

Motions for AGM

1) Motion for Approval of the Statutory Financial Statements and Allocation of 2011 Profit

Shareholders,

We hereby submit the Statutory Financial Statements for the year ended 31 December 2011 for your approval. In order to strengthen the Group's capital and maintain a high level of liquidity, we propose that, consistent with the requirements of law and the By-laws, the profit for the year of €99,165,620 be allocated as follows:

- to the Legal Reserve, €4,958,281
- to each preference share, a dividend of €0.217, totaling approximately €22.4 million
- to each savings share, a dividend of €0.217, totaling approximately €17.3 million
- to Retained Profit, the remaining amount totaling approximately €54.5 million

Payment of the dividend on preference and savings shares will be from 26 April 2012, with detachment of the coupon on 23 April. The dividend will be payable on shares outstanding at the coupon detachment date.

22 February 2012

On behalf of the Board of Directors

/s/ John Elkann

John Elkann

CHAIRMAN

2) Election of the Boards of Directors and Statutory Auditors

a) Determination of number of members of the Board of Directors and compensation

Shareholders,

The term of office of the Board of Directors, elected on 27 March 2009, expires at the General Meeting called for approval of the 2011 financial statements.

You are therefore called upon to:

- determine the size of the Board, which pursuant to Article 11 of the By-laws may consist of a minimum of nine and a maximum of fifteen members
- set the amount of compensation payable to Directors or the manner in which such compensation is to be determined
- elect directors for a new term of office, taking into account that, pursuant to the By-laws, no individual who is 75 years of age or older may be elected

Following the demerger of the capital goods businesses and their transfer to Fiat Industrial S.p.A., the Group is now focused on the automobile and automobile-related components businesses and, consequently, the industrial, financial and competitive dynamics of those activities.

The size of the Company and the Group, the complexity and specific characteristics of the sectors in which it operates and the geographic spread of its businesses require that the Board's members have a broad and varied mix of knowledge, experience and cultures, both generalist and specific, acquired in an international setting and relevant to an understanding of the economy and global markets, more generally, and the industrial and financial sectors, more specifically. An appropriate combination of skills and professional background is fundamental to the proper functioning of the Board.

In determining the number of members of the new Board of Directors, we therefore recommend that you consider the Company's increased focus on the automobiles business, as well as the benefits of gender diversity within the Board.

A proper balance also needs to be maintained between executive directors, with representative and executive powers, and non-executive directors, to ensure that no individual or group of individuals is able to exercise a dominating influence in the Board's decision-making process.

The presence of independent directors is also essential to protection of the interests of shareholders and third parties. The contribution of directors with these characteristics is also necessary for the proper composition and functioning of the Board's Committees, whose role is to propose and advise in relation to, among other things, preliminary examination and formulation of proposals that relate to areas of potential risk, including prevention of potential conflicts of interest.

As it is significantly in the Company's interests to maintain a high level of guarantees and protection, we propose that the Board be composed of an appropriate number of independent directors.

We are therefore proposing that the total number of directors be set at 9 – a smaller number than the previous Board, which we consider appropriate in view of the increased focus on the automobiles business, that will enable the Board to function even more effectively, while at the same time ensuring adequate diversity of membership for Board committees. In addition to the two independent directors required by law and in consideration of the recommendation of the Corporate Governance Code that at least one-third of directors be independent, we also propose election of a minimum of 3 additional directors possessing the characteristics of independence, pursuant to the evaluation criteria adopted on previous occasions.

Those criteria, provided below, relate to the absence or substantial non-relevance, within the past three years, of any economic or shareholding relationship with the Company, its executive directors or executives with strategic responsibilities, its controlling companies or subsidiaries, or family relationships with the executive directors of those companies. In addition, no individual may be considered independent if, within the past three years, he has been a partner or director of a major competitor – that is, a company which in terms of products and key markets competes with the Group – a rating agency or audit firm engaged by the Company or other companies in the Group or an executive director of a company outside the Group for which any of Fiat S.p.A.'s directors serve as non-executive directors.

We are also proposing that the new term of office be for a period of three years, expiring on the date of the General Meeting called for approval of the 2014 financial statements, and that the annual fee for each director be set at €50,000. In addition, the Board proposes that directors not be subject to the restrictions of Article 2390 of the Civil Code.

The Directors will therefore remain in office for a period of three financial years and, in any event, until the date of the General Meeting called for approval of the 2014 financial statements.

22 February 2012

On behalf of the Board of Directors

/s/ John Elkann

John Elkann

CHAIRMAN

Criteria for qualification as independent director

The Board of Directors of Fiat S.p.A. shall, to the extent within its power, ensure that the majority of directors are independent, inasmuch as they:

- a) do not directly, indirectly or on behalf of third parties, nor have they within the past three years, maintained an economic or shareholding relationship or relationship of any other nature with the individuals or entities listed below:
 - the Company, its subsidiaries and associates, or companies subject to control by the same entity as the Company;
 - any individual or entity which, including jointly with others, controls the Company, is a member of a shareholder agreement for the control of the Company or exercises significant influence over it;
 - executive directors or executives with strategic responsibilities for those entities;
- b) are not, or have not been within the past three years, executive directors or executives with strategic responsibilities for the entities described in point a);
- c) have not been directors of the Company for more than nine years, including non-successive terms of office;
- d) are not executive directors of companies outside the Group where one or more executive directors of the Company are non-executive directors;
- e) have not, within the past three years, been partners or directors of one of the Company's major competitors;
- f) have not been, within the past three years, partners or directors of a rating agency which is currently, or has been within the past three years, responsible for assigning a rating to the Company, a subsidiary of the Company or a company which, including jointly with others, controls the Company;
- g) are not, or have not been within the past three years, partners or directors or members of an audit team – or of an entity forming part of its network – which has been engaged within the past three years to perform audits of the Company, its subsidiaries, companies subject to control by the same entity or any company which, including jointly with others, exercises control or significant influence over it;
- h) are not members of the immediate family and do not cohabit with individuals who would be ineligible under the preceding points.

Independent directors – upon election and subsequently whenever a circumstance presents itself which could potentially alter a director's independence and, in any event, at least annually – shall report any relevant relationship, either new or pre-existing, as defined in letters a, b, c, d, e, f, g and h above to the Board of Directors in writing.

The independence of directors is evaluated by the Board of Directors at its regular meetings, taking account of the information provided by the individual directors concerned as to their satisfaction of the requirements and any modifications to such information. Where, during the course of such evaluation, the Board identifies the existence of a relationship included in point a), it may express a favorable view only where such relationship can be considered immaterial given its exact nature or amount. Where an evaluation reveals changes to the circumstances previously disclosed, the Board of Directors must communicate such changes to the market.

For the purposes of determining independence, the Board also considers indirect economic or shareholding relationships and, therefore, those existing between: on one side, the director, his family members, a professional practice of which he is a partner, companies directly or indirectly controlled by the director or his family members, companies of which those individuals are indirectly directors or employees and, on the other side, the Company, its subsidiaries and associates or companies subject to control by the same entity as the Company, shareholders which, directly or indirectly, control or exercise significant influence over the Company, individuals or entities referred to in point g) above, executive directors or executives with strategic responsibilities at any of the aforementioned entities.

The Annual Report on Corporate Governance provides details of the number and names of the Company's independent directors.

b) Election of the Board of Directors

Shareholders are reminded that election of the Board of Directors, pursuant to law and the By-laws, is based on a voting list system designed to ensure the presence of a member elected by minority shareholders on the Board. Candidates must be listed in numerical order and satisfy the requirements of integrity established by law. The candidate who is indicated at number one on the list must also satisfy the legal requirements for independence, in addition to those set out in the Corporate Governance Code adhered to by the Company.

Finally, procedures for election of the Board of Directors are established by law and, where applicable, by the additional requirements of Article 11 of Fiat S.p.A.'s By-laws.

Specifically, lists of candidates must be submitted to the Company at its registered office, together with additional documentation required, at least 25 days prior to the date of the General Meeting and may only be presented by shareholders who, individually or jointly with others, own at least 1% of ordinary shares. Certification of that percentage must, if not presented at the time the lists are filed, be provided at least 21 days prior to the date of the meeting.

No individual shareholder, or shareholders connected by a relationship of control or significant influence as defined in the Civil Code, may present or vote, even by means of an intermediary or a trustee company, more than one list of candidates and any list which, in the General Meeting, receives votes representing less than 0.5% of ordinary shares shall be excluded from consideration.

Candidates must meet the requirements established by law and the By-laws and any candidate present on more than one list shall be considered ineligible.

The lists, together with required accompanying documentation, will be made publicly available at the Company's registered office, on the Company website and at Borsa Italiana at least 21 days prior to the date of the General Meeting.

You are asked to vote on one of the lists submitted and published in accordance with law and the By-laws.

22 February 2012

On behalf of the Board of Directors

/s/ John Elkann

John Elkann

CHAIRMAN

c) Election of the Statutory Auditors

Shareholders,

The term of office of the current Board of Statutory Auditors will expire on the date of the General Meeting called for approval of the 2011 financial statements.

You are therefore called upon to elect new members to the Board which is to consist of three regular members and three alternate members. Election of the Board of Statutory Auditors, pursuant to law and the By-laws, is based on a system of lists in which candidates, whose number may not exceed the number of statutory auditors to be appointed, are listed in numerical order.

Minority shareholders have the right to elect one regular member, who shall also serve as Chairman of the Board of Statutory Auditors, and one alternate member.

You are reminded that all of the statutory auditors must satisfy the legal and regulatory requirements of integrity, professionalism and independence and comply with the legal limit for the number of concurrent offices held. Additionally, pursuant to the By-laws, they must be entered in the Register of Auditors and possess at least three years of experience as an auditor.

Procedures for election are established by law and, as necessary, by the additional requirements of Article 17 of Fiat S.p.A.'s By-laws. Specifically, lists of candidates must be submitted to the Company at its registered office, together with the additional documentation required, at least 25 days prior to the date of the General Meeting and may only be presented by shareholders who, individually or jointly with others, own at least 1% of ordinary shares. Certification of that percentage must, if not presented at the time the lists are filed, be provided at least 21 days prior to the date of the meeting.

No individual shareholder or shareholders belonging to the same group or who are parties to a shareholder agreement in relation to the Company's shares, may present or vote, even by means of an intermediary or a trustee company, more than one list. In the event that 25 days prior to the meeting only one list has been submitted, or if the only lists presented are those presented by shareholders who are related, as defined by law, additional lists may then be presented up to the third day after that date and the percentage ownership required shall reduce from 1% to 0.5% of ordinary shares. The lists, together with required accompanying documentation, will be made publicly available at the Company's registered office, on the Company's website and at Borsa Italiana at least 21 days prior to the date of the General Meeting.

The Statutory Auditors will remain in office for a period of three years and, in any event, until the date of the General Meeting called for approval of the 2014 financial statements.

We invite you to vote on one of the lists submitted and published in accordance with the law and the By-laws.

22 February 2012

On behalf of the Board of Directors

/s/ John Elkann

John Elkann

CHAIRMAN

d) Determination of compensation for the Statutory Auditors

Shareholders,

You are responsible for determining the annual compensation of the Chairman of the Board of Statutory Auditors and the Regular Auditors.

Accordingly, we propose that, in accordance with Article 22 of Ministerial Decree 169/2010, compensation be set at an annual amount of €100,000 for the Chairman and €65,000 for the other Regular Auditors.

22 February 2012

On behalf of the Board of Directors

/s/ John Elkann

John Elkann

CHAIRMAN

3) Audit Engagement: revision of fees

Shareholders,

As a result of the acquisition of a controlling interest in Chrysler Group LLC during 2011 and the consequent inclusion of Chrysler in the audit plan for Fiat Group's consolidated financial statements, and in consideration of the fact that, for 2012, the Chrysler consolidated financial statements will be audited by Deloitte & Touche, the Board of Directors hereby submits for your approval the proposal of the Statutory Auditors (presented below) to increase fees for Reconta Ernst & Young S.p.A., the Company's independent auditors for the nine-year period 1 January 2012 – 31 December 2020. Although the original engagement agreement includes mechanisms for the revision of fees, due to the considerable increase in the scope of operations and the volume of additional audit work required and the size of the consequent fee increase, the Board deemed it appropriate to submit the proposed increase to Shareholders for approval.

“Proposal of the Board of Statutory Auditors of Fiat S.p.A. for increase in fees for Reconta Ernst & Young S.p.A. (EY)

Shareholders,

On 30 March 2011, you voted to appoint Reconta Ernst & Young S.p.A. (EY) as independent auditors of Fiat S.p.A.'s statutory and consolidated financial statements for the nine-year period 1 January 2012 – 31 December 2020.

During 2011, Fiat acquired control of Chrysler, which was consolidated on a line-by-line basis by Fiat Group from 1 June 2011 and, in terms of both revenues and assets, is considered a material subsidiary.

Although Chrysler's Audit Committee has appointed Deloitte & Touche (DT) as independent auditors for the 2012 financial year, EY, as independent auditors for Fiat Group, must in any event assume full responsibility for the audit of Fiat Group's consolidated financial statements for the year ended 31 December 2012, pursuant to Italian law (Article 14 of Legislative Decree 39/2010 and Article 165 of Legislative Decree 58/1998) and international auditing standards (ISA 600).

As a result, it has become necessary to consider an increase in EY's fees, with respect to its existing mandate, to take into account the change in scope of the Group's activities, as well as the additional audit activities necessary for EY to acquire “sufficient appropriate audit evidence” with regard to Chrysler's consolidated financial statements to issue an audit opinion for the Fiat Group consolidated financial statements.

In formulating our proposal, we reviewed documents prepared by EY following the increase in the scope of audit activities requested by Fiat S.p.A. Those documents address specific audit procedures for 2012 – necessary for issue of an auditor report on the Fiat Group consolidated financial statements and entailing a review of the Chrysler consolidated financial statements, the annual and interim reporting packages, as well as the annual SOX internal control attestation – and additional audit work for the period 2013-2020.

For both areas of additional activity, EY provided details on the mix of professional staff, proposed fees, and criteria for determining any fee adjustments during the mandate.

In addition, the Statutory Auditors also took into consideration a benchmark analysis of audit fees for the automotive sector in the U.S. along with a sensitivity analysis for Chrysler.

Finally, EY provided a schedule of the proposed increase in fees for 2012 and for the period 2013-2020, which is as follows: USD 4,000,000 (€3,053,000) for 2012, USD 9,700,000 (€7,405,000) per year for the period 2013-2014, USD 9,200,000 (€7,023,000) per year for the period 2015-2016, and USD 8,900,000 (€6,794,000) per year for the period 2017-2020.

We note that the audit fees proposed for the period 2013-2020 are lower than the average resulting from the benchmark analysis. On the basis of the above, the Board of Statutory Auditors recommends that you approve the proposed increase in fees for Reconta Ernst & Young S.p.A.

The Statutory Auditors”

Shareholders,

We propose that you approve the motion for an increase in fees for Reconta Ernst & Young S.p.A., as proposed by the Board of Statutory Auditors.

22 February 2012

On behalf of the Board of Directors

/s/ John Elkann

John Elkann

CHAIRMAN

4) Compensation and own shares

a) Compensation policy pursuant to Article 123-ter of the Legislative Decree 58/98

Shareholders,

Pursuant to Article 123-ter of Legislative Decree 58/98, you are hereby asked to give your non-binding vote on the compensation policy adopted by the Company for members of the Board of Directors and executives with strategic responsibilities, in addition to the procedures for adoption and implementation.

Following are the Definitions and Section I of the Compensation Report - prepared in accordance with Annex 3A, Forms 7-bis and 7-ter, of the CONSOB Regulation no. 11971 of May 14, 1999 - that was published in accordance with legal requirements and is available on the corporate website (www.fiatspa.com).

“Definitions

Annual Total Direct Compensation	means the sum of: (i) the gross annual fixed component of the compensation, (ii) the annual variable component that is based on the achievement of given target objectives, and (iii) the annualized value of the medium-long term element of the variable component that is based on the achievement of medium-long term target-based objectives and/or long term commitment to the Company
Board of Directors	means the board of directors of the Company
Board of Statutory Auditors	means the board of statutory auditors of the Company
CEO	means the Chief Executive Officer of the Company, namely Mr. Sergio Marchionne
Chief Human Resources Officer	means the Chief Human Resources Officer of the Group
Company	means Fiat S.p.A.
Compensation Committee	means the Compensation Committee, entirely composed of independent directors, namely, as of the date of this Compensation Report: Mr. R. Berger (as Chairman), Mr. L. Garavoglia and Mr. M. Zibetti
Compensation Policy	means the compensation policy described in Section 1 of this Compensation Report
Compensation Report	means this compensation report prepared in accordance with article 123-ter of the Financial Act and Annex 3A, Forms 7-bis and 7-ter, of the Issuers' Regulation
Corporate Governance Code	means the Corporate Governance Code for Italian Listed Companies, to which the Company adheres
EU Recommendations	means the EU Recommendation 2004/913 and EU Recommendation 2009/385
Executive Directors	means the directors granted by the Board of Directors with a special office and duties and namely Mr. John Elkann and Mr. Sergio Marchionne
Executives with Strategic Responsibilities	means the members of the Group Executive Council and other key corporate executives reporting to the CEO
Financial Act	means the Legislative Decree no. 58 of February 24, 1998
Group	means the Company together with its subsidiaries
Group Executive Council	means the decision-making body which supports the CEO of the Company. The Group Executive Council is responsible for reviewing the operating performance of the businesses, setting performance targets, making key strategic and investment decisions for the Group and sharing best practice, including the development and deployment of managerial resources

Issuers' Regulation	means the CONSOB Regulation no. 11971 of May 14, 1999
LTI	means the LTI Plan proposed and described in the Report to the Shareholders issued by the Company pursuant to Article 114b/s of the Financial Act
Performance and Leadership Bonus Plan	means the Group's annual short term incentive plan that is linked to both the achievement of key financial metrics of operating performance of the Group and individual performance and leadership contribution
Related Parties Regulation	means the CONSOB Regulation no. 17221 of March 10, 2010

Section I

Section 1 of this Compensation Report is aimed to outline and describe: (i) the policy of the Company with respect to the compensation of members of the Board of Directors, members of the Board of Statutory Auditors and Executives with Strategic Responsibilities that the Company intends to adopt and (ii) the procedures followed in relation to the adoption and implementation of said policy (the "**Compensation Policy**").

The Compensation Policy conforms to the recommendations of the Corporate Governance Code. In particular, the Compensation Policy incorporates the recommendations contained in Article 6 of the Corporate Governance Code relating to compensation for members of the Board of Directors and Executives with Strategic Responsibilities.

The Compensation Policy also fulfils the requirements of the Procedures for Transactions with Related Parties adopted by the Group on November 17, 2010.

In accordance with the Corporate Governance Code, article 123-ter of the Financial Act and EU Recommendations, this Compensation Policy, which illustrates the policies and practices followed by the Company, was prepared for submission to the shareholders' meeting called to resolve also upon the 2011 financial statement.

A. Drafting, approval and implementation of the Compensation Policy

This Compensation Policy, to be submitted to the approval of the shareholders' meeting called to approve the 2011 financial statements, was adopted by the Board of Directors on February 22, 2012.

In addition to the Board of Directors, also the following corporate bodies and persons were involved in the drafting and approval of this Compensation Policy: the Compensation Committee, that on February 22, 2012 prepared and approved the guidelines and principles of this Compensation Policy to be submitted to the Board of Directors.

The corporate bodies and persons responsible for the correct implementation of the Compensation Policy are the Compensation Committee, that shall monitor the application of the Compensation Policy with regard to Executive Directors and Executives with Strategic Responsibilities, having being advised by the Chief Human Resources Officer, that shall submit compensation updates and provide the Compensation Committee – on an yearly basis – with a report relating to the application of the Compensation Policy in the previous financial year and the proposed changes for the upcoming financial year.

The table below summarizes the main roles and responsibilities for setting and governing compensation for participants covered under the Company's Compensation Policy:

Participants covered	Who proposes / recommends	Who advises	Who approves	Shareholders' advisory voting rights ("Say on Pay")
Non - Executive Directors	Compensation Committee	Chief Human Resources Officer	Shareholders	Not applicable
Executive Directors	Compensation Committee	Chief Human Resources Officer Compensation Committee	Directors, absent the Executive Directors	Yes
Executives with Strategic Responsibilities	Chief Human Resources Officer	Internal and external Executive Compensation experts	CEO	Yes

B. Role of the Compensation Committee

B.1 Composition of the Compensation Committee

In 1999, the Board of Directors established the Nominating and Compensation Committee. The roles and requirements of such committee are constantly updated to reflect current best practice in corporate governance. On 24 July 2007, as part of the continuous review of the system of corporate governance and to better align itself with best international practice as well as the recommendations of the Corporate Governance Code, the Board passed a resolution to split the Nominating and Compensation Committee into the Compensation Committee and the Nominating and Corporate Governance Committee. In implementation of the most recent recommendations of the Corporate Governance Code, on 22 February 2012 the Board of Directors approved a revised charter of the Compensation Committee, which better details its activities.

The Chief Human Resources Officer attends the Compensation Committee's meetings; the chairman may invite other individuals to attend the meetings whenever their presence may help the Compensation Committee to perform its functions. The Compensation Committee may rely on the support of external advisors at the Company's expense.

As of the date of this Compensation Policy, the members of the Compensation Committee are: Mr. R. Berger (as Chairman), Mr. L. Garavoglia and Mr. M. Zibetti, all non-Executive Directors and independent pursuant to article 148 of the Financial Act and article 3 of the Corporate Governance Code. All the members of the Compensation Committee have an adequate knowledge and experience in compensation and financial matters.

The Charter of the Compensation Committee is available on the Company's website: www.fiatspa.com.

B.2 Role of the compensation committee

On the basis of this Charter, as amended on February 22, 2012, the Compensation Committee is entrusted with the following duties:

- presenting proposals to the Board in relation to compensation policies for directors and executives with strategic responsibilities;
- presenting proposals to the Board in relation to individual compensation plans for the Chairman, Chief Executive Officer and other directors with specific responsibilities, as well as in relation to the establishment of performance targets for their variable compensation and, on an annual basis, verifying the level of achievement
- examining proposals from the Chief Executive Officer concerning compensation and performance evaluations for executives with strategic responsibilities
- periodically evaluating the adequacy, overall coherence and concrete application of compensation policies for directors and, on the basis of information provided by the Chief Executive Officer, for executives with strategic responsibilities
- carrying out the functions of the committee for transactions with related parties, where related to compensation
- examining specific issues relating to compensation when requested by the Board and providing recommendations.

With the adoption of the Procedures for Transactions with Related Parties – pursuant to the Related Parties Regulation – the Compensation Committee was assigned, exclusively with regard to matters related to compensation, responsibility for transactions with related parties. Accordingly, the Compensation Committee is required to give an opinion on the substantial and procedural fairness of compensation-related transactions with related parties that are of particular significance, as defined in those procedures.

B.3 Activities carried out by the Compensation Committee in relation to the Compensation Policy

As anticipated under Paragraph (A) above, the guidelines and principles of this Compensation Policy were prepared and approved by the Compensation Committee on February 22, 2012.

The Compensation Committee held one preliminary meeting to be advised by the Chief Human Resources Officer and the general counsel on the main items composing this Compensation Report, and in the subsequent meeting examined and recommended for approval to the Board of Directors this Compensation Report.

C. Role of the independent expert (if any)

No independent expert was involved in the drafting of this Compensation Policy.

D. Objectives and Principles of the Compensation Policy

D.1 Objectives

The objective of the Compensation Policy is to ensure that the Group is adequately competitive, in each of the business sectors and geographic areas in which it operates, to be able to attract, develop and retain highly qualified executives with strong leadership through periodically established targets that are based on objective as well as generally applicable criteria.

In addition, the Compensation Policy seeks to incentivize individuals in key positions toward the achievement of Company and Group performance targets, maintaining the interests of management continuously aligned to those of shareholders.

D.2 Principles

The principles and criteria applied in setting compensation for executive members of the Board of Directors, and Executives with Strategic Responsibilities are intended to ensure the Group has the ability to attract, retain and motivate individuals who have the professional skills and experience to achieve the best results in their respective areas of responsibility and take account of the impact of their role on the achievement of the Group's financial and strategic objectives. With that intent, the Compensation Policy is defined to align the interests of the Company's management with those of the Company's shareholders through the creation of a strong link between rewards and Company and/or individual performance.

In general, the fixed compensation component adequately compensates individuals for services performed even if the variable components, where established, are not received as a result of the performance targets set by the Board of Directors not being met. This is considered fundamental in discouraging behaviour that is oriented exclusively to short-term results and inconsistent with the target level of risk established by the Group.

Executive Directors and Executives with Strategic Responsibilities may also be eligible to receive variable compensation, either immediate or deferred, subject to the achievement of pre-established economic and financial performance targets.

In particular, variable compensation that is paid immediately is intended to incentivize individuals toward the achievement of the targets established in the annual budget and to reward the level of achievement or over-achievement of those targets.

Where used, deferred components of variable compensation, which are share-based, are designed to incentivize achievement of the targets referred to above, through an annual vesting mechanism, as well as enhancing medium to long-term retention and alignment with shareholder interests, objectives typical of such instruments.

D.3 Changes to the previous Compensation Policy

The compensation policy described in this Report does not materially modify the practices applied in 2011, with the exception of the LTI Plan.

E. Fixed and variable Components of the Compensation

E.1 Members of the Board of Directors

With reference to the policies relating to fixed and variable components of the compensation, the Company distinguishes between Executive and non-Executive Directors.

With regard to non-Executive Directors with no specific additional responsibilities (including independent directors), the compensation consists of a fixed fee set by shareholders. In addition, non-Executive Directors are also refunded for expenses incurred in for the exercise of their office.

In accordance with EU Recommendations and article 6 of the Corporate Governance Code, non-Executive Directors are not eligible for any form of compensation tied to the achievement of financial targets or participation in any share-based compensation scheme of the Company.

As per Group policy, which reflected the common practice of the Italian market, the non-Executive Directors are not granted with any variable compensation.

With reference to Executive Directors, in addition to the compensation set by shareholders, they are granted individual compensation plans. In particular, at the time of their appointment or thereafter, the Compensation Committee proposes to the Board of Directors the remuneration package for Executive Directors or for directors holding special offices. On the basis of the above, the Board of Directors establishes – pursuant to article 2389, third paragraph, of the Italian Civil Code upon proposal of the Compensation Committee and following consultation with the Board of Statutory Auditors – fixed compensation for the Chairman and the CEO, and, in the case of Directors holding special offices in subsidiaries, approves the proposal to be submitted to the board of directors of the relevant subsidiary.

The model of delegation adopted by the Board, contemplates broad operating powers to the Chairman and the Chief Executive Officer by which they are authorized, separately and individually, to perform all ordinary and extraordinary acts that are consistent with the Company's purpose and not reserved by law for, or otherwise delegated or assumed by, the Board of Directors itself. In practice, the Chairman has the role of coordination and strategic direction for the activities of the Board of Directors, while the Chief Executive Officer is responsible for the operational management of the Group.

Consistent with the above, the individual compensation plan applicable to the Chairman does not contemplate a variable compensation, while the CEO is also granted with variable compensation, both monetary and equity based.

As a general principle, the remuneration package of the CEO consists, *inter alia*, of the following elements: (i) a gross annual fixed component; (ii) an annual variable cash component that is based on the achievement of pre-set business objectives; (iii) a medium-long term, variable equity component.

With regard to Directors holding special offices (such as Mr. Montezemolo, Chairman of Ferrari S.p.A.) the individual compensation plan contemplates (i) a gross annual fixed component; (ii) an annual variable cash component that is based on the achievement of pre-set business objectives.

In addition, upon proposal of the Compensation Committee, the Board of Directors retains authority to grant bonuses for specific transactions that are deemed exceptional in terms of strategic importance and effects on the results of the Company and/or the Group as well as to consider special circumstances in resolving on the variable component of the remuneration. The Compensation Committee and the Board of Directors evaluate and approve in advance, respectively, any further remuneration elements awarded to Directors for any other special offices granted thereto within the Boards of Directors of the Company's subsidiaries.

Payment of short-term variable compensation is subject to the level of achievement of specific Group performance targets established annually by the Board of Directors, based on the proposal of the Compensation Committee, that are concretely measurable and consistent with the targets provided for in the budget. The variable component is subject to a maximum established with reference to gross annual fixed compensation. The Compensation Committee verifies – on a yearly basis – the Group's performance achievement of the performance objectives established for the previous year and makes its consequent recommendation to the Board of Directors. On such basis, the Board of Directors, after consultation with the Board of the Statutory Auditors, resolves on the variable compensation of Executive Directors.

With regard to the weight of fixed and variable components of the compensation package, it should be noted that, on the basis of an international benchmarking, the individual compensation plan of the CEO is set on the basis of the following indicative criteria:

- (a) the fixed component generally represents no more than 25-35% of the targeted Annual Total Direct Compensation;
- (b) the annual incentive is determined as a percentage of the fixed salary (inclusive of remuneration received for other offices in other Group companies) depending on the level of achievement or over achievement of pre-set targets and represents generally not less than 100% of the fixed component in case of achievement of the targets. In any case, the maximum incentive cannot be 2.5 times greater than the gross annual fixed component;
- (c) the medium/long term, variable, target-based annualized component generally represents at least 60% to 70% of the total variable component (targeted annual performance bonus and annualized value of LTI awards) of the targeted Annual Total Direct Compensation. Special retention awards of equity may make the annualized component even greater.

The current individual compensation plan of Executive Directors holding special offices does not contemplate the equity based component of the remuneration.

In addition in the past the Company granted to the CEO and certain Executives with Strategic Responsibilities stock options in accordance with the terms of certain share-based incentive plans approved between 2004 and 2010, which in certain cases allow shares to be purchased at a predetermined price (stock options) and in other cases provide for the granting of Fiat ordinary shares (stock grants). Details concerning such plans are available at the Company's website.

With regard to allowances in the event of resignation or termination as well as health and welfare benefits, including supplementary pension benefits, please refer to Paragraphs L and M below, respectively.

E.2 Statutory Auditors

Members of the Board of Statutory Auditors receive a fixed compensation, as established by Shareholders. They are also entitled to reimbursement for any expenses occurred in relation to exercise of their office.

E.3 Executives with Strategic Responsibilities

The same principles and criteria described above are applied to compensation for Executives with Strategic Responsibilities for the purpose of attracting, incentivizing and retaining highly-qualified personnel through compensation packages that are competitive with the market and recognize key attributes such as merit, demonstrated leadership and the impact of an individual's role on the achievement of Group financial targets.

The standard compensation structure for Executives with Strategic Responsibilities provides a fixed component as well as short and long-term variable components. As stated above, the fixed compensation component adequately compensates individuals for services performed even if the variable components are not received as a result of performance targets not being met.

The short-term variable component is subject to the achievement of financial targets established in the annual budget and the amount determined in relation to the level of achievement or over-achievement of those targets, up to a maximum established in relation to the fixed component.

Subject to the Shareholders' approval of the LTI Plan, the long-term variable component consists of share-based incentive plans that link an appropriate portion of the variable component to the achievement of pre-established performance targets, that are concretely measurable and correlated to value creation for shareholders over the medium to long term. Payment of this compensation is deferred through the cliff vesting mechanism following the achievement of the established targets and satisfaction of the conditions for continued service. Another component is the Retention LTI, which is linked to the beneficiary's continuing professional relationship with the Group.

For more information on the LTI Plan, please refer to the *ad hoc* Resolution published pursuant to Article 114*bis* of the Financial Act.

As a general principle, the remuneration package of Executives with Strategic Responsibilities consists, *inter alia*, of the following elements: (i) a gross annual fixed component; (ii) an annual variable cash component that is based on the achievement of pre-set business objectives; (iii) a medium-long term equity based variable component (which includes stock options mentioned in Paragraph E.1 above and will include, subject to shareholders approval, the so-called LTI).

With regard to allowances in the event of resignation or termination as well as health and welfare benefits, including supplementary pension benefits, please refer to Paragraphs L and M below, respectively.

In addition, the CEO may grant discretionary bonuses to these managers for specific transactions that are deemed exceptional in terms of strategic importance and effects on the results of the Company and/or the Group.

When setting the compensation of Executives with Strategic Responsibilities, the CEO, on the basis of international benchmarking, considers the following indicative criteria:

- (a) the fixed component generally represents no more than 50% of the targeted Annual Total Direct Compensation;
- (b) the annual targeted incentive for Executives with Strategic Responsibilities represents not less than 40% of their fixed gross annual salary;
- (c) the medium/long term, variable, target-based annualized component (Long Term Incentive Plans) generally represents at least 50% of the total variable component of the target-based Annual Total Direct Compensation.

F. Non-monetary benefits

Executive Directors with specific functions may be granted health and welfare benefits, private use of transport means and discounts on the purchase of Group's products. For security reasons, Executive Directors must travel with means of transport owned, leased or procured by the Group. For the same reasons, the Group may also bear part of the costs related to personnel dedicated to the personal security of the Executive Directors. Executives with Strategic Responsibilities may be assigned with health and welfare benefits and company cars. Other benefits may be granted in particular circumstances.

G. Targets for the assignment of variable Compensation

The standard compensation structure for Executive Directors and Executives with Strategic Responsibilities provides a fixed component as well as short and, subject to the approval of the LTI Plan, long-term variable components.

The short-term variable component is subject to the achievement of financial targets established in the annual budget and the amount determined in relation to the level of achievement or over-achievement of those targets, up to a maximum established in relation to the fixed component.

With regard to the annual Performance and Leadership Bonus Plan, the relative metrics are set on the basis of annual budget. The short-term variable component of Executive Directors' compensation is determined on consolidated Group results, whereas, for Executives with Strategic Responsibilities, metrics are established on consolidated Group results and/or on each Executive's area of direct responsibility.

The Compensation Committee and Board of Directors will review any unusual items that occurred in the performance year to determine the appropriate overall measurement of achievement.

In any event the choice of metrics provides a natural balance in order to prevent short term oriented decisions not consistent with the level of risk deemed acceptable by the Group.

Subject to the approval of the LTI Plan, the long-term variable component consists of a share-based incentive plan that links an appropriate portion of the variable component to the achievement of pre-established performance targets, that are concretely measurable and correlated to value creation for shareholders over the medium to long term. Please refer to Paragraph E above and to the Report published pursuant Article 114bis of the Financial Act.

H. Targets for the assignment of share-based incentive schemes

The LTI share-based Plan is envisaged for individuals at Group companies whose activities and leadership have a significant impact on the Group. This plan intends to incentivize individuals in key positions, including Executives with Strategic Responsibilities, toward the achievement of Company and Group performance targets through the alignment of medium to long-term incentives to value creation for shareholders.

The part of the LTI Plan linked to the performance of the Group is directly linked with the achievement of pre-established financial performance objectives for the performance period starting on January 1, 2012 and ending on December 31, 2014. For further information please refer to the Report published pursuant Article 114bis of the Financial Act.

The Board's proposal to the shareholder regarding the LTI Plan is publicly available on the Company's website: www.fiatspa.com.

I. Consistency with the long-term interests of the Company and the Risk Management Policy

The long-term interests of the Company and the risk management policy of the Group are integral part of the Group's Internal Control System. The Compensation Policy has been prepared in full consistency with the Internal Control System of the Group. Please also refer to Paragraph D above.

J. Vesting periods and deferral payment systems (if any)

Please refer to Paragraph H above.

K. Time restrictions

The LTI Plan does not provide for any lock-up mechanism after the shares are granted to the beneficiaries. Trading of such shares is subject to the applicable laws and regulations. The rights granted under the LTI Plan will be non-transferable (except, once vested, in the event of death of the beneficiary).

L. Cessation of office or termination of employment

The Board of Directors may also grant Executive Directors with specific functions with an allowance in the event of resignation or termination. The allowance granted to the CEO and to the Chairman of Ferrari S.p.A. is payable over twenty years in an amount of which, after ten years, may not be greater than five times the fixed portion of their annual compensation.

For Executives with Strategic Responsibilities post termination treatment consists in the relevant termination indemnity accruals set aside per collective bargaining agreements. Furthermore, in the case of dismissal under mutual agreement, the Group collective bargaining agreement in Italy provides pre-defined and nondiscretionary severance benefits for Executives covered by that agreement. Executives with Strategic Responsibilities whose professional relation with the Group is not governed by such collective bargaining agreement are covered by Group defined nondiscretionary severance programs.

Furthermore, the Company may enter into non-competition agreements with its members of the Board of Directors and Executives with Strategic Responsibilities and for specific and relevant professional roles of senior managers and executives, providing for payment of a fee in relation to the term and scope of the obligation resulting from the agreement itself. The obligation is referred to the industry in which the employer operates in at the time of the agreement and to its geographical scope. The scope of the obligation varies according to the individual's role at the time of execution of the agreement.

M. Insurance, social security or pension coverage

The Board of Directors may also grant Executive Directors with specific functions with insurance policies covering accidental death, permanent disability and life insurance as well as with supplementary pension benefits.

N. Other information

Please refer to Paragraph E.1 above.

O. Reference to the compensation policy adopted by other Companies

The determination of compensation levels is based on continuous monitoring of levels for the market in general and for the sector, including benchmarking against groups of a comparable size, complexity and standing.”

22 February 2012

On behalf of the Board of Directors

/s/ John Elkann

John Elkann

CHAIRMAN

b) Incentive Plan, resolutions pursuant to Article 114-*bis* of Legislative Decree 58/1998

Dear Shareholders,

Pursuant to Article 114-*bis* of the Legislative Decree February 24, 1998 no. 58 (the “**Financial Act**”), we hereby submit the motions approved by the Board of Directors on February 22, 2012 for your approval.

Specifically, these motions relate to the adoption of a new equity incentive plan aimed at providing a medium to long term incentive with performance and retention component to the overall compensation package of the Beneficiaries, as better identified below, thereby providing the Group with an instrument that is more closely aligned to the current competitive environment in the automotive sector globally and to the specific needs of the Group and long term shareholder interests.

The Plan (as defined below) takes the form of stock grants and entitles the relevant beneficiaries to receive, under specific conditions and without cash consideration, a number of Fiat S.p.A. (the “**Company**”) ordinary shares (the “**Shares**”) equivalent to the number of rights granted (the “**Rights**”).

The first part of the Plan is the Company Performance Long Term Incentive (“**Company Performance LTI**”) and provides for the allocation of a maximum 14 million rights to the Beneficiaries as identified in more detail below - subject to: (i) the achievement of pre-established financial performance objectives for the performance period starting on January 1, 2012 and ending on December 31, 2014, and (ii) the continuation of the professional relationship with the Group.

The second component of the Plan is the Retention Long Term Incentive (“**Retention LTI**” and together with the Company Performance LTI, the “**Plan**”) with an allocation of a maximum of 17 million rights, subject to a certain level of individual performance and continuation of the professional relationship with the Group.

The CEO of the Company, Mr. Sergio Marchionne, is a beneficiary of the Retention LTI.

This report was prepared in conformity with the instructions for disclosure provided as a schedule to the Issuers’ Regulation no. 11971/1999 (the “**Issuers’ Regulation**”).

Definitions

For the purpose of this Report the terms listed below shall have the respective meaning set forth in this Section:

Beneficiaries: the beneficiaries of (either or both parts of) the Plan, including, as to the Retention LTI, the Company’s CEO, Mr. Sergio Marchionne

Company: Fiat S.p.A.

Company Performance LTI: the part of the Plan directly linked with the achievement of pre-established financial performance objectives for the performance period starting on January 1, 2012 and ending on December 31, 2014

Compensation Committee: the Compensation Committee of the Company

Financial Act: Legislative Decree February 24, 1998 no. 58, as subsequently amended

Issuers’ Regulation: Issuers’ Regulation No. 11971/1999 issued by Consob on May 14, 1999 and its Annexes, as subsequently amended

Plan: the Company Performance LTI and the Retention LTI

Retention LTI: the part of the Plan directly linked with the continuing employment relationship with the Company during the vesting period

Rights: the number of rights that, upon fulfillment of the vesting conditions provided for in the Plan, will convert in an equal number of shares to be delivered to the Beneficiaries

Share: the Company’s ordinary share

Beneficiaries

The Beneficiaries of the Plan will be approximately three hundred executives holding key positions which have a significant impact on business results, excluding employees of Chrysler Group LLC who are covered by a separate plan.

A minor percentage of the Beneficiaries of the Retention LTI would be selected on a discretionary basis in order to provide incentive to individuals (i) whose particular performance is critical to the success of the Group, or (ii) who hold exceptional leadership requisites.

The other executives will be selected in accordance with criteria approved by the Compensation Committee, among employees of the Company and/or its subsidiaries, consistent with organizational criteria and contribution of such beneficiaries to the economic and financial results of the Company and/or its subsidiaries.

The CEO of the Company, Mr. Sergio Marchionne, is a Beneficiary of the Retention LTI. Other Beneficiaries will be selected by the CEO of the Company in accordance with the above mentioned criteria.

Should the Beneficiaries fall under the provisions of Scheme 7 of Annex 3A of the Issuers' Regulation regarding identification on a named basis, the Company will provide the market with the information prescribed by Article 84-bis, paragraph 5 of the Issuers' Regulation.

Reasons for the Plan

In general, incentive plans based on financial instruments motivate individuals in key positions to achieve the Company's and Group's financial performance targets, correlating that incentive to the medium-to long-term value created for shareholders. The level of commitment is further strengthened when vesting of rights is subject to the achievement of specific financial performance targets over a predetermined reference period.

At the same time, motivating management by granting instruments that are representative of the Company's value contributes to the alignment of the interests of management with those of shareholders, promoting a sense of identification with the Group and significantly enhancing retention as a result.

Retention is also sought through the use of incentives, which are subject to continued professional relationship with the Group.

As anticipated above, the Plan is aimed at providing the Group with an instrument that is more closely aligned to the current competitive environment in the automotive sector globally and to the specific needs of the Group and medium to long term shareholder interests. In particular, medium to long-term incentive schemes incentivize individuals in key positions towards the achievement of the Company's and Group's performance targets through the alignment of medium to long-term incentives to value creation for shareholders.

Finally, with reference to the criteria used to determine the time frame of the Plan, it should be noted that the Plan will be executed over a time period of three years, which is generally considered to be the most appropriate to get a grounded and meaningful measure of the Company's and Group's performance. With these objectives, the Board of Directors, advised by the Compensation Committee, constantly monitors the effectiveness of existing incentive schemes in relation to the global market and, in particular, the industry in which the Group operates.

The importance of management and the stability of that management in a period of significant volatility have been key factors in the success of the Group's companies since 2004 and will have increasing importance in the future. Having effective tools for motivation and retention, therefore, is an essential competitive factor.

For the reasons stated above and upon proposal by the Compensation Committee, the Board determined that it is significantly in the Company's and Group's interests to increase the incentive and retention capability through the adoption of a medium to long term incentive plan.

The Company Performance LTI consists primarily of a performance based component and is linked to the Group's pre-established performance targets. The vesting period is through the end of the performance period (*i.e.*, the approval by the Board of Directors of the 2014 consolidated financial statements) and is based on cumulative three-year results. Therefore, the Company Performance LTI will be based on a one-time grant covering 2012-2014 period: this part of the Plan will be vested at the end of the performance period and will be based on cumulative three-year results, it being understood that all targets assigned to the Beneficiaries should be cumulatively met in order to fulfill the vesting conditions.

The Retention LTI has a retention-only component and is linked to individual contribution. The vesting period is through the third anniversary of said Retention LTI, being understood that one-third of this component will be vested on each grant anniversary over the three years. Under the Plan, it is envisaged that the Company will assign three different cycles of Retention LTIs: the first award would occur in 2012 (and it will vest over the 2012-2015 period), the second in 2013 (and it will vest over the 2013-2016 period), and the third in 2014 (and it will vest over the 2014-2017 period).

For more detailed information on the characteristics of the financial instruments and the vesting period, please refer to the relevant paragraph below.

The performance targets and the other criteria relating to the Company Performance LTI and the Retention LTI will be set forth (and from time to time amended according to market conditions) by the CEO of the Company, in accordance with criteria approved by the Compensation Committee.

The maximum amount of Rights to be granted to each Beneficiary, other than the CEO of the Company, will be set forth by the CEO of the Company but it is not expected to exceed at the grant date 150% of the annual fixed compensation of each Beneficiary.

The amount of Rights granted to the CEO of the Company is submitted to the approval of the shareholders' meeting. For further information on this amount, please refer to paragraph "Characteristics of the financial instruments" below.

The Shares attributed under the Plan are ordinary shares issued by the Company; no financial instruments will be issued by the Company, the Company's subsidiaries, the Company's parent or by any third party under the Plan.

The Plan is in line with latest international best practice and would take the form of stock grants which are based, for the portion whose vesting is subject to the achievement of performance objectives, on performance measurement tools that are consistent with current market conditions and linked to key performance indicators for the Group.

Tax effects of the Plan benefits are the responsibility of the Beneficiaries.

Given its characteristics, no special funds (including the special fund for the encouragement of worker participation, referred to in Article 4, paragraph 112, of the Italian Law December 24, 2003 no. 350) would support the Plan.

Procedure for approval of the Plan

The Plan was discussed and proposed by the Compensation Committee, composed of the independent directors R. Berger (Committee Chairman), L. Garavoglia and M. Zibetti, which examined the matter during several of its meetings in October and December 2011 and February 2012.

On February 22, 2012, the Board of Directors, with Sergio Marchionne abstaining during the discussion and approval of the Plan due to his status as a Beneficiary, unanimously approved the Compensation Committee's proposal and submitted the proposed Plan to Shareholders for approval, pursuant to Article 114-*bis* of the Financial Act.

The entire process of definition of the characteristics of the Plan was developed in a collective manner with the active support of the Compensation Committee, in compliance with the recommendations of the Corporate Governance Code of Listed Companies and with the best corporate practices in this matter.

The Official Price published by Borsa Italiana for the Company Shares on 22 February 2012 was €4.838 per share.

Should you approve this proposal, the grant of the Rights to the CEO of the Company under the Plan would have immediate effect while, as required by law, information on the Beneficiaries and actual number of financial instruments granted in relation to the Company Performance LTI and the Retention LTI will be communicated to the market pursuant to the applicable laws and regulations.

The Plan, as for all other plans in effect, will continue to be administered by the Board of Directors of the Company, which has all necessary or advisable powers in order to implement the Plan. Said powers include, without limitation, the power to establish any other terms and conditions for the implementation of the Plan, provided that such terms and conditions do not contravene the general terms and conditions approved by the shareholders' meeting.

Characteristics of the financial instruments

The Plan is based on the granting of Rights, which upon vesting conditions being fulfilled, will entitle the Beneficiaries to receive without cash consideration an aggregate maximum of 31 million Company Shares. A separate section of the Plan is dedicated to the CEO with features focused on maximizing his retention. To attain such objective, the CEO of the Company will be a beneficiary of the Retention LTI; this portion of the Plan will be equal to 7 million Rights awarded, upon your approval of this proposal, with a one-time grant, and vesting one third each, subject to Mr. Marchionne still being in office as CEO of the Company on February 22, 2013, February 22, 2014, and February 22, 2015, respectively.

A maximum of 24 million Rights would be available for allocation to the Beneficiaries other than the CEO of the Company.

Of the above mentioned maximum 24 million Rights, maximum 10 million would be granted over the three cycles under the Retention LTI and maximum 14 million for a one-time grant covering a three year performance period 2012-2014 under the Company Performance LTI.

With regard to the Company Performance LTI, Rights would vest subject to the achievement of pre-established financial performance targets for the period January 1, 2012 and ending December 31, 2014 and remaining in office until approval of the 2014 consolidated financial statements by the Board of Directors; the Rights will vest in a single tranche upon approval of the 2014 consolidated financial statements by the Board of Directors.

With regard to the Retention LTI, rights would vest solely subject to the Beneficiaries continued professional relationship with the Group through the vesting; the rights relating to each of the three yearly grant cycles will vest ratably upon each of three anniversary dates of the grant.

The Plan is to be serviced through treasury shares bought on the market without issuing new shares and, therefore, would have no dilutive effects. The Company will purchase additional treasury shares sufficient to service the Plan hereby submitted for your approval, at the appropriate time and to the extent necessary, also taking into account currently owned treasury shares.

Specific rules (involving acceleration or forfeiting of the Rights) apply to certain cases of early termination of the relationship, such as, for example, a change of employer within the Group, retirement or death of the Beneficiary.

Other conditions of the Plan include, among others, specifically (i) the right of the Company to substitute, in whole or in part, Shares vested under the Plan with a cash payment calculated on the basis of the Official Price of those shares published by Borsa Italiana on the date of vesting fulfillment, (ii) the discretion of the CEO of the Company to determine, on one or more occasions, the number of Rights to be granted to each Beneficiary, as well as to reassign any rights forfeited due to termination of the employment relationship.

Rights relating to the Plan are granted to the Beneficiaries only and are non-transferable, except by inheritance once vested, while the Shares received will not be subject to any restrictions other than legal restrictions relating to the use of privileged information. The Board of Directors may set restrictions for periods immediately prior to key dates in the corporate calendar.

On February 22, 2012 the preliminary estimate of the annual non-cash cost of the proposed Plan was approximately €150 million for the three year duration of the Plan. Those costs will be recalculated on the date that the proposals, if approved, become effective, on the basis of the price of Company Shares and the stated vesting conditions. For the portion of the Plan relating to the CEO of the Company, that date shall be the date on which approval is given by Shareholders. For the granting of the maximum 24 million Rights to other executives, that date shall be the effective grant date. For accounting purposes, the cost calculated on the grant date is recognized on a pro rata basis over the vesting period.

In addition to the proposed new Plan that is being submitted for your approval, the Company has other incentive plans in place for directors and executives, with a total of 18,556,875 options outstanding at February 22, 2012, all of which are vested and exercisable. A total of 1,636,875 options will be serviced through the issue of new shares and the remainder through shares purchased on the market. The required amount of Shares, currently equal to 16,920,000 is fully covered by the 34,568,458 own shares currently held. Detailed information on plans in effect is provided in the disclosure documents issued in 2007, 2008, 2009, and 2010, available in the Corporate Governance section of the Group website (www.fiatspa.com) under Fees and Interests Held, as well as in the Notes to the statutory and consolidated financial statements as of 31 December 2011, pursuant to applicable regulatory requirements and the International Financial Reporting Standards, respectively.

22 February 2012

On behalf of the Board of Directors

/s/ John Elkann

John Elkann

CHAIRMAN

SHARE-BASED PAYMENT PLANS

Table 1 of Schedule 7, Annex 3A of Regulation no. 11971/1999

Date: 22 February 2012

		BOX 1						
		Financial instruments other than stock options						
		Section 2						
		Newly granted instruments based on decision of:						
		<input checked="" type="checkbox"/> Board of Directors for proposal to Shareholders						
		<input type="checkbox"/> competent body in Implementation of Shareholder resolution						
Name or category	Position (required only for individuals named)	Date of shareholder resolution	Description of instruments	Number of financial instruments by individual or category granted by BoD or other competent Body	Date of grant	Purchase price (if applicable)	Market price on grant date	Vesting period
							Source: Borsa Italiana	
Sergio Marchionne	Chief Executive Officer of Fiat S.p.A.	—	Stock grant entitling to receive, under specific conditions and without cash consideration, Fiat S.p.A. ordinary shares	7,000,000	22/02/2012	—	4.838 ¹	2012-2015
Executives holding key positions with significant impact on business results		—	Stock grant entitling to receive, under specific conditions and without cash consideration, Fiat S.p.A. ordinary shares	24,000,000	—	—	—	2012-2017

¹ Official price reported on the Stock Exchange on 22 February 2012, the date on which the Board of Directors approved the motion to be submitted to Shareholders' meeting.

c) Authorization for the purchase and disposal of own shares

Shareholders,

On 30 March 2011, shareholders renewed authorization for the purchase of shares – not to exceed the legally established percentage of share capital or an aggregate amount of €1.2 billion, for all three classes, inclusive of existing reserves for own shares held of €289 million. No shares were repurchased under that authorization. The most recent purchase of own shares was in June 2008, following which the program was suspended.

Over the years, the Group has established plans for the incentivization and retention of executive directors and managers having a significant influence on business results, which take the form of stock grants or stock options based on the Company's own shares. As detailed in item b) of this Report, it is the Group's intention to continue the policy of incentivizing individuals in key positions toward the achievement of Company and Group performance targets.

For that purpose, we asked you to authorize the use of 31,000,000 ordinary shares, in addition to the 16,920,000 shares already set aside to service other existing incentive plans. In relation to those existing obligations, at 22 February 2012 the Company held 34,568,458 ordinary shares corresponding to 2.709% of share capital, while the "Reserve for own shares" totaled €259 million. No other Group company holds Fiat S.p.A. shares.

To ensure coverage of the above share-based incentive plans established by the Company, in addition, more generally, to providing the Company a strategic investment opportunity for other purposes permitted by law, we propose that you renew the authorization for the Company to purchase and dispose of its own shares, in both cases either directly or through subsidiaries, to ensure a continuation of the necessary operating flexibility over an adequate time horizon and in consideration of the fact that the current authorization expires on 30 September 2012. Such authorization will be subject to the limits and procedures set out in the applicable provisions of the Civil Code, the provisions of Article 132 of Legislative Decree 58/1998 and Article 144-*bis* of the Consob Issuer Regulations, and other legal and regulatory provisions that apply. This authorization will also enable the Company to purchase, as needed, preference and savings shares that are redeemed as a result of special shareholders exercising their right of withdrawal in relation to the proposed conversion.

Accordingly, we further propose that you revoke the previous resolution, for the part not already utilized at the date of the General Meeting, and authorize the purchase of own shares, for all three classes, for a period of eighteen months and for an amount not to exceed the legally established percentage of share capital (at the current par value of €3.50 per share), inclusive of Fiat S.p.A. shares already owned by the Company and/or its subsidiaries.

The purchase price per share may not be more than a maximum of 10% higher or a minimum of 10% lower than the reference price recorded by Borsa Italiana on the day prior to the purchase, with the exception of purchases from shareholders exercising the right of withdrawal in relation to which the price established in Article 2437-*ter* of the Civil Code shall apply.

The Company intends to maintain reserves available for the purchase of a maximum aggregate amount of €1.2 billion, including existing reserves for own shares (totaling €259 million at 22 February 2012).

Purchases may be made on one or more occasions on regulated markets, in accordance with the terms and procedures established by Borsa Italiana and consistent with equality of treatment for all shareholders. Should the opportunity arise, purchases may also be made through a public tender offer, offer for exchange, or other permitted procedure.

We are also requesting authorization to dispose of own shares, directly or through subsidiaries, on one or more occasions, even if the total of approved purchases has not been made, without time limits or restraints and using procedures that best suit the interests of the Company, as permitted by law (including the transfer of rights related to the shares, such as, for example, stock lending). Own shares may be used to service existing incentive plans – as well as any additional plans that may be established by the Board in the future and subsequently submitted for the approval of Shareholders (based on the prices established at the time of granting) – in addition to all other purposes permitted by law.

22 February 2012

On behalf of the Board of Directors

/s/ John Elkann

John Elkann

CHAIRMAN

5) Mandatory conversion of preference and savings shares into ordinary shares and consequent changes to the By-laws

Shareholders,

we hereby submit to your approval the proposal of compulsory conversion of preference and savings shares into ordinary shares and connected amendments to the by-laws.

This report is drafted pursuant to article 72 of the Consob Resolution No. 11971/1999 (Issuers Regulation) and in compliance with Schemes No. 6 and 2 of Annex 3A of the above Regulation.

The proposed resolution is attached to this report.

1. Rationale of the proposed conversions of preference and savings shares into ordinary shares

The proposed transaction, entailing (i) the compulsory conversion of Fiat S.p.A. (“**Fiat**” or the “**Company**”) preference shares into ordinary shares and (ii) the compulsory conversion of Fiat savings shares into ordinary shares (each, the “**Conversion**” and, together, the “**Conversions**”), is intended to streamline the capital structure and simplify the governance structure of the Company as well as to promote shareholder value through the conversion of classes of securities that have historically traded at a significant discount to the ordinary shares and with sustained low trading volumes. The Conversions are expected to benefit all shareholders because they will deliver enhanced liquidity by converting relatively illiquid preference and/or savings shares into more liquid ordinary shares thus improving the float of the Company’s ordinary shares and simplifying the transparency of Fiat’s governance and capital structure.

The following table shows historical information on the trading volume and prices of each class of shares currently outstanding:

Class of shares	Outstanding shares		Average daily traded volume in the six months preceding the announcement of the Conversions ¹	Average daily traded volume in percentage on total outstanding shares	Average price in the six months preceding the announcement of the Conversions	Average discount ² to ordinary shares in the six months preceding the announcement of the Conversions
	Shares in Units	% of Total Outstanding	Shares in Thousands	%		%
Ordinary	1,092,680,610	85.64%	34,019.6	3.11	€ 5.88	N.A.
Preference	103,292,310	8.10%	891.9	0.86	€ 4.25	28.3%
Savings	79,912,800	6.26%	586.6	0.73	€ 4.29	27.5%

¹ October 27, 2011.

² Discount calculated as the complement to 1 of the ratios between special share price and ordinary share price..

2. Description of the features, rights and privileges attached to preference and savings shares

The share capital of Fiat is currently comprised of 1,092,680,610 ordinary shares, 103,292,310 preference shares and 79,912,800 savings shares.

Preference shares

Preference shares enjoy the economic rights and preferences granted by articles 6 (Classes of shares and common representative), 20 (Allocation of Profit) and 23 (Winding-up) of the Company's by-laws, pursuant to which:

- preference shares are registered shares issued in dematerialized form;
- preference shares have a preferential right in the distribution of the net profit reported in the Company's annual financial statements up to €0.217 per share (net of (i) the amount to be assigned to the legal reserve, (ii) the preferential dividend to be paid to savings shares and (iii) further allocations to the legal reserve, extraordinary reserve and/or retained profits reserve as may be resolved by the Shareholders);
- they are entitled to a preferential right, up to their par value, in the distribution of the Company's assets in case of winding-up, once savings shares have been repaid up to their par value.

With respect to governance rights, pursuant to article 6 of the Company's by-laws preference shares grant the right to vote only on matters which are reserved for an Extraordinary Meeting of Shareholders and on resolutions concerning Procedures for the General Meetings. In addition to the above, preference shares grant the right to vote in the relevant special meeting of preference shareholders.

In the event that the ordinary shares are delisted, the higher dividend received by the savings shares with respect to the dividend received by ordinary and preference shares shall be increased by €0.140 per share.

In addition to the above, preference shares enjoy the rights granted by article 146 of Legislative Decree No. 58 of 24 February 1998 (the "**Financial Act**") pursuant to which, *inter alia*, any resolutions of the Company's general shareholders' meeting which may adversely affect the rights of preference shares are submitted and subject to the approval of the special meeting of preference shareholders.

Savings shares

Savings shares enjoy the economic rights and preferences granted by article 145 of the Financial Act and by articles 6 (Classes of shares and common representative), 20 (Allocation of Profit) and 23 (Winding-up) of the Company's by-laws, pursuant to which:

- savings shares may be either registered or bearer shares, at the option of the holder or as required by law, and are issued in dematerialized form;
- savings shares have a preferential right in the distribution of the net profit reported in the Company's annual financial statements up to €0.217 per share, net of the amount to be assigned to the legal reserve; in addition, after allocations are made to the legal reserve, to the extraordinary reserve and/or retained profits reserve as may be resolved by the Shareholders and allocations are made with respect to the preferential dividend to be paid to preference shares and to ordinary shares, savings shares are entitled, together with ordinary shares, to an additional dividend up to €0.1085;
- if the dividend paid to savings shares in any year amounts to less than €0.217, the difference shall accrue to the preferred dividend they are entitled to in the following two years;
- they are entitled to a preferential right, up to their par value, in the distribution of the Company's assets in case of winding up.

Any profits remaining following the allocations described above that the Shareholders may resolve to distribute are allocated *pari passu* to ordinary shares, preference shares and savings shares.

With respect to governance rights, pursuant to article 145 of the Financial Act and article 6 of the Company's by-laws, savings shares do not grant the right to vote in the Company's general shareholders' meeting, while they grant the right to vote in the relevant special meeting of savings shareholders. In the event that the savings shares are delisted, any bearer shares shall be converted into registered shares and shall have the right to a higher dividend increased by €0.1225, rather than €0.1085, with respect to the dividend received by the ordinary and preference shares. In the event that the ordinary shares are delisted, the higher dividend received by the savings shares with respect to the dividend received by ordinary and preference shares shall be increased by €0.140 per share.

In addition to the above, savings shares enjoy the rights granted by article 146 of the Financial Act pursuant to which, *inter alia*, any resolutions of the Company's general shareholders' meeting which may adversely affect the rights of savings shares are submitted to and subject to the approval of the special meeting of savings shareholders.

3. Critical issues associated with the Conversions

As far as the critical issues connected with the proposed Conversions are concerned, please note that:

- a) upon effectiveness of the relevant Conversions (as better described under paragraph 10 below), the holders of preference shares, without prejudice to the right to receive the dividend with respect to the 2011 financial year, will lose, as of January 1, 2012, the economic rights and preference rights as well as the class protection rights granted by the by-laws of Fiat to the relevant class of shares and described above. However, except for fractional shares (in relation to which please refer to paragraph 10 below), preference shareholders who have not exercised their withdrawal right will receive ordinary shares and, accordingly, will gain the right to vote in all Ordinary and Extraordinary Shareholders' meetings of the Company and will enjoy all the rights attached to ordinary shares, benefitting, among other things, from the enhanced liquidity of the market of said class of shares; the ordinary shares to be issued after the Conversion of preference shares will be eligible for dividends - to the extent declared - with respect to the 2012 financial results;
- b) upon effectiveness of the relevant Conversions (as better described under paragraph 10 below), the holders of savings shares, without prejudice to the right to receive the dividend with respect to the 2011 financial year, will lose, as of January 1, 2012, the economic rights and preference rights as well as the class protection rights granted by the by-laws of Fiat to the relevant class of shares and described above. However, except for fractional shares (in relation to which please refer to paragraph 10 below), savings shareholders who have not exercised their withdrawal right will receive ordinary shares and, accordingly, will gain the right to vote in all Ordinary and Extraordinary Shareholders' meetings of the Company and will enjoy all the rights attached to ordinary shares, benefitting, among other things, from the enhanced liquidity of the market of said class of shares; the ordinary shares to be issued after the Conversion of savings shares will be eligible for dividends - to the extent declared - with respect to the 2012 financial results;
- c) upon effectiveness of the Conversions, the voting rights of the holders of ordinary shares will be diluted proportionally to the number of preference and/or savings shares subject to conversion. Assuming that both Conversions are approved and become effective, ordinary shares existing prior to the Conversions will represent, immediately following the effectiveness of the Conversions, about 87.39% of the ordinary shares of the Company, while ordinary shares issued as a consequence of the Conversions will represent about 12.61% of the Company's ordinary shares (hence reducing the latter from 14.36% to 12.61% of the share capital, as a consequence of the Conversions – please see also paragraph 17 below). However, ordinary shareholders will benefit from the elimination of the economic privileges and governance rights attached to savings and/or preference shares described above and all shareholders will benefit from a streamlined capital and simplified governance structure and enhanced liquidity.

4. Amount of preference and savings shares to be converted held by the controlling shareholder, as defined in Article 93 of the Financial Act

As of the date of this report, the controlling shareholder within the meaning of to Article 93 of the Financial Act is Giovanni Agnelli & C. S.a.p.az. through its subsidiary Exor S.p.A.

Based on the most recent communications received by the Company pursuant to article 120 of the Financial Act and on the disclosures¹ by Exor S.p.A., as of this date the latter resulted to hold respectively No. 31,082,500 preference shares and No. 18,717,155 savings shares of the Company, respectively equal to 30.09% and 23.42% of the share capital of the relevant class.

Please note that, as of February 22, 2012, Fiat holds No. 34,568,458 ordinary treasury shares, equal to 2.71% of the share capital.

5. Intention of the controlling shareholder to do trading on the shares object of the Conversion

By a press release issued on October 27, 2011 Exor S.p.A. stated it was determined to maintain its shareholding over the mandatory tender offer thresholds following the Conversions; in this respect, in the same press release Exor S.p.A. noted that it intended to trade on the market as necessary to achieve that objective, whilst complying with all relevant rules and regulations, including disclosure obligations. In this respect, please refer also to paragraph 17 below.

6. Commitments to convert undertaken by the holders of the shares to be converted, with particular reference to the controlling shareholder

As the Conversions entail the compulsory conversions of shares, all preference and/or savings shares will be automatically converted into ordinary shares. Therefore, this item is not applicable.

¹ Data as of March 1, 2012.

7. Dividends distributed in the last five years on ordinary, preference and savings shares

The table below shows the dividends distributed by Fiat to ordinary, savings and preference shares in the last five years:

Class of shares	2006 Financial year	2007 Financial year	2008 Financial year	2009 Financial year	2010 Financial year
Ordinary	0.155	0.40	-	0.17	0.09
Preference	0.31	0.40	-	0.31	0.31
Savings	0.93	0.555	0.31	0.325	0.31

The above data refer to the Fiat Group before the execution of the partial proportional demerger to Fiat Industrial S.p.A. (the “**Demerger**”).

Please consider that the ordinary shares to be issued pursuant to the Conversions will be eligible for dividends (to the extent declared) with respect to the 2012 financial results, while the savings and preference shares will retain any economic rights with respect to the 2011 financial year.

Please note that, on February 22, 2012, Fiat resolved to submit to the shareholders’ approval the distribution to preference and savings shares of a dividend relating to the 2011 financial year for an amount equal to €0.217 per share.

8. Conversions cash adjustment and criteria for its determination

The Conversions do not require special shareholders to pay any cash adjustment to the Company.

9. Conversion ratios

As announced in the press releases dated October 27, 2011 and February 22, 2012, the Board of Directors of Fiat S.p.A. resolved on those dates to propose to shareholders the compulsory conversion of preference and savings shares into ordinary shares, on the basis of the following conversion ratios:

- preference shares will be converted into newly issued ordinary shares according to a conversion ratio of 0.850 ordinary shares for each preference share;
- savings shares will be converted into newly issued ordinary shares according to a conversion ratio of 0.875 ordinary shares for each savings share.

The Conversions do not require special shareholders to pay any cash adjustment to the Company.

Conversion ratios have been determined by the Board of Directors on the basis of the following considerations:

- 1) the reasons underlying the Conversions proposal, already outlined in paragraph 1;
- 2) the rights and privileges of preference and savings shares with respect to ordinary shares, already outlined in paragraph 2;
- 3) the trading patterns of preference and savings shares with respect to ordinary shares, over various time horizons preceding the Conversions proposal announcement;
- 4) the analysis of precedent compulsory conversions on the Italian market, with focus on the premia implied in the conversion ratios;
- 5) implied premia in the proposed conversion ratios with respect to October 26 closing prices of Fiat shares, (i.e. the day preceding the Board of Directors meeting resolving to propose the Conversions to the Shareholders Meeting) and with respect to average prices over different time horizons up to the announcement.

The following paragraphs include a more detailed analysis of points 3, 4, and 5.

Please note that, for the purposes of its resolutions, the Board of Directors took October 26, 2011 (*i.e.* the day before the announcement of the Conversions proposal) as the last reference date with respect to the market price of ordinary, preference and savings shares. This reference date has been accordingly used for the purposes of the following paragraphs, unless otherwise indicated.

9.1. Special Share Prices Evolution over the 10 Years Ending in Dec-2010

The chart below shows preference and savings share prices evolution, with respect to ordinary share prices, over the 10-year period starting on January 2001 and ending in December 2010, preceding the Demerger. In particular, the chart shows the special shares discount³ evolution, with respect to the ordinary shares.



Source: Bloomberg

During the aforementioned period, despite sustained volatility due both to market conditions as well as to the operating performance of the company, special shares traded on average at significantly lower prices than ordinary shares due to their limited liquidity, to the absence of full voting rights and in general to the historically low attractiveness of these share classes for investors, especially for the institutional and international investors.

The empirical evidence shows how these characteristics, which have a negative impact on special shares prices, have not been adequately offset by the economic privileges which characterise special shares.

In particular, as highlighted in the table below, the average discount over the 2001-2010 period was 30.8% for preference shares and 28.2% for savings shares. Accordingly on average, the average closing trading price of preference shares was 0.692 of the closing trading price of ordinary shares and the closing trading price of savings share was 0.718 of the closing trading price of ordinary shares over the period, with a difference of 0.025 in favour of savings shares.

³ Discount calculated as the complement to 1 of the ratios between special share price and ordinary share price.

Discount Analysis

Simple Average 2001-2010

Preference Shares

Discount vs. Ordinary Shares

30.8%

Implied Ratio

0.692

Savings Shares

Discount vs. Ordinary Shares

28.2%

Implied Ratio

0.718

Delta Preference vs. Savings

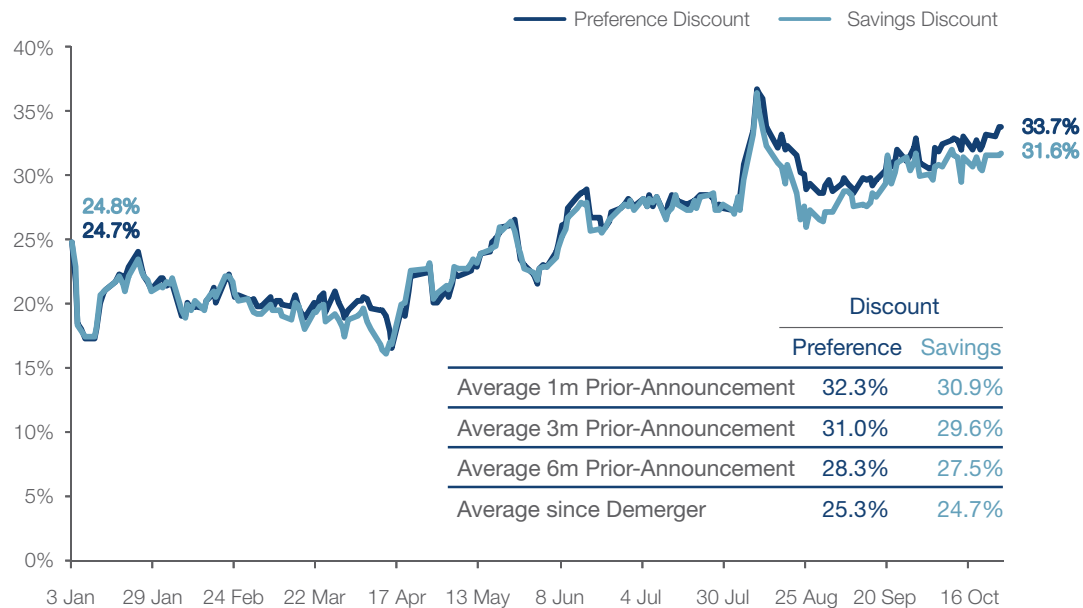
Discount vs. Ordinary Shares

2.5%

Implied Ratio

(0.025)

The pattern is confirmed when taking into consideration Fiat special shares discount evolution since January 3, 2011 (i.e., the first day of trading of the Company after the Demerger) until October 26, 2011. Over the above mentioned period, special shares constantly traded at significantly lower prices than ordinary shares.



Source: Bloomberg; share prices as of 26-October-2011

In particular, preference and savings shares had a worse market performance than the ordinary shares, leading to an increase in the discount from January 3 (24.7% and 24.8% for preference and savings shares respectively) to October 26 (33.7% and 31.6% for preference and savings shares respectively).

On October 26, 2011 preference shares closed at a 33.7% discount with respect to ordinary shares, whilst savings shares closed at a 31.6% discount. The implied conversion ratios based on closing market prices on that day were therefore 0.663 ordinary shares for each preference share and 0.684 ordinary shares for each savings share.

9.2 Precedent Conversion Transactions Analysis

In determining the proposed conversion ratios, the Board of Directors first considered a group of compulsory conversions of preference and savings shares on the Italian market between 1999 and the transaction announcement.

Such transactions have several common features: in most cases the transactions had a limited value⁴, converted shares represented a limited portion of total share capital and converted shares had a low trading liquidity. For these reasons, the Board has considered the empirical evidence resulting from the analysis not meaningful in determining the Conversion ratios.

The Board then identified a subset of such precedents deemed more relevant due to the more meaningful volume of historical trading in the converted shares. With respect to such precedents, the Board observed that, on average, implied premium to special shareholders has been approximately 24% calculated with respect to the converted share average prices in the three months preceding the announcement.

For the purpose of calculating the implied premia paid in precedent transactions, the Board of Directors used a three month period to calculate the converted class average historical share price in order to mitigate the impact of potential speculations and rumours close to the announcement date that might have affected the share price.

9.3 Implied Premia in the Proposed Conversion Ratios

Preference shares will be converted into newly issued ordinary shares at a conversion ratio of 0.850 ordinary shares for each preference share. Savings shares will be converted into newly issued ordinary shares according to a conversion ratio of 0.875 ordinary shares for each savings share.

The table below shows the premia implied in the conversion ratios with respect to closing prices on October 26, 2011 and with respect to the average prices different time horizons.

Premium Analysis	Preference	Savings	Delta Pref vs. Sav
Announced Conversion Ratio	0.850 x	0.875 x	(0.025)
Discount vs. Ordinary Shares	15.0%	12.5%	2.5%
Share Price as of 26-October	3.24	3.34	(0.10)
Discount vs. Ordinary Shares	33.7%	31.6%	2.1%
Implied Conversion Ratio	0.663	0.684	(0.021)
Premium Offered	28.2%	27.9%	0.3%
Average Share Price - Last 3 Months	3.15	3.21	(0.06)
Discount vs. Ordinary Shares	35.4%	34.2%	1.2%
Implied Conversion Ratio	0.646	0.658	(0.012)
Premium Offered	31.6%	33.0%	(1.4)%
Discount vs. Ordinary Shares 2001-2010	30.8%	28.2%	2.5%
Implied Conversion Ratio 2001-2010	0.692	0.718	(0.025)

Special shareholders would receive an implied premium in excess of 30% calculated on the basis of the three months average price of the special share classes pre-announcement. This premium favourably compares with premia paid in precedent transactions and aligns special classes of shares to a discount with respect to ordinary shares well below the 10 years prior to the Demerger.

Furthermore, the Board has taken into consideration the greater economic rights of the savings shares compared to preference shares. Historically, such greater rights have been reflected in a higher trading price of the savings shares (and hence a lower discount to ordinary shares) when compared to the preference shares. In the 10 years period prior to the Demerger, the implied ratio of savings shares to ordinary shares has been 0.025 greater than the implied ratio of preference shares to ordinary shares based on trading prices. Based on the closing prices on October 26, 2011 the implied ratio of savings shares to ordinary shares was 0.021 greater than the implied ratio of preference shares to ordinary shares. In determining the conversion ratios, the Board has determined to align this differential to the 2001-2010 average of 0.025.

⁴ Defined as the number of special shares subject to compulsory conversion, multiplied by the latest closing price before the announcement.

9.4 Conclusions

On the basis of the considerations discussed above, the Board of Directors considers the proposed conversion ratios to be in the best interest of all shareholders and of the Company.

Savings and preference shareholders will benefit from a conversion ratio which is higher than that implied by historical trading prices over long and short term periods. Furthermore, the premium implied in the conversion ratios is higher than the average of comparable transactions. Finally, special shareholders, upon waiving economic privileges and class rights, will obtain a more liquid security, traded on the market at higher valuations than the special shares and with full voting rights attached, and will maintain the rights to receive the 2011 dividend.

The earnings attributable to the shareholders of the controlling company generated by the Group in a certain year being equal, the Conversion has a positive effect on the earning per ordinary share. In addition, the aggregate dividend the Shareholders' Meeting may resolve to distribute in the future being equal, the Conversion will have a positive effect on such potential dividend per ordinary share.

Finally, it may be noticed how, since the date of the announcement, special shares classes have substantially aligned to the value implied in the proposed conversion ratios. This alignment has eliminated the conversion premium with respect to current prices.

10. Procedures for the exercise of the Conversions

The Conversions will be carried out through Monte Titoli, which will instruct the intermediaries participating in the central depository system with whom preference and/or savings shares are deposited; all the transfers of preference and/or savings shares to be converted will be carried out by said intermediaries and Monte Titoli. The transactions will be carried out at no costs for the shareholders, except for the possible charge in relation to the rounding-up, where required.

The intermediaries who hold the accounts on behalf of each preference and savings shareholders will deliver to each involved shareholder the amount of shares arising out from the application of exchange ratios; said amount will be rounded down – where necessary – to the nearest whole unit of ordinary shares. Fractional shares that have not been assigned following the rounding down will be monetized on behalf of the Company on the basis of the average trading prices of the Company's ordinary shares recorded on the market in the three days following the effectiveness of the Conversion.

The Company will take measures, to the reasonable extent, in order to safeguard the faculty by holders of just one share, upon explicit request to the relevant intermediary, to purchase the fraction of share necessary to round up to the nearest whole unit of share, in order not to lose the shareholder status. All other shareholders may request, upon payment of the relevant price, the rounding up of fractional shares within the limit of available fractions⁵.

The date of effectiveness of the Conversions will be agreed upon with Borsa Italiana S.p.A. and disclosed to the market through a notice published on the Company's website and on the newspaper La Stampa pursuant to article 72, fourth paragraph, of the Issuers Regulation. On that date, trading on the Company's savings and/or preference shares on the Milan, Frankfurt and Paris Stock Exchanges will be terminated and the newly issued ordinary shares will begin trading on the *Mercato Telematico Azionario* organized and managed by Borsa Italiana S.p.A.

As a result of the Conversions, the nominal value of the ordinary shares will be increased also by means of the free capital increase described in paragraph 19 below.

11. Conditions for the Conversions to be effective

In addition to the Conversions being conditional upon the approval of the Extraordinary Shareholders' meeting, the Conversion of the preference shares is conditional upon the approval by the special meeting of the preference shareholders, whilst the Conversion of the savings shares is conditional upon the approval by the special meeting of the savings shareholders, it being understood that the Conversion of preference shares and the Conversion of savings shares are independent of each other and not cross-conditional, as further explained below.

Furthermore, the Conversion of preference shares is conditional upon the aggregate disbursement in relation to the possible exercise of the withdrawal rights pursuant to article 2437-*quater* of the Italian Civil Code not exceeding in aggregate Euro 56 million. The Conversion of savings shares is conditional upon the aggregate disbursement in relation to the possible exercise of the withdrawal rights pursuant to article 2437-*quater* of the Italian Civil Code not exceeding in aggregate Euro 44 million. Therefore, the overall disbursement in relation to the possible exercise of the withdrawal rights shall not exceed Euro 100 million.

⁵ The correct application of the exchange ratio will entail the non-issuance of 0.5 ordinary shares; the relevant cost will be borne by the Company.

The Company shall communicate to the market information regarding the number of shares subject to withdrawal and, therefore, the satisfaction of or failure to satisfy the above conditions precedent, by a press release which will be published within 10 business days after the closing of the period for the exercise of withdrawal rights (as better described in paragraph 21 below).

It remains understood that the Conversions shall not be effective and will be not carried out prior to the publication of the notice and that, in any event, the Conversions will be executed as soon as all legal requirements will have been complied with.

Should the above conditions be satisfied, the Company shall proceed with the preemptive offer to existing shareholders of the shares subject to withdrawal and with the offer to the market of the shares remaining after the preemptive offer and shall communicate to the market the results of such offers by a press release to be published within 2 business days of the closing of each offer.

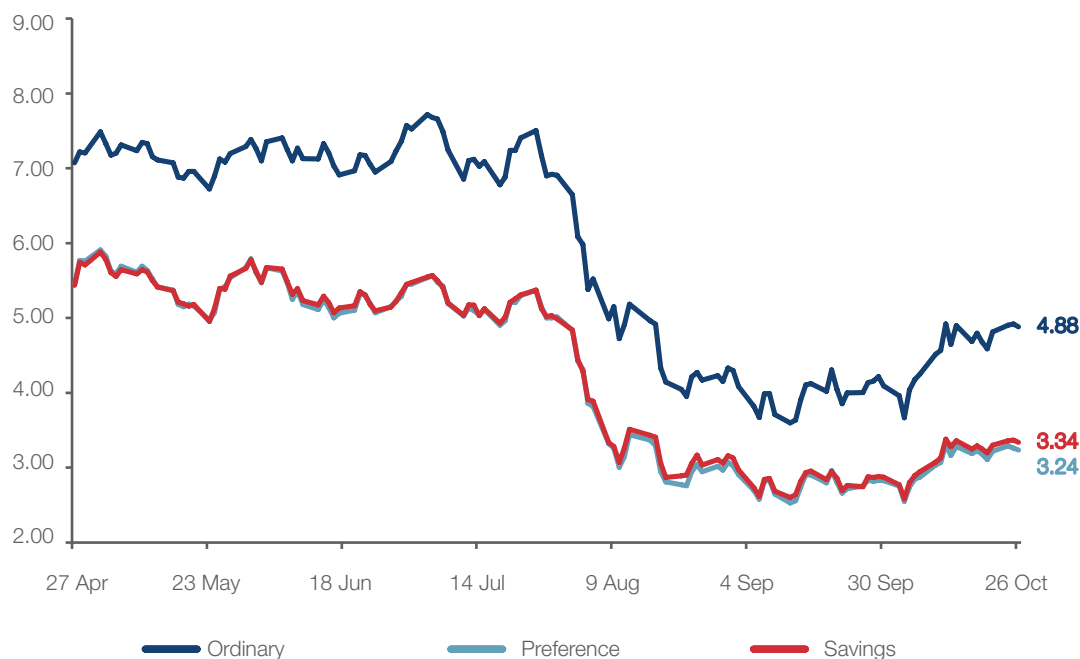
12. Amount of preference and savings shares to be converted and of ordinary shares to be offered under the Conversions

Subject to the conditions precedent described above, all outstanding preference shares (No. 103,292,310) and/or savings shares (No. 79,912,800) shall be converted into ordinary shares bearing the same rights as those pertaining to the ordinary shares currently issued by the Company, including the economic rights with respect to the 2012 financial year.

Based on the Conversion ratios described in paragraph 9 above, the amount of ordinary shares to be issued as a result of the Conversions is equal to 157,722,163 in case of conversion of both savings and preference shares, to 87,798,463 in case of Conversion of preference shares only and to 69,923,700 in case of Conversion of savings shares only.

Preference and savings shares in relation to which the withdrawal rights – within the thresholds set forth in paragraph 11 above – will have been exercised and which may result still outstanding following the steps described in paragraph 21 below will be purchased by the Company and converted into ordinary treasury shares.

13. Trend of the prices of preference and savings shares to be converted over the last six months



14. Incentives given for the Conversions

Since the Conversions entail the compulsory conversion of shares, this item is not applicable. With regard to the determination of implied premiums, please see paragraph 9.3 above.

15. Impact of the Conversions on stock option plans involving preference and savings shares

There are no stock options plan involving preference and savings shares; therefore, this item is not applicable.

16. Breakdown of the share capital before and after the Conversions

The share capital of Fiat is currently equal to €4,465,600,020, divided into No. 1,092,680,610 ordinary shares, No. 103,292,310 preference shares and No. 79,912,800 savings shares, each of them having a par value of €3.50.

After the Conversions and the Free Capital Increase (as defined and better described in paragraph 19 below), the share capital will be equal to:

- (i) €4,476,441,927.34 divided into No. 1,250,402,773 ordinary shares having a par value of €3.58, should both savings and preference shares be converted; or
- (ii) €4,474,391,149.15 divided into No. 1,180,479,073 ordinary shares and No. 79,912,800 savings shares, both having a par value of €3.55, should only preference shares be converted; or
- (iii) €4,468,615,068.60 divided into No. 1,162,604,310 ordinary shares and No. 103,292,310 preference shares, both having a par value of €3.53, should only savings shares be converted.

17. Changes to the ownership structure as a result of the Conversions

Assuming that the current ownership of the share capital of the Company by the controlling shareholder (as described in paragraph 4 above) remains unchanged as of the date of effectiveness of the Conversions, that all preference and savings shares are converted and that the Company continues to maintain the current No. 34,568,458 ordinary treasury shares, after the Conversions the shareholding held by the controlling shareholder (as identified in paragraph 4 above) would change from 30.47% of the issued ordinary capital to 30.05% (changing from 31.46% to 30.90% of the share capital with voting right in the ordinary shareholders' meeting). In case of Conversion of preference shares only, the shareholding held by the controlling shareholder would change from 30.47% of the issued ordinary capital to 30.44% (changing from 31.46% to 31.36% of the share capital with voting right in the ordinary shareholders' meeting), whilst, in case of Conversion of savings shares only, the shareholding held by the controlling shareholder would change from 30.47% of the issued ordinary capital to the 30.04% (changing from 31.46% to 30.96% of the share capital with voting right in the ordinary shareholders' meeting).

18. Main uses that the issuer intends to assign to any net proceeds from the Conversions

The Conversions do not entail the payment of any cash adjustments and, therefore, Fiat will not receive any proceeds from the Conversions. Accordingly, this item is not applicable.

19. Free capital increase

By virtue of the above mentioned conversion ratios, the execution of each of the Conversions determines a decrease of the number of the shares issued by the Company. In order to avoid the reduction of the share capital of the Company, following the Conversion it is proposed to increase the par value of the shares of the Company. The new par value will be equal to the amount of the share capital of the Company divided by the aggregate number of shares as resulting from the Conversions, rounded up to the nearest hundredth by means of a free capital increase, pursuant to article 2442 of the Italian Civil Code, for an amount limited to such purpose, by using part of the reserves denominated "Share Premium Reserve" (Riserva Sovraprezzo Azioni) (the "**Free Capital Increase**").

The new par value per share will be equal to Euro 3.58, should both preference and savings shares be converted, to Euro 3.55, should only preference shares be converted and to Euro 3.53, should only savings shares be converted.

As the Conversions are autonomous and independent, the different options of amendments to the By-laws - depending on the classes of shares actually converted - are described under Paragraph 22 below.

In particular, the amount of the Free Capital Increase shall be equal to:

- (i) €10,841,907.34, should both savings and preference shares be converted; or
- (ii) €8,791,129.15, should only preference shares be converted; or
- (iii) €3,015,048.60, should only savings shares be converted.

20. Adjustment of the amount of the capital increase reserved to executives employed by the Company and/or its subsidiaries

As a consequence of the Conversion and the Free Capital Increase described above, the par value of the shares shall be increased as indicated in paragraph 19 above.

Therefore, in order to keep the maximum amount of shares to be allotted pursuant to the incentive plan approved on November 3, 2006 unchanged, it is advisable to adjust the maximum amount of the capital increase reserved to executives employed by the Company and/or its subsidiaries as follows:

- (i) to €34,249,412.50, should both savings and preference shares be converted; or
- (ii) to €33,962,406.25, should only preference shares be converted; or
- (iii) to €33,771,068.75, should only savings shares be converted.

21. Withdrawal right

As the resolution on the conversion of preference shares into ordinary shares entails a change in the by-laws of the Company concerning voting and participation rights of the holders of preference shares, such resolution will entitle the holders of said class of shares who will not cast their favorable vote in the extraordinary shareholders' meeting or in the special meeting to exercise the withdrawal rights pursuant to article 2437, first paragraph, letter g), of the Italian Civil Code.

Moreover, as the resolution on the conversion of savings shares into ordinary shares entails a change in the by-laws of the Company concerning voting and participation rights of the holders of savings shares, such resolution will entitle the holders of said class of shares who will not cast their favorable vote in the related special meeting to exercise the withdrawal rights pursuant to article 2437, first paragraph, letter g), of the Italian Civil Code.

In accordance with article 2437-*bis* of the Italian Civil Code, withdrawal rights, for all or part of the shares held by the withdrawing shareholder(s), shall be exercised by a notice delivered through registered mail (the "**Notice**") to be delivered to the Company's registered office within 15 days of the registration with the Turin Companies Register of the minutes of the meeting whose resolution triggered the withdrawal right. A notice disclosing registration of said minutes will be published on the newspaper La Stampa and the Company's website, deposited at the Company's registered office and communicated to Consob and Borsa Italiana.

Without prejudice to article 127-*bis* of the Financial Act, the withdrawing shareholder shall deliver, together with the Notice, a communication by an authorized intermediary certifying that (i) the withdrawing shareholder was the account registered holder of the Withdrawal Shares on the day of the meeting whose resolution triggered the withdrawal right and (ii) the withdrawing shareholder is the account registered holder of the Withdrawal Shares on the date of the above communication.

The Notice shall contain the following information:

- (i) the personal data of the withdrawing shareholder, including the tax code;
- (ii) the address of the withdrawing shareholder including the telephone number and the e-mail address where he/she may be contacted in relation to the Conversion;
- (iii) the number and the class of shares in relation to which the withdrawal right is exercised (the "**Withdrawal Shares**");
- (iv) the bank account to which the consideration for the Withdrawal Shares will be credited (IBAN code).

The Notice shall also include the data of the intermediary with whom the Withdrawal Shares are deposited and a statement of the withdrawing shareholder declaring that the Withdrawal Shares are not pledged or subject to other encumbrances in favor of third parties. In case the Withdrawal Shares are pledged or subject to encumbrances in favor of third parties, the withdrawing shareholder shall attach to the Notice a statement of the pledgee (and/or of the person/entity in favor of which the encumbrance is granted) by which said person or entity gives unconditional and irrevocable consent to release the pledge and/or encumbrance and to dispose of the Withdrawal Shares in accordance with the instructions given by and in favor of the withdrawing shareholder.

Given that the effectiveness of each of the Conversions is subject to the conditions precedent better described in paragraph 11 above, also the exercise of the withdrawal right by the preference and/or savings shareholders will be subject to the satisfaction of such conditions.

Should the conditions precedents described under Paragraph 11 above result to be satisfied upon the ending of the period of exercise of withdrawal rights, the price to be paid to the withdrawing shareholder as a consideration for the Withdrawal Shares shall be equal to Euro 3.317 with respect to preference shares and to Euro 3.458 with respect to savings shares. Said amounts have been determined pursuant to Article 2437-*ter* of the Italian Civil Code, making exclusive reference to the arithmetical average of the closing market trading prices in the six months preceding the publication of the notice of call regarding the shareholders' meeting whose resolution triggers the withdrawal rights.

Said prices are communicated by Fiat, simultaneously with the publication of the notices of call of the extraordinary shareholders' meeting and of the special meetings, through a notice published on the newspaper La Stampa and on the Company's website on February 23, 2012.

Should the conditions precedents described under Paragraph 11 above result to be satisfied upon the ending of the period of exercise of withdrawal rights, the payment for Withdrawal Shares will be carried out in accordance with article 2437-*quater* of the Italian Civil Code. In particular, once elapsed the aforesaid 15-day period for the exercise of the withdrawal right:

- (i) the directors of the Company will offer the Withdrawal Shares of each class in option to non-withdrawing shareholders of that class and to shareholders of the other classes of shares; a term of at least 30 days from the deposit of the offer with the Companies Register of Turin will be granted for the exercise of this option to purchase Withdrawal Shares; the shareholders exercising the option right will also have the right to purchase *pro-rata* the remaining Withdrawal Shares, provided that they have requested to avail themselves of such pre-emption right at the time of the exercise of the option;
- (ii) if there are residual Withdrawal Shares not purchased by the shareholders, said Withdrawal Shares will be offered by the directors of the Company on the market for one day (the offers under points (i) and (ii) are referred to as the "**Offer**");
- (iii) if Withdrawal Shares are not fully sold after the Offer and – in any case – within 180 days of the above Notice, the Company will redeem said Withdrawal Shares (in cash) and a corresponding amount will be deducted from the Company's treasury shares reserve, within the limits described under paragraph 11 above.

As anticipated, the exercise of the withdrawal right by preference and/or savings shareholders will be subject to the satisfaction of the above conditions precedent. Accordingly, if the aforesaid conditions are not met for both or either class of shares, the Offer, the possible subsequent redemption of the relevant Withdrawal Shares by Fiat and the delisting of the relevant class of shares will not take place.

22. Changes to the By-laws

In the light of the above, it will be necessary to amend the by-laws of the Company in order to reflect the Conversions, the Free Capital Increase and the adjustment of the amount of the reserved capital increase described under paragraph 20 above. The following table shows the proposed amendments in case (i) both preference and savings shares are converted; (ii) only preference shares are converted and (iii) only savings shares are converted:

Current text	Modified text in case of conversion of both preference and savings shares	Modified text in case of conversion of only preference shares	Modified text in case of conversion of only savings shares
Article 5 – Share Capital	Article 5 – Share Capital	Article 5 – Share Capital	Article 5 – Share Capital
<p>The issued share capital of the Company is €4,465,600,020, divided into 1,092,680,610 ordinary shares, 103,292,310 preference shares and 79,912,800 savings shares having a par value of €3.50 each.</p> <p>Pursuant to the resolutions adopted by the Board of Directors on 3 November 2006 and subsequent to the demerger to Fiat Industrial S.p.A., share capital may be increased by a maximum of €33,484,062.50 through the issue of up to 9,566,875 new ordinary shares, through paid capital contributions, exclusively to executives employed by the Company and/or its subsidiaries in accordance with the relevant incentive plan.</p>	<p>The issued share capital of the Company is €4,465,600,020 4,476,441,927.34 divided into 1,092,680,610 1,250,402,773 ordinary shares, 103,292,310 preference shares and 79,912,800 savings shares having a par value of €3.50 3.58 each.</p> <p>Pursuant to the resolutions adopted by the Board of Directors on 3 November 2006 and subsequent to the demerger to Fiat Industrial S.p.A.; and to the resolutions adopted by the Extraordinary Shareholders' Meeting on 4 April, 2012, share capital may be increased by a maximum of €33,484,062.50 34,249,412.50 through the issue of up to 9,566,875 new ordinary shares, through paid capital contributions, exclusively to executives employed by the Company and/or its subsidiaries in accordance with the relevant incentive plan.</p>	<p>The issued share capital of the Company is €4,465,600,020 4,474,391,149.15 divided into 1,092,680,610 1,180,479,073 ordinary shares, 103,292,310 preference shares and 79,912,800 savings shares having a par value of €3.50 3.55 each.</p> <p>Pursuant to the resolutions adopted by the Board of Directors on 3 November 2006 and subsequent to the demerger to Fiat Industrial S.p.A.; and to the resolutions adopted by the Extraordinary Shareholders' Meeting on 4 April, 2012, share capital may be increased by a maximum of €33,484,062.50 33,962,406.25 through the issue of up to 9,566,875 new ordinary shares, through paid capital contributions, exclusively to executives employed by the Company and/or its subsidiaries in accordance with the relevant incentive plan.</p>	<p>The issued share capital of the Company is €4,465,600,020 4,468,615,068.60 divided into 1,092,680,610 1,162,604,310 ordinary shares; and 103,292,310 preference shares and 79,912,800 savings shares having a par value of €3.50 3.53 each.</p> <p>Pursuant to the resolutions adopted by the Board of Directors on 3 November 2006 and subsequent to the demerger to Fiat Industrial S.p.A.; and to the resolutions adopted by the Extraordinary Shareholders' Meeting on 4 April, 2012, share capital may be increased by a maximum of €33,484,062.50 33,771,068.75 through the issue of up to 9,566,875 new ordinary shares, through paid capital contributions, exclusively to executives employed by the Company and/or its subsidiaries in accordance with the relevant incentive plan.</p>
Article 6 – Classes of shares and Common representative	Article 6 – Classes of Shares and Common representative	Article 6 – Classes of shares and Common representative	Article 6 – Classes of shares and Common representative
<p>Ordinary and preference shares are registered shares. Savings shares may be either registered or bearer shares, at the option of the holder or as required by law. All shares are issued in dematerialized form.</p> <p>Each share confers the right to share pro rata in any earnings allocated for distribution and any surplus assets remaining upon a winding-up, subject to the right of priority of preference and savings shares, as set out in Articles 20 and 23 below.</p> <p>Each share confers the right to vote without any restrictions whatsoever. Each preference share confers the right to vote only on matters which are reserved for an Extraordinary Meeting of Shareholders and on resolutions concerning Procedures for General Meetings. No voting rights are attached to savings shares.</p>	<p>Ordinary and preference S shares are registered shares. Savings shares may be either registered or bearer shares, at the option of the holder or as required by law. All shares are issued in dematerialized form.</p> <p>Each share confers the right to share pro rata in any earnings allocated for distribution and any surplus assets remaining upon a winding-up; subject to the right of priority of preference and savings shares, as set out in Articles 20 and 23 below.</p> <p>Besides, each ordinary share confers the right to vote without any restrictions whatsoever. Each preference share confers the right to vote only on matters which are reserved for an Extraordinary Meeting of Shareholders and on resolutions concerning Procedures for General Meetings. No voting rights are attached to savings shares.</p>	<p>Ordinary and preference shares are registered shares. Savings shares may be either registered or bearer shares, at the option of the holder or as required by law. All shares are issued in dematerialized form.</p> <p>Each share confers the right to share pro rata in any earnings allocated for distribution and any surplus assets remaining upon a winding-up, subject to the right of priority of preference and savings shares, as set out in Articles 20 and 23 below.</p> <p>Each ordinary share confers the right to vote without any restrictions whatsoever. Each preference share confers the right to vote only on matters which are reserved for an Extraordinary Meeting of Shareholders and on resolutions concerning Procedures for General Meetings. No voting rights are attached to savings shares.</p>	<p>Ordinary and preference S shares are registered shares. Savings shares may be either registered or bearer shares, at the option of the holder or as required by law. All shares are issued in dematerialized form.</p> <p>Each share confers the right to share pro rata in any earnings allocated for distribution and any surplus assets remaining upon a winding-up, subject to the right of priority of preference and savings shares, as set out in Articles 20 and 23 below.</p> <p>Each ordinary share confers the right to vote without any restrictions whatsoever. Each preference share confers the right to vote only on matters which are reserved for an Extraordinary Meeting of Shareholders and on resolutions concerning Procedures for General Meetings. No voting rights are attached to savings shares.</p>

Current text	Modified text in case of conversion of both preference and savings shares	Modified text in case of conversion of only preference shares	Modified text in case of conversion of only savings shares
<p>In the event of an increase in share capital, the holders of each class of shares are entitled to receive newly issued shares in the same class pro rata to the number of shares already held, or of another class (or classes) if shares of the class already held are not offered or the number offered is insufficient.</p>	<p>In the event of an increase in share capital, the holders of each class of shares are entitled to receive newly issued shares in the same class pro rata to the number of shares already held, or of another class (or classes) if shares of the class already held are not offered or the number offered is insufficient.</p>	<p>In the event of an increase in share capital, the holders of each class of shares are entitled to receive newly issued shares in the same class pro rata to the number of shares already held, or of another class (or classes) if shares of the class already held are not offered or the number offered is insufficient.</p>	<p>In the event of an increase in share capital, the holders of each class of shares are entitled to receive newly issued shares in the same class pro rata to the number of shares already held, or of another class (or classes) if shares of the class already held are not offered or the number offered is insufficient.</p>
<p>The Company's share capital may also be increased by issuing ordinary and/or preference and/or savings shares in exchange for contributions in kind or receivables.</p>	<p>The Company's share capital may also be increased by issuing ordinary and/or preference and/or savings shares in exchange for contributions in kind or receivables.</p>	<p>Unchanged</p>	<p>Unchanged</p>
<p>Resolutions authorizing the issuance of new preference or savings shares having the same characteristics as those already in issue for the purposes of a capital increase or the conversion of shares of another class do not require the further approval in a Special Meeting of Shareholders of either of those classes.</p>	<p>Resolutions authorizing the issuance of new preference or savings shares having the same characteristics as those already in issue for the purposes of a capital increase or the conversion of shares of another class do not require the further approval in a Special Meeting of Shareholders of either of those classes.</p>	<p>Resolutions authorizing the issuance of new preference or savings shares having the same characteristics as those already in issue for the purposes of a capital increase or the conversion of shares of another class do not require the further approval in a Special Meeting of Shareholders of either of those classes.</p>	<p>Resolutions authorizing the issuance of new preference or savings shares having the same characteristics as those already in issue for the purposes of a capital increase or the conversion of shares of another class do not require the further approval in a Special Meeting of Shareholders of either of those classes.</p>
<p>In the event that the savings shares are delisted, any bearer shares shall be converted into registered shares and shall have the right to a higher dividend increased by €0.1225, rather than €0.1085, with respect to the dividend received by the ordinary and preference shares.</p>	<p>In the event that the savings shares are delisted, any bearer shares shall be converted into registered shares and shall have the right to a higher dividend increased by €0.1225, rather than €0.1085, with respect to the dividend received by the ordinary and preference shares.</p>	<p>In the event that the savings shares are delisted, any bearer shares shall be converted into registered shares and shall have the right to a higher dividend increased by €0.1225, 0.12425, rather than €0.1085 0.11005 with respect to the dividend received by the ordinary and preference shares.</p>	<p>In the event that the savings shares are delisted, any bearer shares shall be converted into registered shares and shall have the right to a higher dividend increased by €0.1225, rather than €0.1085, with respect to the dividend received by the ordinary and preference shares.</p>
<p>In the event that the ordinary shares are delisted, the higher dividend received by the savings shares with respect to the dividend received by ordinary and preference shares shall be increased by €0.140 per share.</p>	<p>In the event that the ordinary shares are delisted, the higher dividend received by the savings shares with respect to the dividend received by ordinary and preference shares shall be increased by €0.140 per share.</p>	<p>In the event that the ordinary shares are delisted, the higher dividend received by the savings shares with respect to the dividend received by ordinary and preference shares shall be increased by €0.140 0.142 per share.</p>	<p>In the event that the ordinary shares are delisted, the higher dividend received by the savings shares with respect to the dividend received by ordinary and preference shares shall be increased by €0.140 per share.</p>
<p>Any expenditure required for the safeguarding of the common interests of the holders of preference and savings shares, in relation to which dedicated funds are approved in the respective Special Meetings of Shareholders, shall be borne by the Company up to a maximum annual amount of €30,000 for each class.</p>	<p>Any expenditure required for the safeguarding of the common interests of the holders of preference and savings shares, in relation to which dedicated funds are approved in the respective Special Meetings of Shareholders, shall be borne by the Company up to a maximum annual amount of €30,000 for each class.</p>	<p>Any expenditure required for the safeguarding of the common interests of the holders of preference and savings shares, in relation to which a dedicated funds are approved in the respective Special Meetings of Shareholders, shall be borne by the Company up to a maximum annual amount of €30,000 for each class.</p>	<p>Any expenditure required for the safeguarding of the common interests of the holders of preference and savings shares, in relation to which a dedicated funds are approved in the respective Special Meetings of Shareholders, shall be borne by the Company up to a maximum annual amount of €30,000 for each class.</p>
<p>In order to ensure that the Common Representatives of the holders of preference and savings shares have adequate information on transactions which could influence the market price of those shares, the Company's legal representatives must provide the Common Representatives with any such information in a timely manner.</p>	<p>In order to ensure that the Common Representatives of the holders of preference and savings shares have adequate information on transactions which could influence the market price of those shares, the Company's legal representatives must provide the Common Representatives with any such information in a timely manner.</p>	<p>In order to ensure that the Common Representatives of the holders of preference and savings shares have adequate information on transactions which could influence the market price of those shares, the Company's legal representatives must provide the Common Representatives with any such information in a timely manner.</p>	<p>In order to ensure that the Common Representatives of the holders of preference and savings shares have adequate information on transactions which could influence the market price of those shares, the Company's legal representatives must provide the Common Representatives with any such information in a timely manner.</p>

Current text	Modified text in case of conversion of both preference and savings shares	Modified text in case of conversion of only preference shares	Modified text in case of conversion of only savings shares
Article 9 – Calling of the General Meetings and Validity of Resolutions	Article 9 – Calling of the General Meetings and Validity of Resolutions	Article 9 – Calling of the General Meetings and Validity of Resolutions	Article 9 – Calling of the General Meetings and Validity of Resolutions
<p>Resolutions adopted in a General Meeting in accordance with the requirements of law and the Company By-laws are binding on all shareholders, including those who are absent or dissenting.</p> <p>An Ordinary General Meeting shall be considered regularly convened when: at first call, at least one-half of shares with voting rights are represented; at a single or second call, any portion of shares with voting rights are represented.</p> <p>Resolutions are adopted by an absolute majority of votes cast, except for the election of Directors and Statutory Auditors for which the provisions of Articles 11 and 17 shall apply.</p> <p>An Extraordinary Meeting of Shareholders shall be considered regularly convened when: at first call, at least one-half of shares with voting rights are represented; at second call, more than one-third of shares with voting rights are represented; or, at a single or third call, at least one-fifth of shares with voting rights are represented.</p> <p>In an Extraordinary Meeting of Shareholders, resolutions are adopted with the favorable vote of at least two-thirds of shares represented at the Meeting.</p> <p>The foregoing shall be without prejudice to any special majorities required by law or provisions governing Special Meetings for holders of shares of a particular class.</p>	<p>Unchanged</p> <p>An Ordinary General Meeting shall be considered regularly convened when: at first call, at least one-half of shares with voting rights are represented; at a single or second call, any portion of shares with voting rights are represented.</p> <p>Unchanged</p> <p>An Extraordinary Meeting of Shareholders shall be considered regularly convened when: at first call, at least one-half of shares with voting rights are represented; at second call, more than one-third of shares with voting rights are represented; or, at a single or third call, at least one-fifth of shares with voting rights are represented.</p> <p>In an Extraordinary Meeting of Shareholders, resolutions are adopted with the favorable vote of at least two-thirds of shares represented at the Meeting.</p> <p>The foregoing shall be without prejudice to any special majorities required by law or provisions governing Special Meetings for holders of shares of a particular class.</p>	<p>Unchanged</p> <p>Unchanged</p> <p>Unchanged</p> <p>Unchanged</p> <p>Unchanged</p> <p>Unchanged</p>	<p>Unchanged</p> <p>Unchanged</p> <p>Unchanged</p> <p>An Extraordinary Meeting of Shareholders shall be considered regularly convened when: at first call, at least one-half of shares with voting rights are represented; at second call, more than one-third of shares with voting rights are represented; or, at a single or third call, at least one-fifth of shares with voting rights are represented.</p> <p>Unchanged</p> <p>Unchanged</p>
Article 20 – Allocation of Profit	Article 20 – Allocation of Profit	Article 20 – Allocation of Profit	Article 20 – Allocation of Profit
<p>Net profit reported in the annual financial statements shall be allocated as follows:</p> <ul style="list-style-type: none"> ■ to the legal reserve, 5% of net profit until the amount of the reserve is equal to one-fifth of share capital; ■ to savings shares, a dividend of up to €0.217 per share; ■ further allocations to the legal reserve, allocations to the extraordinary reserve and/or retained profit reserve as may be resolved by Shareholders; 	<p>Unchanged</p> <ul style="list-style-type: none"> ■ Unchanged ■ to savings shares, a dividend of up to €0.217 per share; ■ further allocations to the legal reserve, allocations to the extraordinary reserve and/or, retained profit reserve and/or to other allocations as may be resolved by Shareholders; 	<p>Unchanged</p> <ul style="list-style-type: none"> ■ Unchanged ■ to savings shares, a dividend of up to €0.217 0.2201 per share; ■ Unchanged 	<p>Unchanged</p> <ul style="list-style-type: none"> ■ Unchanged ■ to savings shares, a dividend of up to €0.217 per share; ■ Unchanged

Current text	Modified text in case of conversion of both preference and savings shares	Modified text in case of conversion of only preference shares	Modified text in case of conversion of only savings shares
<ul style="list-style-type: none"> ■ to preference shares, a dividend of up to €0.217 per share; ■ to ordinary shares, a dividend of up to €0.1085 per share; ■ to savings shares and ordinary shares, in equal amounts, an additional dividend of up to €0.1085 per share; ■ to each ordinary, preference and savings share, in equal amounts, any remaining net profit which Shareholders may resolve to distribute. <p>When the dividend paid to savings shares in any year amounts to less than €0.217, the difference shall be added to the preferred dividend to which they are entitled in the following two years.</p> <p>In the event of a change to the par value of shares, the amounts stated above shall be adjusted on a pro rata basis.</p> <p>Where the Board of Directors sees fit in relation to the Company's operating results and within the conditions established by law, it may authorize the payment of interim dividends during the year.</p> <p>Any dividends unclaimed within five years of the date they become payable shall be forfeited and shall revert to the Company.</p>	<ul style="list-style-type: none"> ■ to preference shares, a dividend of up to €0.217 per share; ■ to ordinary shares, a dividend of up to €0.1085 per share; ■ to savings shares and ordinary shares, in equal amounts, an additional dividend of up to €0.1085 per share; ■ to each ordinary, preference and savings share, in equal amounts, any remaining net profit which Shareholders may resolve to distribute. <p>When the dividend paid to savings shares in any year amounts to less than €0.217, the difference shall be added to the preferred dividend to which they are entitled in the following two years.</p> <p>In the event of a change to the par value of shares, the amounts stated above shall be adjusted on a pro rata basis.</p> <p>Unchanged</p> <p>Unchanged</p>	<ul style="list-style-type: none"> ■ to preference shares, a dividend of up to €0.217 per share; ■ to ordinary shares, a dividend of up to €0.1085 0.11005 per share; ■ to savings shares and ordinary shares, in equal amounts, an additional dividend of up to €0.1085 per share; ■ to each ordinary, preference and savings share, in equal amounts, any remaining net profit which Shareholders may resolve to distribute. <p>When the dividend paid to savings shares in any year amounts to less than €0.217 0.2201, the difference shall be added to the preferred dividend to which they are entitled in the following two years.</p> <p>Unchanged</p> <p>Unchanged</p> <p>Unchanged</p>	<ul style="list-style-type: none"> ■ to preference shares, a dividend of up to €0.217 0.21886 per share; ■ to ordinary shares, a dividend of up to €0.1085 0.21886 per share ■ to savings shares and ordinary shares, in equal amounts, an additional dividend of up to €0.1085 per share; ■ to each ordinary, and preference and savings share, in equal amounts, any remaining net profit which Shareholders may resolve to distribute. <p>When the dividend paid to savings shares in any year amounts to less than €0.217, the difference shall be added to the preferred dividend to which they are entitled in the following two years.</p> <p>Unchanged</p> <p>Unchanged</p> <p>Unchanged</p>
Article 23 – Winding-up	Article 23 – Winding-up	Article 23 – Winding-up	Article 23 – Winding-up
<p>The Company shall be wound up in the cases provided for and in accordance with the term of the law.</p> <p>It shall be for Shareholders, in a general meeting, to appoint one or more liquidators and determine their powers.</p> <p>In the event of a winding up, the Company's assets shall be distributed in the following order of priority:</p> <ul style="list-style-type: none"> ■ repayment of savings shares up to their par value; ■ repayment of preference shares up to their par value; ■ repayment of ordinary shares up to their par value; ■ distribute any balance remaining, in an equal pro rata amount to shares of all three classes. 	<p>Unchanged</p> <p>Unchanged</p> <p>In the event of a winding up, the Company's assets shall be distributed in the following order of priority: in an equal pro rata amount to shares</p> <ul style="list-style-type: none"> ■ repayment of savings shares up to their par value; ■ repayment of preference shares up to their par value; ■ repayment of ordinary shares up to their par value; ■ distribute any balance remaining, in an equal pro rata amount to shares of all three classes. 	<p>Unchanged</p> <p>Unchanged</p> <p>Unchanged</p> <ul style="list-style-type: none"> ■ Unchanged ■ repayment of preference shares up to their par value; ■ Unchanged ■ distribute any balance remaining, in an equal pro rata amount to shares of all three two classes. 	<p>Unchanged</p> <p>Unchanged</p> <p>Unchanged</p> <ul style="list-style-type: none"> ■ repayment of savings shares up to their par value ■ Unchanged ■ Unchanged ■ distribute any balance remaining, in an equal pro rata amount to shares of all three two classes

With respect to the above changes, it is proposed to grant the disjoint powers to the Company's legal representatives to file, following the conversion of one class or both classes of shares, the By-laws as duly updated by the amendments described above.

23. Proposed resolution

The proposed resolution is attached to this report.

This report, together with the accompanying information required for the exercise of the Conversions, will be made available to the public, in the manner indicated in the Issuers Regulation, by the stock market trading day before the beginning of the Conversions period at the latest.

22 February 2012

On behalf of the Board of Directors

/s/ John Elkann

John Elkann

CHAIRMAN

Proposal of Resolution

The extraordinary Shareholders' meeting of "Fiat S.p.A.", having acknowledged the report of the board of directors,

resolved

- 1) to compulsorily convert No. 103,292,310 (one hundred three million two hundred ninety-two thousand three hundred ten) preference shares and No. 79,912,800 (seventy-nine million nine hundred twelve thousand eight hundred) savings shares, with par value equal to Euro 3.50 (three and fifty cent) each, into ordinary shares having the same characteristics of the ordinary shares outstanding at the date of execution of the transaction and, therefore, with economic rights accrued from January 1, 2012;
- 2) to approve that the above transaction will be carried out on the basis of a conversion ratio equal to 0.850 (zero and eight hundred fifty thousandths) ordinary shares for each preference share and 0.875 (zero and eight hundred seventy-five thousandths) ordinary shares for each savings share, and the issuance of No. 87,798,463 (eighty-seven million seven hundred ninety-eight thousand four hundred sixty-three) ordinary shares in exchange for preference shares (it being understood that the rounding down to the nearest whole number is in charge of the Company) and No. 69,923,700 (sixty-nine million nine hundred twenty-three thousand seven hundred) ordinary shares in exchange for savings shares;
- 3) to establish that the conversion of preference shares and the payment of any relevant withdrawal share will take place subject to the condition that the conversion is approved by the relevant special meeting and the disbursement in relation to the possible exercise of the withdrawal rights by preference shareholders does not exceed maximum Euro 56,000,000 (fifty-six million) and that the conversion of savings shares and the payment of the relevant withdrawal shares will take place subject to the condition that the conversion is approved by the relevant special meeting and the disbursement in relation to the possible exercise of the withdrawal rights by savings shareholders does not exceed maximum Euro 44,000,000 (forty-four million);
- 4) not to proceed with any reduction of the company share capital, consequently increasing the par value of the shares resulting from the conversion by an amount equal to:
 - a) Euro 0.08 (zero and eight cent) - where, in accordance with the item above, the conversion of both preference and savings shares takes place - withdrawing an amount equal to Euro 10,841,907.34 (ten million eight hundred forty-one thousand nine hundred seven and thirty-four cent) from the reserve denominated share premium reserve, and, accordingly, increasing the company share capital to Euro 4,476,441,927.34 (four billion four hundred seventy-six million four hundred forty-one thousand nine hundred twenty-seven and thirty-four cent),
 - b) Euro 0.05 (zero and five cent) - where, in accordance with the item above, the conversion of preference shares only takes place - withdrawing an amount equal to Euro 8,791,129.15 (eight million seven hundred ninety-one thousand one hundred twenty-nine and fifteen cent) from the same reserve, and, accordingly, increasing the company share capital to Euro 4,474,391,149.15 (four billion four hundred seventy-four million three hundred ninety-one thousand one hundred forty-nine and fifteen cent),
 - c) Euro 0.03 (zero and three cent) - where, in accordance with the item above, the conversion of savings shares only takes place - withdrawing an amount equal to Euro 3,015,048.60 (three million fifteen thousand forty-eight and sixty cent) from the same reserve, and, accordingly, increasing the company share capital to Euro 4,468,615,068.60 (four billion four hundred sixty-eight million six hundred fifteen thousand sixty-eight and sixty cent);
- 5) where, in accordance with the item No. 3 above, only the conversion of preference shares takes place, to adjust proportionally to the new par value of the shares, equal to Euro 3.55 (three and fifty-five cent), the amounts to which savings and ordinary shareholders are entitled pursuant to articles 6 and 20 of the by-laws;
- 6) where, in accordance with the item No. 3 above, only the conversion of savings shares takes place, to adjust proportionally to the new par value of the shares, equal to Euro 3.53 (three and fifty-three cent), the amounts to which preference and ordinary shareholders are entitled pursuant to article 20 of the by-laws;
- 7) to adjust, as a consequence of the increase of the par value of the shares, the amount of the capital increase reserved to executives and employees of the Company and/or its subsidiaries to:
 - a) Euro 34,249,412.50 (thirty-four million two hundred forty-nine thousand four hundred twelve and fifty cent), where, in accordance with item No. 3 above, the conversion of both savings and preference shares takes place;

- b) Euro 33,962,406.25 (thirty-three million nine hundred sixty-two thousand four hundred six euro and twenty-five cent), where, in accordance with item No. 3 above, only the conversion of preference shares takes place;
- c) Euro 33,771,068.75 (thirty-three million seven hundred seventy-one thousand sixty-eight and seventy-five cent) where, in accordance with item No. 3 above, only the conversion of savings shares takes place; it being understood that the number of the relevant ordinary shares will remain unchanged at No. 9,566,875 (nine million six hundred fifty-six thousand eight hundred seventy-five);
- 8) where, in accordance with item No. 3 above, the conversion of both preference and savings shares takes place, to amend articles 5,6, 9, 20 and 23 of the by-laws as follows:

“Article 5 – Share Capital

The issued share capital of the Company is €4,476,441,927.34 divided into 1,250,402,773 ordinary shares having a par value of €3.58 each.

Pursuant to the resolutions adopted by the Board of Directors on 3 November 2006 and subsequent to the demerger to Fiat Industrial S.p.A., and to the resolutions adopted by the Extraordinary Shareholders’ Meeting on 4 April, 2012, share capital may be increased by a maximum of €34,249,412.50 through the issue of up to 9,566,875 new ordinary shares, through paid capital contributions, exclusively to executives employed by the Company and/or its subsidiaries in accordance with the relevant incentive plan.”;

“Article 6 – Shares

Shares are registered shares issued in dematerialized form.

Each share confers the right to share pro rata in any earnings allocated for distribution and any surplus assets remaining upon a winding-up.

Besides, each share confers the right to vote without any restrictions whatsoever.

The Company’s share capital may also be increased by contributions in kind or receivables.”;

“Article 9 – Calling of the General Meetings and Validity of Resolutions

Resolutions adopted in a General Meeting in accordance with the requirements of law and the Company By-laws are binding on all shareholders, including those who are absent or dissenting.

An Ordinary General Meeting shall be considered regularly convened when: at first call, at least one-half of shares are represented; at a single or second call, any portion of shares are represented.

Resolutions are adopted by an absolute majority of votes cast, except for the election of Directors and Statutory Auditors for which the provisions of Articles 11 and 17 shall apply.

An Extraordinary Meeting of Shareholders shall be considered regularly convened when: at first call, at least one-half of shares are represented; at second call, more than one-third of shares are represented; or, at a single or third call, at least one-fifth of shares are represented.

In an Extraordinary Meeting of Shareholders, resolutions are adopted with the favorable vote of at least two-thirds of shares represented at the Meeting.

The foregoing shall be without prejudice to any special majorities required by law.”;

“Article 20 – Allocation of Profit

Net profit reported in the annual financial statements shall be allocated as follows:

- to the legal reserve, 5% of net profit until the amount of such reserve is equivalent to one-fifth of share capital;
- further allocations to the legal reserve, allocations to the extraordinary reserve, retained profit reserve and/or to other allocations as may be resolved by Shareholders;
- to each share, any remaining net profit which Shareholders may resolve to distribute.

Where the Board of Directors sees fit in relation to the Company’s operating results and within the conditions established by law, it may authorize the payment of interim dividends during the year.

Any dividends unclaimed within five years of the date they become payable shall be forfeited and shall revert to the Company.”;

“Article 23 – Winding-up

The Company shall be wound up in the cases provided for and in accordance with the term of the law.

It shall be for Shareholders, in a general meeting, to appoint one or more liquidators and determine their powers.

In the event of a winding up, the Company’s assets shall be distributed in an equal pro rata amounts to shares.”.

- 9) where, in accordance with item No. 3 above, the conversion of preference shares only takes place, to amend articles 5,6, 20 and 23 of the by-laws as follows:

“Article 5 – Share Capital

The issued share capital of the Company is €4,474,391,149.15, divided into 1,180,479,073 ordinary shares, and 79,912,800 savings shares having a par value of €3.55 each.

Pursuant to the resolutions adopted by the Board of Directors on 3 November 2006 and subsequent to the demerger to Fiat Industrial S.p.A., and to the resolutions adopted by the Extraordinary Shareholders’ Meeting on 4 April, 2012, share capital may be increased by a maximum of €33,962,406.25 through the issue of up to 9,566,875 new ordinary shares, through paid capital contributions, exclusively to executives employed by the Company and/or its subsidiaries in accordance with the relevant incentive plan.”;

“Article 6 – Classes of shares and Common representative

Ordinary shares are registered shares. Savings shares may be either registered or bearer shares, at the option of the holder or as required by law. All shares are issued in dematerialized form.

Each share confers the right to share pro rata in any earnings allocated for distribution and any surplus assets remaining upon a winding-up, subject to the right of priority of savings shares, as set out in Articles 20 and 23 below.

Each ordinary share confers the right to vote without any restrictions whatsoever. No voting rights are attached to savings shares.

In the event of an increase in share capital, the holders of each class of shares are entitled to receive newly issued shares in the same class pro rata to the number of shares already held, or of another class if shares of the class already held are not offered or the number offered is insufficient.

The Company’s share capital may also be increased by issuing ordinary and/or preference and/or savings shares in exchange for contributions in kind or receivables.

Resolutions authorizing the issuance of new savings shares having the same characteristics as those already in issue for the purposes of a capital increase or the conversion of shares of another class do not require the further approval in a Special Meeting of Shareholders of either of those classes.

In the event that the savings shares are delisted, any bearer shares shall be converted into registered shares and shall have the right to a higher dividend increased by €0.12425 rather than €0.11005 with respect to the dividend received by the ordinary shares.

In the event that the ordinary shares are delisted, the higher dividend received by the savings shares with respect to the dividend received by ordinary shares shall be increased by €0.142 per share.

Any expenditure required for the safeguarding of the common interests of the holders of savings shares, in relation to which a dedicated fund is approved in the respective Special Meeting of Shareholders, shall be borne by the Company up to a maximum annual amount of €30,000.

In order to ensure that the Common Representative of the holders of savings shares has adequate information on transactions which could influence the market price of those shares, the Company’s legal representatives must provide the Common Representative with any such information in a timely manner.”;

“Article 20 – Allocation of Profit

Net profit reported in the annual financial statements shall be allocated as follows:

- to the legal reserve, 5% of net profit until the amount of such reserve is equivalent to one-fifth of share capital;
- to savings shares, a dividend of up to €0.2201 per share;
- further allocations to the legal reserve, allocations to the extraordinary reserve and/or retained profit reserve as may be resolved by Shareholders;
- to ordinary shares, a dividend of up to €0.11005 per share;

- to each ordinary and savings share, in equal amounts, any remaining net profit which Shareholders may resolve to distribute.

When the dividend paid to savings shares in any year amounts to less than €0.2201, the difference shall be added to the preferred dividend to which they are entitled in the following two years.

In the event of a change to the par value of shares, the amounts stated above shall be adjusted on a pro rata basis.

Where the Board of Directors sees fit in relation to the Company's operating results and within the conditions established by law, it may authorize the payment of interim dividends during the year.

Any dividends unclaimed within five years of the date they become payable shall be forfeited and shall revert to the Company.”;

“Article 23 – Winding-up

The Company shall be wound up in the cases provided for and in accordance with the term of the law.

It shall be for Shareholders, in a general meeting, to appoint one or more liquidators and determine their powers.

In the event of a winding up, the Company's assets shall be distributed in the following order of priority:

- repayment of savings shares up to their par value;
- repayment of ordinary shares up to their par value;
- distribute any balance remaining, in an equal pro rata amount to shares of all two classes.”.

10) where, in accordance with item No. 3 above, the conversion of savings shares only takes place, to amend articles 5,6, 9, 20 and 23 of the by-laws as follows:

“Article 5 – Share Capital

The issued share capital of the Company is €4,468,615,068.60, divided into 1,162,604,310 ordinary shares and 103,292,310 preference shares having a par value of €3.53 each.

Pursuant to the resolutions adopted by the Board of Directors on 3 November 2006 and subsequent to the demerger to Fiat Industrial S.p.A., and to the resolutions adopted by the Extraordinary Shareholders' Meeting on 4 April, 2012, share capital may be increased by a maximum of €33,771,068.75 through the issue of up to 9,566,875 new ordinary shares, through paid capital contributions, exclusively to executives employed by the Company and/or its subsidiaries in accordance with the relevant incentive plan.”;

“Article 6 – Classes of shares and Common representative

Shares are registered shares issued in dematerialized form.

Each share confers the right to share pro rata in any earnings allocated for distribution and any surplus assets remaining upon a winding-up, subject to the right of priority of preference shares, as set out in Articles 20 and 23 below.

Each ordinary share confers the right to vote without any restrictions whatsoever. Each preference share confers the right to vote only on matters which are reserved for an Extraordinary Meeting of Shareholders and on resolutions concerning Procedures for General Meetings.

In the event of an increase in share capital, the holders of each class of shares are entitled to receive newly issued shares in the same class pro rata to the number of shares already held, or of another class if shares of the class already held are not offered or the number offered is insufficient.

The Company's share capital may also be increased by issuing ordinary and/or preference and/or savings shares in exchange for contributions in kind or receivables.

Resolutions authorizing the issuance of new preference shares having the same characteristics as those already in issue for the purposes of a capital increase or the conversion of shares of another class do not require the further approval in a Special Meeting of Shareholders of either of those classes.

Any expenditure required for the safeguarding of the common interests of the holders of preference shares, in relation to which a dedicated fund is approved in the respective Special Meeting of Shareholders, shall be borne by the Company up to a maximum annual amount of €30,000.

In order to ensure that the Common Representative of the holders of preference shares has adequate information on transactions which could

influence the market price of those shares, the Company's legal representatives must provide the Common Representative with any such information in a timely manner.”;

“Article 9 – Calling of the General Meetings and Validity of Resolutions

Resolutions adopted in a General Meeting in accordance with the requirements of law and the Company By-laws are binding on all shareholders, including those who are absent or dissenting.

An Ordinary General Meeting shall be considered regularly convened when: at first call, at least one-half of shares with voting rights are represented; at a single or second call, any portion of shares with voting rights are represented.

Resolutions are adopted by an absolute majority of votes cast, except for the election of Directors and Statutory Auditors for which the provisions of Articles 11 and 17 shall apply.

An Extraordinary Meeting of Shareholders shall be considered regularly convened when: at first call, at least one-half of shares are represented; at second call, more than one-third of shares are represented; or, at a single or third call, at least one-fifth of shares are represented.

In an Extraordinary Meeting of Shareholders, resolutions are adopted with the favorable vote of at least two-thirds of shares represented at the Meeting.

The foregoing shall be without prejudice to any special majorities required by law or provisions governing Special Meetings for holders of shares of a particular class.”;

“Article 20 – Allocation of Profit

Net profit reported in the annual financial statements shall be allocated as follows:

- to the legal reserve, 5% of net profit until the amount of such reserve is equivalent to one-fifth of share capital;
- further allocations to the legal reserve, allocations to the extraordinary reserve and/or retained profit reserve as may be resolved by Shareholders;
- to preference shares, a dividend of up to €0.21886 per share;
- to ordinary shares, a dividend of up to €0.21886 per share;
- to each ordinary and preference share, in equal amounts, any remaining net profit which Shareholders may resolve to distribute.

In the event of a change to the par value of shares, the amounts stated above shall be adjusted on a pro rata basis.

Where the Board of Directors sees fit in relation to the Company's operating results and within the conditions established by law, it may authorize the payment of interim dividends during the year.

Any dividends unclaimed within five years of the date they become payable shall be forfeited and shall revert to the Company.”;

“Article 23 – Winding-up

The Company shall be wound up in the cases provided for and in accordance with the term of the law.

It shall be for Shareholders, in a general meeting, to appoint one or more liquidators and determine their powers.

In the event of a winding up, the Company's assets shall be distributed in the following order of priority:

- repayment of preference shares up to their par value;
 - repayment of ordinary shares up to their par value;
 - distribute any balance remaining, in an equal pro rata amount to shares of all two classes.”
- 11) to grant the members of the board of directors with legal representation, severally, all the broadest powers to implement, in compliance with the applicable laws, the resolutions adopted herein, including the power to define - taking into consideration the condition under item No. 3 above - the relevant terms and conditions, including those concerning the payment of the fractional shares resulting from the application of the conversion ratios to be carried out by the Company;
 - 12) to delegate the legal representatives in charge, severally, the duty to file with the competent Companies' Register, following the conversion of both or either class of shares, the new company's by-laws as duly amended in accordance with the provisions defined above.