FIAT CHRYSLER AUTOMOBILES

Draft version

DEED OF RECORD (*proces-verbaal*)

On the twelfth day of April two thousand and nineteen as of twelve hours in the afternoon, I, Dirk-Jan Jeroen Smit, civil law notary, officiating in Amsterdam, the Netherlands, attended the annual general meeting of shareholders of **Fiat Chrysler Automobiles N.V.**, a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands, having its official seat in Amsterdam, the Netherlands, its corporate office address at 25 St. James's Street, SW1A 1HA, London, United Kingdom and registered with the trade register of the Dutch Chamber of Commerce under number 60372958 (the ***Company***), held at the offices of Freshfields Bruckhaus Deringer LLP, Strawinskylaan 10, 1077 XZ Amsterdam, the Netherlands (both the annual general meeting of shareholders and the corporate body consisting of the shareholders present at that meeting are hereinafter referred to as: the ***Meeting***), with the purpose of taking notarial minutes of the Meeting.
I, Dirk-Jan Jeroen Smit, civil law notary aforementioned, have recorded the following:
1. Opening.
Mr. **John Elkann** opened the Meeting at twelve hours post meridiem and welcomed all present. He announced that:
- Mr. Michael Manley, the CEO (*Chief Executive Officer*) was present;
- unfortunately, because of prior commitments, the other members of the board of directors of the Company (the ***Board*** or ***Board of Directors***) were not able to attend;

- Mr. Giorgio Fossati, the secretary of the Board, was present at the meeting and was appointed as the secretary of this Meeting;
- notarial minutes would be made of the Meeting and that the civil law notary of the Company, Mr. Dirk-Jan Smit of Freshfields Amsterdam was present at this meeting for this purpose;
- the external auditors, Mrs. Alison Duncan from Ernst & Young United Kingdom, Mr. Luigi Conti from Ernst & Young Italy and Mr. Pieter Laan from Ernst & Young the Netherlands were also present at the Meeting and were available to answer any questions relating to their audit report on the fairness of the Company's financial statements that were tabled under item 2(d) of the agenda;
- the Meeting would be held in English and there were headphones available for simultaneous translation into Italian or Dutch;
- the convocation for the Meeting had been published on the Company's website on the first day of March two thousand and nineteen and that the Meeting had been convened in accordance with the legal and statutory requirements; and
- mobile phones and similar equipment were to be switched off during the Meeting since the use of audio-video recording devices by shareholders was not allowed.

In the interest of a smooth course of the Meeting, the **Chairman** invited anyone wishing to speak in relation to the items on the agenda to reserve time to speak at the shareholders'assistance table and specify the issues that they wished to discuss. The **Chairman** kindly requested those who wished to address the Meeting to use one of the microphones in the meeting room, and as soon as he had granted them permission to address the Meeting, to state their name clearly and, if applicable, also the name of the person or of the company that such person was representing. The **Chairman** requested shareholders who were called to speak at the microphone to be concise and strictly relevant to the agenda item being discussed. Any speeches, which would become a mere disturbance or interference for the other participants, or which would be offensive or improper, would not be allowed.

The **Chairman** noted that since the Meeting was held in English, questions were to be posed preferably in English. Responses would be in English. Questions could also be in Dutch. Responses would be in English.

The **Chairman** stated that as chairman of the Meeting he reserved the right to limit the time that a shareholder addressed the Meeting in order to ensure that all shareholders would be given a chance to participate in the discussions. As a guideline, the **Chairman** considered appropriate a maximum of five minutes for each speaker for each agenda item, during which time any voting declarations should be made. In the interest of an orderly course of the proceedings, the **Chairman** reserved the right to deny a shareholder the right to continue to speak if

such shareholder would not limit his time to approximately five minutes, would pose questions that did not relate to agenda items being discussed, or which would not relate to the business of the Company.
The **Chairman** explained that voting would take place electronically, the preliminary voting results would be displayed on the screens in the room upon close on the vote and that the official results would be published on Company's website after the meeting in compliance with the applicable laws and regulations; he also explained that agenda items would be discussed in accordance with the order of the agenda of the Meeting and that agenda sub-items would be discussed in sequence.
The **Chairman** noted that if in relation to agenda sub-items questions would arise, he would park such questions until he would have closed the discussion on the last sub-item of that agenda item, unless such question could be immediately answered either by him or by Mr. Manley.
The **Chairman** noted that voting on sub-items would be deferred until after he would have closed the discussion on the last sub-item on the agenda or, if any, the last parked question. The **Chairman** then asked the shareholders to insert their smart card into their voting device and check the appropriate functioning of the device. He explained that when requested to vote, the shareholder would have to press the button of its choice, whereby button one should be pressed to vote for a proposal, button two to vote against a proposal and button three to abstain from a proposal.
The **Chairman** also referred to the voting instructions that had been handed out at the entrance to the meeting room.
The **Chairman** continued to explain that if a person was a holder of special voting shares and such person wished to exercise a split vote or a person generally wished to exercise a split vote on his holdings, such person was asked to go to the shareholders'assistance table for assistance. The voting device was to be returned to the hostesses at the entrance of the meeting room whenever a person temporarily left and certainly at the end of the Meeting. Furthermore, the **Chairman** informed the Meeting that some journalists would observe the proceedings from a room that had been reserved for them.
The **Chairman** continued by spending a few moments providing a general summary of the development of the Company. He noted that in a few months after the Meeting, on the eleventh day of July two thousand and nineteen, the Company would celebrate the one hundred twentieth anniversary of the foundation of FIAT, the older of the two companies which merged in two thousand and fourteen to create Fiat Chrysler Automobiles (***FCA***). The **Chairman** said that a hundred (100) years ago, the new-born automotive industry was living through an incredibly vibrant and creative moment: a huge range of different power trains were being tried out: internal combustion, electric, steam. Different forms and functions of motorised vehicles were tested and innovative ways to assemble and produce new components

were being invented. Just in Italy, more than one hundred (100) car companies were founded between eighteen ninety-eight to nineteen hundred and eight.
The **Chairman** told the Meeting that out of those early days of fierce competition, a few winning technologies had emerged and during the following century the industry had continued to evolve relentlessly, but without changing so much the essential ingredients at the core of the automobile and particularly the means of propulsion. At present day, he said that there was a new phase of disruptive innovations and technological turmoil: electrification, connectivity and autonomous driving were all shaping a new world for this industry. An industry that was again attracting the brightest creative brains. The next twenty (20) years of the automotive industry would be as vibrant and full of innovation as the first twenty (20).
The **Chairman** informed the Meeting that at the Geneva Motor Show, FCA had recently presented the Fiat Centoventi, which was a concept car that perfectly expressed FCA's idea of electric mass mobility for the near future and which was also a tribute to its one hundred twentieth anniversary. It was designed to be the most affordable electric mobility solution in the market, with a full range of customization and content in terms of colors, interior options, configurations, infotainment systems and even battery range in full respect and accordance with the environment. The **Chairman** noted that this was just one of many examples of how FCA was innovating its product range by developing practical, affordable and useful technology solutions. There should be no doubt that FCA was ready to build that future doing it in accordance with the planet's needs.
The **Chairman** told the Meeting that his family had supported the Company throughout its evolution for the last one hundred and twenty (120) years. The family had been there in the good times and also in the very difficult times. The family had provided long-term commitment and stability for the organization and would continue to do so, even more now that FCA was entering a new and exciting phase of development for the car industry.
The **Chairman** noted that FCA had never been as strong and as healthy as it was today. The Company's strong balance sheet allowed it to make the right investments and also meant it could return to rewarding its shareholders with an ordinary dividend, which would be in addition to the extraordinary distribution made possible by the excellent Magneti Marelli divestment. The **Chairman** explained that this return to paying dividends was something that had not happened for a decade and was one of the fruits of all the outstanding work by all the FCA colleagues during the past ten years.
In spite of all the positive developments in the business in two thousand and eighteen, the **Chairman** said that the second half of two thousand and eighteen had also included tough trading in some specifically identified areas, and as FCA had predicted, these would persist into the first half of two thousand and nineteen. Mr. Manley was in the process of addressing those issues with his usual determination

and as a result FCA expected to see a marked improvement in the second half of two thousand and nineteen. The **Chairman** further told the Meeting that Mr. Manley was also moving decisively to make sure that FCA’s organization would be even stronger both by promoting internal young talent to senior roles and by appointing skilled leaders from outside the Company. They were all smart and highly motivated people who were joining FCA to seize the incredible opportunities ahead.

The **Chairman** concluded his introductory speech by saying that in essence FCA was more than ready to play its part in this new and exciting era for the automotive industry and, as it had done in the past, FCA was prepared to be bold and creative in its actions and decision-making, so as to build a solid and attractive future for the benefit of the shareholders and for that of all its stakeholders.

The **Chairman** handed over to Mr. Manley for him to summarize the development of the business, the results received in two thousand and eighteen and the future of FCA.

Mr. **Manley** thanked the Chairman for his introduction and started off by stating that the automotive industry was living through a technological transition that would shape the future of the industry for the years to come. He said that FCA was not only prepared to face that transition but also to face it with confidence and experience.

Mr. **Manley** then continued with a brief recap of FCA’s global and regional results for two thousand and eighteen and noted that FCA had closed the year with another strong performance, marking five (5) consecutive years of record results. Adjusted EBIT (*Earnings Before Interest and Tax*) for the year had come in at seven point three billion Euros (EUR 7,300,000,000), with margin at six point three per cent. (6.3%). Adjusted net profit had climbed thirty-four per cent. (34%) to five billion Euros (EUR 5,000,000,000). FCA’s worldwide combined shipments were four point eight million (4,800,000) units with Net revenues up four per cent. (4%) to just over one hundred fifteen billion Euros (EUR 115,000,000,000).

Mr. **Manley** told the Meeting that from a regional perspective, NAFTA (*North American Free Trade Agreement region*) had had another strong year, achieving FCA’s highest retail sales in seventeen (17) years in the United States market with market share having increased to twelve point three per cent. (12.3%). Adjusted EBIT was up nineteen per cent. (19%) to six point two billion Euros (EUR 6,200,000,000) and the region had also continued its margin improvement reaching eight point six per cent. (8.6%), up from seven point nine per cent. (7.9%) in two thousand and seventeen.

APAC (*Asia Pacific*) had had a difficult year, facing significant hurdles in China, including duty changes, the transition to China 6 emissions regulations and a lower industry in the second half. Combined group sales and net revenues were down eighteen per cent. (18%). Adjusted EBIT was a loss of two hundred ninety-six million Euros (EUR 296,000,000), which primarily reflected the reduction in revenues and lower results from FCA’s Chinese joint venture.

In EMEA (*Europe, Middle East and Africa region*), performance had been impacted by several factors, including the transition to new emissions regulations. Shipments were down three per cent. (3%) and FCA's net revenues had come in at twenty-two point eight billion Euros (EUR 22,800,000,000), which was in line with two thousand and seventeen. Lower volumes and pricing actions in response to the introduction of new emissions testing rules, as well as higher advertising costs to support the growth of the Jeep brand, had led to a decrease in adjusted EBIT to four hundred six million Euros (EUR 406,000,000).
In LATAM (*Latin America region*), FCA had posted robust growth and been able to rapidly and effectively respond to the economic downturn in Argentina in the second half of two thousand and eighteen. Sales had gone up ten per cent. (10%), out-performing an industry increase of seven per cent. (7%). In Brazil, FCA had finished in a leading position in three (3) of the most important segments: pickups, light commercial vehicles and SUVs (*Sports Utility Vehicles*).
Net revenues for the region were up two per cent. (2%) to eight point two billion Euros (EUR 8,200,000,000) and adjusted EBIT had more than doubled from two thousand and seventeen to three hundred fifty-nine million Euros (EUR 359,000,000) and margin had increased to four point four per cent. (4.4%).
Mr. **Manley** told the Meeting that the results for Maserati were below the two thousand and seventeen level and that such was primarily due to market challenges in China, as well as inventory management actions and lower volumes in North America and Europe. Global sales were down twenty-eight per cent. (28%) resulting in lower shipments and net revenues had decreased by thirty-four per cent. (34%). Adjusted EBIT for two thousand and eighteen had come in at one hundred fifty-one million Euros (EUR 151,000,000) with a margin of five point seven per cent. (5.7%).
Mr. **Manley** continued by noting that in addition to posting record results, two thousand and eighteen had been a year where FCA had continued to strengthen our business. The agreement to sell Magneti Marelli, which was on track to close in the second quarter of two thousand and nineteen, with expected proceeds of approximately six billion Euros (EUR 6,000,000,000) which would enable FCA to further strengthen its balance sheet and, at the same time, reward the shareholders with an extraordinary dividend of two billion Euros (EUR 2,000,000,000), which was planned to be paid following completion of the transaction, and subject to approval by the Board of Directors.
On the industrial side of the business, Mr. **Manley** stated that with the launch of the all-new RAM 1500 pickup, FCA successfully completed the most complex and intensive phase of the realignment of its manufacturing footprint in NAFTA.
In the mobility space, FCA had further strengthened its partnership with Waymo, announcing an agreement to deliver up to an additional sixty-two thousand (62,000) Chrysler Pacifica Hybrid minivans. FCA had also announced its partnership with

BMW to jointly develop level three (3) autonomous driving systems that would first be deployed within FCA’s luxury brand Maserati.
During two thousand and eighteen, FCA’s strong performance had led to closing the year in a net industrial cash position for the first time and had also resulted in ratings upgrades from each of the three major credit rating agencies, culminating with Fitch upgrading FCA to Investment Grade. The Board of Directors recommended, for the first time in nearly ten (10) years, to reward shareholders with the reinstatement of an annual ordinary dividend, commencing with the planned payment of sixty-five Eurocent (EUR 0.65) per share on the second day of May two thousand and nineteen.
Mr. **Manley** said that despite a record year and many achievements, FCA’s operations in China, Europe and at Maserati had experienced numerous challenges in two thousand and eighteen which had negatively impacted their results. To address those challenges, FCA had developed clear and decisive strategies the implementation whereof had already begun and positive results were expected to be seen to begin later in two thousand and nineteen. Firstly, he noted that FCA had strengthened its leadership teams both with key internal appointments of its most talented people and with the addition of new members from outside of the Group who were bringing critical skills to key roles, including external perspectives to broaden FCA’s frame of reference.
Mr. **Manley** told the Meeting that in Europe, FCA had launched a new industrial plan to improve its capacity utilization and was taking restructuring actions and rationalizing markets to bring down excess costs. FCA was also redirecting its commercial efforts to optimize sales mix and focus on brands with more pricing power.
Mr. **Manley** noted that in China, FCA was aggressively working to reduce its vehicle direct material costs and to restructure its joint venture to improve efficiency in addition to rechannelling its marketing efforts to key products.
For Maserati, FCA was entering a quiet period for new product launches and would spend that time to correct global inventory levels and refocus the brand on its legacy of luxury and exclusiveness.
With regard to the near-term outlook, Mr. **Manley** referred to the guidance FCA had given for two thousand and nineteen and said to expect full-year operating performance for two thousand and nineteen to exceed FCA’s record results in two thousand and eighteen. Mr. **Manley** also told the Meeting that, from what could be seen today, he was confident that FCA would successfully deliver on its guidance for two thousand and nineteen. Continued strong performance in NAFTA and LATAM was expected, with higher year-over-year adjusted EBIT and margin. However, it would be important to consider expected cadence of earnings during two thousand and nineteen.
He noted that in NAFTA, the first half of two thousand and nineteen would see lower year-over-year results particularly in the first quarter due to the fact that FCA

would not repeat the benefits of overlapping production of the old generation Wrangler alongside the new one. In the second quarter FCA would see reduced production of Wrangler as it prepared the plant for the launch of the new plug-in hybrid Wrangler in early two thousand and twenty.
Maserati would be down year-over-year in the first half of two thousand and nineteen as FCA was destocking its global dealer network and worked to improve the sales and profit performance.
In the second half of two thousand and nineteen, Mr. **Manley** noted, NAFTA would benefit from the all-new Jeep Gladiator and RAM heavy-duty, along with more actions to improve margins with industrial efficiencies.
EMEA actions would progressively take effect throughout two thousand and nineteen, with the full benefits to be seen in two thousand and twenty.
FCA expected marketing and commercial challenges to continue in China. The actions that it had put in place, not just on cost and efficiency, but also its newly launched products, would begin to improve its performance as FCA would get into the back half of two thousand and nineteen. FCA expected to generate industrial free cash flows in excess of one point five billion Euros (EUR 1,500,000,000) in two thousand and nineteen, which Mr. **Manley** said, was lower year-over-year due to higher capex spending to support FCA's electrification strategy and the renewal and expansion of its product portfolio.
Mr. **Manley** noted that FCA had already announced important investments that clearly demonstrated its confidence in the future. In Europe, it had presented a product plan focused on full battery electric and other high voltage electrified powertrains as well as the use of common and flexible vehicle platforms. Investment over the plan period would total more than five billion Euros (EUR 5,000,000,000) and would see the installation of its second generation Fiat 500 BEV (*Battery Electric Vehicle*). In addition, at the Geneva Motor Show in March of two thousand and nineteen, FCA had revealed its plans for plug-in-hybrid versions of both the Jeep Renegade and Compass models. Those new electrified vehicles would be built upon FCA's proven capability in that area. Its first generation Fiat 500 BEV had been on sale for over six (6) years and was the fifth highest selling battery electric vehicle in the United States. Mr. **Manley** informed the Meeting that FCA's experience with plug in hybrids was also notable. Not only was the Pacifica minivan the most awarded minivan three (3) years in a row, the plug in hybrid version had won over fifteen (15) awards itself and was currently the fourth highest selling plug-in hybrid in the United States. In NAFTA, FCA had announced plans to invest four point five billion United States dollars (USD 4,500,000,000) to increase capacity to meet growing demand for its core brands, Jeep and RAM, including production of two (2) all-new Jeep-branded white space products, as well as electrified models for those vehicles.
Summing up two thousand and eighteen, Mr. **Manley** told the Meeting that FCA had finished the year in the strongest financial position since FCA was created. It had

achieved record results and a number of significant milestones, despite a number of unexpected challenges. He believed that FCA had the ability, together with the depth and breadth of talent and skills, to face the future with confidence. He said he wanted to conclude by thanking everyone in the FCA organization for their contribution to meeting the challenges and leveraging the opportunities that were a constant part of FCA’s business. He also thanked all of FCA’s shareholders for supporting the Group and its management.

Mr. **Manley** then passed back to the Chairman, who continued with the formal business of the Meeting.

The **Chairman** informed the Meeting that as at the record date of the Meeting, the Company had a total number of one billion nine hundred seventy-five million nine hundred twenty-one thousand one hundred forty-one (1,975,921,141) issued shares and a total number of one billion nine hundred forty-three million five hundred fifty-two (1,943,000,552) voting rights. No vote may be cast on shares held by the Company or any of its subsidiaries.

The **Chairman** informed the Meeting that according to the attendance list, seventy-two point fifty-four per cent. (72.54%) of all outstanding shares in the issued capital of the Company as at the record date were present or represented at the Meeting and that the total number of voting rights at the Meeting amounted to one billion four hundred nine million three hundred sixty-two thousand six hundred thirty-three (1,409,362,633). Finally, five hundred eighty-three million nine hundred twenty-four thousand two hundred seventy (583,924,270) votes had been cast by the use of electronic means of communications prior to the Meeting. These voting instructions had been processed by entering the voting instructions for each individual agenda item into the electronic voting system. Votes which had already been cast by use of electronic means would be included in the voting results.The **Chairman** turned to the second item on the agenda, which was the annual report for two thousand eighteen (the ***2018 Annual Report***). He informed the Meeting that the 2018 Annual Report had been made available on the Company's website and at the Company's office from the first day of March two thousand nineteen, being the date on which the convocation for the Meeting had been published. The **Chairman** explained to the Meeting that he would first spend a few moments to provide a brief summary and explanation of all six (6) agenda sub-items of the second agenda item and that only after such brief explanation, shareholders who had reserved time on any of these sub-items would be invited to speak, followed by the opportunity for discussion, questions and observations. The first three (3) agenda sub-items would not be voted upon as they were discussion items only. The last three (3) agenda sub-items of the second agenda item were voting items and the voting on those sub-items would take place after the **Chairman** would have closed the discussion on the second agenda item.

The **Chairman** turned to the first sub-item 2(a) which concerned the report of the Board of Directors for the financial year two thousand and eighteen as included in the 2018 Annual Report, being a discussion item only. Sub-item 2(b) concerned the implementation of the remuneration policy in two thousand and eighteen and also this agenda sub-item would not be voted on, again being a discussion item only. The **Chairman** noted that the directors' remuneration report for two thousand and eighteen was contained in the 2018 Annual Report, with the details on the remuneration of the Company's directors having been described in the 2018 Annual Report that was handed out at the entrance to the meeting room. For this, the **Chairman** referred to page 137 through to page 149.
Sub-item 2(c) concerned the policy on additions to reserves and on dividends and was a non-voting item, for discussion only. The **Chairman** explained that it was required to discuss the Company's policy on reserves and dividends and in furtherance of the end of the business plan for the period two thousand and fourteen through two thousand and eighteen as adopted by the Company in two thousand and fourteen, the Company had adopted a new dividend policy. The **Chairman** informed the Meeting that the new dividend policy of the Company contemplated the institution of an annual ordinary dividend to be distributed by the Company to the holders of common shares based on a twenty per cent. (20%) pay-out ratio of the Company's adjusted net profit of the relevant previous financial year. He noted that the actual level of dividend to be distributed by the Company would be subject to earnings, cash balances, commitments, strategic plans and other factors that the Board of Directors would deem relevant at the time of a dividend distribution, including adjustments for income or costs that would be significant in nature but were expected to occur infrequently. In accordance with the abovementioned dividend policy, he told the Meeting that the Company intended to make a dividend distribution on the common shares, as further mentioned under item 2(e).
Sub-item 2(d) concerned the adoption of the Company's 2018 Annual Accounts and that was a voting item. With regard to sub-item 2(d), the **Chairman** informed the Meeting that the Company's 2018 Annual Accounts had been drawn up by the Board and had been audited by Ernst & Young Accountants LLP, the Netherlands, who had issued an unqualified opinion. The external auditors, Mrs. Alison Duncan and Mr. Pieter Laan were available to answer any questions relating to their report on the fairness of the 2018 Annual Accounts. The Board of Directors proposed to the Meeting to adopt the 2018 Annual Accounts and the **Chairman** noted that voting on this sub-item would take place after he would have closed the discussion on all agenda sub-items of the second agenda item.
Agenda sub-item 2(e) concerned the approval of the dividend for the year two thousand and eighteen. The **Chairman** noted that this was a voting item and informed the Meeting that subject to the adoption of the 2018 Annual Accounts by the Meeting and in accordance with article 23 of the articles of association of the Company, the Board recommended a dividend payment from the profits shown in

the 2018 Annual Accounts on the Company's common shares of sixty-five Eurocents (EUR 0.65) per common share. This resulted in a total dividend for the financial year two thousand and eighteen of approximately one billion Euro (EUR 1,000,000,000) . The **Chairman** noted that the dividend would be fully paid in cash and if the proposed dividend would be approved by the shareholders, the expected calendar for both the Company's New York Stock Exchange listed common shares and Mercato Telematico Azionario listed common shares would be as follows: the ex-dividend date would be the twenty-third day of April two thousand and nineteen, the record date for the dividend would be the twenty-fourth day of April two thousand and nineteen and the payment date would be the second day of May two thousand and nineteen. The **Chairman** informed the Meeting that the balance between the total amount of the dividend distribution for the financial year two thousand and eighteen and the full amount of profits shown in the Company's 2018 Annual Accounts would be reserved in order to further fund capital requirements of the Group. He noted that the Board proposed that the Meeting would approve the two thousand and eighteen dividend. The **Chairman** mentioned that voting on this sub-item would take place after he would have closed the discussion on all agenda sub-items of agenda item 2.

The final sub-item 2(f) concerned the granting of discharge from liability of the executive directors in respect of the performance of their management duties in the financial year two thousand and eighteen and the non-executive directors of the Board for the performance of their non-executive duties in the financial year two thousand and eighteen. This was a voting item. The **Chairman** then invited shareholders who had reserved time to intervene to speak according to the order of their reservation and the first person who was allowed to address the Meeting was Mr. Andrea Malan, a shareholder who also worked as a journalist for Automotive News.
Mr. **Malan** said that he had a number of questions, with the first ones about the important technological change and specifically, the emissions problems that all car-makers were now facing. The question regarded FIAT in Europe. He noted that FCA had recently signed an agreement with Tesla to pool emissions for two thousand and nineteen in order to avoid paying fines for possible non-compliance with limits of the European Union. Mr. **Malan** asked whether that agreement would be repeated in two thousand and twenty and two thousand and twenty-one when the fines could be even higher. He also asked how much FCA had paid or would pay to Tesla to get into the pooling. On the same point, Mr. **Malan** noted that FCA had been buying regulatory credits in the United States of America for a number of years from Tesla and other carmakers and he asked how much FCA had actually spent on this in two thousand and eighteen and two thousand and seventeen. Mr. **Malan** said that until

two thousand and fifteen, the cost had been reflected in the reports for Chrysler, LLC, but were no longer included in the reports for FCA.

In respect of CO_2 (*Carbondioxide*), Mr. **Malan** noted that the reports about the two thousand and eighteen consumption and emissions performance of carmakers in China showed that FCA was among a few carmakers who had not met the targets as established by the Chinese government. Mr. **Malan** asked what actions FCA was taking in China to avoid paying fines. He said he wondered whether it would be possible to pool emissions with joint ventures with GAC or with other carmakers. He said he had also understood that Jeep had announced plans to introduce both battery electric and plug-in hybrids in China and he asked when those vehicles would arrive.

Mr. **Malan** said that his last two questions related to Magneti Marelli. He noted that Mr. Manley had mentioned a figure of approximately six billion Euro (EUR 6,000,000,000) for the transaction value and that the transaction was supposed to close in the second quarter of two thousand and nineteen. He said that the press release in October of two thousand and eighteen had mentioned a figure of six point two billion Euro (EUR 6,200,000,000) for the transaction value. Mr. **Malan** asked whether the difference consisted of expenses related to the transaction or whether there had been a downward revision of the price. As his final question, Mr. **Malan** asked which powers Mr. Palmer, who was nominated for appointment as executive director, would have within the Board of Directors and how the powers would be shared with the other executive directors.

The **Chairman** thanked Mr. Malan and then asked Mr. Marco Bodini to speak.

Mr. **Bodini** (*translated from Italian*) asked about the strategic plans for Alfa Romeo. In his view, placing Alfa Romeo in the global sales network of Jeep would broaden the sales network because Jeep was far wider known. In respect of FIAT, Mr. **Bodini** (*translated from Italian*) asked if it would be feasible to use the production facilities in Latin America for the European market, especially considering the more aggressive sale policies . Finally, Mr. **Bodini** (*translated from Italian*) asked whether the ordinary dividend would be as structural for the Company as it was for competitors in the automotive business and what the changes were for the new strategic plan in comparison to the plan that had been carried out in the previous four (4) to five (5) years.

The **Chairman** thanked the speaker and then asked Mr. Theodorus Swinkels to speak.

Mr. **Swinkels** (*translated from Dutch*) noted that during the introductory remarks, the Chairman had indicated that the results of China were under pressure. He also noted that trade negotiations were taking place between the United States of America and China. He wanted to know what the impact of those talks had been in two thousand and eighteen and whether this had impeded FCA’s activities.

Then Mr. **Swinkels** (*translated from Dutch*) noted he understood that FCA was a Dutch company from a taxation point of view. Against that background he asked what tax rate would apply to the proposed dividend of sixty-five Eurocents (EUR 0.65) and whether that would be the Dutch tax rate of fifteen per cent. (15%) or the Italian tax rate of twenty-six per cent. (26%), or the combination of both at forty-one per cent. (41%).

The **Chairman** thanked the speaker and then asked Mr. Marco Zabarini to speak.

Mr. **Zabarini** (*translated from Italian*) said that rather than putting questions, he wanted to suggest to respect CO2 emissions instead of buying bonuses. Why would the Company not start the natural power line or think about biomass gas. Mr. **Zabarini** (*translated from Italian*) thought that the natural power line could be interesting for the colleagues in the United States of America. President Trump could perhaps be encouraged to fund research and development for ecological cars fueled with bio gas to use the overproduction of farmers in the United States of America.

Mr. **Zabarini** (*translated from Italian*) continued by noting that in his view that value of FCA would have to be underlined. Many of its brands could be listed on the stock exchange where, for example, the value of Jeep would be one point five (1.5) times higher than the value of FCA, based on the figures of two thousand and eighteen. He said that FCA was a contraction instrument. The value did not really emerge from its brands. The Jeep brand would be the first to be spun-off and listed. The second brand to be listed would be Maserati, as had happened in the past with Ferrari, with an increase in the production capacity and the introduction of new electrical cars. Mr. **Zabarini** (*translated from Italian*) also suggested to introduce the strategy of renewal and revamping of older models, for example the new GranTurismo. Each such model should also have an electrified model.

Mr. **Zabarini** (*translated from Italian*) noted that in his view the agreement between FCA and Tesla to avoid a fine and which had saved two billion Euro (EUR 2,000,000,000) had been a successful operation. Mr. **Zabarini** (*translated from Italian*) said that the third brand to be disaggregated and listed would be Alfa Romeo. After having increased the production capacity with many models, Giulia coupe, Giulia GTA and many more, a lot of value should be given to the market. Thought should also be given to a hybrid version of all those models.

The **Chairman** thanked the speaker and gave the floor to Ms. Jutta Sperber.

Ms. **Sperber** thanked the Board of Directors and said she first wanted express her grief about the sad fact that Sergio Marchionne could no longer be thanked for all his work for FCA and creating FCA. She said she would appreciate to observe a minute of commemoration before the end of the Meeting.

Continuing, Ms. **Sperber** said that what interested her most in the new situation was how the Board of Directors looked upon the relationship between the American,

especially the North-American, and the European, especially the Italian, activities of FCA.
The **Chairman** thanked Ms. Sperber for her kind words in remembrance of Mr. Sergio Marchionne and noted to follow her suggestion for the end of the Meeting.
The **Chairman** said that he shortly would give the floor to Mr. Manley to respond to the queries, but first wanted to himself touch upon two questions.
In response to the questions around Mr. Richard Palmer's appointment, the **Chairman** noted that having the CFO (*Chief Financial Officer*) or finance directors as members of the board of directors was common practice for other corporations. He noted that Mr. Palmer had been, for a long time, associated with FIAT and many companies within Fiat and FCA and that the Board of Directors together with Mr. Manley was of the view that Mr. Palmer would be a very valuable addition as member of the Board of Directors. The **Chairman** said that Mr. Palmer had expanded his responsibilities under leadership of Mr. Manley where, among other things, had been running the business development activity of FCA. It was absolutely in norm with other companies to propose that the CFO would be appointed as member of the Board and that this was to be perceived and understood as a strengthening of the Board. It was something that was welcomed by both Mr. Manley and the Chairman himself.
The **Chairman** said he also wanted to give a quick premise on some of the questions that had been raised about the arrangements with Tesla. He said that it was important to try and divide the way FCA was proceeding onto these two topics. On the one hand, the Company's ability to master new technologies. He emphasized that, as also Mr. Manley had explained in his address, there was no doubt that FCA was leading edge in what entailed the automotive technologies around hybridizations and electrifications. He noted that those were already in some of the Company's products. The **Chairman** said that FCA had always tried to make sure that what the technologies it got itself involved with, would have the opportunity to also be economically viable for the Company for the benefit of its shareholders and stakeholders. It was therefore important, the **Chairman** said, to bear in mind that it was not only because one was capable and did have the necessary technologies, that one should be developing products that would be difficult to be made profitable. Secondly, the **Chairman** noted that the way that the Company had approached new technologies, and under Mr. Manley's leadership would continue to approach, made sure that the Company best used its capital, which was a strength of the Company. He said that he was sure that under the leadership of Mr. Manley, such would continue to be a strength of FCA. He emphasized the importance of this being understood and clarified instead of being mixed and misunderstood. The **Chairman** then handed over to Mr. Manley.
Mr. **Manley** continued with the questions around the arrangements of the Company with Tesla and he said he could confirm that it was a multi-year agreement which

would extend for a number of years. With regard to the cost of that agreement, he said that from his view this was also commercial sensitive. Therefore, he declined disclosing the actual cost of the arrangement with Tesla, because he believed that such was competitive information that should be kept within FCA to protect the relationship. The cost of compliance had been published before, Mr. **Manley** said. The cumulative approach that FCA had taken in two thousand and eighteen, would come to around three hundred fifty million Euro (EUR 350,000,000) combined, which was a combination of credits and levies in those instances where levies had been the best route to go.

In respect of the issue of CO2 emissions in China, he noted that the speaker was quite correct. A few things were happening in China. FCA would launch its first plug-in hybrid in two thousand and nineteen which would be based upon the newly launched Grand Commander. That entry into the marketplace would begin the balancing of FCA's local fleet. Mr. **Manley** said FCA was also working very closely with GAC because there was opportunity to do a number of things in terms of how to meet compliance. One was a transfer through a related parent company, and as Mr. **Manley** noted, GAC was such related parent company and therefore such route was certainly available. That was a slightly different concept to pooling, he explained. Secondly, the opportunity for FCA to accelerate the work it had been doing with GAC for the production of additional electrified vehicles in the marketplace was under way.

Turning to the questions around the sale price of Magneti Marelli, Mr. **Manley** noted that there had been no change in pricing compared to what had been released in the press. Mr. **Manley** explained that upon closing certain liabilities would be transferred to the buyer which would reduce the cash consideration that the Company would actually receive, but the price itself had not changed.

Mr. **Manley** asked Mr. Bodini to further clarify his question.

Mr. **Bodini** (*translated from Italian*) said that he had asked about the intentions of the Company with respect to Maserati, since it appeared that the mission had already been accomplished now that Maserati was already a company with good sales and profits. Mr. **Bodini** (*translated from Italian*) asked if the Board could explain how the Company was planning to tackle this.

Mr. **Manley** responded that certainly with Maserati, FCA had seen the brand to continue to grow every time it maintained and launched a new model, which he thought was a very stable product plan. Mr. **Manley** said that he considered Maserati an asset to FCA. He expected the results of the product renewals that Maserati had planned would be seen to begin in eighteen (18) to twenty-four (24) months after the Meeting. Also, the product renewals would refresh existing products in the marketplace and expand the range. They would bring to Maserati an SUV in the D-segment, which was the premium luxury segment, and the largest part of the segment in which FCA had not yet played. Mr. **Manley** noted that he was further working on the purification of the focus of Maserati which had been combined with Alfa Romeo. Secondly, he noted that typically for a luxury brand, the global network would carry less inventory to give customers a choice. FCA was now going through the process for Maserati to reduce network inventory to give customers a choice. He noted that such would typically come with improved margins because customers could choose the one they wanted. A lot of work was being done in that area, which was in preparation of making sure that when the new products would come through in early two thousand and twenty-one, the benefits of that could be maximized. Mr. **Manley** said he considered Maserati a true asset in the FCA group. With regard to Alfa Romeo, Mr. **Manley** said that by franchising with Jeep dealers in certain areas with rapid expansion of Alfa Romeo's reach, it had enabled FCA to do two things. Firstly it had enabled FCA to increase (the) customer convenience by reducing drive times but more importantly also to provide much more service centers. With regard to the intention for Alfa Romeo, Mr. **Manley** noted that as it developed and as Alfa Romeo needed to prove that it could develop, FCA would begin separation typically at the point that Alfa Romeo proved it could develop. He noted that Alfa Romeo was at an initial phase. Some franchises would last in more rural areas for a longer period, but ultimately, if Alfa Romeo achieved the scale and size one would want to separate particularly in those key cities.

Mr. **Manley** said using its production facilities in Latin America for Europe was almost counterintuitive. Taking production out of Latin America, particularly for Europe, would not end with a low-cost sourcing. Within Brazil, FCA had found that its production for Brazilian and Argentinian consumption was very competitive. If FCA would bring out vehicles with logistic costs and supply costs and by the time it would then reach a state, such as in Europe, it would not be as competitive as when FCA would localize its production in Europe. Mr. **Manley** said that FCA had looked at using the production facilities in Brazil for this purpose and would continue to look at that, but it was not something that FCA now intended to do.

In respect of the question on dividend, Mr. **Manley** noted it was the intention of the ordinary dividend becoming structural.

The **Chairman** added that it was the intention of the Company to have a net income, with twenty per cent. (20%) of that net income to be ordinary dividend.

Then Mr. **Manley** turned to the questions around China. He said that it was true that when the first rumors had started to appear that there would be a lot of volatility on import duties into China, this had immediately affected the markets. FCA had seen the effects really beginning from the end of April two thousand and eighteen into May two thousand and eighteen even though the rumors on the change had only been later. Mr. **Manley** said that there was no doubt that such an uncertainty in the market would have an impact as people tended to wait as they wanted to understand what the buying parameters would look like by the time that all would have settled down. FCA was of course hoping that it would now finally get settled, so that there

would be a market of which the development in two thousand and nineteen could be understood in more detail. He noted however that there was no doubt that there would be an impact on FCA's business.
With regard to the question on dividend taxation, Mr. **Manley** noted that the Company was actually tax resident in the United Kingdom. He said that the Company intended to post on its corporate website for all its shareholders information on the tax implication of dividend distribution, but impact would probably vary depending on individual circumstances.
Mr. **Manley** then moved on to the questions regarding the CO2 emissions and using natural power and CNG (*compressed natural gas*). He informed the Meeting that one of the things that FCA was analyzing as it brought new engines online, particularly the GSC and the GME (*Global Medium Engine*), the next-generation engines, was the use of natural power, CNG (*Compressed Natural Gas*) and LPG (*Liquefied Petroleum Gas*).
In response to questions on Maserati's prospect to bring mass market models and electrification, he also noted that for Maserati, there were plans to extend in the D-segment, which Mr. **Manley** thought would be very important for the brand. He said the effect for Porsche had been dramatic when they had moved into the D-segment, from starting with E and then down to D . It had continued to build on their momentum. Mr. **Manley** said that FCA had been clear on its plans that Maserati would contain very high levels of electrification throughout the range. FCA saw that as a great opportunity to add that to the brand and continue to grow.
In response to questions on his view on the Italian and North-American operations, Mr. **Manley** said that he considered the collection of cultures within the Company as one of its fabulous things. Each culture brought to FCA as a whole very important elements, both its Italian brands and its brands from the United States of America. Mr. **Manley** said that it was important for FCA to understand that such culture would need to be present from the brand point of view. How FCA would then work efficiently across a global company was equally important. For example, it was important that each of FCA's regions around the world would have engineering functions that could add to the total Company but also looked after the regional needs. Mr. **Manley** said that FCA was protective of the skill levels that it had in EMEA and in North America. He saw that as being part of a brand-led company.
Mr. **Manley** said that despite the change of the CEO in two thousand and eighteen, his views in terms of how FCA worked together globally were very similar to those of his predecessor Mr. Marchionne.
The **Chairman** noted that Mr. Marco Zabarini wanted to make a closing remark before the vote.
Mr. **Zabarini** (*translated from Italian*) said that nobody knew now what the future in fifty-years-time would look like. Who knows what would be the winning one: hybrid, electric, natural power? He suggested that FCA should implement a line that

could be of interest to any administration in the United States of America, be it Republican or Democratic. Mr. **Zabarini** (*translated from Italian*) said that if workers could be employed to produce from biomass, lots of ventures would be granted to FCA both by the governments of Italy and of the United States of America. Should FCA not consider those options?

Mr. **Manley** said that it was not that the Company would not want to consider them as options. For example, FCA was heavily involved in the way Brazil had moved with the use of ethanol and the recycling of natural sugarcane and their approach to CO_2 emissions. He also noted that Mr. Marchionne previously had had discussions to see if FCA could increase the impact of certain natural power sources in terms of compliance, but that those approaches had been unsuccessful. That did not mean that FCA would not continue in that area, but to date that had not provided a full solution for compliance, certainly within EMEA. After that, the **Chairman** closed the discussion on agenda item 2 and turned to the voting of the relevant sub-items. Firstly he put item 2(d) to the vote, the adoption of the 2018 Annual Accounts. The **Chairman** opened the vote, he asked the Meeting to cast their vote by pressing the button of choice and after he had closed the vote again, he informed the Meeting that the proposal had been approved and that the 2018 Annual Accounts had been adopted by the Meeting.

Secondly, the **Chairman** put item 2(e) of the agenda to the vote which was the approval of the dividend. He declared the vote open and after he closed the vote, the **Chairman** declared that the proposal had been approved and that the two thousand and eighteen dividend had been adopted by the Meeting.

Lastly, the **Chairman** put item 2(f) on the agenda to the vote, the granting of discharge from liability of the executive directors and the non-executive directors. After having closed the vote, he declared to the Meeting that the proposal granting of discharge from liability of the executive directors and the non-executive directors of the Board had been adopted by the Meeting

The **Chairman** then moved on to the next item on the agenda, which concerned the appointment of the directors, starting with the executive directors. He noted that both the third agenda item as well as the fourth agenda item on the appointment of the non-executive directors were voting items. Shareholders who had reserved time on any of the sub-items of the third or fourth agenda item would be invited to speak and the **Chairman** noted that there would be opportunity for discussion, questions and observations after both the third and fourth agenda items had been briefly explained by him.

The **Chairman** explained that pursuant to article 14, paragraph 3, of the Company’s articles of association the term of office of each of the executive directors and each of the non-executive directors expired on the day the first annual general meeting of shareholders was held in the following calendar year. Each executive and each non-executive director could be re-appointed at any subsequent general meeting of shareholders.

The **Chairman** informed the Meeting that both executive directors were eligible and had stated their willingness to accept a re-appointment. The Board believed that the contribution and performance of both executive directors seeking re-appointment continued to be effective, and that they had each demonstrated commitment to their respective roles in the Company. Accordingly, the Board recommended to re-appoint John Elkann and Michael Manley as executive directors.

The **Chairman** noted that in addition, the Board recommended to appoint Richard Palmer, FCA's chief financial officer, as an additional executive director.

In respect of the next, fourth, item on the agenda, concerning the appointment of the non-executive directors, the **Chairman** noted to the Meeting that the Board recommended to re-appoint Ronald L. Thompson, John Abbott, Andrea Agnelli, Tiberto Brandolini d'Adda, Glenn Earle, Valerie A. Mars, Michelangelo A. Volpi, Patience Wheatcroft and Ermenegildo Zegna.

The **Chairman** noted that Mr. Marco Zabarini wanted to make a contribution.

Mr. **Zabarini** (*translated from Italian*) said that in his view a disaggregation of the brands of FCA would not only produce a cash flow, but would also contribute to coming to a debt-free position of FCA with positive effects on the share price. In order to have capital for investments, FCA needed huge capital investments.

Mr. **Zabarini** (*translated from Italian*) said that in his opinion, fifteen billion Euro (EUR 15,000,000,000) would be needed to develop Alfa Romeo and FCA should consider a carve-up or find a partner for Alfa Romeo. After disaggregating Alfa Romeo, Mr. **Zabarini** (*translated from Italian*) said, Lancia could also be relaunched, perhaps by using the platform in Modena, Italy, and the new Integrale could be made using the platform of the Giulia Veloce and maybe even Ferrari plants could be used. He suggested to consider making a Lancia SUV with the mechanicals of a FIAT 500X or Jeep Renegade, with the same engineering systems that FCA used to produce two, three different models. For higher gains, Mr. **Zabarini** (*translated from Italian*) suggested to fill the production capacity of the FIAT Punto in Italy, which capacity could not be used by the premium segment. He also suggested to use the production capacities in Italy for at least fifty per cent. (50%) for the mass market, perhaps by lifting the prices of FIAT and to relaunch the Panda model . Mr. **Zabarini** (*translated from Italian*) also suggested to relaunch Lancia and rebrand it to Autobianchi and consider a production of the Punto model and brand it as Autobianchi or organise production facilities for the Tipo model and also brand it as Autobianchi. Mr. **Zabarini** (*translated from Italian*) said he wanted to remind the Board that in Milan, Innocenti and Autobianchi used to produce the Lambretta model and suggested that the Company should consider the two vehicles. He said that he also suggested to consider an electrical Lambretta. Mr. **Zabarini** (*translated from Italian*) said that capital was also useful to distribute as dividend, but instead noted that in his view an increase of capital would also be needed. He asked whether it would be feasible for FCA to envisage a carving up of the brands he had mentioned and he asked the Board if they would consider a carve-out for Maserati as had been done for Ferrari. He also asked whether similar paths could be considered for Alfa Romeo.

Mr. **Zabarini** (*translated from Italian*) further asked the Board if FCA would be willing to produce engines for each premium brand in their historical regions, such as those for Alfa Romeo in Italy and whether the Board was envisaging specific contents in terms of style and hire external consultants. Mr. **Zabarini** (*translated from Italian*) also asked whether the Board was envisaging that FCA would produce itself all spare parts, those that were now being sourced from external suppliers. Finally, Mr. **Zabarini** (*translated from Italian*) asked whether the Board was envisaging the design for the new frames being thoroughly tested in all branches in Turin, Italy.

The **Chairman** thanked the speaker and said that he wanted to proceed to voting on the appointment of the directors and noted that for the sub-item concerning his own reappointment, Mr. **Manley** would temporarily act as chairman.

Mr. **Manley** continued and invited the Meeting to vote for the re-appointment of John Elkann as executive director. He requested that the system for voting was activated, then declared the resolution open and asked that shareholders cast their vote. After he had closed the vote, Mr. **Manley** established that John Elkann had been re-appointed as executive director. He thanked the Meeting for their confidence, congratulated the Chairman and handed the chairmanship of the Meeting back to him.

The **Chairman** asked the Meeting to vote on the re-appointment of Michael Manley as executive director and he established that the Meeting had approved the proposal, whilst congratulating Mr. Manley on his re-appointment.

The **Chairman** then invited the Meeting to vote on the appointment of Richard Palmer as executive director. After having closed the vote, he declared that the Meeting had approved the proposal and that Mr. Palmer had been appointed as an executive director.

Then the **Chairman** continued and invited the Meeting to vote on the appointment of the non-executive directors, starting with Ronald L. Thompson. After having declared the voting on this sub-item closed, he established that the proposal had been approved. Next, the **Chairman** invited the Meeting to vote on the appointment of John Abbott and after having closed the vote, he established that the proposal had been approved. Then the **Chairman** invited the Meeting to vote on the re-appointment of Andrea Agnelli and after having closed the vote, he established that the proposal had been approved. The **Chairman** continued and invited the Meeting to vote on the re-appointment of Tiberto Brandolini d'Adda and, after having declared the resolution closed, he informed the Meeting that the proposal had been approved. Next, the Chairman invited the Meeting to vote on the re-appointment of Glenn Earle. The **Chairman** established again that, after having the voting on the sub-item closed, the proposal had been approved. The **Chairman** then invited the Meeting to vote on the re-appointment of Valerie A. Mars. After having declared the vote closed, he informed the Meeting that the proposal had been approved. Continuing, the **Chairman** invited the Meeting to vote on the re-appointment of Michelangelo A. Volpi. The **Chairman** closed the vote and established that the proposal had been approved. The **Chairman** then asked the Meeting to vote on the re-appointment of Patience Wheatcroft. He closed the vote and established that the proposal had been approved. Finally, the **Chairman** asked the Meeting to vote on Ermenegildo Zegna's re-appointment. The **Chairman** closed the vote on the resolution and established that the proposal had been approved. He thanked the Meeting.

The **Chairman** then proceeded to the fifth item on the agenda regarding the appointment of the independent auditor. He explained that the Company's audit committee had reviewed the performance of the independent auditors and the effectiveness of the audit. Based on their review, the audit committee had recommended the re-appointment of Ernst & Young Accountants LLP as independent auditors of the Company until the annual general meeting of shareholders of the Company in two thousand and twenty. The **Chairman** thanked the auditors for the work they had done for the Company and informed the Meeting that the Board of Directors concurred with the audit committee's recommendation and therefore had submitted to the Meeting the proposal to re-appoint Ernst & Young Accountants LLP as the Company's independent auditors until the annual general meeting of shareholders of the Company in two thousand and twenty. The **Chairman** invited the Meeting to vote and then established that the proposal had been approved by the Meeting.

In respect of agenda item 6, the **Chairman** noted that he would first spend a few moments providing a brief summary and explanation of all three agenda sub-items of agenda item 6 and that only after that brief explanation, shareholders who had reserved time on any of those items would be invited to speak with opportunity for discussion, questions and observations. The **Chairman** informed the Meeting that all three sub-items of agenda item 6 were voting items and that voting would take place after he would have closed the discussion on agenda item 6.

The **Chairman** explained that pursuant to articles 6 and 7 of the articles of association of the Company, the Board had been irrevocably authorized to issue shares and to grant rights to subscribe for shares in the capital of the Company, up to a maximum aggregate amount of shares as provided for in the Company's authorized share capital as set out in the articles of association, and to limit or exclude the right of pre-emption with respect to common shares, for a period of five (5) years from the twelfth day of October two thousand and fourteen, which authorities would therefore expire on the eleventh day of October two thousand and nineteen. In order to maintain the necessary flexibility and be able to quickly respond to circumstances that require the issuance of shares and the limitation or exclusion of pre-emptive rights, if any, over an adequate period of time and considering the fact that the current authorization of the Board of Directors was to expire on the eleventh day of October two thousand and nineteen, the **Chairman** noted that the Board made the following proposals to the Meeting. The first sub-item 6.1 concerned the proposal to designate the Board of Directors as the corporate body authorized to issue common shares and to grant rights to subscribe for common shares as provided for in article 6 of the Company's articles of association. In accordance with article 6 of the Company's articles of association, it was proposed to authorize the Board to issue common shares in the capital of the Company and to grant rights to subscribe for common shares in the capital of the Company. The **Chairman** stated that the authorization would be limited to ten per cent. (10%) of the issued common shares for general corporate purposes as per date of the Meeting, to be used for any and all purposes, plus an additional ten per cent. (10%) of the issued common shares as per the date of the Meeting for an issuance to occur on the occasion of the acquisition of an enterprise or a corporation, or, for issuances and/or the granting of rights to subscribe for common shares as otherwise necessary in the opinion of the Board. The **Chairman** explained that the proposed authorization would allow the Board to be flexible and to respond quickly to circumstances that required the issuance of common shares and would furthermore enable the Board to meet any obligations resulting from equity incentive plans of the Company. The **Chairman** noted that the authorization was requested for the period starting from the date on which the existing authorization would expire and therefore from the twelfth day of October two thousand and nineteen up to and including the eleventh day of October two thousand and twenty. Consequently, the authorization shall end eighteen (18) months from the date of the Meeting.

The **Chairman** noted that the second sub-item concerned the proposal to designate the Board of Directors as the corporate body authorized to limit or to exclude pre-emption rights for common shares as provided for in article 7 of the Company's articles of association. In accordance with article 7 of the Company's articles of association it was proposed to designate the Board as the corporate body authorized to limit or to exclude pre-emption rights in connection with the issue of and/or the granting of rights to subscribe for common shares in the capital of the Company, for the period starting from the date on which existing authorization would expire and therefore from twelfth day of October two thousand and nineteen up to and including the eleventh day of October two thousand and twenty. Consequently, the authorization shall end eighteen (18) months from the date of the Meeting.

The **Chairman** explained that the proposed authorization, in combination with the authorization under agenda item 6.1, would enable the Board to be flexible and to

respond quickly to circumstances that would require an issue of common shares with or without limited pre-emptive rights. The authorization would be limited to the percentages of the capital as explained under agenda item 6.1. The **Chairman** noted that third sub-item 6.3 concerned the proposal to designate the Board of Directors as the corporate body authorized to issue special voting shares and to grant rights to subscribe for special voting shares up to the maximum aggregate amount of special voting shares as provided for in the Company’s authorized share capital as set out in the Company’s articles of association, as amended from time to time, as provided for in article 6 of the Company’s articles of association. The **Chairman** explained that shareholders may hold special voting shares and common shares or may hold common shares electing to receive special voting shares upon completion of the required holding period registered in the loyalty register of the Company. In accordance with article 5 of the articles of association, subject to a prior resolution of the Board, which may set certain terms and conditions, the holder of one or more qualifying common shares would be eligible to hold one special voting share for each such qualifying common share. The **Chairman** noted that to enable the Board to implement article 5 of the articles of association of the Company and to meet possible future requests of shareholders who comply with the terms and conditions qualifying for the issuance of such special voting shares, it was proposed to, in accordance with article 6 of the Company’s articles of association, authorize the Board to issue special voting shares in the capital of the Company and to grant rights to subscribe for special voting shares up to a maximum aggregate amount of special voting shares as provided for in the Company’s authorized share capital as set out in the Company’s articles of association, starting from the date on which the current authorization expires and therefore from the twelfth day of October two thousand and nineteen up to and including the eleventh day of October two thousand and twenty. Consequently, the authorization shall end eighteen (18) months from the date of the Meeting.
The **Chairman** noted that Mr. Marco Zabarini had a question.
Mr. **Zabarini** said it was not clear to him, what was being proposed. He said if he held one hundred (100) common shares with one hundred (100) voting rights, would he maintain his voting rights or not.
Mr. **Fossati** explained that this was related to the loyalty share system of the Company and was intended to allow the Company to meet its obligations under that system. This meant that shareholders that held shares in the Company were entitled, subject to meeting certain conditions, to obtain special voting shares that would give them additional voting rights. Mr. **Fossati** confirmed that nothing would change with respect to those shareholders who already held shares. If they held special voting shares, they would retain their special voting shares and if they did not have special voting shares but were qualified to request special voting shares, they would obtain special voting shares, subject to meeting the respective conditions.

Mr. **Zabarini** then said he also had a couple of other questions and asked whether FCA was willing to again produce the Punto at the Mirafiori plant, using the natural power line for natural gas and petrol. Mr. **Zabarini** said that if FCA would not start the production of the Punto at the Mirafiori plant, there would be a gap in the market that would be difficult to fill. Mr. **Zabarini** also asked whether FCA was ready to produce, on top of the electrical FIAT 500 model, the Alfa Romeo SUV and the main sedan of the Alfa Romeo brand with ecological models.
To that last question, the **Chairman** said yes, the Company was prepared to do so.
Mr. **Zabarini** then asked why it would be needed to have a ten percent. (10%) capital increase.
Mr. **Fossati** explained that the complexity of the proposed resolution was related to the system of common voting shares and special voting shares. The proposal included the authorisation to issue common shares and special voting shares to comply with the loyalty system of the Company . The proposal relating to the grant of authority to the Board to increase the share capital by ten per cent. (10%) or by twenty per cent. (20%) would require the Board to identify the special circumstances in case of an important transaction.
Mr. **Zabarini** said that instead of asking for an authorisation for a capital increase, in his view it might have been better to table the proposal to disaggregate operation of some of the brands.
The **Chairman** explained that this proposal did not concern the proposal to issue additional shares, but to authorise the Board to do so, should the opportunity or the need therefore arise.
The **Chairman** closed the discussion and asked the Meeting to vote on the first sub-item 6.1. The **Chairman** closed the vote and established that the proposal had been approved. He then moved to the vote on the second sub-item 6.2 and asked the Meeting to vote. After the he had closed the vote, he established that the proposal had been approved. Lastly, the **Chairman** put item 6.3 of the agenda to the vote, the proposal to designate the Board of Directors as the corporate body authorized to issue special voting shares and to grant rights to subscribe for special voting shares up to the maximum aggregate amount of special voting shares as provided for in the Company's authorized share capital as set out in the Company's articles of association, as amended from time to time. The **Chairman** closed the vote and established that the proposal had been approved.
The **Chairman** moved to the seventh item on the agenda concerning the delegation to the Board of the authority to acquire common shares in the capital of the Company, either through purchase on a stock exchange or otherwise at any time during the period of eighteen months from the date of the Meeting and therefore up to and including the eleventh day of October two thousand and twenty and up to a maximum number of shares equal to ten per cent. (10%) of the issued common share capital of the Company, as determined on the date of the Meeting. The **Chairman**

noted that the prices applicable would have to be within the margins stated in the explanatory notes to the agenda and explained to the Meeting that this authority did not impose an obligation on the Company to acquire its own common shares, but rather gave the Board of Directors the right to acquire common shares in the capital of the Company with sufficient flexibility and discretion for the Board of Directors to give effect to such acquisition if and when it considered it to be appropriate. The **Chairman** added that subject to the proposal being approved, the authorization for a period of eighteen (18) months from the date of the annual general meeting of shareholders held on the thirteenth day of April two thousand and eighteen granted at that meeting and therefore up to and including the twelfth day of October two thousand and nineteen, will be cancelled as regards the remaining period.

The **Chairman** noted that Mr. Zabarini would like to make an intervention.Mr. **Zabarini** (*translated from Italian*) said that he would prefer the Company investing in new models to generate earnings and therefore he was against the proposal.

The **Chairman** thanked the speaker and asked the Meeting to vote on the agenda proposal and after having closed the vote, he established that the proposal had been adopted by the Meeting.

With regard to agenda item 8, cancellation of special voting shares in the capital of the Company, the **Chairman** explained that the Board proposed to cancel all special voting shares held by the Company in treasury. He noted that the cancellation could be executed in one or more tranches, such to be determined by the CEO. Any cancellation of special voting shares was to be effected with due observance of the provisions of Section 2:100 of the Dutch Civil Code and the Company’s articles of association.

The **Chairman** then asked the Meeting to vote and after having closed the vote, he established that the proposal had been adopted by the Meeting.

The **Chairman** then turned to the final voting item on the agenda, the ninth item. He noted that he would first spend a few moments providing a brief summary and explanation of both agenda sub-items and only after such brief explanation, shareholders who had reserved time on any of these items would be invited to speak and there would be the opportunity for discussion, questions and observations. He further noted that both agenda sub-items were voting items. Voting on those sub-items would take place after the he would have closed the discussion on this agenda item.

With regard to the first sub-item 9a, concerning the approval of awards to the CEO, the **Chairman** noted that on the twenty-ninth day of October two thousand and fourteen, in connection with the formation of FCA and the presentation of the first five (5) year business plan, the Company had approved an equity incentive plan and a new long term incentive program involving the issuance of up to a maximum of ninety million (90,000,000) common shares, covering a five (5) year performance period from two thousand and fourteen through two thousand and eighteen and under which equity awards could be granted to eligible individuals.

The **Chairman** informed the Meeting that in connection with the appointment of Mr. Manley as CEO, he had been awarded a one-time grant of one hundred thirty-five thousand two hundred seventy-three (135,273) performance share units and forty-five thousand ninety-one (45,091) restricted share units under the long term incentive plan for two thousand fourteen through two thousand and eighteen, subject to the approval of the general meeting of shareholders for his service during the period that started with the twenty-first day of July two thousand and eighteen through the thirty-first day of December two thousand and eighteen. He explained that the performance share units and the restricted share units were convertible into common shares of the Company in two thousand and nineteen, subject to certain vesting conditions. The **Chairman** further explained that the vesting of those awards was made conditional on meeting the metrics and targets of the long term incentive plan, as described in the remuneration report contained in the Company's 2018 Annual Accounts.

The **Chairman** noted that the maximum opportunity for the final vesting of those equity awards linked to his CEO service was two hundred fourteen thousand one hundred eighty-two (214,182) common shares in the capital of the Company. Based on the Company's performance during the five (5) year performance period of the two thousand fourteen through two thousand and eighteen long term incentive plan, upon shareholder approval, the award was expected to vest up to the maximum opportunity. The **Chairman** noted therefore that the Board submitted to the Meeting to approve the proposed one-time grant to the CEO of one hundred thirty-five thousand two hundred seventy-three (135,273) performance share units and forty-five thousand ninety-one (45,091) restricted share units under the two thousand and fourteen through two thousand and eighteen long term incentive plan, with a maximum opportunity for the final vesting of those new equity awards linked to his CEO service of two hundred fourteen thousand one hundred eighty-two (214,182) common shares in the capital of the Company, including the related metrics and targets as described in the remuneration report contained in the Company's 2018 Annual Accounts.

The **Chairman** then turned to agenda sub-item 9b. concerning the proposal to approve the plan to award (rights to subscribe for) common shares in the capital of the Company to executive directors in accordance with article 14.6 of the Company's articles of association. The **Chairman** explained that because the existing long term incentive plan related to the Company's business plan for the period two thousand and fourteen through two thousand and eighteen was going to expire, the Board had resolved to adopt a new long-term incentive plan under the equity incentive plan to award up to fifty million (50,000,000) (rights to subscribe for) common shares in the capital of the Company of which up to seven point two million (7,200,000) were reserved for executive directors of the Company. The **Chairman** noted that the new long term incentive plan was based on an initial grant in two thousand and nineteen with (a) three (3) year value and with three (3) equal pay-out opportunities in the years from two thousand and twenty through two thousand twenty-two, followed by annual grants with one (1) year value and one (1) vesting opportunity at three (3) years from grant. He informed the Meeting that the long term incentive plan included a performance related component consisting of performance share units each representing the right to receive one (1) common share in the capital of the Company subject to the achievement of certain performance targets and of restricted share units each representing the right to receive one (1) common share in the capital of the Company subject to the continuing employment of the participant with the group, and in both cases subject to acceptable individual performance. The **Chairman** explained that the performance related component was subject to two (2) independent metrics, a profit metric based on Adjusted EBIT and a relative total shareholder return metric. The Profit Metric payout would begin at eighty per cent. (80%) of the target achievement, with a fifty per cent. (50%) payout and had a maximum payout at one hundred per cent. (100%) of the target, same as under the two thousand fourteen through two thousand and eighteen long term incentive plan. The **Chairman** further noted that similar as under the two thousand fourteen through two thousand and eighteen long term incentive plan, the total shareholder return metric would constitute a market performance condition, but with the addition of five (5) new peers to the total shareholder return peer group and a payout scale including certain thresholds depending on the stock price appreciation plus dividends over each cumulative performance period of the Company in comparison with the companies forming part of the total shareholder return peer group. A fifty per cent. (50%) payout of the target amount would take place if the Company were to rank seventh amongst the peer group, up to a maximum of two hundred twenty-five per cent. (225%) payout of the target amount if the Company were to rank first amongst the peer group. For further details on what main competitors made up the peer group he referred to the agenda and explanatory notes as published on the Company’s website. The **Chairman** informed the Meeting that in connection with the adoption of the long term incentive plan, the Board had also approved Stock Ownership and Retention Guidelines which contained a requirement for the Chairman and the CEO to achieve beneficial ownership of common shares in the capital of the Company equal to six (6) times their respective base salary within five (5) years of the approval of the Guidelines. Members of the Group Executive Council would be required to meet an ownership requirement equal to three (3) times their base salary within the same timeframe. In addition the Chairman and the CEO would be required to retain until the fifth anniversary of the grant date one hundred per cent. (100%) of net, after-tax common shares in the capital of the Company received upon settlement of equity awards granted starting from two thousand and twenty. The **Chairman** noted that it was proposed that a maximum number of seven point two million (7,200,000) common shares in the capital of the Company would be available for executive directors under the long term incentive plan, which in accordance with the conditions under the aforementioned Metrics and the Stock Ownership and Retention Guidelines were to be available for award to executive directors. The **Chairman** informed the Meeting that the long term incentive plan, including the Metrics and targets, had been reviewed and approved by the Compensation Committee. He also told the Meeting that the long term incentive plan was consistent with the business plan for two thousand and eighteen through two thousand and twenty-two as presented on the Capital Markets Day in June two thousand and eighteen, the remuneration policy for executive directors as approved by the general meeting of shareholders at the annual general meeting of shareholders held in two thousand and seventeen and any other applicable rules and relevant provisions of law.

The **Chairman** noted to the Meeting that the Board had made the proposal to award up to seven point two million (7,200,000) common shares in the capital of the Company to executive directors and the related Metrics and targets, as part of the long term incentive plan and in accordance with article 14.6 of the Company's articles of association and Dutch law. He noted that the Board of Directors believed that the new long term incentive plan, including its Metrics and targets, was in line with market trends for long term incentive plans and was performed in a manner comparable to the execution of long term incentive plans by the companies forming part of the peer group. The **Chairman** furthermore expressed that the Board of Directors believed that the long term incentive plan along with the Stock Ownership and Retention Guidelines would increase the alignment between the Company's performance and shareholder interests, by linking the executive director's compensation opportunity to increasing shareholder value.

The **Chairman** noted that Mr. Marco Zabarini wanted to make an intervention.

Mr. **Zabarini** (*translated from Italian*) said that if the incentive plan could be tweaked to introduce a measure that would reward directors for disaggregating brands leading up to a value of twenty Euro (EUR 20) or more for the FCA share, he would be favourable to such a measure. He said he wouldn't like to see a mere sale of shares of the Company as that would imply a loss of share value.

Mr. **Zabarini** (*translated from Italian*) also said that he suggested to develop the Giulia sports wagon and the Giulia coupe. Those would not be new models but modifications of existing models, which would imply much lower cost. He also suggested to consider the production of the flagship ammiraglia 156 at the Alfa Romeo plant in Mirafiori in Italy. Mr. **Zabarini** closed his remarks by noting that he had confidence in the CEO.

Then the **Chairman** allowed Mr. **Bodini** to speak.

Mr. **Bodini** (*translated from Italian*), asked if the new incentive plan basically had the same structure as the incentive plan for two thousand fourteen through two thousand and eighteen, with the incentive plan and rewards for achieved targets or whether this would be a different plan.
Mr. **Fossati** noted that the basic elements of the plan were the same which were the equity component of the compensation of management. All this was based on the performance of the Company . Also the metrics were consistent. There was however a change in the peers against which the Company would be measured because the number had increased. Mr. **Fossati** noted that the differences were related to a number of technical details and not the essence or the spirit and intent of the plan. He said that a significant difference concerned the fact that in the old plan, there had been initial grant with vesting only three (3) years from the beginning. Under the old plan therefore there was a period of three (3) years in which there was no vesting. Mr. **Fossati** explained that the Company was changing this to a system in which management would receive annual grants with vesting three years later at the advice of specialists and following a trend in the market. Every year there would be a grant that, because of this, would create more direct involvement in the performance and activity of the Company. Mr. **Fossati** said that this plan would be even more focused on what the Company delivered in terms of results.
Mr. **Manley** responded to the points raised by Mr. Zabarini. He noted that the Company had never been as strong as it was today and that the Company had ended two thousand and eighteen for the first time in a net-cash positive position. Obviously that would be further strengthened by the anticipated closing of the Magneti Marelli sale in the second quarter of two thousand and nineteen. These results had strengthened FCA's confidence in the future and had enabled FCA to develop clear investment plans and investments in FCA's key brands, models, technologies and of course in FCA's plant allocation. Mr. **Manley** said that FCA believed that it had achieved the optimum plant allocation where existing platforms were at places where the Company could reduce capital while getting very differentiated vehicles. Those investments also covered electrification, which had been a topic not only for the Company at this Meeting but for the broader industry. Mr. **Manley** said that FCA had clear expertise in this area which it had demonstrated not just with the FIAT 500 BEV that had already been in the market for six (6) years but also FCA's Pacifica Hybrid plug-in. He noted that those investments brought this technology into FCA's European plant and European fleet very quickly. All of that, Mr. **Manley** noted, had been led by FCA's clear and unique focus on its brands and therefore its brands would remain a very integral part of how FCA would build its future. As such, the brands should remain that way in the organisation. In relation to certain comments made with reference to the historical strong markets for FIAT, in particular in Europe, and the makeup of the industry, Mr. **Manley** also noted that there could be no doubt that over the last few years the dynamics of segments had

changed and that they would continue to change. Mr. **Manley** ensured shareholders that FCA recognized its historical strengths in FIAT and if it could find a way, it would clearly remain a strength of FIAT of going forward and give FCA the strength that it needed to continue making investments and grow shareholder value. Mr. **Manley** said that in his view, FCA was in the best position not only to make the investments that it had announced but also to continue to look for other opportunities.

The **Chairman** closed the discussions and then put sub-item 9.a of the agenda to the vote. After having declared the vote closed, he informed the Meeting that the proposal had been approved. Continuing, the **Chairman** invited the Meeting to vote on agenda sub-item 9.b, closed the vote and established that the proposal had been approved.

The **Chairman** said that before closing the Meeting, he would like to remember with gratitude Mr. Sergio Marchionne for all that what he had done for the Company. The **Chairman** asked to observe one minute of silence.

After that, the **Chairman** closed the Meeting at one hour and fifty-five minutes in the afternoon.

Voting results.

The exact results of the voting have been set out in a document that was provided to me, civil law notary, by the Company after the Meeting, a copy of which is attached to this deed (*Annex*).

Final.

In witness of the proceedings in the meeting the original of this deed, which shall be retained by me, civil law notary, was executed in Amsterdam, the Netherlands, on the [*] day of [*] two thousand and nineteen.