

Corporate Policy 2-6 Expense Policy

Purpose:

To comply with the Expense Policy requirements set forth in the First Lien Credit Agreement, dated as of June 10, 2009, with the U.S. Department of the Treasury, and with Section 111(d) of the Emergency Economic Stabilization Act of 2008 (EESA), as amended by the American Recovery and Reinvestment Act of 2009 (ARRA).

It Is a Policy of Chrysler Group LLC:

This Expense Policy:

1. Requires compliance with all Applicable Law.
2. Applies to Chrysler Group LLC and all of its Subsidiaries.
3. Governs:
 - (A) Hosting, sponsorship or other payment for conferences and events, and requires that the cost to the Chrysler Group company in connection with a conference or event be reasonable and commensurate with the expected benefit to the company;
 - (B) Travel accommodations and expenditures, and requires that employees arrange (utilizing Chrysler Group's business travel department to the extent available) for reasonably priced transportation, lodging and meals while conducting business out of town and avoid lavish or extravagant expenditures;
 - (C) Consulting arrangements with outside service providers, and requires that all consulting arrangements (other than for professional accounting/audit, tax, legal, or investment banking services) that involve payments by a Chrysler Group company to an outside service provider totaling USD \$5 million or more during a calendar year be approved in advance by the Chief Executive Officer and the Chief Financial Officer of Chrysler Group LLC;
 - (D) Any new lease or acquisition of real estate, and requires that a business case supporting the need for such real estate, including an independent appraisal of the market value of comparable real estate, be submitted by the sponsoring organization to those designated under Corporate Process Guideline ADM071 (Delegation of Authority) as having the necessary level of spending authority to approve the transaction; provided that (i) a lease or acquisition involving a total expenditure in excess of USD \$5 million shall require the prior approval of the Chief Financial Officer of Chrysler Group LLC or a committee designated by such officer, (ii) this policy does not apply to the lease or acquisition of dealership properties in the ordinary course of business, and (iii) no appraisal is

required if total expenditure is less than \$250,000, or if other recent information about market value is obtained;

- (E) Expenses relating to office or facility renovations or relocations, and requires that a business case supporting the need for such renovation or relocation be submitted by the sponsoring organization to those designated under Corporate Process Guideline ADM071 (Delegation of Authority) as having the necessary level of spending authority to approve the transaction; provided that a renovation or relocation involving a total expenditure in excess of USD \$5 million shall require the prior approval of the Chief Financial Officer or a committee designated by such officer; provided further that this policy does not apply to the renovation or relocation dealership properties in the ordinary course of business; and
- (F) Expenses relating to entertainment or holiday parties, and requires that no expenses be incurred by a Chrysler Group company for entertainment or holiday parties exclusively or primarily for the benefit of employees unless such expenses are reasonable in amount and customary in nature, approved in advance by a Senior Vice President or higher graded officer and reported to the Chief Financial Officer of Chrysler Group LLC or its Business Practices Committee; provided that other activities, such as business meals, conducted in accordance with another published Chrysler Group policy or corporate process guideline, including one of those noted below, do not require separate approval under this Expense Policy.

4. Requires the following internal reporting and oversight:

- (A) The Corporate Audit Department shall review and, if compliant with this Expense Policy and other applicable corporate policies and guidelines, submit the expense reports (or summaries thereof) of the Chief Executive Officer and the Chief Financial Officer of Chrysler Group LLC to the Audit Committee of its Board of Directors for review and approval on a quarterly basis;
- (B) The Corporate Audit Department shall audit the expense reports of each Senior Employee (as defined below) within the Chrysler Group for compliance with this Expense Policy annually and report any significant findings, including patterns of violations over and across the periods, to the Audit Committee of Chrysler Group LLC's Board of Directors;
- (C) The Corporate Audit Department shall audit the expense reports of other employees within the Chrysler Group for compliance with this Expense Policy periodically on a random basis and report the results annually to Chrysler Group LLC's Business Practices Committee; and

- (D) Subcertification forms distributed on a quarterly basis in connection with Chrysler Group LLC's internal control over financial reporting process shall include a statement to the effect that the subcertifier is not aware of any noncompliance with this Expense Policy or that any suspected noncompliance has been reported to Chrysler Group LLC's Business Practices Committee, or if such suspected noncompliance involves a Senior Employee within the Chrysler Group, to the Audit Committee of Chrysler Group LLC's Board of Directors.
5. Requires the following mechanisms for addressing non-compliance with this Expense Policy:
- (A) Suspected instances of non-compliance with this Expense Policy shall be investigated by the Company's Business Practices Office and (i) if involving a Senior Employee within the Chrysler Group, shall be reported to the Audit Committee of the Board of Directors, and (ii) if involving other employees, shall be reported to the Business Practices Committee; and
- (B) Confirmed instances of non-compliance shall subject the employee to such discipline, up to and including discharge from employment, as the employing Chrysler Group company may deem appropriate under the circumstances after reviewing with the Audit Committee or the Business Practices Committee, as the case may be.
6. Requires that all material amendments of this Expense Policy be approved in advance by the U.S. Department of the Treasury, and that all material deviations (violations or waivers) be reported by Chrysler Group LLC to the U.S. Department of the Treasury.

Definitions:

"Requirements of Law" means, with reference to any Person, the Certification of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of any arbitrator or a court of competent jurisdiction or other Governmental Authority, in each case applicable to and binding upon such Person and any of its property, and to which such Person and any of its property is subject.

"Senior Employee" means any of the twenty-five (25) most highly compensated employees.

"Subsidiary" means, with respect to any Person, any corporation, association, joint venture, partnership, limited liability company or other business entity (whether now existing or hereafter organized) of which at least a majority of the voting stock is, at the time as of which any determination is being made, owned or controlled by such Person or one or more subsidiaries of such Person.

Sponsored By: Office of the General Counsel
Initial Approval By: Sergio Marchionne
Chief Executive Officer, Chrysler Group LLC
Approval Date: 07/08/2008

Latest Revision
Approved By: Board of Directors – Audit Committee
Latest Revision: 05/06/2010

Related Policy Statements:

Related corporate policies and corporate process guidelines to be observed in connection with this Expense Policy:

- Policy 1-4 – Conflict of Interests
- Policy 2-4 – Reimbursement of Employee Expenditures
- Policy 11-6 – Transfer or Relocation of Facilities
- Policy 3-4 – Employee Discipline
- CPG ADM071 – Delegation of Authority
- CPG GEN008 – Contract Negotiation and Review
- CPG GEN015 – Business Travel Policy
- CPG GEN016 – Employee Business Expense Reporting
- CPG GEN020 – Corporate Meeting Charge Card Request and Guideline
- CPG GEN021 – Taxation of Employee, Spouse/Companion and Family Member Travel Related Expenses
- CPG FIN 105D – Lease Requests
- Chrysler Group U.S. Sales and Marketing – Key Internal Control Processes Guidelines

Amendments to the above policies require the approval of Chrysler Group LLC's Business Practices Committee and amendments to the above guidelines require the approval of Chrysler Group LLC's Internal Control Committee, unless otherwise noted in the policy or guideline. In the event of a conflict between this Expense Policy and Chrysler Group LLC's Integrity Code, other Chrysler Group Policies, Corporate Process Guidelines, or codes of conduct, this Expense Policy shall govern.