

---

---

**VEBA**  
**EQUITY SUBSCRIPTION AGREEMENT**

**Between**

**NEW CARCO ACQUISITION LLC**

**And**

**UAW RETIREE MEDICAL BENEFITS TRUST**

**DATED AS OF APRIL 30, 2009**

---

---

**TABLE OF CONTENTS**

	<u>Page</u>
<b>ARTICLE I ISSUANCE AND RELATED MATTERS .....</b>	<b>2</b>
SECTION 1.1 Issuance of Membership Interests to the VEBA.....	2
SECTION 1.2 Deliveries by the VEBA to the Company.....	2
SECTION 1.3 Deliveries by the Company to the VEBA.....	2
SECTION 1.4 Contingency Plan.....	2
<b>ARTICLE II REPRESENTATIONS AND WARRANTIES OF THE COMPANY .....</b>	<b>2</b>
SECTION 2.1 Good Standing and Power .....	2
SECTION 2.2 Authorization and Validity of Agreement .....	2
SECTION 2.3 Violations or Defaults.....	2
SECTION 2.4 Consents .....	3
SECTION 2.5 Winding Up .....	3
SECTION 2.6 No Encumbrances.....	3
SECTION 2.7 Investment Company Act.....	3
<b>ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE VEBA.....</b>	<b>3</b>
SECTION 3.1 Valid Existence and Power.....	3
SECTION 3.2 Authorization, Execution and Delivery .....	3
SECTION 3.3 Violations or Defaults.....	4
SECTION 3.4 Consents .....	4
SECTION 3.5 Investment Company Act .....	4
SECTION 3.6 Securities Act.....	4
SECTION 3.7 Brokers .....	4
<b>ARTICLE IV CONDITIONS PRECEDENT.....</b>	<b>4</b>
SECTION 4.1 Conditions Precedent to the Obligation of the VEBA.....	4
SECTION 4.2 Conditions Precedent to the Obligation of the Company .....	5
<b>ARTICLE V MISCELLANEOUS PROVISIONS .....</b>	<b>5</b>
SECTION 5.1 Notices .....	5
SECTION 5.2 GOVERNING LAW .....	6
SECTION 5.3 Assignment .....	6
SECTION 5.4 Entire Agreement.....	7
SECTION 5.5 Amendments.....	7
SECTION 5.6 Counterparts .....	7
SECTION 5.7 Severability; Enforcement .....	7
SECTION 5.8 WAIVER OF TRIAL BY JURY .....	7
SECTION 5.9 Waiver .....	7
SECTION 5.10 Expenses .....	7
SECTION 5.11 Public Announcements .....	7
SECTION 5.12 Binding Effect; No Third-Party Beneficiaries .....	8
SECTION 5.13 Antitrust Corporation.....	8

## **EQUITY SUBSCRIPTION AGREEMENT**

**EQUITY SUBSCRIPTION AGREEMENT** (as amended or otherwise modified from time to time, this “Agreement”) dated as of April 30, 2009, between **NEW CARCO ACQUISITION LLC**, a Delaware limited liability company (together with its successors and permitted assigns, the “Company”), and **UAW RETIREE MEDICAL BENEFITS TRUST**, a voluntary employees’ beneficiary association trust (the “VEBA”). Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings set forth in the Amended and Restated Limited Liability Company Operating Agreement of the Company (as further amended or otherwise modified from time to time, the “LLC Agreement”).

### **RECITALS:**

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

WHEREAS, the VEBA resulted from an arm’s length negotiation between the Company and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (the “UAW”) and is being maintained pursuant to a collective bargaining agreement within the meaning of Section 419A(f)(5) of the Code;

WHEREAS, the Company and the UAW will, at or prior to the closing, enter into a Settlement Agreement dated as of the Closing Date (the “Settlement Agreement”), which will become legally binding on the Company and the UAW through court approval and will provide for the transfer and issuance of certain Membership Interests of the Company to the VEBA as provided for under this Agreement;

WHEREAS, the binding effect of this Agreement is conditioned on obtaining court approval of the Settlement Agreement;

WHEREAS, in connection with the transactions contemplated hereby, the Company is preparing to apply for an exemption from the Department of Labor (the “DOL”) to permit the VEBA to acquire, hold and dispose of the Class A Membership Interests without violating the prohibited transaction provisions under the Employee Retirement Income Security Act of 1974, as amended (the “ERISA Exemption”); and

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

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

**ARTICLE I**  
**ISSUANCE AND RELATED MATTERS**

SECTION 1.1 Issuance of Membership Interests to the VEBA. (a) Subject to the terms and conditions of this Agreement, on the closing date under the MTA (the “Closing Date”), the Company shall issue and deliver to the VEBA, and the VEBA shall acquire, 676,924 Class A Membership Interests. The Membership Interests to be acquired hereunder on the Closing Date are referred to collectively as the “Closing Date Membership Interests”.

(b) On the Closing Date, the Company shall record the VEBA as the holder of the Closing Date Membership Interests in the books and records of the Company.

SECTION 1.2 Deliveries by the VEBA to the Company. On the Closing Date, the VEBA shall deliver to the Company any applicable tax forms or certificates reasonably required by the Company.

SECTION 1.3 Deliveries by the Company to the VEBA. On the Closing Date, the Company shall deliver to the VEBA a written confirmation evidencing the number of Closing Date Membership Interests acquired by the VEBA pursuant to this Agreement.

SECTION 1.4 Contingency Plan. If the VEBA cannot acquire the Closing Date Membership Interests because the conditions precedent of Sections 4.1(b) and 4.2(b) have not been satisfied, then the Company and the VEBA shall discuss appropriate alternatives that provide equal economic value to the VEBA.

**ARTICLE II**  
**REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

The Company represents and warrants to the VEBA, as of the date hereof or, if a representation or warranty is made as of a specified date, as of such date, as follows.

SECTION 2.1 Good Standing and Power. The Company is validly existing as a limited liability company in good standing under the laws of Delaware and has full right, power and authority to enter into this Agreement and to perform its obligations hereunder.

SECTION 2.2 Authorization and Validity of Agreement. This Agreement has been duly authorized, executed and delivered by the Company and constitutes a valid and binding agreement of the Company, enforceable against it in accordance with its terms, subject as to enforcement to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws of general applicability relating to or affecting creditors’ rights and to general equity principles.

SECTION 2.3 Violations or Defaults. The execution, delivery and performance by the Company of this Agreement, and the consummation by it of the transactions contemplated thereby, do not and will not conflict with, or result in a breach or violation of or default under, any applicable law, its constituent documents, including the LLC Agreement or any note, indenture, deed of trust, contract, agreement or instrument to which the Company (or any of its properties) is a party or is otherwise subject.

SECTION 2.4 Consents. No Governmental Approval is required to be obtained by the Company and no registration, declaration or filing with, or notice to, any Governmental Entity is required to be given or made by the Company to, or to be made by the Company with, any Governmental Entity in connection with the execution and delivery of this Agreement and the consummation by it of the transactions contemplated hereby, other than any Governmental Approvals which have been obtained or registrations, declarations or filings with, or notices to, any Governmental Entity which have been given or made, or are contemplated by this Agreement but not yet due and other than the ERISA Exemption and compliance with and filings (if required) under Antitrust Laws (as defined below).

SECTION 2.5 Winding Up. The Company has not taken any action, nor have any other steps been taken or legal proceedings been started or (to the best of the Company's knowledge and belief) threatened against the Company for its winding-up, dissolution, administration or reorganization or for the appointment of a custodian, receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or of any or all of its assets or revenues.

SECTION 2.6 No Encumbrances. When issued, the VEBA will receive all right, title and interest in and to the Closing Date Membership Interests, free and clear of any liens.

SECTION 2.7 Investment Company Act. The Company is not, and immediately after giving effect to the issuance of the Class A Membership Interests pursuant hereto the Company will not be, an "investment company", or a company "controlled" by a Person required to register as an "investment company", within the meaning of the Investment Company Act of 1940, as amended (the "Investment Company Act").

SECTION 2.8 Master Transaction Agreement. All representations and warranties set forth in that certain Master Transaction Agreement between Fiat S.p.A., the Company, Chrysler LLC and the other Sellers identified therein, dated as of April 30, 2009 (the "MTA") are true and correct as of the date hereof or, if such representations are made as of a specified date, as of such date.

### **ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE VEBA**

The VEBA hereby represents and warrants to the Company as of the date hereof as follows:

SECTION 3.1 Valid Existence and Power. The VEBA has been duly organized and is validly existing under the laws of its jurisdiction of organization. The VEBA has full right, power and authority to enter into this Agreement and to perform its obligations hereunder.

SECTION 3.2 Authorization, Execution and Delivery. This Agreement has been duly authorized, executed and delivered by the VEBA, and constitutes a valid and binding agreement of the VEBA, enforceable against it in accordance with its terms, subject as to enforcement to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

SECTION 3.3 Violations or Defaults. The execution, delivery and performance by the VEBA of this Agreement, and the consummation by the VEBA of the transactions contemplated hereby, do not and will not conflict with, or result in a breach or violation of or default under, any applicable law, its constituent documents or any note, indenture, deed of trust, contract, agreement or instrument to which the VEBA (or any of its properties) is a party or is otherwise subject.

SECTION 3.4 Consents. No Governmental Approval is required to be obtained by the VEBA and no registration, declaration or filing with, or notice to, any Governmental Entity is required to be given or made by the VEBA to, or to be made by the VEBA with, any Governmental Entity in connection with the execution and delivery of this Agreement and the consummation by it of the transactions contemplated hereby, other than any Governmental Approvals which have been obtained or registrations, declarations or filings with, or notices to, any Governmental Entity which have been given or made, or are contemplated by this Agreement but not yet due and other than the ERISA Exemption and compliance with and filings (if required) under Antitrust Laws (as defined below).

SECTION 3.5 Investment Company Act. The VEBA is not, and immediately after giving effect to the issuance of the Class A Membership Interests pursuant hereto the VEBA will not be, an "investment company", or a company "controlled" by a Person required to register as an "investment company", within the meaning of the Investment Company Act of 1940, as amended (the "Investment Company Act").

SECTION 3.6 Securities Act. The VEBA is purchasing the Class A Membership Interests for its own account and not with a view to distribution, subject, nevertheless, to the understanding that the disposition of the VEBA's property will at all times be and remain within the VEBA's control. Neither the VEBA nor any of its Affiliates has, directly or through any agent, (i) sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act) the offering and sale of which is or will be integrated with the sale of the Class A Membership Interests in a manner that would require the registration under the Securities Act of the Class A Membership Interests or (ii) engaged in any form of general solicitation or general advertising in connection with the offering of the Class A Membership Interests or in any manner engaged in activity constituting a public offering of the Class A Membership Interests within the meaning of Section 4(2) of the Securities Act.

SECTION 3.7 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with this Agreement or the transactions contemplated hereby based on arrangements made by or on behalf of the VEBA that would be payable by the Company.

#### **ARTICLE IV CONDITIONS PRECEDENT**

SECTION 4.1 Conditions Precedent to the Obligation of the VEBA. The VEBA's obligation to purchase the Closing Date Membership Interests is subject to the fulfillment on or before the Closing Date of the following conditions, unless waived by the VEBA:

(a) Each representation and warranty made by the Company contained herein shall be true and correct in all material respects, except to the extent such representations

and warranties specifically relate to an earlier date thereto, in which case, such representations and warranties shall be true and correct as of such earlier date.

(b) The DOL shall have granted the ERISA Exemption, or shall have assured the VEBA and the Company, to the reasonable satisfaction of each, that the ERISA Exemption will be granted.

(c) The members of the Company shall have entered into and executed an Amended and Restated Limited Liability Company Operating Agreement.

(d) Section 8.01(b) of the MTA shall be satisfied in all respects, and each other filing, notification or consent required under Antitrust Laws in respect of this Agreement or the transactions contemplated hereby shall have been made or obtained.

**SECTION 4.2 Conditions Precedent to the Obligation of the Company.** The Company's obligation to issue and sell the Closing Date Membership Interests is subject to the fulfillment on or before the Closing Date of the following conditions, unless waived by the Company:

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

(b) The DOL shall have granted the ERISA Exemption, or shall have assured the VEBA and the Company, to the reasonable satisfaction of each, that the ERISA Exemption will be granted.

(c) The members of the Company shall have entered into and executed an Amended and Restated Limited Liability Company Operating Agreement.

(d) Section 8.01(b) of the MTA shall be satisfied in all respects, and each other filing, notification or consent required under Antitrust Laws in respect of this Agreement or the transactions contemplated hereby shall have been made or obtained.

## **ARTICLE V MISCELLANEOUS PROVISIONS**

**SECTION 5.1 Notices.** All notices or other communications hereunder shall be deemed to have been duly given and made if in writing and (i) if served by personal delivery upon the party for whom it is intended on the day so delivered, (ii) if delivered by registered post or certified mail, return receipt requested, on the third Business Day following such mailing, (iii) if sent by a national or international courier service, on the second Business Day following such sending, or (iv) if sent by telecopier, on the day telecopied, or if not a Business Day, the next Business Day, provided that the telecopy promptly is confirmed by telephone, in each case to the person at the address set forth below, or at such other address as may be designated in writing hereafter in the same manner by such Person:

To the Company:

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

with copy to:

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

To the VEBA:

UAW Retiree Medical Benefits Trust  
P.O. Box 14309  
Detroit, MI 48214

With a copy to:

Daniel W. Sherrick  
General Counsel  
International Union, United Automobile, Aerospace and  
Agricultural Implement Workers of America  
8000 East Jefferson Avenue  
Detroit, MI 48214  
Telecopy: 313-822-4844

and

Cleary Gottlieb Steen & Hamilton LLP  
One Liberty Plaza  
New York, New York 10006  
Attention: Richard S. Lincer/David I. Gottlieb  
Telecopy: 212-225-3999

**SECTION 5.2 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (SUBJECT TO ANY MANDATORY PROVISIONS OF THE LLC ACT), EXCLUDING (TO THE EXTENT PERMISSIBLE BY LAW) ANY RULE OF LAW THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.**

**SECTION 5.3 Assignment. Neither this Agreement nor any of the rights granted herein, nor any of the other interests and obligations created hereunder, shall be assigned**



or delegated by either of the parties hereto without prior written consent of the other. Any such assignment or delegation without such prior written consent shall be void and of no effect.

SECTION 5.4 Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter contained herein, and supersedes and cancels all prior agreements, negotiations, correspondence, undertakings and communications of the parties, oral or written, regarding such subject matter.

SECTION 5.5 Amendments. This Agreement may be amended only by a written instrument executed by the parties hereto or their respective successors or permitted assigns.

SECTION 5.6 Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

SECTION 5.7 Severability; Enforcement. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of Law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement are not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner to the fullest extent possible.

SECTION 5.8 WAIVER OF TRIAL BY JURY. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF ANY PARTY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF.

SECTION 5.9 Waiver. The failure of any party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of such party thereafter to enforce each and every such provision. No waiver of any breach hereof or non-compliance herewith shall be held to be a waiver of any other or subsequent breach hereof or non-compliance herewith. Any purported waiver shall be invalid unless it is in writing and signed by the parties hereto or their respective successors or permitted assigns.

SECTION 5.10 Expenses. Except as otherwise specified in this Agreement, all costs and expenses incurred in connection with this Agreement and the transactions contemplated by this Agreement shall be borne by the party incurring such costs and expenses, whether or not the closing shall have occurred; provided that all costs and expenses incurred by the VEBA in connection with negotiating this Agreement, the Settlement Agreement and the MTA and the transactions contemplated herein and therein, including, without limitation, costs and expenses incurred by the VEBA in connection with (i) transferring the Membership Interests or (ii) in making any required antitrust filing shall be borne by the Company.

SECTION 5.11 Public Announcements. No party to this Agreement shall make, or cause to be made, any press release or public announcement in respect of the entering into of this Agreement by the parties or otherwise communicate with any news media without the prior written consent of the VEBA, Fiat and the Company unless otherwise required by Law or applicable stock exchange regulation (in which case the disclosing party shall give the other parties reasonable prior notice under the circumstances of the proposed timing and contents of the disclosure required to be made thereunder and reasonable opportunity to comment), and the parties to this Agreement shall cooperate as to the timing and contents of any such press release, public announcement or communication.

SECTION 5.12 Binding Effect; No Third-Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors, legal representatives and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties hereto, and their respective successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.


SECTION 5.13 Antitrust Cooperation. The VEBA hereby agrees to comply with Section 5.05 of the MTA as if it were a party thereto. Should the VEBA be required to complete any filing or notification under any Antitrust Law (as defined below) in any jurisdiction in which Fiat has or will make an antitrust filing, Fiat shall cause the VEBA to be included as a filing party in its antitrust filing (without cost or expense to the VEBA), and the Company and the VEBA agree that the VEBA shall have the same rights and obligations as the Company under Section 5.05 of the MTA.

“Antitrust Laws” shall mean the Sherman Act, the Clayton Act, the HSR Act, the EC Merger Regulation, the Canadian Investment Regulations, the Federal Trade Commission Act, in each case as amended, and all other federal, provincial, state and foreign statutes, rules, regulations, orders, decrees, administrative and judicial doctrines and other laws that (a) are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or the lessening of competition through merger or acquisition or (b) involve foreign investment review by Governmental Entities. Capitalized terms used by not defined in this paragraph only shall have the meaning given to such terms in the MTA.

*[Remainder of page intentionally left blank]*

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

**NEW CARCO ACQUISITION LLC**  
**By: Fiat Group Automobiles S.p.A.,**  
**as Sole Member**

By: 

Name: Sergio Marchionne  
Title: Chief Executive Officer

**UAW RETIREE MEDICAL BENEFITS TRUST**

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

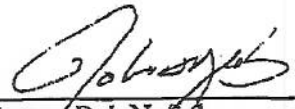
Name: Bob Naftaly  
Title: Chair of the Committee of the UAW  
Retiree Medical Benefits Trust

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

**NEW CARCO ACQUISITION LLC**  
**By: Fiat Automobile Group S.p.A.,**  
**as Sole Member**

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

**UAW RETIREE MEDICAL BENEFITS TRUST**

By:   
Name: Bob Naffaly  
Title: Chair of the Committee of the UAW Retiree Medical Benefits Trust