (the "Daimler Note(s)") to the Plan Sponsor(s) and (Z) the Plan Sponsor(s) will immediately contribute the Daimler Note(s) to the Plans, in accordance with the Single Plan Required Contribution Amounts set forth on Schedule A. To the extent that Daimler pays the Plans Bank Account in connection with the Daimler Notes(s), the Plan Sponsor shall provide the PBGC with written evidence of the amount of payment within five Business Days after such payment is made.

(ii) The Plan Sponsor(s) acknowledge and agree that the Required Contributions or the Daimler Notes evidencing such Required Contributions are being received by the Plan Sponsor(s) exclusively for the benefit of the Plans. Daimler shall have no obligation to restructure any portion of the Required Contributions if such restructuring would result in Daimler or any of its Affiliates being subject to liability for engaging in a non-exempt prohibited transaction under ERISA. For the avoidance of doubt, any such restructuring shall not affect the amount of the Single Plan Required Contribution Amount for any Plan or the applicable Scheduled Payment Dates. The Plan Sponsor(s) (and not Daimler) shall be solely responsible for any

consequences to the Plans or the Plan Sponsor(s) in connection with a Plan Sponsor's reporting, tax or other position related to the time at which the Required Contributions are treated as having been contributed to the Plans or the extent to which any Required Contribution may be used to satisfy the Plan's minimum required contributions. The Plan Sponsor(s) shall be solely responsible for all costs associated with obtaining any rulings or other applicable guidance or relief from any applicable regulatory authority in connection with any such restructuring. The Plan Sponsor(s) shall not require Daimler to incur any third-party costs associated with the obligation to cooperate pursuant to this Section 5(c). In no event shall Daimler's cooperation with the Plan Sponsor(s) under this Section 5(c) be construed as Daimler's endorsing the merits of any position taken by the Plan Sponsor(s) with respect to any restructuring.

(d) Daimler Guaranty. Contemporaneously with the execution of this Agreement, Daimler and the PBGC shall execute, and Daimler shall deliver to the PBGC, the Guaranty in the form attached hereto as Schedule B.

(e) Waiver of Immunity. Daimler represents, warrants and agrees that it is and will be subject to civil and commercial Law with respect to all of its obligations to the PBGC and the Plans under this Agreement, that the execution, delivery and performance of this Agreement constitutes and will constitute private and commercial acts, rather than governmental or public acts, and that neither Daimler nor any of its respective properties or revenues has or will have any right of immunity from suit, court jurisdiction, attachment prior to judgment, attachment in aid of execution of a judgment, set-off, execution of judgment or any other legal process with respect to its obligations under this Agreement to the PBGC or to the Plans. To the extent that Daimler is or may hereafter be entitled, in any jurisdiction in which judicial proceedings may at any time be commenced with respect to this Agreement, to claim for itself or its revenues or assets any such immunity, and to the extent that in any such jurisdiction there may be attributed to Daimler such immunity (whether or not claimed), Daimler hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity with respect to its obligations under this Agreement to the PBGC and the Plans. The foregoing waiver of immunity shall have effect, to the fullest extent, under the United States Foreign Sovereign Immunities Act of 1976 (the "Act"), or any successor thereto or any similar Law or statute. The foregoing waivers and agreements are intended to be irrevocable and not subject to withdrawal for purposes of such Act or any such successor or similar Law or statute.

(f) Consent to Jurisdiction. Notwithstanding anything in this Agreement to the contrary and solely with respect to this Section 5, Daimler hereby irrevocably and unconditionally: (i) consents that any action, suit or proceeding arising out of this Agreement shall be brought in the United States District Court for the Southern District of New York; (ii) expressly submits for itself and its property to personal jurisdiction within the United States of America and expressly waives all objections on the grounds of personal jurisdiction or venue; (iii) agrees to service of process in any legal proceeding to enforce this Agreement in person, by an internationally recognized overnight courier service, or by certified mail, return receipt requested, postage prepaid, to Daimler, at its address for notice pursuant to Section 14 of this Agreement (with a copy as specified in that section); and (iv) agrees that final judgment against it in any action or proceeding arising out of, relating to, or for the enforcement of, this Agreement shall be conclusive and may be enforced or recognition thereof may be sought in any other jurisdiction within or outside the



United States of America by summary proceedings in a suit on the judgment, a copy of which shall be conclusive evidence of the fact and of the amount of Daimler's obligation.

SECTION 6. Settlement; Forbearance; Release; Expenses; Termination of Daimler Side Letter.

(a) Daimler, the DC Contributors, the Company, CarCo (on behalf of itself and all of its subsidiaries), the Investor and CGI hereby release all current and future claims (other than claims that are covered by Section 7) that they may have against each other and against each other's respective Affiliates (which includes, for purposes of this Section 6(a), Individuals) under the Contribution Agreement and all other agreements executed in connection with the Contribution Agreement and the LLC Agreement, including all claims raised by the Investor claim letter, dated October 30, 2008.

(b) In addition to the release in Section 6(a), (i) CarCo, on behalf of itself and all of its subsidiaries, hereby releases each of Daimler, the DC Contributors, the Company, the Investor and CGI and each of their respective Affiliates (which, for purposes of this Section 6(b), includes Individuals but does not include CarCo, its subsidiaries or their Individuals) from any and all Section 101 Claims, including Avoidance and Other Actions, and (ii) each of Daimler, the DC Contributors, the Company, the Investor, Intermediate Holdco, CarCo Intermediate Holdco II, LLC and CGI hereby release CarCo, its subsidiaries and their Affiliates (which includes, for purposes of this Section 6(b), Individuals) from any and all Section 101 Claims (other than claims that are covered by Section 7), including Avoidance and Other Actions arising in connection with CarCo, its subsidiaries and their businesses; provided, that none of the releases in this paragraph shall be effective with respect to any Section 101 Claims (other than Avoidance and Other Actions) that are (or but for this Agreement would be) transferred to NewCar Acquisition LLC with the approval of an Order of the Bankruptcy Court in the CarCo Chapter 11 Cases. Notwithstanding the foregoing, any other provision in this Agreement, the Approval Order or any other agreement between the Daimler Parties and CarCo, no release of the Daimler Parties and their Affiliates (each, a "Daimler Released Party") by the CarCo Debtors (other than the releases set forth in Section 6(a)) shall become effective against any Daimler Released Party until the later of (A) forty-five (45) calendar days after the entry of the Approval Order (such 45-day period, the "Challenge Period") if the Official Committee of Unsecured Creditors of Chrysler LLC, et al. (the "Committee") has not during such Challenge Period delivered to counsel to CarCo (with a copy to Daimler) a written demand (the "Committee Demand") for CarCo to bring a claim against such Daimler Released Party as set forth in a proposed complaint (the "Committee Complaint") attached to such Committee Demand, and (B) no more than twenty-five (25) calendar days after the delivery of the Committee Demand (provided that in no event shall such date be later than 60 calendar days after the entry of the Approval Order) if the Committee, after first obtaining leave of the Bankruptcy Court to commence such derivative litigation, has not filed the Committee Complaint, or CarCo has not filed a complaint (the "Debtor Complaint") asserting some or all of the same claims against such Daimler Released Party as set forth in the Committee Complaint, in the Bankruptcy Court (the condition set forth in either subsection (A) or (B), the "Loan Release Condition"); provided, however, that the limitation on releases set forth in this Section 6(b) shall apply only with respect to claims set forth in the Committee Complaint or Debtor Complaint filed within the time period set forth in the foregoing subsection (B), and that the release of all other claims by CarCo against the Daimler Released Parties pursuant to this Section 6(b) shall become effective and binding upon

the parties to this Agreement upon the filing of a Committee Complaint or Debtor Complaint that does not assert such claims; and provided further that the limitation on releases set forth in this Section 6(b) shall not apply to any claim released in Section 6(a).

(c) Notwithstanding the foregoing or any other provision of this Agreement, (i) the releases set forth in Sections 6(a) and 6(b) shall not apply to ongoing operational agreements (including all obligations relating to post-December 31, 2008 trade receivables/payables between Daimler and CarCo, the Risk Sharing Agreement or the Master AutoFinance Agreement), credit support arrangements, the Prior Settlement Agreements, the Redemption Agreement and the agreements executed in connection with the Redemption Agreement, and (ii) other than as specified in Section 6(a), and other than for Avoidance and Other Actions or claims against natural persons for breach of fiduciary duty, or against any Person for aiding and abetting such a breach of fiduciary duty, there shall be no discharge or release of any Person with respect to, and no provision in this Agreement shall modify in any manner, any claims, including Section 101 Claims, (A) of any non-debtor subsidiary of a CarCo Debtor acquired pursuant to the Master Transaction Agreement, or (B) that relates to an Assumed Contract (as defined in the Master Transaction Agreement) and is not an Excluded Asset (as defined in the Master Transaction Agreement) or that is, or that but for this Agreement would have been, a Purchased Asset (as defined in the Master Transaction Agreement), in each case subject to the occurrence of the MTA Closing.

(d) Without limitation of the foregoing, effective as of the date of the Redemption, except as otherwise specified in this Agreement and the Redemption Agreement, each of the Daimler Parties, on behalf of itself and its Subsidiaries, officers, directors, employees, agents, successors and assigns, hereby (i) irrevocably relinquishes and waives any and all of its interests and rights (whether related to governance (including the right to appoint any members of the Board of Managers (or equivalent governing body) of the Company or any of its Affiliates), information, economic, contractual or other rights) with respect to the Company and its Affiliates that such Daimler Party or any of its Subsidiaries, officers, directors, employees, agents, successors or assigns had or has, prior to, on or after the date of the Redemption, under the LLC Agreement or under the limited liability company agreement or other organizational documents of any of the Company's Affiliates or as a holder of DC Contributor Interests (as defined in the Redemption Agreement), as applicable, and (ii) agrees to cause its appointees to the Board of Managers (or equivalent governing body) of the Company or any of its Affiliates to resign from such positions.

(e) In recognition of the material and valuable consideration being provided by the released parties in Sections 6(a) and (b) to, and for the continuing benefit of, the Estates and all parties in interest in the CarCo Chapter 11 Cases, the CarCo Debtors agree to use their commercially reasonable efforts to include global releases and related protections beyond the scope of those given in Sections 6(a) and (b) for the benefit of such released persons to the full extent any other Person is granted or receives therein (or in connection therewith) releases and related protections that could reasonably be construed to be more expansive in scope and ambit than the releases and related protections being granted to and received by the released parties in Sections 6(a) and (b) herein and the Approval Order.

(f) The PBGC acknowledges, based on the limited information it has been provided, as of the date of this Agreement, that it has no reason to assert liability on the part of

Daimler or any of its Subsidiaries, CGI or any of its Affiliates, or the Company or any of its Subsidiaries under Section 4069 of ERISA, solely as a result of the consummation of the transactions contemplated by the Contribution Agreement.

(g) As of the date hereof, the PBGC waives any rights it may have now or in the future to cause Daimler or DNAF to make any payment, or otherwise assert any rights against Daimler or DNAF, under the PBGC Agreement and the PBGC Guaranty.

(h) Except as otherwise specified in this Agreement, the Prior Settlement Agreements, the LLC Agreement or the Contribution Agreement, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants 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 any of the transactions contemplated by this Agreement shall have occurred.

(i) CarCo shall cause each of its controlled Affiliates to comply with the terms of Sections 6(a) and 6(b) and not bring any claims released under Section 6(a) or any Section 101 Claims, including Avoidance and Other Actions, released under Section 6(b) against any of Daimler, the DC Contributors, the Company, the Investor or CGI or any of their respective Affiliates (which includes, for purposes of this Section 6(i), Individuals).

(j) The Chrysler Parties (other than CarCo) shall cause FinCo and its Subsidiaries not to bring any claims for alleged breaches under the Contribution Agreement against the Daimler Parties.

(k) The Daimler Parties shall cause their respective controlled Affiliates not to bring any claims for alleged breaches under the Contribution Agreement against the Chrysler Parties.

(l) The Daimler Side Letter is hereby terminated in its entirety and shall be void and of no further force or effect.

(m) Neither CarCo nor any of its Subsidiaries shall assign, convey or otherwise transfer any right, title or interest in or to, or arising out of or in connection with, any of the Released Claims from and after the date hereof (other than the transfers made as part of the 363 Process and Transaction so long as such transfers are deemed to occur after giving effect to the releases provided for herein).

(n) Notwithstanding anything to the contrary in Section 6, nothing providing for the release of or by Persons who are not CarCo Debtors shall apply to the United States of America or to any agency thereof, provided, however, that Section 6(g) shall apply to the PBGC.

(o) The Investor and CGI hereby represent and warrant that they did not receive directly or indirectly dividends or other distributions (other than distributions for tax payments, if any) on account of their equity interests in CarCo or any of the CarCo Debtors.

SECTION 7. Chrysler Debt Forgiveness. (a) Each of DNAF and the Investor hereby forgives, releases and forever discharges the obligations of CarCo and the other Loan Parties (as defined in the Second Lien Term Loan Agreement) to repay the outstanding principal amount, together with all accrued and unpaid interest, fees or other obligations thereon or related thereto, owed to DNAF and the Investor under the Second Lien Term Loan Agreement, as if all such obligations were paid in full in cash, and the Second Lien Term Loan Agreement is hereby, without further action, terminated in full on the date hereof, and shall be of no further force and effect, without any survival of any representation, warranty, covenant or other provision contained therein, and notwithstanding any other provision to the contrary contained in the Second Lien Term Loan Agreement.

(b) DNAF hereby forgives, releases and forever discharges the obligations of Intermediate HoldCo to repay the outstanding principal amount, together with all accrued and unpaid interest, fees or other obligations thereon or related thereto, owed to DNAF under the Subordinated Note, as if all such obligations were paid in full in cash, and the Subordinated Note is hereby, without further action, terminated in full on the date hereof and shall be of no further force and effect, without any survival of any representation, warranty, covenant or other provision contained therein, notwithstanding any other provision to the contrary contained in the Subordinated Note.

(c) DNAF and the Investor each hereby agree (i) that all of DNAF's and the Investor's respective security interests in and liens on any and all properties and assets of CarCo, if any, and the Loan Parties (as defined in the Second Lien Term Loan Agreement), whether personal, real or mixed, tangible or intangible, granted by or arising under the Second Lien Term Loan Agreement, without further action, are hereby released and discharged, (ii) that DNAF and the Investor will, at the reasonable request of CarCo or Intermediate HoldCo at their sole cost and expense, as applicable, execute such instruments or other writings, or take such other action, to evidence the termination and discharge of the obligations under the Second Lien Term Loan Agreement and the Subordinated Note owed to DNAF and the Investor, and the termination and release of any security interest or liens with respect thereto, (iii) that CarCo is hereby authorized to prepare and file any UCC termination statements as CarCo may deem necessary or desirable in connection with the termination of the security interests and liens set forth in clause (i) above, without the signature of DNAF or the Investor, to the extent permitted by Law, (iv) that DNAF and the Investor, as applicable, will promptly deliver to CarCo the originals of promissory notes and stock certificates, if any, together with any allonges and stock powers, currently held by DNAF or the Investor as collateral for the obligations under the Second Lien Term Loan Agreement, or which evidence the obligations under the Second Lien Term Loan Agreement, and (v) DNAF will promptly deliver to Intermediate HoldCo the originals of any promissory notes currently held by DNAF which evidence the obligations under the Subordinated Note.

SECTION 8. Termination and Release. Notwithstanding the terms of the Umbrella Agreement, the Registration Rights Agreement or any other agreement to the contrary, (a) the DC Contributors and the Investor agree, and the Investor shall cause FinCo to agree, that from and after the date of the Redemption the DC Contributors shall no longer be parties to the Umbrella Agreement, and (b) the DC Contributors, the Company and the Investor agree that from and after the date of the Redemption the DC Contributors shall no longer be parties to the Registration Rights Agreement.

SECTION 9. Information Rights. Each of the Chrysler Parties and each of the Daimler Parties agree that the Chrysler Parties shall provide to the Daimler Parties the information set forth on Schedule C hereto and the Annexes to such Schedule C, at the time and in the manner set forth therein, in each case (a) solely with respect to such information relating to a period of time on or prior to the date of the Redemption unless otherwise expressly set forth in Schedule C and (b) solely to the extent such Chrysler Parties possess or have reasonable access to such information.

SECTION 10. Condition Precedent; Effectiveness. Except as otherwise set forth below, this Agreement is expressly conditioned on, and shall not be effective until, the occurrence of both (a) the entry of the Approval Order and (b) the full execution of this Agreement by each party hereto, and shall upon such occurrences become effective without further action of the parties hereto. Furthermore, Section 7 shall not be effective until the Approval Order becomes a Final Order, and shall, at such time, become effective without further action of the parties hereto; provided that, the forgiveness, release and discharge by DNAF in Section 7(a), and the related agreements of DNAF in Section 7(c), are expressly conditioned upon, shall not be effective until, and shall become effective without further action of the parties hereto upon the later of the occurrence of the Loan Release Condition and the Approval Order becoming a Final Order.

SECTION 11. Confidentiality. (a) The parties hereto, other than the PBGC, agree, except as required by Law or stock exchange regulations, to keep confidential and not to disclose without the prior written consent of the other parties hereto to any Person any information about the existence of this Agreement, including the Schedules to this Agreement, its terms or conditions, including the terms and conditions set forth in the Schedules to this Agreement, or any other facts relating thereto, including information about negotiations between the parties hereto and negotiations and agreements with third parties, including Governmental Authorities, which took place in connection with this Agreement or the Schedules to this Agreement; provided, that each party hereto may disclose such information to (i) any agents, representatives, advisors (including legal, accounting and financial advisors) and investors, and (subject to reasonable and customary confidentiality agreements) potential investors or acquirors of such party or its Affiliates or (ii) the U.S. Treasury Department, the Bankruptcy Court and any other Governmental Authority; provided further, that each party shall inform such Persons of the confidential nature of such information and cause Persons referred to in the foregoing clause (i) to comply with the confidentiality obligations of this Section 11 with respect to such information as if such Person were a party hereto.

(b) The PBGC acknowledges that the subject matter of this Agreement is within the scope of its Letter Confidentiality Agreement (“PBGC Confidentiality Agreement”) with CarCo (formerly known as DaimlerChrysler Corporation), dated March 15, 2007, and agrees that the PBGC Confidentiality Agreement shall inure to the benefit of the Daimler Parties as if each were a party thereto. Section 11(a) and Section 11(c) shall not apply to the PBGC.

(c) Subject to Section 11(b) and the provisos in Section 11(a), in the event that any party hereto other than the PBGC is requested pursuant to, or required by, Law to disclose any information concerning this Agreement (each such party a “Notifying Party”), prompt notice of such request or requirement shall be given to each of the other parties hereto in order to enable such parties to seek an appropriate protective order or other remedy (and if any such party seeks such an order, the Notifying Party will provide such cooperation as the other party or parties shall

reasonably request), to consult with the Notifying Party with respect to taking steps to resist or narrow the scope of such request or legal process, or to waive compliance, in whole or in part, with the terms of this Agreement. In the event that such protective order or other remedy is not obtained, or the parties hereto waive compliance, in whole or in part, with the terms of this Agreement, the Notifying Party will disclose only that portion of the information that the Notifying Party is advised in writing by counsel is legally required to be disclosed and the Notifying Party will use its best efforts to ensure that all information so disclosed will be accorded confidential treatment.

SECTION 12. Entire Agreement. This Agreement shall constitute the entire agreement of the parties hereto with respect to the subject matter hereof and shall supersede all prior agreements and undertakings (for the avoidance of doubt as between the Daimler Parties and the Chrysler Parties, except for the Prior Settlement Agreements), both written and oral, between the parties hereto with respect to the subject matter hereof, including the Binding Term Sheet among the parties hereto (other than Intermediate HoldCo), dated as of April 27, 2009.

SECTION 13. No Other Amendment. Except as expressly set forth in this Agreement, this Agreement shall not by implication or otherwise alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Prior Settlement Agreements, all of which are ratified and affirmed in all respects and shall continue in full force and effect.

SECTION 14. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by an internationally recognized overnight courier service or by facsimile (with a copy simultaneously sent by overnight courier service) to the respective parties hereto at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 14):

- (i) if to a Daimler Party:

Daimler AG  
HPC 096-F105  
70546 Stuttgart  
Germany  
Telecopy: +49 711.174.1848  
Attention: Gerd T. Becht

with a copy to:

Shearman & Sterling LLP  
599 Lexington Ave.  
New York, NY 10022  
United States of America  
Telecopy: +1 212.848.7179  
Attention: W. Jeffrey Lawrence

- (ii) if to the Investor, CGI, the Company or Intermediate HoldCo:

Cerberus Capital Management L.P.  
299 Park Avenue  
New York, NY 10171  
United States of America  
Telecopy: +1 212.750.5212  
Attention: Lenard B. Tessler  
Mark Neporent

with a copy to:

Vinson & Elkins L.L.P.  
666 Fifth Avenue  
26th Floor  
New York, NY 10103-0040  
Telecopy: +1 212.237.0100  
Attention: Jane Lee Vris

(iii) if to CarCo:

Chrysler LLC  
1000 Chrysler Drive  
Auburn Hills, MI 48326-2766  
United States of America  
Telecopy: +1 248.512.1772  
Attention: Holly E. Leese

with a copy to:

Schulte Roth & Zabel LLP  
919 Third Avenue  
New York, NY 10022  
  
Telecopy: +1 212.593.5955  
Attention: Alan Waldenberg  
Robert R. Kiesel  
Richard A. Presutti

and

Jones Day  
222 41<sup>st</sup> Street  
New York, NY 10017  
  
Telecopy: +1 212.755.7306  
Attention: Corinne Ball  
Marilyn Sonnie

(iv) if to the PBGC:

Director  
Department of Insurance Supervision and Compliance  
Pension Benefit Guaranty Corporation  
1200 K Street, N.W.  
Washington, D.C. 20005  
United States of America  
Telecopy: +1 202.842.2643  
E-mail: house.joseph@pbgc.gov  
cann.dana@pbgc.gov

with a copy to:

Chief Counsel  
Office of the Chief Counsel  
Pension Benefit Guaranty Corporation  
1200 K Street, N.W.  
Washington, D.C. 20005  
United States of America  
Telecopy: +1 202.326.4112  
E-mail: eggeman.james@pbgc.gov  
morris.karen@pbgc.gov

and

Sonnenschein Nath & Rosenthal LLP  
7800 Sears Tower  
233 S. Wacker Drive  
Chicago, IL 60606

Telecopy: +1 312.876.8080  
Attention: Fruman Jacobson  
Carole Neville  
Email: fjacobson@sonnenschein.com  
cneville@sonnenschein.com

In addition to, and not in limitation of, the notice requirements set forth in the foregoing provisions of this Section 14, all notices or other communications to the PBGC hereunder shall also be promptly sent to each of the electronic mail addresses set forth for the PBGC above.

**SECTION 15. Governing Law.** This Agreement shall be governed by, and construed in accordance with, the Laws of the State of New York (without giving effect to its conflict of laws rules), except to the extent preempted by ERISA.



SECTION 16. Miscellaneous. The provisions of Sections 1.03 (Interpretation and Rules of Construction), subject to Section 10 hereof, 11.04 (Severability), 11.08 (Waiver), 11.11 (Currency) and 11.13 (Consent to Jurisdiction) of the Contribution Agreement are incorporated herein by reference and shall apply to the terms and provisions of this Agreement and the parties hereto mutatis mutandis. Notwithstanding the foregoing in respect of Section 11.04 of the Contribution Agreement, in no event will the invalidity, illegality or unenforceability under any Law or public policy of any terms or provisions of this Agreement, other than those in Section 5 hereof, relieve Daimler or the Plan Sponsor(s) of any of their obligations under Section 5 hereof.

SECTION 17. Counterparts. This Agreement may be executed and delivered (including by facsimile or electronic (pdf) transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

SECTION 18. Survival of Representations and Warranties. The representations and warranties contained in this Agreement shall survive the date hereof indefinitely.

SECTION 19. No Third Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement, provided, however, that the Plans shall be third party beneficiaries of the provisions of Section 5 as they relate to the Required Contributions.

SECTION 20. Assignment. This Agreement may not be assigned by operation of law or otherwise without the express written consent of the parties hereto (which consent may be granted or withheld in the sole discretion of the parties hereto); provided, however, that any Plan Sponsor transferring one or more Plans to a successor Plan Sponsor shall assign all of its rights and obligations hereunder with respect to any such transferred Plan to the successor Plan Sponsor of such transferred Plan.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

DAIMLER AG

By: \_\_\_\_\_  
Name: Gerd T. Becht  
Title: Senior Vice President

By: \_\_\_\_\_  
Name:  
Title:

[SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

DAIMLER AG

By: \_\_\_\_\_

Name:

Title:

By:         I. Na        

Name: Dr. Edgar Köchel

Title: Vice President

[SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

DAIMLER NORTH AMERICA FINANCE  
CORPORATION

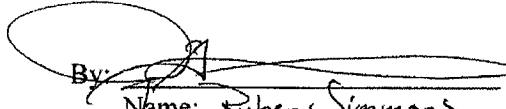
By: David A. Link  
Name: DAVID A. LINK  
Title: PRESIDENT

By: \_\_\_\_\_  
Name:  
Title:

[SIGNATURE PAGE TO SETTLEMENT AGREEMENT]


DAIMLER NORTH AMERICA FINANCE  
CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

By:   
Name: Ruben Simons  
Title: Vice President

[SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

DAIMLER INVESTMENTS US CORPORATION

By:   
Name: Ruben Simmons  
Title: President

By: \_\_\_\_\_  
Name:  
Title:

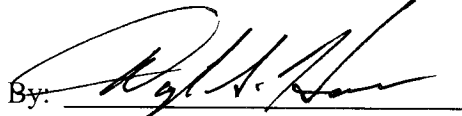
[SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

DAIMLER INVESTMENTS US CORPORATION

By: \_\_\_\_\_

Name:

Title:

By: 

Name: DOUGLAS G. HOWER

Title: ASST. TREASURER

[SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

CG INVESTMENT GROUP, LLC

By: CG INVESTOR, LLC,  
its Managing Member

By: CG MANAGER, LLC,  
its Managing Member

By:   
Name: Seth Plattus  
Title: Authorized Signatory

CG INVESTOR, LLC

By: CG MANAGER, LLC,  
its Managing Member

By:   
Name: Seth Plattus  
Title: Authorized Signatory

CHRYSLER HOLDING, LLC

By:   
Name: Seth Plattus  
Title: Authorized Signatory

[SIGNATURE PAGE TO SETTLEMENT AGREEMENT]



CARCO INTERMEDIATE HOLDCO I LLC

By: Chrysler Holding LLC, its Managing Member

By:  \_\_\_\_\_

Name: Seth Plattus

Title: Authorized Signatory

CHRYSLER LLC

By: \_\_\_\_\_

Name:

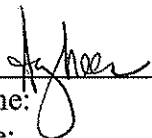
Title:

[SIGNATURE PAGE TO SETTLEMENT AGREEMENT]


CARCO INTERMEDIATE HOLDCO I LLC

By: \_\_\_\_\_  
Name:  
Title:

CHRYSLER LLC

By:  \_\_\_\_\_  
Name:  
Title:

PENSION BENEFIT GUARANTY  
CORPORATION

By:   
Name: *Terrence M. Deneen*  
Title: *Chief Insurance Program Officer*

**Schedule A**  
**Daimler A.G.**  
**Schedule of Single Plan Required Contribution Amount**  
**(US\$ in millions)**

|   | Chrysler LLC Pension Plan 382673623/004 | Pension Agreement Between Chrysler LLC and UAW 382673623/005 | Pension Agreement Between Chrysler LLC and SPFPA 382673623/006 | Pension Agreement Between Chrysler LLC and IUE 382673623/007 | Chrysler LLC Salaried Employees' Retirement Plan 382673623/018 | American Motors Corp. Retirement Income Plan 382673623/038 | Jeep Corp. UAW Retirement Income Plan 382673623/043 | Chrysler LLC Subsidiaries' Pension Plan 382673623/052 | Chrysler LLC Executive Salaried Employees' Retirement Plan 382673623/057 | GEMA UAW Pension Plan 200232860/001 | Total of Underfunded Plans |
|---|---|--|--|--|--|--|---|---|--|-------------------------------------|----------------------------|
| <b>\$600 Million Contribution</b>       |   |  |  |  |  |  |   |   |  |                                     |                            |
| First Payment of Required Contribution  | \$0.0                                   | \$164.6  | \$0.0  | \$0.0  | \$0.0  | \$9.2  | \$25.8  | \$0.0   | \$0.0  | \$0.4                               | \$200.0                    |
| Second Payment of Required Contribution | \$0.0                                   | \$162.1  | \$0.0  | \$0.0  | \$0.0  | \$0.4  | \$37.0  | \$0.0   | \$0.0  | \$0.5                               | \$200.0                    |
| Third Payment of Required Contribution  | \$23.6                                  | \$0.0  | \$0.0  | \$0.0  | \$0.0  | \$21.4   | \$154.5   | \$0.0   | \$0.0  | \$0.5                               | \$200.0                    |

**Schedule B**

**Guaranty**

**GUARANTY**

This GUARANTY (the "Guaranty") is made as of June 5, 2009, by and among Daimler AG (formerly known as DaimlerChrysler AG), a German *Aktiengesellschaft* ("Daimler") in favor of the Pension Benefit Guaranty Corporation, an agency of the United States Government ("PBGC"). Unless otherwise defined, capitalized terms shall have the meanings ascribed to them in Article I of this Guaranty.

WHEREAS, on June 5, 2009, Settlement Agreement III (the "Settlement Agreement") was made by and among Daimler, Daimler North America Finance Corporation (formerly known as DaimlerChrysler North America Finance Corporation), a Delaware corporation ("DNAF"), Daimler Investments US Corporation (formerly known as DaimlerChrysler Holding Corporation), a Delaware corporation ("DIUS" and together with DNAF and Daimler, the "Daimler Parties"), CG Investment Group, LLC, a Delaware limited liability company (the "Investor"), an affiliate of Cerberus Capital Management, L.P., CG Investor, LLC, a Delaware limited liability company ("CGI"), an affiliate of Cerberus Capital Management, L.P., Chrysler Holding LLC, a Delaware limited liability company (the "Company"), CarCo Intermediate HoldCo I LLC, a Delaware limited liability company ("Intermediate HoldCo"), Chrysler LLC, a Delaware limited liability company ("CarCo" and together with the Investor, CGI, the Company, and Intermediate HoldCo, the "Chrysler Parties") and the PBGC;

WHEREAS, the PBGC is a wholly-owned United States government corporation that administers the pension plan termination insurance program established by Title IV of ERISA;

WHEREAS, the Plan Sponsor maintains and sponsors the Plans, which are covered by the ERISA Title IV pension plan termination insurance program administered by the PBGC;

WHEREAS, the Settlement Agreement contemplates that the PBGC and Daimler would enter into a guaranty agreement as set forth herein; and

WHEREAS, Daimler is required to undertake the obligations set forth herein in return for the commitments under the Settlement Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Daimler, Daimler agrees as follows for the benefit of the PBGC:

**ARTICLE I  
DEFINITIONS**

Section 1.01. Meanings. Unless otherwise defined herein, terms defined in the Settlement Agreement and used herein shall have the meanings given them in or incorporated into the Settlement Agreement.

Section 1.02. Definitions. The following terms shall have the following meanings:

“Applicable Rate” means the interest rate described in 29 C.F.R. Section 4062.7(c) compounded daily.

“Approval Order” means an order or judgment of the Bankruptcy Court (as defined in the Settlement Agreement), or other court of competent jurisdiction, in the form attached to the Settlement Agreement as Exhibit A or as otherwise reasonably satisfactory to the parties to the Settlement Agreement authorizing CarCo to enter into and perform under the Settlement Agreement; provided that, if a party thereto has not raised an objection with CarCo as to the form and substance of the Approval Order prior to its entry, such Approval Order shall be deemed to be satisfactory to such party.

“Controlled Group” has the meaning set forth in Section 4001(a)(14) of ERISA.

“Daimler Guaranty Amount” means \$200,000,000.00 (Two Hundred Million U.S. Dollars).

“Distress Termination” means a distress termination of one or more of the Plans pursuant to Section 4041 of ERISA.

“Effective Date” means the later of (A) the date of execution of this Guaranty and (B) the date of entry of the Approval Order.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, together with the regulations thereunder.

“Guaranty” means this Guaranty, as the same may be amended, supplemented or otherwise modified from time to time.

“Involuntary Termination” means a PBGC-initiated termination of one or more of the Plans pursuant to Section 4042 of ERISA.

“Parties” means the parties to this Guaranty, unless otherwise specified.

“Plan Sponsor” means CarCo or any entity that assumes the liabilities under any of the Plans and becomes the sponsor of any of the Plans.

“Plan Sponsor CG” means, with respect to any Plan, the Plan Sponsor of such Plan and each other member of such Plan Sponsor’s Controlled Group determined as of the Effective Date and on any date prior to and including the last day of the Protection Period.

“Plans” means the following: (i) the Chrysler LLC Pension Plan, (ii) Pension Agreement between Chrysler LLC and UAW Automobile, Aerospace and Agricultural Implement Workers of America, (iii) Pension Agreement between Chrysler LLC and the International Union of Electronic, Electrical, Technical, Salaried, Machine and Furniture

Workers, (iv) Pension Agreement between Chrysler LLC and SPFPA Pension Agreement (formerly known as UPGWA), (v) American Motors Corp. Retirement Income Plan, (vi) Jeep Corp. UAW Retirement Income Plan, (vii) GEMA UAW Pension Plan, (viii) Chrysler LLC Executive Salaried Employees' Retirement Plan, (ix) Chrysler LLC Salaried Employees' Retirement Plan, and (x) Chrysler LLC Subsidiaries' Pension Plan; in each case as such Plan may be subsequently amended or modified.

“Protection Period” means the period from the Effective Date until 11:59 p.m. (New York City time) on August 3, 2012.

“Single Plan Daimler Guaranty Amount” means, with respect to a Plan, the portion of the Daimler Guaranty Amount allocated to such Plan, as set forth in the schedule agreed to by the PBGC and Daimler, and attached hereto as Exhibit A.

“Termination Date” means the date of termination of a Plan as defined in Section 4048(a) of ERISA.

“Termination Liability” means, with respect to any Plan, the unfunded benefit liabilities, as that term is defined in Section 4001(a)(18) of ERISA, calculated in accordance with ERISA as of such Plan's Termination Date.

Section 1.03. Hereof, Herein, and Hereunder. The words “hereof,” “herein,” and “hereunder” and words of similar import when used in this Guaranty shall refer to this Guaranty as a whole and not to any particular provision of this Guaranty. Section or paragraph references are to this Guaranty unless otherwise specified.

Section 1.04. Singular and Plural. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms. Any references to the singular shall include the plural, and references to the plural shall include the singular, as required by context.

## ARTICLE II GUARANTY

Section 2.01. Guaranty. Subject to the provisions of Sections 2.02 and 2.04 below, Daimler hereby absolutely, unconditionally and irrevocably guarantees to the PBGC the prompt and complete payment of the Daimler Guaranty Amount.

### Section 2.02. Guaranty Events.

(a) In the event that a Plan terminates in an Involuntary Termination or a Distress Termination, with a Termination Date during the Protection Period, Daimler shall pay, in accordance with Section 2.03, a cash lump sum payment to the PBGC with respect to such Plan in an amount equal to the Single Plan Daimler Guaranty Amount for such Plan; it being expressly understood that any obligation of Daimler which arises under this Section 2.02 with respect to such Plan shall not terminate until the payments required by this subsection are made.



(b) The attached Exhibit A provides the Single Plan Daimler Guaranty Amount allocated to each Plan under this Guaranty.

Section 2.03. Payment of Guaranteed Amounts.

(a) Each payment required under Section 2.02 above shall be paid to the PBGC with respect to a Plan in a cash lump sum no later than the later of (i) 90 days after Daimler receives any written notice from the PBGC of any of the following events or (ii) December 31, 2011:

(1) the PBGC and a Plan's administrator agree that a Plan is terminated as of a particular date; or

(2) in a proceeding before a court of competent jurisdiction, a judgment, within the meaning of Rule 54(a) of the Federal Rules of Civil Procedure, is entered that terminates a Plan as of a particular date.

(b) In the event that any payment required under Section 2.02 above is not made, in accordance with Subsection 2.03(a) above, within 90 days after Daimler receives written notice from the PBGC of either of the events specified in clause (1) or (2) of Subsection 2.03(a) above, Daimler shall pay interest on such amount, at the Applicable Rate, beginning on the ninety-first day after Daimler's receipt of such written notice and ending on the date prior to the date on which such payment is paid in full.

(c) Any payment made by Daimler after Daimler receives written notice from the PBGC of the event under clause 2.03(a)(2) above shall be held in escrow by a third-party bank mutually agreeable to the PBGC and Daimler (the "Escrow Agent") until expiration of the time for appeal, or, if appeal is taken, the entry of a judgment on appeal terminating such Plan as of a particular date. The Parties shall negotiate in good faith an escrow agreement to implement this provision. Daimler shall pay all reasonable costs and expenses relating to the escrow.

(d) If appeal is taken in respect of any judgment contemplated by Subsection 2.03(a)(2) above and the judgment on appeal does not terminate the Plan as of a particular date, or reduces the amount of Daimler's payment obligation with respect to such Plan, then, to the extent payment with respect to such Plan has been made by Daimler pursuant to Subsection 2.03(a) and is being held in escrow in accordance with Subsection 2.03(c), the Escrow Agent shall return Daimler's payment, or such portion of Daimler's payment in excess of the amount required by the judgment on appeal, plus any interest earned on the portion of such escrowed amount that is returned to Daimler, within 90 days of the entry of such judgment on appeal. If appeal is taken in respect of any judgment contemplated by Subsection 2.03(a)(2) above and the judgment on appeal increases Daimler's payment obligation, regardless of whether the Protection Period has expired, Daimler shall pay the PBGC an amount equal to the lesser of (i) the Termination Liability for such Plan or (ii) the Single Plan Daimler Guaranty Amount for such Plan reduced by any amount previously paid with respect to such Plan pursuant to Subsection 2.03(a) no later than the later of (i) 90 days after the entry of the judgment on appeal, or

(ii) December 31, 2011, including interest on such amount at the Applicable Rate, beginning on the ninety-first day after such entry and ending on the date prior to the date on which such payment is paid in full.

(e) Daimler covenants and agrees that it will not initiate any challenge to any action by the PBGC to terminate any Plan or assist any other Person in so challenging an Involuntary Termination of any Plan.

Section 2.04. Limitations. Daimler shall have no obligations with respect to a Plan hereunder in the event that such Plan is terminated with a Termination Date falling after the Protection Period. Daimler shall further have no obligations with respect to a Plan under this Guaranty in the event that such Plan is successfully terminated in the Protection Period in a standard termination under Section 4041 of ERISA. It is expressly understood that if a Plan is terminated in a standard termination under Section 4041 of ERISA or is terminated with a Termination Date falling after the Protection Period, Daimler shall remain obligated to the PBGC with respect to the Plans that are not so terminated in accordance with the provisions of this Guaranty. In no event shall a Single Plan Daimler Guaranty Amount for a Plan be allocated to any other Plan. The obligations of Daimler shall run exclusively to the PBGC, and no Person other than the PBGC shall have any right or entitlement to any payment from Daimler as a result of the obligations and undertakings of Daimler hereunder, including without limitation participants and beneficiaries of any Plan or any creditors of CarCo or any of its affiliates.

Section 2.05. Primary Obligations. The obligations of Daimler hereunder are and shall be absolute, unconditional and irrevocable and shall be direct and primary obligations of Daimler and not merely secondary obligations or those in the nature of a surety and, without limiting the generality of the foregoing, shall not be released, discharged, reduced or otherwise affected, in any manner whatsoever, by:

(a) any change in the corporate existence, structure or ownership of CarCo or any insolvency, bankruptcy, or similar proceeding affecting CarCo or its assets;

(b) the existence of any claim or set-off which Daimler may have at any time against CarCo, the PBGC or any other Person, whether in connection herewith, with the Settlement Agreement or any unrelated transaction;

(c) any invalidity, unenforceability or lack of authority relating to or against any party to the Settlement Agreement for any reason, of the Settlement Agreement or such party's execution and delivery thereof, or any provision of applicable law or regulation purporting to prohibit the payment or performance by any party to the Settlement Agreement or by Daimler of its obligations under the Settlement Agreement or this Guaranty;

(d) any other act or omission to act or delay of any kind by CarCo, CGI, Daimler, the PBGC, or any other Person, or any other circumstance whatsoever which might, whether under United States, German, European Union or other applicable law, but for the provisions of this subsection, constitute a legal or equitable discharge of Daimler's obligations hereunder; or

(e) any and all suretyship defenses including, without limitation, all suretyship defenses described in Sections 37 through 45 of the Restatement (Third) of the Law of Suretyship and Guaranty.

Section 2.06. Period of Guaranty. This Guaranty becomes effective on the Effective Date. This Guaranty shall remain in full force and effect until Daimler has paid in full all obligations arising under this Guaranty.

Section 2.07. Interest for Late Payment. If Daimler fails to make any payment within the period required under Section 2.03, Daimler shall pay to the PBGC interest on the amount of the payment calculated at the Applicable Rate.

Section 2.08. No Third Party Beneficiaries. This Guaranty shall be binding upon and inure solely to the benefit of the Parties and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Guaranty.

### ARTICLE III WAIVER BY DAIMLER

Section 3.01. Waiver by Daimler. To the fullest extent permitted by applicable law, Daimler irrevocably waives acceptance hereof, diligence, presentment, demand, protest and any notice not expressly provided for herein, including, without limitation, any and all notices and formalities to which Daimler might otherwise be entitled under United States, German, European Union or other applicable law, as well as any requirement or condition that, at any time, any action be taken by the PBGC against any other Person.

### ARTICLE IV NO SUBROGATION

Section 4.01. No Subrogation. Notwithstanding any payment or payments made by Daimler pursuant to this Guaranty, or any application of such payments by the PBGC, Daimler shall not be entitled to be subrogated to any of the rights of the PBGC against any member of the Plan Sponsor CG, nor shall Daimler seek any reimbursement from any member of the Plan Sponsor CG with respect to any payment or payments made by Daimler until the date all amounts owing to the PBGC by the Plan Sponsor(s) for or on account of any and all Termination Liability for all Plans that have been terminated with a Termination Date falling within the Protection Period are paid in full, whereupon Daimler may assert any claims it may have against members of the Plan Sponsor CG in respect to payments made to the PBGC.

ARTICLE V  
NO STAY OF OBLIGATIONS

Section 5.01. No Stay of Obligations. Any insolvency, bankruptcy, reorganization or similar proceeding of or with respect to any member of the Plan Sponsor CG with respect to any Plan shall not provide any stay of the obligations under this Guaranty, and all obligations under this Guaranty shall nonetheless be payable or performable by Daimler forthwith in accordance with the terms of this Guaranty.

ARTICLE VI  
NO SET-OFF; TAXES

Section 6.01. No Set-Off; Taxes. Any payments to be made by Daimler under this Guaranty are absolute and unconditional obligations payable without set-off, deduction or withholding of any type or nature whatsoever and shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions, deposits, reserves or withholdings (collectively, "Taxes"), now or hereafter imposed, levied, collected, withheld or assessed by any governmental authority, agency or instrumentality, including, without limitation, any taxing or banking authority. If any such Taxes are required to be withheld from any amounts payable to the PBGC hereunder, the amounts so payable to the PBGC shall be increased to the extent necessary to yield to the PBGC (after payment of all Taxes) the full amount payable to the PBGC under this Guaranty. If Daimler fails to pay Taxes when due to the appropriate authority, Daimler shall indemnify the PBGC for any taxes, interest or penalties that may become payable by the PBGC as a result of any such failure. The provisions of this Section 6.01 shall survive the termination of this Guaranty and the final payment of all amounts required to be paid hereunder.

ARTICLE VII  
COSTS AND EXPENSES

Section 7.01. Costs and Expenses. In the event that Daimler fails or refuses to pay any amount due and owing under this Guaranty, Daimler shall be liable to the PBGC for all reasonable costs and expenses (including, without limitation, all reasonable fees and disbursements of counsel), regardless of the date of incurrence, which may be paid or incurred by the PBGC in enforcing any rights with respect to, or collecting against, Daimler under this Guaranty.

ARTICLE VIII  
WAIVER OF IMMUNITY

Section 8.01. Waiver of Immunity. Daimler represents, warrants and agrees that it is and will be subject to civil and commercial law with respect to all of its obligations to the PBGC under this Guaranty, that the execution, delivery and performance of this Guaranty constitute and will constitute private and commercial acts, rather than governmental or public acts, and that neither Daimler nor any of its properties or revenues has or will have any right of immunity from suit, court jurisdiction, attachment prior to judgment, attachment in aid of

execution of a judgment, set-off, execution of judgment or any other legal process with respect to its obligations under this Guaranty. To the extent that Daimler is or may hereafter be entitled, in any jurisdiction in which judicial proceedings may at any time be commenced with respect to this Guaranty, to claim for itself or its revenues or assets any such immunity, and to the extent that in any such jurisdiction there may be attributed to Daimler such immunity (whether or not claimed), Daimler hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity with respect to its obligations under this Guaranty. The foregoing waiver of immunity shall have effect, to the fullest extent, under the United States Foreign Sovereign Immunities Act of 1976 (the “Act”), or any successor thereto or any similar law or statute. The foregoing waivers and agreements are intended to be irrevocable and not subject to withdrawal for purposes of such Act or any such successor or similar law or statute.

## ARTICLE IX SUBMISSION TO JURISDICTION

Section 9.01. Submission to Jurisdiction. Daimler hereby irrevocably and unconditionally:

(a) consents that any action, suit or proceeding arising out of this Guaranty shall be brought in the United States District Court for the District of Columbia or in the United States District Court for the Southern District of New York;

(b) expressly submits for itself and its property to personal jurisdiction within the United States of America and expressly waives all objections on the grounds of personal jurisdiction or venue;

(c) agrees to service of process in any legal proceeding to enforce the Guaranty in person, by an internationally recognized overnight courier service, or by certified mail, return receipt requested, postage prepaid, to Daimler, at its address for notice pursuant to Section 14 of the Settlement Agreement (with a copy as specified in that section); and

(d) agrees that final judgment against it in any action or proceeding arising out of, relating to, or for the enforcement of, this Guaranty shall be conclusive and may be enforced or recognition thereof may be sought in any other jurisdiction within or outside the United States of America by summary proceedings in a suit on the judgment, a copy of which shall be conclusive evidence of the fact and of the amount of Daimler’s obligation.

Section 9.02. Waiver of Jury Trial. Daimler hereby unconditionally waives trial by jury in any legal action or proceeding referred to in Section 9.01.

## ARTICLE X SUCCESSORS AND ASSIGNS

Section 10.01. Successors and Assigns. This Guaranty shall be binding upon and inure to the benefit of each of Daimler and the PBGC and their respective successors and

permitted assigns, and any purported assignment, delegation or transfer by Daimler, of any of the rights and obligations hereunder without the PBGC's prior written consent, which consent shall not be unreasonably withheld, shall be null and void.

## ARTICLE XI AMENDMENTS AND WAIVERS

Section 11.01. Written Amendments. None of the terms or provisions of this Guaranty may be waived, amended, supplemented or otherwise modified except by a written instrument executed by each of Daimler and the PBGC, provided that any provision of this Guaranty may be waived by the PBGC in a letter or agreement executed by the PBGC.

Section 11.02. No Waiver. Neither the PBGC nor Daimler shall (except by a written instrument pursuant to Section 11.01 hereof) by any act, delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the PBGC or Daimler any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the PBGC or Daimler of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the PBGC or Daimler would otherwise have on any future occasion.

## ARTICLE XII RIGHTS AND REMEDIES ARE CUMULATIVE

Section 12.01. Reservation of Rights. Except as otherwise expressly provided in this Guaranty or the Settlement Agreement, the PBGC and Daimler retain all rights and remedies under ERISA and other applicable law.

## ARTICLE XIII NOTICES

Section 13.01. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by an internationally recognized overnight courier service, by facsimile, or registered or certified mail (postage prepaid, return receipt requested) to Daimler at its address in Section 14 of the Settlement Agreement (or at such other address for Daimler as shall be specified in a notice given in accordance with Section 14 of the Settlement Agreement).

## ARTICLE XIV ENTIRE AGREEMENT

Section 14.01. Entire Agreement. The Guaranty and Exhibit A attached hereto and, only to the extent of any references herein thereto, the Settlement Agreement, represent the entire agreement and understanding concerning the subject matter hereof between the Parties to this Guaranty and supersede all other prior agreements, understandings, negotiations,

discussions, proposals and offers concerning the subject matter hereof or thereof, whether oral or written, including, without limitation, the PBGC Guaranty, dated as of August 3, 2007, among the PBGC, Daimler and DNAF.

## ARTICLE XV COUNTERPARTS

Section 15.01. Counterparts. This Guaranty may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

## ARTICLE XVI CONSTRUCTION AND INTERPRETATION

Section 16.01. Governing Law. Except to the extent preempted by applicable federal law, the laws of the State of New York (without regard to its conflicts of laws rules) shall govern this Guaranty and the obligations of the Parties.

Section 16.02. Severability. If any term or other provision of this Guaranty is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Guaranty shall nevertheless remain in full force and effect. Upon a determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Guaranty so as to effect the original intent of the Parties as closely as possible.

Section 16.03. Headings. The descriptive headings contained in this Guaranty are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Guaranty.

Section 16.04. Joint Drafting. The Parties have participated jointly in the negotiation and drafting of this Guaranty. If an ambiguity or question of intent or interpretation arises, this Guaranty shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Guaranty.

[SIGNATURE PAGES TO FOLLOW]


IN WITNESS WHEREOF, each of the parties hereto has caused this Guaranty to be executed as of the date first written above by their respective officers thereunto duly authorized.

DAIMLER AG

By: \_\_\_\_\_

Name:

Title:

A handwritten signature in black ink, appearing to be 'L. M.' or similar, written over a horizontal line.

By: \_\_\_\_\_

Name: Dr. Edgar Kroschel

Title: Vice President

[SIGNATURE PAGE TO 2009 PBGC GUARANTY]



IN WITNESS WHEREOF, each of the parties hereto has caused this Guaranty to be executed as of the date first written above by their respective officers thereunto duly authorized.

DAIMLER AG

By:   
Name: *Gerd T. Becht*  
Title: *Senior Vice President*

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURE PAGE TO 2009 PBGC GUARANTY]

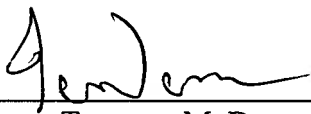
IN WITNESS WHEREOF, each of the Parties has caused this Guaranty to be executed as of the date first written above by their respective officers thereunto duly authorized.

DAIMLER AG

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

PENSION BENEFIT GUARANTY  
CORPORATION

By:  \_\_\_\_\_  
Name: Terrence M. Deneen  
Title: Chief Insurance Program Officer

**Daimler A.G.**  
**Schedule of Single Plan Daimler Guaranty Amount**  
**(\$ in millions)**

|                               | Chrysler LLC Pension Plan 382673623/004 | Pension Agreement Between Chrysler LLC and UAW 382673623/005 | Pension Agreement Between Chrysler LLC and SPFPA 382673623/006 | Pension Agreement Between Chrysler LLC and IUE 382673623/007 | Chrysler LLC Salaried Employees' Retirement Plan 382673623/018 | American Motors Corp. Retirement Income Plan 382673623/038 | Jeep Corp. UAW Retirement Income Plan 382673623/043 | Chrysler LLC Subsidiaries' Pension Plan 382673623/052 | Chrysler LLC Executive Salaried Employees' Retirement Plan 382673623/057 | GEMA UAW Pension Plan 200232860/001 | Total of Underfunded Plans |
|-------------------------------|---|--|--|--|--|--|---|---|--|-------------------------------------|----------------------------|
| <b>\$200 Million Guaranty</b> |   |  |  |  |  |  |   |   |  |                                     |                            |
| Amount Allocated:             | \$ 38.20                                | \$ 137.60  | \$ 0.200   | \$ 1.60  | \$ -   | \$ 8.20  | \$ 14.20  | \$ -  | \$ -   | \$ -                                | \$ 200.00                  |
| Allocation Percentage:        | 19.10%                                  | 68.8%  | 0.10%  | 0.80%  | 0.00%  | 4.10%  | 7.10%   | 0.00%   | 0.00%  | 0.00%                               | 0.00%                      |

## Schedule C

### **Information Rights**

The Chrysler Parties shall furnish to the Daimler Parties the information set forth on this Schedule C and such additional information as may be requested by them which is reasonably necessary in connection with the preparation of financial statements and compliance with the reporting obligations of the Daimler Group, in each case solely with respect to such information relating to the period of time on or prior to the date of the Redemption unless otherwise expressly set forth herein. The Chrysler Parties shall cooperate, and cause their respective Subsidiaries to cooperate, with the Daimler Group in respect of the preparation of financial statements and compliance with the reporting obligations of the Daimler Group, in each case solely with respect to such information relating to the period of time on or prior to the date of the Redemption unless otherwise expressly set forth herein.

The Chrysler Parties shall furnish, as promptly as is reasonably practicable, to the Daimler Parties the financial data and other information set forth in Annex 1 and take all actions set forth in Annex 1 (and CarCo shall cooperate with the Company in furnishing to the Company any information relating to CarCo and its Subsidiaries required to be delivered by the Company under Annexes 1 or 2). All financial information provided shall include the categories of accounts set forth in Annex 2.

Notwithstanding anything to the contrary herein, none of the Chrysler Parties, any of their respective Subsidiaries or Affiliates or any of their respective employees, advisors or representatives shall have any obligation to disclose any data, information or materials that are protected by attorney-client privilege or the disclosure of which would violate the confidentiality obligations of the Chrysler Parties or any of their respective Subsidiaries or Affiliates.

## **Schedule C**

### **Annex 1**

#### **Information to be provided**

1. All financial data and other information necessary to respond to any governmental or regulatory requirement or request (including the SEC), in each case solely with respect to such financial data and other information relating to a period of time on or prior to the date of the Redemption;
2. Promptly after such information becomes available, the Chrysler Parties shall deliver to the Daimler Parties unaudited quarterly financial information of the Company and its Subsidiaries on a consolidated basis for the three month period ending March 31, 2009. Such financial information shall be prepared in all material respects in accordance with IFRS, as applied by the Daimler Group consistent with past practice. All financial information shall include a reconciliation from GAAP to IFRS, as applied by the Daimler Group consistent with past practice, in the categories and accounts set forth in Annex 2. All such financial information as set forth in Annex 2 shall be reported on an historical basis. Procedures mutually agreed upon by the Daimler Parties and the Company on financial information of the Company and its Subsidiaries, including a reconciliation from GAAP to IFRS in the format set forth in Annex 2, shall be performed by the Independent Auditor at the sole cost of Daimler AG; and
3. Promptly after such information becomes available, the Chrysler Parties shall deliver to the Daimler Parties unaudited financial information of the Company and its Subsidiaries on a consolidated basis for the period starting on April 1, 2009 and ending on May 31, 2009. Such financial information shall be prepared in all material respects in accordance with IFRS, as applied by the Daimler Group consistent with past practice. All financial information shall include a reconciliation from GAAP to IFRS, as applied by the Daimler Group consistent with past practice, in the categories and accounts set forth in Annex 2. All such financial information as set forth in Annex 2 shall be reported on an historical basis. Procedures mutually agreed upon by the Daimler Parties and the Company on financial information of the Company and its Subsidiaries, including a reconciliation from GAAP to IFRS in the format set forth in Annex 2, shall be performed by the Independent Auditor at the sole cost of Daimler AG.

**Schedule C**

**Annex 2**

**Key Reporting Positions**

|  | U.S. GAAP <sup>1</sup> | Adjustments | IFRS |
|--|------------------------|-------------|------|
| <b>Profit &amp; Loss Statement</b>                                       |                        |             |      |
| 1 Revenues   | X                      | X           | X    |
| 2 Cost of Sales  | X                      | X           | X    |
| 3 Selling expenses   | X                      | X           | X    |
| 4 Administrative expenses  | X                      | X           | X    |
| 5 Other operating expenses   | X                      | X           | X    |
| 6 Research and development   | X                      | X           | X    |
| 7 Other operating income / expense                                       | X                      | X           | X    |
| 8 Interest income / expense  | X                      | X           | X    |
| 9 Other financial income (from participations and others)                | X                      | X           | X    |
| 10 Income Taxes  | X                      | X           | X    |
| 11 Extraordinary items   | X                      | X           | X    |
| 12 Cumulative effect of accounting changes                               | X                      | X           | X    |
| 13 Net Profit  | X                      | X           | X    |
| 14 Discontinued Operations   | X                      | X           | X    |
| 15 Minority interests  | X                      | X           | X    |
| <b>Balance Sheet</b>   |                        |             |      |
| <b>Assets</b>  |                        |             |      |
| I. Intangible assets   | X                      | X           | X    |
| II. Property, plant and equipment  | X                      | X           | X    |
| III. Financial services related receivables                              | X                      | X           | X    |
| IV. Leased assets  | X                      | X           | X    |
| V. Other financial and non-financial assets                              | X                      | X           | X    |
| VI. Deferred taxes   | X                      | X           | X    |
| VII. Inventories   | X                      | X           | X    |
| VIII. Securities, cash and cash equivalents                              | X                      | X           | X    |
| IX. Assets held for sale   | X                      | X           | X    |
| <b>Equity and liabilities</b>  |                        |             |      |
| A. Stockholders Equity<br>( further detailed below )                     |                        |             |      |
| B. Minority interests  |                        |             |      |
|  | X                      | X           | X    |
| C. Liabilities   |                        |             |      |
| I. Provisions for pensions and similar obligations                       | X                      | X           | X    |
| II. Provision for income taxes   | X                      | X           | X    |
| III. Provision for other risks   | X                      | X           | X    |
| IV. Financing Liabilities  | X                      | X           | X    |
| V. Other financial and non-financial liabilities                         | X                      | X           | X    |
| VI. Deferred taxes   | X                      | X           | X    |
| VII. Deferred income   | X                      | X           | X    |
| VIII. Liabilities held for sale  | X                      | X           | X    |
| <b>Stockholders Equity (detailed)</b>                                    |                        |             |      |
| I. Stockholders' equity - balance at Dec. 31, previous year              | X                      | X           | X    |
| II. Capital increase   | X                      | X           | X    |
| III. Repayment of capital  | X                      | X           | X    |
| IV. Changes in shareholdings of own stock                                | X                      | X           | X    |
| V. Annual net income /(loss) from income statement                       | X                      | X           | X    |
| VI. Changes in other comprehensive income                                | X                      | X           | X    |
| a) Changes in reserves for available-for-sale securities                 | X                      | X           | X    |
| - gain/loss from valuation   | X                      | X           | X    |
| - reclassification of gains/losses to P/L-Statement                      | X                      | X           | X    |
| b) Changes in unrealized gains/losses from deriv.instruments (CF-Hedges) | X                      | X           | X    |
| - gain/loss from valuation   | X                      | X           | X    |
| - reclassification of gains/losses to P/L-Statement                      | X                      | X           | X    |
| c) Changes in additional pension liabilities                             | X                      | X           | X    |
| - gain/loss from valuation   | X                      | X           | X    |
| - reclassification of gains/losses to P/L-Statement                      | X                      | X           | X    |
| d) Exchange rate difference  | X                      | X           | X    |
| - Exchange rate difference from reporting period                         | X                      | X           | X    |
| - reclassification of gains/losses to P/L-Statement (deconsolidation)    | X                      | X           | X    |
| VII. Dividend payments in current reporting year                         | X                      | X           | X    |
| a) from net income for the current year                                  | X                      | X           | X    |
| b) from net income of previous years                                     | X                      | X           | X    |
| VIII. Miscellaneous other changes  | X                      | X           | X    |
| IX. Stockholders' equity - balance at reporting date                     | X                      | X           | X    |
| <b>Eliminations (detailed information to be provided)</b>                |                        |             |      |
| I. Upstream - deliveries (further details required)                      | X                      | X           | X    |
| II. Downstream - deliveries (further details required)                   | X                      | X           | X    |

<sup>1</sup> Based on historical basis, excluding effects of purchase accounting