

Reports of the Board of Statutory Auditors

Report of the Board of Statutory Auditors on the Consolidated Financial Statements

Shareholders,

The 2011 consolidated financial statements of Fiat S.p.A. presented to you report a net profit of €1,651 million, of which €317 million is attributable to non-controlling interests. The financial statements were provided to us by the statutory deadline, together with the report on operations, and were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and Italian regulations issued pursuant to Article 9 of Legislative Decree 38/2005.

The audit conducted by Deloitte & Touche S.p.A., the independent auditors, led to their opinion that:

“the consolidated financial statements of the Fiat Group as of and for the year ended 31 December 2011 comply with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005; accordingly, they give a true and fair view of the financial position, of the results of operations and of the cash flows of the Fiat Group as of and for the year then ended.”

The audit report also stated that:

“In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/98 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on Corporate Governance are consistent with the consolidated financial statements of the Fiat Group as of and for the year ended 31 December 2011.”

In application of Article 41 (3) of Legislative Decree 127/1991, the Board of Statutory Auditors did not review that information or the consolidated financial statements, except as specified below.

The definition of the scope of consolidation, and the methods and procedures applied for consolidation of investees conform to the requirements of IFRS. Accordingly, the structure of the consolidated financial statements is technically correct and consistent overall with applicable legislation.

The report on operations adequately represents the operating and financial performance of the Group for 2011, as well as events relevant to the consolidated group of companies occurring subsequent to year end. Based on our examination, the report is consistent with the consolidated financial statements.

Turin, 28 February 2012

The Statutory Auditors

Riccardo Perotta /s/ Riccardo Perotta

Giuseppe Camosci /s/ Giuseppe Camosci

Piero Locatelli /s/ Piero Locatelli

Report of the Board of Statutory Auditors to Shareholders

Shareholders,

Article 153 of Legislative Decree 58/1998 requires that the Board of Statutory Auditors report on its oversight activity to Shareholders at the General Meeting called for approval of the statutory financial statements, indicating any omissions or improper transactions that have come to its attention, and grants it the authority to submit proposals to Shareholders relating to the financial statements, their approval and other matters under its responsibility.

This Report fulfills those requirements and the provisions of Article 2429 (2) of the Civil Code.

Based on the activities carried out during the year (pursuant to Article 149 of Legislative Decree 58/98), we are able to report the following.

We attended meetings of the Board of Directors, where we were informed on those activities and transactions approved by the Board and carried out by the Company and/or its subsidiaries which had a significant impact on the financial statements.

We ascertained that those transactions complied with the applicable provisions of law and the By-laws, did not conflict with any resolutions adopted by Shareholders and were consistent with management best practice.

The organizational structure appears to be adequate in relation to the dimensions of the Company and we had access to comprehensive information, including meeting with heads of various central functions and representatives of the Independent Auditors, enabling us to confirm the application of management best practice.

A group-wide internal control system, which is constantly upgraded, is in place both for Fiat S.p.A. and subsidiaries.

We evaluated and monitored the adequacy of the internal control system and the administrative and accounting system, as well as the reliability of the latter in providing a fair presentation of operations, through: i) an examination of the Compliance Officer's report on Fiat's Internal Control System; ii) an examination of the reports from Internal Audit, in addition to information on its monitoring of the implementation of corrective measures resulting from the audit activities; iii) information from the heads of the respective functions; iv) an examination of corporate documents and results of the audit work carried out by the Independent Auditors; v) interaction with the statutory and independent auditors of subsidiaries pursuant to Article 151 (1) & (2) of Legislative Decree 58/1998; vi) participation in the activities of the Internal Control Committee (now the Internal Control and Risk Committee) a Board Committee composed of three independent directors. Participation in the activities of the Internal Control Committee enabled the Statutory Auditors to coordinate with the Committee in relation its role as committee for internal control and audit, pursuant to Article 19 of Legislative Decree 39/2010, entailing, in particular, oversight of:

- the financial reporting process;
- the effectiveness of the systems of internal control, internal audit and risk management;
- the independent audits of the annual statutory and consolidated financial statements;

- aspects relative to the independence of the audit firm, with particular reference to non-audit services provided to the audited entity. Accordingly, we note that on 27 February 2012 we received a communication from Deloitte & Touche S.p.A. – with whom there was a regular exchange of information – stating that, in addition to the audit of the statutory and consolidated financial statements, limited audits of the half-year financial report, and agreed upon procedures for audit of the quarterly reports, Fiat had also engaged the firm to provide the following services:
 - ▣ agreed upon procedures for audit of Fiat Group consolidated financial statements at 31 December 2010, as restated for the purpose of consolidation by the parent company Exor – fees totaling €40,000;
 - ▣ review of pro forma data contained in the Information Document prepared pursuant to Article 71 of Legislative Decree 58/1998 – fees totaling €300,000;
 - ▣ non-recurring activities (analysis and review of accounting treatment) related to the acquisition of control and initial consolidation of Chrysler Group LLC and subsidiaries – fees totaling €270,000;
 - ▣ audit of expenditures for 2010 approved by the Joint Committee established by Fiat S.p.A. and Politecnico di Torino in relation to establishment of master's and diploma courses in Automotive Engineering – fees totaling €6,000;
 - ▣ attestation of tax forms ("Modello Unico", IRAP, tax consolidation and Form 770) – fees totaling €5,000;
 - ▣ analysis of tax-related matters by the firm Studio Tributario e Societario – fees totaling €20,000.

On 27 February 2012, Deloitte & Touche S.p.A. presented a report pursuant to Article 19 (3) of Legislative Decree 39/2010 in which it communicated that no fundamental issues had emerged during the audit process and no significant failings had been identified in the system of internal control over financial reporting.

On the basis of activities carried out, the Statutory Auditors found Fiat's Internal Control System to be adequate overall and noted that, in its role as committee for internal control and audit, no issues had arisen requiring communication to Shareholders.

The guidelines provided by Fiat S.p.A. to its subsidiaries pursuant to Article 114 (2) of Legislative Decree 58/1998 also appear to be adequate.

With reference to Article 36 of the Market Regulations issued by Consob, which relates to material subsidiaries incorporated in and subject to the laws of a non-EU member state, we report that at 31 December 2011 the companies to which that provision applies are included among those companies considered relevant for the purposes of Fiat's system of internal control over financial reporting, in relation to which no failings were reported.

The Board of Directors provided us with its report on operations for the first half of the year by the statutory deadline and published it in accordance with the Consob requirements. It also complied with the legal requirement for quarterly reports. With regard to Consob communications, for those matters under our responsibility, we confirm that:

- the information provided by Directors in the report on operations is comprehensive and complete;
- as required by Legislative Decree 58/1998, we have been informed on a constant basis on matters under our responsibility;
- no third party, related party or intercompany transactions which were atypical and/or unusual, as defined in the Consob Communication of 28 July 2006, emerged in the course of our periodic checks and audits;
- with regard to intercompany transactions, in the Notes to the Financial Statements the Board of Directors reports that there were numerous transactions involving the sale of goods and services between the Company and other Group companies and related parties, and confirms that they took place at standard market terms for the nature of goods and services concerned. We note that from 1 January 2011 the Company implemented the "Procedures for Transactions with Related Parties", pursuant to Consob Regulation 17221 of 12 March 2010 (as amended) and the Consob Communication of 24 September 2010, whose guidelines were adopted by the Board of Directors on 21 October 2010;
- no issues requiring mention arose from meetings conducted with the Statutory Auditors of the principal subsidiaries;

- we have reviewed and obtained information on the organizational and procedural measures implemented pursuant to and for the effects of Legislative Decree 231/2001, as amended, and on the liability of legal persons for the offenses addressed therein. No significant issues requiring mention arose from the report of the Compliance Program Supervisory Body on activities carried out during 2011 or meetings conducted between that Body and the Board of Statutory Auditors;
- no significant issues arose during meetings held with the Independent Auditors pursuant to Article 150 of Legislative Decree 58/1998;
- the report of the Independent Auditors, issued on 27 February 2012, contains no qualifications or emphasis paragraphs;
- in compliance with Article 149 (1)(c-bis) of Legislative Decree 58/98, we acknowledge the affirmation of the Directors in the Annual Report on Corporate Governance, as confirmed by the Board resolution of 22 February 2012, that:

“Fiat Group adheres to the new Corporate Governance Code for Italian Listed Companies issued in December 2011, with the modifications related to the specific characteristics of the Group.” The above is discussed in detail in the Annual Report on Corporate Governance prepared by the Board of Directors, which is available for your review.

The Board of Statutory Auditors, with the support of the Company’s management, continued to monitor Fiat S.p.A.’s liquidity.

On 4 April 2011, a formal request was received from Consob for information on the additional reviews conducted by the Statutory Auditors, with the support of the Independent Auditors, on the quarterly results and the situation at 31 December 2010, in relation to which the findings were positive. The Statutory Auditors submitted the report to Consob on 11 April 2011.

The Board of Statutory Auditors has focused in particular on the most significant aspects of the Fiat–Chrysler agreement, reviewing, with the support of Fiat’s legal department, the Master Transaction Agreement, which governs three types of agreement, all signed in 2009: i) agreements aimed at restoring Chrysler’s long-term viability; ii) agreements on industrial cooperation between Chrysler and Fiat and iii) agreements on Chrysler’s ownership structure and governance.

In particular, an analysis was undertaken of the procedures, terms and conditions for exercise of the various call options included in the agreements, with particular focus on the conditions of exercise for the Incremental Equity Call Option, which resulted in Fiat acquiring control of Chrysler.

In discussion with management and the Independent Auditors, the Statutory Auditors also examined the appropriate accounting treatment in the consolidated financial statements for the controlling interest in Chrysler based on the requirements of IFRS 3.

The Statutory Auditors were provided summary financial statements for Chrysler Group LLC for 2009 and 2010.

The Statutory Auditors were also informed of the new organization of Fiat Group, following the demerger and acquisition of control of Chrysler, in which Fiat has adopted a more operational role and become a focused car company. On 1 September 2011, a new Group Executive Council (GEC) was established that reflects the organizational changes, including the addition of Chrysler executives to ensure a more rapid and efficient integration between the two groups.

Lastly, the Board of Statutory Auditors was given general information on the activities undertaken by Chrysler to obtain SOX §404 certification starting in 2012.

On 27 October 2011, the Board of Directors announced its intention to submit a proposal for the conversion of Fiat S.p.A. preference and savings shares into ordinary shares for your approval at the extraordinary session of the General Meeting. The objective of the conversion is to simplify the Company’s capital and governance structure. We confirm that we were duly informed of the technical aspects of the transaction that you will be asked to approve. The proposal will also be submitted to holders of savings and preference shares for approval at their respective special meetings.

Lastly, the Board of Statutory Auditors is submitting a proposal for additional fees for the independent auditors, Reconta Ernst & Young, for the 2012 financial year – in relation to review of the Chrysler consolidated financial statements necessary for attestation of the Fiat Group consolidated financial statements – and for the period 2013-2020, following acquisition of a controlling interest in Chrysler and consequent consolidation of Chrysler by Fiat. Details of the proposal are provided in a separate document.

On 21 February 2012, the Chairman of the Board of Statutory Auditors received the following complaint by e-mail from the shareholder Marco Bava, citing Article 2408 of the Civil Code:

"I hereby wish to register a complaint, pursuant to Article 2408 of the Civil Code, concerning non-compliance with Article 114 of Legislative Decree 58/98 as, to date, Fiat S.p.A.'s corporate calendar has provided no indication of the date of the next annual general meeting. I hereby ask that you publish this information as soon as possible, correcting a gross negligence that has been ignored by the media and Consob, and that you follow the proper legal procedures with regard to this complaint."

The Board of Statutory Auditors is of the opinion that the reported event does not fall within the scope of Article 2408 of the Civil Code and, in any event, reserves the right to address this matter at the forthcoming general meeting.

In conclusion, we note that during the year, the Company verified the effective independence of the independent directors, and we confirm that the principles and procedures for verification were fairly applied in accordance with Article 3.c.5 of the Corporate Governance Code. We also confirmed our own continued independence as required under Article 8.c.1 of the Corporate Governance Code.

Based on the audits we performed in the areas under our responsibility, pursuant to Article 149 of Legislative Decree 58/1998, and in consideration of the information received from the Independent Auditors, we have verified that the statutory financial statements for the year ended 31 December 2011, which report net profit of €99,165,620, have been prepared and are presented in accordance with the applicable provisions of law.

In particular, we verified that none of the exemptions permitted under Article 2423 (4) of the Civil Code were exercised.

As part of the oversight activities described above, the Board of Statutory Auditors met 14 times, in addition to being present at the 6 meetings of the Board of Directors and the 9 meetings of the Internal Control Committee.

On the basis of the control and oversight activities carried out during the year, we find nothing that would prevent approval of the statutory financial statements for the year ended 31 December 2011 or the motions put forward by the Board of Directors.

Turin, 28 February 2012

The Statutory Auditors

Riccardo Perotta /s/ Riccardo Perotta

Giuseppe Camosci /s/ Giuseppe Camosci

Piero Locatelli /s/ Piero Locatelli