



Fiat S.p.A. approves merger plan for the formation of Fiat Chrysler Automobiles

The Board of Directors of Fiat S.p.A. (“**Fiat**”) announced today that it has approved the cross border merger terms (“**merger plan**”) governing the merger of Fiat into its wholly owned subsidiary Fiat Investments N.V. This subsidiary, which is organized in the Netherlands, will be renamed Fiat Chrysler Automobiles N.V. (“**FCA**”) upon completion of the merger. Following the merger, FCA will become the holding company for the group.

Today’s approval is a further step in the reorganization plan announced on January 29, 2014 following Fiat’s acquisition of the remaining equity interest in Chrysler Group LLC. The reorganization, which includes the merger plan, is designed to establish for FCA a corporate, investment and capital markets profile appropriate for the new make-up of the group resulting from the full integration of Fiat and Chrysler.

Under the merger plan, Fiat shareholders will receive one FCA common share for each Fiat ordinary share they hold. The FCA common shares will be listed on the New York Stock Exchange (NYSE) and are expected to be listed on the *Mercato Telematico Azionario* (MTA) in Milan.

FCA will also adopt a loyalty voting structure designed to foster the development and continued involvement of a supportive long-term shareholder base, by allowing shareholders participating in the merger and new shareholders who hold FCA shares continuously for a three-year period to effectively have two votes for each FCA common share that they hold. The loyalty voting structure is designed to foster a stable shareholder base and reward long-term investment in the company by encouraging investment by shareholders whose objectives are aligned with the group’s long-term strategic interests. The loyalty voting structure is also expected to provide additional strategic flexibility for the group.

The pre-merger shareholders of Fiat will hold essentially the same percentage of FCA common shares as of Fiat ordinary shares held before the merger (subject to the exercise of cash exit rights). The loyalty voting structure may affect a particular shareholder’s voting interest in FCA which will depend on the extent to which the shareholder and other shareholders participate in the loyalty voting structure.

The merger plan will be submitted for approval to the Fiat shareholders at an extraordinary general meeting that is expected to be held in the third quarter of 2014 following completion of required corporate and regulatory steps, including registration with the U.S. Securities and Exchange Commission. A U.S. prospectus and an Italian information document (for the purposes of the Fiat extraordinary general meeting) will be made available to shareholders ahead of the vote to approve the merger plan.

Fiat shareholders who do not vote in favor of the merger will be entitled to exercise a *recesso* right (cash withdrawal right) in accordance with Italian laws and regulations. The exercise of the *recesso* right by Fiat shareholders is conditional upon the merger becoming effective. Further



details in connection with the exercise of the *recesso* right will be provided to Fiat shareholders in accordance with the applicable laws and regulations.

The transaction will be subject to limited closing conditions, including listing on the NYSE and a €500 million cap on the amount of cash, if any, required to be paid in respect of the exercise of *recesso* rights by Fiat shareholders and opposition rights by creditors.

The transaction is expected to be completed by the end of the year.

The Board of Directors of Fiat today also approved two internal reorganization transactions. In the first of these transactions Fiat will acquire from its wholly owned subsidiary Fiat Group Automobiles S.p.A (“**FGA**”) all of the membership interests in Fiat North America LLC (“**FNA**”), the group’s U.S. subsidiary that owns Chrysler Group LLC. This transaction brings FNA under the direct control of Fiat, and provides the group with a simplified corporate structure, consistent with the segment reporting recently adopted by the group. The second transaction involves the sale to FGA of Fiat’s shareholding in Fiat Partecipazioni S.p.A. bringing under FGA’s direct control certain interests and assets pertaining to FGA’s activities.

All of the documentation mandatorily required by law in connection with the merger will be made available in compliance with the applicable laws and regulations.

In accordance with article 6 of the regulation on related-party transactions approved by Consob through the resolution no. 17221 dated March 12, 2010 (the “**Regulation**”), it is hereby communicated that FCA and FGA are related parties of Fiat being wholly-owned subsidiaries of Fiat.

The above transactions – which qualify as “significant transactions” pursuant to the Regulation – were approved with the favorable vote of the entire Board of Directors of Fiat.

The transactions benefit from the exemption set forth by article 14 of the Regulation and article 2.3 (“**Intragroup transactions**”) of the “Procedures for transactions with related parties” adopted by Fiat and published on its website www.fiatspa.com. In the light of such exemptions, Fiat will not publish the relevant information document (*documento informativo*) pursuant to article 5 of the Regulation. Nevertheless, the information document provided for under article 70, paragraph 6, of the Issuers’ Regulation adopted by Consob through the resolution no. 11971/1999 will be made available, as anticipated, for the benefit of the shareholders in accordance with the applicable terms.

Turin, 15 June 2014