FIAT CHRYSLER AUTOMOBILES

# Fiat Chrysler Automobiles N.V.

(Incorporated as a public limited liability company (*naamloze vennootschap*) under the laws of the Netherlands No. 60372958)

***as Issuer and as Guarantor, in respect of Notes issued by***
***Fiat Chrysler Finance Europe** société anonyme**, Fiat Chrysler Finance Canada Ltd. and Fiat Chrysler Finance North America, Inc.***

***and***

# Fiat Chrysler Finance Europe

*société anonyme*

(Incorporated with limited liability under the laws of the Grand-Duchy of Luxembourg;
*Registre de Commerce et des Sociétés de Luxembourg* No. B-59500)

***as Issuer***

***and***

# Fiat Chrysler Finance Canada Ltd.

(Incorporated with limited liability under the laws of the Province of Alberta, Canada)

***as Issuer***

***and***

# Fiat Chrysler Finance North America, Inc.

(Incorporated under the laws of the State of Delaware)

***as Issuer***

## €20,000,000,000
## Global Medium Term Note Programme

Under the €20,000,000,000 Global Medium Term Note Programme (the "Programme") described in this base prospectus (the "Base Prospectus"), Fiat Chrysler Automobiles N.V. (the "Company" or "FCA"), Fiat Chrysler Finance Europe *société anonyme* ("FCFE"), Fiat Chrysler Finance Canada Ltd. ("FCFC") and Fiat Chrysler Finance North America, Inc. ("FCFNA") (each an "Issuer" and together, the "Issuers") may from time to time issue notes (the "Notes") denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below). The payments of all amounts due in respect of Notes issued by FCFE, FCFC and FCFNA (the "Guaranteed Notes") will be unconditionally and irrevocably guaranteed by FCA (in such capacity, the "Guarantor").

An investment in Notes issued under the Programme involves certain risks. **For a discussion of these risks, see "Risk Factors" herein.**

The Base Prospectus has been approved by the Central Bank of Ireland (the "Central Bank"), as competent authority under Directive 2003/71/EC, as amended (the "Prospectus Directive"). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC, as amended, and/or which are to be offered to the public in any member state of the European Economic Area. Application has been made to the Irish Stock Exchange for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list (the "Official List") and trading on its regulated market. References in the Base Prospectus to the "Irish Stock Exchange" (and all related references) shall mean the regulated market of the Irish Stock Exchange. In addition, references in the Base Prospectus to the Notes being "*listed*" (and all related references) shall mean that such Notes have been admitted to listing on the Official List of the Irish Stock Exchange and admitted to trading on its regulated market or, as the case may be, a MiFID Regulated Market (as defined below). The regulated market of the Irish Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC, as amended (each such regulated market being a "MiFID Regulated Market"). This document may be used to list Notes on the regulated market of the Irish Stock Exchange pursuant to the Programme. The Programme provides for Notes to be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer, the Guarantor and the relevant Dealer. Each Issuer may also issue unlisted Notes. The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €20,000,000,000 (or its equivalent in other currencies, subject to increase as provided herein). The Notes will be issued in such denominations (each a "Specified Denomination") as may be agreed between the relevant Issuer and the relevant Dealer and as specified in the applicable Final Terms, save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant specified currency indicated in the applicable Final Terms (as defined below) (the "Specified Currency") and save that the minimum denomination of each Note admitted to trading on a regulated market situated or operating within the European Economic Area (the "EEA") and/or offered to the public in an EEA state in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in final terms (the "Final Terms") which, with respect to Notes to be listed on the Irish Stock Exchange, will be delivered to the Central Bank on or before the date of issue of the Notes of such Tranche. Copies of the Final Terms relating to Notes which are listed on the Irish Stock Exchange will be available free of charge, at the registered office of each Issuer, at the principal executive offices of the Guarantor and at the specified office of each of the Paying Agents (as defined under "*Terms and Conditions of the Notes*"), as well as on FCA's website at www.fcagroup.com. FCA's website and its content (except for any documents available at the links mentioned herein to the extent incorporated by reference herein) do not form part of the Base Prospectus.

**Arranger**

**UBS Investment Bank**

**Dealers**

| | |
|---|---|
| **Banca IMI** | **Barclays** |
| **BNP PARIBAS** | **BofA Merrill Lynch** |
| **Citigroup** | **Commerzbank** |
| **Crédit Agricole CIB** | **Credit Suisse** |
| **Deutsche Bank** | **Goldman Sachs International** |
| **J.P. Morgan** | **Mediobanca** |
| **Morgan Stanley** | **Natixis** |
| **Santander Global Corporate Banking** | **Société Générale Corporate & Investment Banking** |
| **TD Securities** | **The Royal Bank of Scotland** |
| **UBS Investment Bank** | **UniCredit Bank** |

The date of the Base Prospectus is December 14, 2015

The Base Prospectus is a base prospectus for the purposes of Article 5.4 of the Prospectus Directive in relation to each Issuer.

FCA, in its capacity as an Issuer, accepts responsibility for the information contained in this document, with the exception of any information in respect of FCFE, FCFC and FCFNA. To the best of the knowledge of FCA, the information contained in this document in respect of which it accepts responsibility is in accordance with the facts and does not omit anything likely to affect the importance of such information.

FCA, in its capacity as a Guarantor, accepts responsibility only for the information contained in this document relating to itself and to the Guarantee (as defined under "*Terms and Conditions of the Notes*"). To the best of the knowledge of the Guarantor, the information contained in those parts of this document relating to itself and to the Guarantee is in accordance with the facts and does not omit anything likely to affect the importance of such information.

FCFE accepts responsibility for the information contained in this document, with the exception of any information in respect of FCFNA, FCFC and FCA when the latter is acting as an Issuer. To the best of the knowledge of FCFE, the information contained in this document in respect of which it accepts responsibility is in accordance with the facts and does not omit anything likely to affect the importance of such information.

FCFC accepts responsibility for the information contained in this document, with the exception of any information in respect of FCFNA, FCFE and FCA when the latter is acting as an Issuer. To the best of the knowledge of FCFC, the information contained in this document in respect of which it accepts responsibility is in accordance with the facts and does not omit anything likely to affect the importance of such information.

FCFNA accepts responsibility for the information contained in this document, with the exception of any information in respect of FCFE, FCFC and FCA when the latter is acting as an Issuer. To the best of the knowledge of FCFNA, the information contained in this document in respect of which it accepts responsibility is in accordance with the facts and does not omit anything likely to affect the importance of such information.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the securities law of any U.S. state and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons unless the Notes are registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. The notes are being offered and sold in the United States only to qualified institutional buyers ("QIBs") in compliance with Rule 144A under the Securities Act ("Rule 144A") and outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act ("Regulation S"). See "*Form of the Notes*" for a description of the manner in which the Notes will be issued. Registered Notes (as defined under "*Form of the Notes*") are subject to certain restrictions on transfer, see "*Subscription and Sale, and Selling and Transfer Restrictions*".

Copies of the Final Terms will be available at the registered office of each Issuer, at the principal executive offices of the Guarantor (as applicable) and the specified office set out below of each of the Paying Agents.

Each of the Issuers and the Guarantor has confirmed to the Dealers that the statements contained in the Base Prospectus (including all documents that are incorporated by reference herein — see "*Documents Incorporated by Reference*") relating (in the case of each Issuer) to such Issuer and (in the case of the Guarantor) to the Guarantor and the Guarantee are in every material respect true and accurate and not misleading; any opinions, predictions or intentions expressed in the Base Prospectus on the part of any Issuer or the Guarantor (as the case may be) are honestly held or made and are not misleading in any material respect; the Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

The data related to market shares or ranks in particular markets that is included in the section entitled "*The FCA Group*" beginning on page 112 hereof has been extracted from a variety of official, non-official and internal sources believed by each Issuer and the Guarantor to be reliable, including the following agencies: Italy—*Ministero dei Trasporti*; Brazil—*Associação Nacional dos Fabricantes de Veículos Automotores*; France—*Association Auxiliaire de l'Automobile*; Germany—*Kraftfahrt-Bundesamt* (KBA); Spain—*Dirección General de Tráfico*; the United Kingdom—Society of Motor Manufacturers and Traders. Sales related to FCA US brands represent sales to end-customers as reported by FCA US dealer network. Each Issuer and the Guarantor confirms that such third-party information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuers (each a "Dealer" and together the "Dealers"), which appointment may be for a specific issue or on an on-going basis.

References in the Base Prospectus to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes. References in the Base Prospectus to the "relevant Issuer" shall, in relation to an issue of Notes, be to the Issuer of such Notes.

The Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below). The Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of the Base Prospectus.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated by reference in the Base Prospectus or any other information provided by any Issuer or the Guarantor in connection with the Programme.

No Dealer accepts any liability in relation to the information contained or incorporated by reference in the Base Prospectus or any other information provided by any Issuer or the Guarantor in connection with the Programme.

No person is or has been authorised by any Issuer or by the Guarantor to give any information or to make any representation not contained in or not consistent with the Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any Issuer, the Guarantor or any of the Dealers.

Neither the Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by any Issuer, the Guarantor or any of the Dealers that any recipient of the Base Prospectus, or of any other information supplied in connection with the Programme or any Notes, should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and/or the Guarantor. In the absence of Final Terms, neither the Base Prospectus, nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of any of the Issuers, the Guarantor or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of the Base Prospectus, nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuers and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuers or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published audited annual financial statements and, if published later, the most recently published interim financial statements (if any) of the relevant Issuer and Guarantor when deciding whether or not to purchase any Notes.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. tax regulations; provided, however, that FCFNA may not issue Notes in bearer form. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder.

The Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of the Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuers, the Guarantor and the Dealers do not represent that the Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering.

In particular, no action has, to date, been taken by any Issuer, the Guarantor or the Dealers which would permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither the Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations. Persons into whose possession the Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of the Base Prospectus and the offer or sale of Notes in the United States, Canada, Japan, Hong Kong, Singapore, the PRC (as defined below) and the European Economic Area, including Italy, the Netherlands and the United Kingdom. See "*Subscription and Sale, and Selling and Transfer Restrictions*".

In making an investment decision, investors must rely on their own examination of the relevant Issuer and the Guarantor and the terms of the Notes being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC") or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved the Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in the Base Prospectus. Any representation to the contrary is unlawful.

None of the Dealers, the Issuers or the Guarantor makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws.

Series of Notes (as defined under "*Terms and Conditions of the Notes*") issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009/EC, as amended (the "CRA Regulation"), will be disclosed in the Final Terms. In general, and subject to and in accordance with the provisions of the CRA Regulation, European regulated investors are restricted from using a credit rating for regulatory purposes if such credit rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation.

## U.S. INFORMATION

The Base Prospectus may be distributed in the United States to QIBs in connection with their consideration of the purchase of Notes being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part; nor may it be distributed, or any of its contents disclosed, to anyone other than the prospective investors to whom it is originally submitted.

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it is being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act ("Rule 144A").

Each purchaser or holder of Notes represented by a Rule 144A Global Note (as defined under "*Form of the Notes*") or any Notes issued in registered form in exchange or substitution therefor (together "Legended Notes") will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "*Subscription and Sale, and Selling and Transfer Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Notes*".

## NOTICE TO POTENTIAL INVESTORS IN THE UNITED KINGDOM

This communication is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act

2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

## NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA 421-B') WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

## AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, the Issuers and the Guarantor have undertaken in a deed poll dated December 19, 2014 to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the relevant Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

## SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

FCFE, FCFC and FCA are corporations incorporated under the laws of the Grand-Duchy of Luxembourg, Alberta (Canada) and the Netherlands, respectively. It may not be possible for investors to effect service of process outside the Grand-Duchy of Luxembourg (in the case of FCFE), Canada (in the case of FCFC) or the Netherlands (in the case of FCA) or upon FCFE, FCFC or FCA or to enforce judgments against them obtained in courts outside the Grand-Duchy of Luxembourg (in the case of FCFE), Canada (in the case of FCFC) or the Netherlands (in the case of FCA) predicated upon civil liabilities of FCFE, FCFC or FCA, as the case may be, under laws other than those of Luxembourg (in the case of FCFE), Canada (in the case of FCFC) or the Netherlands (in the case of FCA), including any judgment predicated upon United States federal securities laws. There are doubts as to the enforceability in the Grand-Duchy of Luxembourg (in the case of FCFE), Canada (in the case of FCFC) and the Netherlands (in the case of FCA) in original actions or in actions for enforcement of judgments of United States courts of civil liabilities predicated solely upon the federal securities laws of the United States.

As there is no treaty between the United States and the Netherlands providing for the reciprocal recognition and enforcement of judgments (other than arbitration awards in civil and commercial matters), a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not be enforceable in the Netherlands. However, if the party in whose favour such judgment is rendered brings a new suit in a competent court in the Netherlands, that party may submit to a Dutch court the final judgment that has been rendered in the United States. If the Dutch court finds that the jurisdiction of the federal or state court in the United States has been based on grounds that are internationally acceptable, that proper legal procedures have been observed, that the judgment is final and does not contravene Dutch concepts of due process, and that recognition and/or enforcement of the judgment is not irreconcilable with a decision of a Dutch court rendered between the same parties or with an earlier decision of a foreign court rendered between the same parties in a dispute that is about the same subject matter and that is based on the same cause, provided that earlier decision can be recognised in the Netherlands, to the extent that the Dutch court is of the opinion that reasonableness and fairness so require, the Dutch court would, in principle, under current practice, recognise the final judgment that has been rendered in the United States and generally grant the same claim without re-litigation on the merits, unless the consequences of the recognition of such judgment contravene public policy in the Netherlands.

A valid judgment against FCFE with respect to the Notes obtained from a court of competent jurisdiction in the United States, which judgment remains in full force and effect after all appeals as may be taken in the relevant U.S. state or federal jurisdiction with respect thereto have been taken, may be entered and enforced through a court of competent jurisdiction of Luxembourg subject to compliance with the enforcement procedures (*exequatur*) set out in Article 678 *et seq.* of the Luxembourg *Nouveau Code de Procédure Civile* under the following conditions:

- the U.S. court awarding the judgment has jurisdiction to adjudicate the respective matter under its applicable laws, and such jurisdiction is recognised by Luxembourg private international and local law;
- the judgment is final and enforceable (*exécutoire*) in the jurisdiction where the decision is rendered;
- the U.S. court has applied the substantive law as designated by the Luxembourg conflict of laws rules;
- the U.S. court has acted in accordance with its own procedural laws;
- the judgment must not have been obtained by fraud (*fraude à la loi*) subsequent to an evasion of Luxembourg law and must have been granted in compliance with the rights of the defendant to appear, and if it appeared, to present a defence;
- the judgment does not contravene public policy as understood under the laws of Luxembourg or has been given in proceedings of a criminal or tax nature; and
- if an original action is brought in Luxembourg, Luxembourg courts may refuse to apply the designated law amongst others and notably if its application contravenes Luxembourg public policy. In an action brought in Luxembourg on the basis of U.S. federal or state securities laws, Luxembourg courts may not have the requisite power to grant the remedies sought.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Certain Defined Terms

The group consisting of FCA and its direct and indirect subsidiaries (the "Group" or the "FCA Group") was formed as a result of the merger (the "Merger") of Fiat S.p.A. ("Fiat") into Fiat Investments N.V., a Dutch public limited liability company (*naamloze vennootschap*) established on April 1, 2014 for the purposes of carrying out the reorganisation of the Fiat Group (as defined in letter (b), below). Fiat Investments N.V. was subsequently renamed Fiat Chrysler Automobiles N.V. on October 12, 2014, upon the completion of the Merger. The Group is the result of the acquisition by Fiat of all of the outstanding interests of FCA US LLC (formerly known as Chrysler Group LLC)[1] ("FCA US"), which was completed on January 21, 2014. Fiat had consolidated the results of FCA US on a line-by-line basis from June 1, 2011. The Group is also the result of the demerger of certain capital goods businesses of Fiat in favour of Fiat Industrial S.p.A. ("Fiat Industrial") effective as of January 1, 2011. Accordingly, in this Base Prospectus:

(a) references to the "Merger" are, as noted, to the merger of Fiat into FCA, pursuant to which FCA has succeeded to and assumed by operation of law all of the obligations, rights, interests and liabilities of Fiat, including all of the obligations, rights, interests and liabilities of Fiat pursuant to the guarantees it has issued in the past in the interests of its subsidiaries, effective as of October 12, 2014 as described in more detail under "*The FCA Group—History of the Group—The Merger*" herein;

(b) references to the "Group", the "FCA Group", "we", "us", "our" and the "Company", refer to FCA , together with its subsidiaries, as the context may require, subsequent to the Merger and references to the "Fiat Group" are to Fiat, together with its subsidiaries, as the context may require, prior to the Merger;

(c) references to "FCA US" are to the group consisting of FCA US LLC (formerly known as Chrysler Group LLC), a limited liability company formed on April 28, 2009 under Delaware (USA) law, with its corporate headquarters at 1000 Chrysler Drive, Auburn Hills, Michigan (USA), together with its direct and indirect subsidiaries consolidated into FCA US LLC in accordance with U.S. GAAP or each of the abovementioned legal entities;

(d) references to the "Demerger" are to the transaction pursuant to which Fiat transferred a portion of its assets and liabilities (and, in particular, the activities pertaining to the Agricultural and Construction Equipment, Trucks and Commercial Vehicles and to the "Industrial & Marine" division of the FPT Powertrain Technologies sector from the activities related to the Automobiles business as well as to the relevant Components and Production Systems) to Fiat Industrial (since renamed as CNH Industrial) in the form of a *scissione parziale proporzionale* (in accordance with Article 2506 of the Italian Civil Code) effective as of January 1, 2011;

(e) references to the "Fiat Industrial Group" are to the group consisting of Fiat Industrial and its direct and indirect subsidiaries, as of and subsequent to the effective date of the Demerger and prior to the merger of Fiat Industrial and its majority-owned subsidiary, CNH Global N.V., into CNH Industrial N.V., with its registered office in Amsterdam, the Netherlands and its principal executive office at 25 St. James' Street London, SW1A 1HA, United Kingdom ("CNH Industrial");

(f) references to the "CNH Industrial Group" are to the group consisting of CNH Industrial and its direct and indirect subsidiaries as of and subsequent to the effective date of the merger mentioned under (e) above;

(g) references to "Car Mass-Market Segments" are to the activities of the Group relating to the "mass-market brands" passenger cars, light commercial vehicles and related parts and services (including Fiat, Fiat Professional, Abarth, Alfa Romeo, Lancia, Chrysler, Jeep, Dodge, Ram and Mopar brands) grouped in four regional Car Mass-Market Segments: NAFTA, LATAM, APAC and EMEA, as described in more detail under "*The FCA Group*".

(h) references to (i) "NAFTA" means the United States, Canada, Mexico and the Caribbean islands, (ii) "LATAM" means Central and South America, (iii) "APAC" means Asia and Pacific countries, and (iv) "EMEA" means the member countries of Europe, the Middle East and Africa;

[1] Chrysler Group LLC was renamed FCA US LLC on December 15, 2014.

(i) references to the "Luxury Brands" or to the "Luxury Brands segment" include the activities of Ferrari and Maserati; as of December 31, 2014, Ferrari and Maserati are qualified as two separate reportable segments, as described in more detail under "*Presentation of Financial Information*" below;

(j) references to "Components" or to the "Components segment" are to the reportable segment including the activities of the following operating segments of the Group together: Magneti Marelli, Teksid and Comau; and

(k) references to the "FCFE Group" are to the group consisting of FCFE, together with its consolidated subsidiaries — FCFNA and FCFC — following their acquisition by FCFE on December 15, 2011, as described in more detail under "*Fiat Chrysler Finance Europe S.A*", herein.

**Presentation of Financial Information**

The financial information as of and for the years ended December 31, 2014 and 2013 and as of and for the nine months ended September 30, 2015 included in this Base Prospectus under "*Selected Financial and Statistical Information Relating to the FCA Group*", "*Financial Review of the FCA Group*" and "*Financial Information Relating to the FCA Group*" has been extracted from the annual audited consolidated financial statements of the FCA Group for the year ended December 31, 2014 and the unaudited interim condensed consolidated financial statements of the FCA Group as of and for the nine months ended September 30, 2015.

The audited consolidated financial statements of the FCA Group as of and for the year ended December 31, 2014, the audited consolidated financial statements of the Fiat Group as of and for the year ended December 31, 2013, and the unaudited interim condensed consolidated financial statements of the FCA Group as of and for the nine months ended September 30, 2015 are incorporated by reference herein, as described under "*Documents Incorporated by Reference.*"

The audited consolidated financial statements of the FCA Group as of and for the year ended December 31, 2014, the audited consolidated financial statements of the Fiat Group as of and for the year ended December 31, 2013, and the unaudited interim condensed consolidated financial statements of the FCA Group as of and for the nine months ended September 30, 2015 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union.

The Group adopted IFRS 11—*Joint arrangements,* as amended, as of January 1, 2014. The adoption of this standard required the classification of investments previously classified as jointly controlled entities under IAS 31—*Interests in joint ventures*, as either "joint operations" (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or "joint ventures" (if the Group has rights only to the net assets of an arrangement). As a result of the IFRS 11 retrospective application, the Group's interests in joint arrangements which were classified as jointly controlled entities under IAS 31 and have been reclassified as joint ventures under IFRS 11 continue to be accounted for using the equity method.. For the impacts of the adoption of IFRS 11 on the December 31, 2013 comparative amounts, see "*New Standards and amendments effective from January 1, 2014*" in the annual audited consolidated financial statements of the FCA Group for the year ended December 31, 2014 incorporated by reference herein.

For the year ended December 31, 2013, the Group's activities were carried out through four reportable segments: four regional Car Mass-Market Segments (NAFTA, LATAM, APAC and EMEA), the Luxury Brands segment (Ferrari and Maserati) and the Components segment (Magneti Marelli, Teksid and Comau). Ferrari and Maserati were recorded as one reportable segment labelled Luxury Brands as both operating segments did not individually meet the quantitative thresholds set by IFRS 8—*Operating Segments* to be separate reporting segments and they met the aggregation criteria. At December 31, 2014, there was no change in the nine operating segments that had previously been identified by the Group, however, the Ferrari operating segment met the quantitative threshold for being a separate reportable segment. As a result, and in accordance with IFRS 8—*Operating Segments*, the financial information for the Ferrari operating segment is reflected as a separate reportable segment as of and for the year ended December 31, 2014. The prior period financial information presented for comparative purposes was also restated to reflect the Ferrari operating segment as a separate reportable segment. The Group also reflects Maserati as a separate reportable segment, as the financial information for this operating segment is used by the Group's chief operating decision maker and this operating segment does not meet the aggregation criteria stipulated in IFRS 8 for aggregation with another of the Group's operating segments.

Adjusted Earnings Before Interest and Taxes ("Adjusted EBIT") is the measure used by the chief operating decision maker to assess performance, allocate resources to the Group's operating segments and to view operating trends, perform analytical comparisons and benchmark performance between periods and among the segments. Operating assets are not included in the data reviewed by the chief operating decision maker, and as a result and as permitted by IFRS 8—*Operating Segments*, the related information is not provided. Adjusted EBIT as reported in the unaudited interim condensed consolidated financial statements for the nine months ended September 30, 2015, is calculated as EBIT excluding: gains/(losses) on the disposal of investments, restructuring, impairments, asset write-offs and other unusual income/(expenses) that are considered rare or discrete events that are infrequent in nature. See Note 24 in the unaudited interim condensed consolidated financial statements for the nine months ended September 30, 2015 for a reconciliation of Adjusted EBIT to EBIT.

On May 24, 2011, following the acquisition of an incremental 16% ownership interest in FCA US (fully diluted), in addition to potential voting rights associated with options that became exercisable thereafter, the Group acquired control of FCA US and FCA US's financial results were consolidated by Fiat from June 1, 2011. At present, FCA and FCA US operate separately from a cash management standpoint.

The Merger did not have any impact on Fiat Group consolidated financial statements and, following effectiveness of the Merger, the business of FCA is the same business as that of Fiat prior to the Merger. Between the time of incorporation and the effectiveness of the Merger on October 12, 2014, the activities of FCA consisted only of preparing for the Merger.

Under IFRS, the Merger consisted of a reorganisation of existing legal entities that did not give rise to any change of control and, therefore, was outside the scope of application of IFRS 3—*Business Combinations*. Accordingly, it has been accounted for as an equity transaction with no change in the accounting basis.

Consequently, no pro-forma consolidated financial information was required in connection with the Merger.

The financial information as of and for the years ended December 31, 2014 and 2013 included in this Base Prospectus under "*Financial Information Relating to FCA*" has been extracted from the audited annual statutory financial statements of FCA as of and for the year ended December 31, 2014. The Merger was accounted for using the "pooling of interest method." Therefore, comparative figures for the year ended December 31, 2013 have been adjusted as if the companies had always been merged.

The audited annual statutory financial statements of FCA as of and for the year ended December 31, 2014 are incorporated by reference herein, as described under "*Documents Incorporated by Reference*" and have been prepared in accordance with the legal requirements set forth in Title 9, Book 2 of the Dutch Civil Code. Section 362(8), Book 2 of the Dutch Civil Code allows companies that apply IFRS as adopted by the European Union in their consolidated financial statements to use the same measurement principles in their statutory financial statements. However, as allowed by applicable law, subsidiaries are accounted for using the net equity value in the statutory financial statements. For additional information on such accounting policies, please see section "*Significant accounting policies*" set forth in the audited annual statutory financial statements of FCA as of and for the year ended December 31, 2014, incorporated by reference in this Base Prospectus.

Potential investors must take into account that the Guaranteed Notes will be guaranteed only by FCA and that FCA US and its subsidiaries will not be a guarantor under any Notes issued by FCA, FCFE, FCFC or FCFNA, the Guaranteed Notes or the Guarantee. Similarly, neither FCA US nor any subsidiary of FCA US will have any other obligation under any Note issued or to be issued by FCA or by any company of the Group.

FCFC's, FCFNA's, FCFE's and the FCFE Group's financial information as of and for the years ended December 31, 2014 and December 31, 2013 included in this Base Prospectus under "*Financial Information Relating to Fiat Chrysler Finance Canada Ltd.*", "*Financial Information Relating to Fiat Chrysler Finance North America, Inc.*", "*Financial Information Relating to Fiat Chrysler Finance Europe S.A*". and "*Financial Information Relating to the FCFE Group*" have been derived, respectively, (i) from FCFC's (previously known as Fiat Finance Canada Ltd.) audited financial statements as of and for the years ended December 31, 2014 and December 31, 2013, prepared in accordance with IFRS, (ii) from FCFNA's (previously known as Fiat Finance North America, Inc.) audited financial statements as of and for the years ended December 31, 2014 and December 31, 2013, prepared in accordance with IFRS, (iii) from FCFE's (previously known as Fiat Finance and Trade Ltd.) audited financial statements as of and for the years ended December 31, 2014 and December 31, 2013, prepared in accordance with Luxembourg GAAP, and (iv) from the FCFE Group's audited consolidated financial statements as of and for the years ended December 31, 2014 and December 31, 2013, prepared in accordance with IFRS.

All references in the Base Prospectus to "U.S. dollars", "U.S.$" and "$" refer to the currency of the United States of America, references to "CAN$" refer to the currency of Canada, references to "Sterling" and "£" refer to the currency of the United Kingdom, references to "CNY", "RMB" and "Renminbi" refer to the lawful currency of the PRC (as defined below), and references to "euro" and "€" refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended.

In this Base Prospectus, references to the "PRC" refer to the People's Republic of China which, for the purposes of this Base Prospectus, shall exclude the Hong Kong Special Administrative Region of the PRC ("Hong Kong"), the Macau Special Administrative Region of the PRC ("Macau") and Taiwan.

In this Base Prospectus references to "CNY Notes" refer to Notes denominated in CNY or Renminbi deliverable in Hong Kong.

In this Base Prospectus references to "CMU Notes" refer to Notes denominated in any lawful currency which the Central Moneymarkets Unit Service (the "CMU Service") operated by the Hong Kong Monetary Authority (the "HKMA") accepts for settlement from time to time that are, or are intended to be, cleared through the CMU Service.

The language of the Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Certain totals in the tables included in this Base Prospectus may not add due to rounding.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The Base Prospectus contains certain forward-looking statements relating to the FCA Group and its activities that do not represent statements of fact but are rather based on current expectations and projections of the FCA Group in relation to future events, and which, by their nature, are subject to inherent risks and uncertainties. Earnings estimates and projections are based on specific knowledge of the sector, publicly available data, and past experience. Underlying the projections are assumptions concerning future events and trends that are subject to uncertainty and whose actual occurrence or non-occurrence could result in significant variations from the projected results. These forward-looking statements relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Although each Issuer and the Guarantor believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable as of the date of this Base Prospectus, actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: volatility in commodity prices, changes in general economic conditions, economic growth and other changes in business conditions, changes in government regulation (in each case, in the United States, Italy, the Netherlands, the United Kingdom or abroad), and many other factors, some of which are referred to in this Base Prospectus, and most of which are outside of the control of the Issuers, the Guarantor and/or the Group.

Any forward-looking statements contained in this Base Prospectus speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws and regulations, each Issuer and the Guarantor expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations or any change in events, conditions or circumstances on which any such forward-looking statements are based.

## STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the “Stabilising Manager(s)” (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment shall be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

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## OVERVIEW OF THE PROGRAMME

*This general description must be read as an introduction to the Base Prospectus and any decision to invest in any Notes should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference therein. The following general description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The relevant Issuer, the Guarantor (where applicable) and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a Base Prospectus supplement will be published.*

This general description constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this general description.

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| Issuers: | Fiat Chrysler Automobiles N.V.<br>Fiat Chrysler Finance Europe *société anonyme*<br>Fiat Chrysler Finance Canada Ltd.<br>Fiat Chrysler Finance North America, Inc. |
| Guarantor, in respect of Guaranteed Notes: | Fiat Chrysler Automobiles N.V. |
| Risk Factors: | There are certain factors that may affect the ability of each of the Issuers to fulfil its obligations under Notes issued under the Programme. These are set out under "*Risk Factors*" below. There are also certain factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee, where applicable. These are also set out under "*Risk Factors*" below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Notes and certain market risks. |
| Description: | Global Medium Term Note Programme |
| Arranger: | UBS Limited |
| Dealers: | Banca IMI S.p.A.<br>Banco Santander, S.A.<br>Barclays Bank PLC<br>BNP Paribas<br>Citigroup Global Markets Limited<br>Commerzbank Aktiengesellschaft<br>Crédit Agricole Corporate and Investment Bank<br>Credit Suisse Securities (Europe) Limited<br>Deutsche Bank AG, London Branch<br>Goldman Sachs International<br>J.P. Morgan Securities plc<br>Mediobanca-Banca di Credito Finanziario S.p.A.<br>Merrill Lynch International<br>Morgan Stanley & Co. International plc<br>Natixis<br>Société Générale<br>The Royal Bank of Scotland plc<br>The Toronto-Dominion Bank<br>UBS Limited<br>UniCredit Bank AG |

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| | and any other Dealers appointed in accordance with the Programme Agreement (as defined in "*Subscription and Sale, and Selling and Transfer Restrictions*"). |
| Certain Restrictions: | Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale, and Selling and Transfer Restrictions*") including the following restriction applicable at the date of the Base Prospectus:<br><br>Notes issued on terms such that they must be redeemed before their first anniversary will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent (see "*Subscription and Sale, and Selling and Transfer Restrictions*"). |
| Issuing and Principal Paying Agent: | Citibank, N.A., London Branch. |
| Registrar: | Citigroup Global Markets Deutschland AG. |
| CMU Lodging and Paying Agent: | Citicorp International Limited. |
| Programme Size: | Up to €20,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement. |
| Distribution: | Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. |
| Currencies: | Subject to any applicable legal or regulatory restrictions, any currency agreed between the relevant Issuer and the relevant Dealer. |
| Maturities: | Such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency. Notes issued by FCFNA may not have maturities of 183 days or less. |
| Issue Price: | Notes may be issued only on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par. |
| Form of Notes: | The Notes will be issued in bearer or registered form as described in "*Form of the Notes*". FCFNA may not issue Bearer Notes (as defined under "*Form of the Notes*"). Registered Notes will not be exchangeable for Bearer Notes or vice versa. |
| Clearing Systems: | With respect to Notes (other than CMU Notes), Clearstream, Euroclear and/or DTC and any additional or alternative clearing system specified in the applicable Final Terms. With respect to CMU Notes, the CMU Service operated by the HKMA. |
| Fixed Rate Notes: | Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be |

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| | calculated on the basis of such Day Count Fraction (as defined in the "*Terms and Conditions of the Notes*") as may be agreed between the relevant Issuer and the relevant Dealer. |
| Floating Rate Notes: | Floating Rate Notes will bear interest at a rate determined:<br><br>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or<br><br>(ii) on the basis of the reference rate set out in the applicable Final Terms.<br><br>The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes. |
| Other provisions in relation to Floating Rate Notes: | Floating Rate Notes may have a maximum interest rate, a minimum interest rate or both.<br><br>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer. |
| Zero Coupon Notes: | Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest. |
| Redemption: | The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons as described in "*Terms and Conditions of the Notes—Redemption for Tax Reasons*", or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders (as defined under "*Terms and Conditions of the Notes*") upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer.<br><br>Notes issued on terms such that they must be redeemed before their first anniversary may be subject to restrictions on their denomination and distribution. See "*Certain Restrictions*" above. |
| Denomination of Notes: | Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Note admitted to trading on a regulated market within the EEA will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency). |
| Taxation: | All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Relevant Tax Jurisdiction, subject to Condition 8. In the event that any such deduction is made, the relevant Issuer or the Guarantor (with respect to the Guaranteed Notes) will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted. |

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| Change of Control: | If a Change of Control occurs, except in certain circumstances, the relevant Issuer will be required to offer to repurchase the Notes at a purchase price equal to 101 percent of their aggregate principal amount, plus accrued and unpaid interest, if any, to the date of purchase. |
| Negative Pledge: | The terms of the Notes will contain a negative pledge provision as further described in Condition 4. |
| Cross Default: | The terms of the Notes will contain a cross default provision as further described in Condition 10. |
| Status of the Notes: | The Notes and any related Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the relevant Issuer and (subject as aforesaid) rank and will rank *pari passu* without any preference among themselves, with all other present and future outstanding unsubordinated and unsecured obligations of the relevant Issuer (subject to mandatorily preferred obligations under applicable laws). |
| Guarantee: | The payment of principal and interest in respect of the Guaranteed Notes and any related Coupons has been irrevocably and unconditionally guaranteed by the Guarantor pursuant to the Guarantee. The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Guarantor and (subject as aforesaid) rank and will rank *pari passu* (subject to mandatorily preferred obligations under applicable laws) with all other present and future outstanding unsecured and unsubordinated obligations of the Guarantor. |
| Listing and admission to trading: | Application has been made to the Irish Stock Exchange for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the Official List and to trading on its regulated market.<br><br>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.<br><br>The applicable Final Terms will state whether or not the relevant Notes are to be listed or admitted to trading and, if so, on which stock exchange(s). |
| Governing Law: | The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law. |
| Selling Restrictions: | There are restrictions on the offer, sale and transfer of the Notes in the United States, Canada, Japan, Hong Kong, Singapore, the PRC and the EEA (including the United Kingdom, the Netherlands and Italy) and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Subscription and Sale, and Selling and Transfer Restrictions*". |

## RISK FACTORS

*Each of the Issuers and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and none of the Issuers or the Guarantor is in a position to express a view on the likelihood of any contingency occurring.*

*In addition, factors that are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Each of the Issuers and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of any Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuers and the Guarantor based on information currently available to them or reasons which they may not currently be able to anticipate and none of the Issuers or the Guarantor represents that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in the Base Prospectus and reach their own views prior to making any investment decision.*

**Factors that may affect the ability of the Issuers and the Guarantor to fulfil their obligations under the Notes**

***The Group's profitability depends on reaching certain minimum vehicle sales volumes. If the Group's vehicle sales deteriorate, particularly sales of minivans, larger utility vehicles and pick-up trucks, the Group's results of operations and financial condition will suffer.***

The Group's success requires it to achieve certain minimum vehicle sales volumes. As is typical for an automotive manufacturer, the Group has significant fixed costs and, therefore, changes in vehicle sales volume can have a disproportionately large effect on profitability. For example, assuming constant pricing, mix and cost of sales per vehicle, that all results of operations were attributable to vehicle shipments and that all other variables remain constant, a 10 percent decrease in the Group's 2014 vehicle shipments would reduce earnings before interest and taxes ("EBIT") by approximately 40 percent for 2014, without accounting for actions and cost containment measures the Group may take in response to decreased vehicle sales.

Further, a shift in demand away from the Group's minivans, larger utility vehicles and pick-up trucks in the NAFTA region towards passenger cars, whether in response to higher fuel prices or other factors, could adversely affect profitability in the NAFTA region. The Group's minivans, larger utility vehicles and pick-up trucks accounted for approximately 44 percent of the Group's total U.S. retail vehicle sales in 2014 (not including vans and medium duty trucks) and the profitability of this portion of the Group's portfolio is approximately 33 percent higher than that of the Group's overall U.S. retail portfolio on a weighted average basis. A shift in demand such that U.S. industry market share for minivans, larger utility vehicles and pick-up trucks deteriorated by 10 percentage points and U.S. industry market share for cars and smaller utility vehicles increased by 10 percentage points, whether in response to higher fuel prices or other factors, holding other variables constant, including the Group's market share of each vehicle segment, would have reduced the Group's EBIT by approximately 4 percent for 2014. This estimate does not take into account any other changes in market conditions or actions that the Group may take in response to shifting consumer preferences, including production and pricing changes. For additional information on factors affecting vehicle profitability, see "*Financial Review of the FCA Group*".

Moreover, the Group tends to operate with negative working capital as it generally receives payments from vehicle sales to dealers within a few days of shipment, whereas there is a lag between the time when parts and materials are received from suppliers and when the Group pays for such parts and materials; therefore, if vehicle sales decline the Group will suffer a significant negative impact on cash flow and liquidity as it continues to pay suppliers during a period in which it receives reduced proceeds from vehicle sales. If vehicle sales do not increase, or if they were to fall short of the Group's assumptions, due to financial crisis, renewed recessionary conditions, changes in consumer confidence, geopolitical events, inability to produce sufficient quantities of certain vehicles, limited access to financing or other factors, the Group's financial condition and results of operations would be materially adversely affected.

***The businesses of the Group are affected by global financial markets and general economic and other conditions over which it has little or no control.***

The Group's results of operations and financial position may be influenced by various macroeconomic factors – including changes in gross domestic product, the level of consumer and business confidence, changes in interest rates for or availability of consumer and business credit, energy prices, the cost of commodities or other raw materials, the rate of unemployment and foreign currency exchange rates – within the various countries in which it operates.

Beginning in 2008, global financial markets have experienced severe disruptions, resulting in a material deterioration of the global economy. The global economic recession in 2008 and 2009, which affected most regions and business sectors, resulted in a sharp decline in demand for automobiles. Although more recently the Group has seen signs of recovery in certain regions, the overall global economic outlook remains uncertain.

In Europe, in particular, despite measures taken by several governments and monetary authorities to provide financial assistance to certain Eurozone countries and to avoid default on sovereign debt obligations, concerns persist regarding the debt burden of several countries. These concerns, along with the significant fiscal adjustments carried out in several countries, intended to manage actual or perceived sovereign credit risk, have led to further pressure on economic growth and to new periods of recession. Prior to a slight improvement in 2014, European automotive industry sales declined over several years following a period in which sales were supported by government incentive schemes, particularly those designed to promote sales of more fuel efficient and low emission vehicles. Prior to the global financial crisis, industry-wide sales of passenger cars in Europe were 16 million units in 2007. In 2014, following six years of sales declines, sales in that region rose 5 percent over 2013 to 13 million passenger cars. From 2011 to 2014, the Group's market share of the European passenger car market decreased from 7.0 percent to 5.8 percent, and the Group has reported losses and negative EBIT in each of the past four years in the EMEA segment. See "*The FCA Group—Overview of the Group's business*" for a description of our reportable segments. These on-going concerns could have a detrimental impact on the global economic recovery, as well as on the financial condition of European financial institutions, which could result in greater volatility, reduced liquidity, widening of credit spreads and lack of price transparency in credit markets. Widespread austerity measures in many countries in which the Group operates could continue to adversely affect consumer confidence, purchasing, power and spending, which could adversely affect the Group's financial condition and results of operations.

A majority of the Group's revenues have been generated in the NAFTA segment as vehicle sales in North America have experienced significant growth from the low vehicle sales volumes in 2009-2010. However, this recovery may not be sustained or may be limited to certain classes of vehicles. Since the recovery may be partially attributable to the pent-up demand and average age of vehicles in North America following the extended economic downturn, there can be no assurances that continued improvements in general economic conditions or employment levels will lead to additional increases in vehicle sales. As a result, North America may experience limited growth or decline in vehicle sales in the future.

In addition, slower expansion or recessionary conditions are being experienced in major emerging countries, such as China, Brazil and India. In addition to weaker export business, lower domestic demand has also led to a slowing economy in these countries. These factors could adversely affect the financial condition and results of operations of the Group.

In general, the automotive sector has historically been subject to highly cyclical demand and tends to reflect the overall performance of the economy, often amplifying the effects of economic trends. Given the difficulty in predicting the magnitude and duration of economic cycles, there can be no assurances as to future trends in the demand for products sold by the Group in any of the markets in which it operates.

In addition to slow economic growth or recession, other economic circumstances — such as increases in energy prices and fluctuations in prices of raw materials or contractions in infrastructure spending — could have negative consequences for the industry in which the Group operates and, together with the other factors referred to previously, could have a material adverse effect on the financial condition and results of operations of the Group.

***The Group may be unsuccessful in efforts to expand the international reach of some of its brands that the Group believes have global appeal and reach.***

The Group's growth strategies reflected in the 2014-2018 Strategic Business Plan announced on May 6, 2014 (the "Business Plan") will require it to make significant investments, including to expand several brands believed to have global appeal into new markets. Such strategies include expanding sales of the Jeep brand globally, most notably through localised production in Asia and Latin America and reintroduction of the Alfa Romeo brand in North America and other markets throughout the world. The Group's plans also include a significant expansion of Maserati brand vehicles to cover all segments of the luxury vehicle market. This will require significant investments in production facilities and in distribution networks in these markets. If the Group is unable to introduce vehicles that appeal to consumers in these markets and achieve its brand expansion strategies, the Group may be unable to earn a sufficient return on these investments and this could have a material adverse effect on the financial condition and results of operations of the Group.

***Product recalls and warranty obligations may result in direct costs, and loss of vehicle sales could have material adverse effects on the Group's business.***

The Group, and the U.S. automotive industry in general, have recently experienced a significant increase in recall activity to address performance, compliance or safety-related issues. The costs the Group incurs to recall vehicles typically include the cost of replacement parts and labour to remove and replace parts, substantially depend on the nature of the remedy and the number of vehicles affected, and may arise many years after a vehicle's sale. Product recalls may also harm the Group's reputation and may cause consumers to question the safety or reliability of its products.

Any costs incurred, or lost vehicle sales, resulting from product recalls could materially adversely affect the Group's financial condition and results of operations. Moreover, if the Group faces consumer complaints, or receives information from vehicle rating services that calls into question the safety or reliability of one of its vehicles and the Group does not issue a recall, or if it does not do so on a timely basis, its reputation may also be harmed and it may lose future vehicle sales. The Group is also obligated under the terms of its warranty agreements to make repairs or replace parts in its vehicles at its expense for a specified period of time. Therefore, any failure rate that exceeds the Group's assumptions may result in unanticipated losses.

In addition, compliance with U.S. regulatory requirements for product recalls has received heightened scrutiny recently and, in connection with the failure in three specified campaigns to provide an effective remedy, and noncompliance with various reporting requirements under the National Traffic and Motor Vehicle Safety Act of 1966, FCA US has recently agreed to pay substantial civil penalties, become subject to supervision and in certain instances been required to buy back vehicles as an additional alternative to a repair remedy. In considering the likelihood that vehicle owners will choose the repurchase alternative over the original repair remedy, the age, average wear and tear and mileage of the covered vehicles, the manner in which each covered vehicle class is typically used by owners, and the incremental costs owners will likely incur in acquiring a replacement vehicle, were all factors that were evaluated in order to assess likely costs and financial exposure. As a result, FCA US does not expect the net cost of providing these additional alternatives will be material to its financial position, liquidity or results of operations. However there can be no assurances that return rates will not exceed the Group's expectations. In addition, there can be no assurance that the Group will not be subject to additional regulatory inquiries and consequences in the future.

***The Group's future performance depends on its ability to expand into new markets as well as enrich the Group's product portfolio and offer innovative products in existing markets.***

The success of the Group depends, among other things, on its ability to maintain or increase its share in existing markets and/or to expand into new markets through the development of innovative, high-quality products that are attractive to customers and provide adequate profitability. Following the January 2014 acquisition of the approximately 41.5 percent interest in FCA US that the Group did not already own, the Group announced its Business Plan in May 2014. The Business Plan includes a number of product initiatives designed to improve the quality of product offerings and grow sales in existing markets and expand in new markets.

It generally takes two years or more to design and develop a new vehicle, and a number of factors may lengthen that schedule. Because of this product development cycle and the various elements that may contribute to consumers' acceptance of new vehicle designs, including competitors' product introductions, fuel prices, general economic conditions and changes in styling preferences, an initial product concept or design that the Group believes will be attractive may not result in a vehicle that will generate sales in sufficient quantities and at high enough prices to be profitable. A failure to develop and offer innovative products that compare favourably to those of the Group's principal competitors, in terms of price, quality, functionality and features, with particular regard to the upper-end of the product range, or delays in bringing strategic new models to the market, could impair the Group's strategy, which would have a material adverse effect on the Group's financial condition and results of operations. Additionally, the Group's high proportion of fixed costs, both due to its significant investment in property, plant and equipment as well as the requirements of its collective bargaining agreements, which limit its flexibility to adjust personnel costs to changes in demand for its products, may further exacerbate the risks associated with incorrectly assessing demand for its vehicles.

Further, if the Group determines that a safety or emissions defect, a mechanical defect or non-compliance with regulation exists with respect to a vehicle model prior to the retail launch, the launch of such vehicle could be delayed until it remedies the defect or non-compliance. The costs associated with any protracted delay in new model launches necessary to remedy such defect, and the cost of providing a free remedy for such defects or non-compliance in vehicles that have been sold, could be substantial.

***The automotive industry is highly competitive and cyclical and the Group may suffer from those factors more than some of its competitors.***

Substantially all of the Group's revenues are generated in the automotive industry, which is highly competitive, encompassing the production and distribution of passenger cars, light commercial vehicles and components and production systems. The Group faces competition from other international passenger car and light commercial vehicle manufacturers and distributors and components suppliers in Europe, North America, Latin America and the Asia Pacific region. These markets are all highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service and financial services offered, and many of the Group's competitors are better capitalised with larger market shares.

Competition, particularly in pricing, has increased significantly in the automotive industry in recent years. Global vehicle production capacity significantly exceeds current demand, partly as a result of lower growth in demand for vehicles. This overcapacity, combined with high levels of competition and weakness of major economies, has intensified and may further intensify pricing pressures.

The Group's competitors may respond to these conditions by attempting to make their vehicles more attractive or less expensive to customers by adding vehicle enhancements, providing subsidised financing or leasing programmes, or by reducing vehicle prices whether directly or by offering option package discounts, price rebates or other sales incentives in certain markets. In addition, manufacturers in countries that have lower production costs have announced that they intend to export lower-cost automobiles to established markets. These actions have had, and could continue to have, a negative impact on the Group's vehicle pricing, market share, and results of operations.

In the automotive business, sales to end-customers are cyclical and subject to changes in the general condition of the economy, the readiness of end-customers to buy and their ability to obtain financing, as well as the possible introduction of measures by governments to stimulate demand. The automotive industry is also subject to the constant renewal of product offerings through frequent launches of new models. A negative trend in the automotive industry or the Group's inability to adapt effectively to external market conditions coupled with more limited capital than many of its principal competitors could have a material adverse impact on the financial condition and results of operations of the Group.

***FCA's current credit rating is below investment grade and any further deterioration may significantly affect the Group's funding and prospects.***

The Group's ability to access the capital markets or other forms of financing and the related costs depend, among other things, on the Group's credit ratings. Following downgrades by the major rating agencies, FCA is currently rated below investment grade, with the following corporate credit ratings:

(a) B1 with a positive outlook from Moody's France S.A.S. ("Moody's");

(b) BB- with a positive outlook from Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's"); and

(c) BB- with stable outlook from Fitch Ratings España S.A.U. ("Fitch").

With reference to the rating on the notes, in the case of Moody's, the rating on the notes issued by FCA, FCFE and FCFNA (previously named Fiat Finance and Trade Ltd., *société anonyme* and Fiat Finance North America, Inc., respectively) is B2 (rated by Moody's), while in the case of Standard & Poor's and Fitch, the ratings on the notes issued by FCA, FCFE and FCFNA are the same as the respective corporate credit ratings. The rating agencies review these ratings regularly and, accordingly, new ratings may be assigned to FCA or members of the Group in the future. It is not currently possible to predict the timing or outcome of any ratings review. Any downgrade may increase the Group's cost of capital and potentially limit its access to sources of financing, which may cause a material adverse effect on the Group's business prospects, earnings and financial position.

Since the ratings agencies may separately review and rate FCA US on a stand-alone basis, it is possible that FCA's credit ratings may not benefit from any improvements in FCA US's credit ratings or that a deterioration in FCA US's credit ratings could result in a negative rating review of FCA. For additional information on the Group's financing arrangements, see "*Financial Review of the FCA Group—Liquidity and Capital Resources*".

The credit ratings included in this Base Prospectus have been issued, for the purposes of the CRA Regulation, by Standard & Poor's, Moody's and Fitch. Standard & Poor's, Moody's and Fitch are each established in the European Union and registered under the CRA Regulation, as set out in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority. The European Securities and Markets Authority's website and its content do not form part of the Base Prospectus.

The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms. In general, in accordance with the provisions of the CRA Regulation, European regulated investors are restricted from using a credit rating for regulatory purposes if such credit rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation.

***The Group may not be able to realise anticipated benefits from any acquisitions and challenges associated with strategic alliances may have an adverse impact on the Group's results of operations.***

The Group may engage in acquisitions or enter into, expand or exit from strategic alliances which could involve risks that may prevent the Group from realising the expected benefits of the transactions or achieving its strategic objectives. Such risks could include:

- technological and product synergies, economies of scale and cost reductions not occurring as expected;
- unexpected liabilities;
- incompatibility in processes or systems;
- unexpected changes in laws or regulations;
- inability to retain key employees;
- inability to source certain products;
- increased financing costs and inability to fund such costs;
- significant costs associated with terminating or modifying alliances; and
- problems in retaining customers and integrating operations, services, personnel, and customer bases.

If problems or issues were to arise among the parties to one or more strategic alliances for managerial, financial or other reasons, or if such strategic alliances or other relationships were terminated, the Group's product lines, businesses, financial position and results of operations could be adversely affected.

***The Group may not achieve the expected benefits from the integration of the Group's operations.***

The January 2014 acquisition of the approximately 41.5 percent interest in FCA US not already owned by the Group and the related integration of the two businesses is intended to provide the Group with a number of long-term benefits, including allowing new vehicle platforms and powertrain technologies to be shared across a larger volume, as well as procurement benefits and global distribution opportunities, particularly the extension of brands into new markets. The integration is also intended to facilitate penetration of key brands in several international markets where the Group believes products would be attractive to consumers, but where they currently do not have significant market penetration.

The ability to realise the benefits of the integration is critical for the Group to compete with other automakers. If the Group is unable to convert the opportunities presented by the integration into long-term commercial benefits, either by improving sales of vehicles and service parts, reducing costs or both, the Group's financial condition and results of operations may be materially adversely affected.

***The Group may be exposed to shortfalls in the Group's pension plans.***

The Group's defined benefit pension plans are currently underfunded. As of December 31, 2014, the Group's defined benefit pension plans were underfunded by approximately €5.1 billion (€4.8 billion of which relates to FCA US's defined benefit pension plans). The Group's pension funding obligations may increase significantly if the investment performance of plan assets does not keep pace with benefit payment obligations. Mandatory funding obligations may increase because of lower than anticipated returns on plan assets, whether as a result of overall weak market performance or particular investment decisions, changes in the level of interest rates used to determine required funding levels, changes in the level of benefits provided for by the plans, or any changes in applicable law related to funding requirements. The Group's defined benefit plans currently hold significant investments in equity and fixed income securities, as well as investments in less liquid instruments such as private equity, real estate and certain hedge funds. Due to the complexity and magnitude of certain investments, additional risks may exist, including significant changes in investment policy, insufficient market capacity to complete a particular investment strategy and an inherent divergence in objectives between the ability to manage risk in the short term and the ability to quickly rebalance illiquid and long-term investments.

To determine the appropriate level of funding and contributions to its defined benefit plans, as well as the investment strategy for the plans, the Group is required to make various assumptions, including an expected rate of return on plan assets and a discount rate used to measure the obligations under defined benefit pension plans. Interest rate increases generally will result in a decline in the value of investments in fixed income securities and the present value of the obligations. Conversely, interest rate decreases will generally increase the value of investments in fixed income securities and the present value of the obligations.

Any reduction in the discount rate or the value of plan assets, or any increase in the present value of obligations, may increase pension expenses and required contributions and, as a result, could constrain liquidity and materially adversely affect the Group's financial condition and results of operations. If the Group fails to make required minimum funding contributions, it could be subject to reportable event disclosure to the U.S. Pension Benefit Guaranty Corporation, as well as interest and excise taxes calculated based upon the amount of any funding deficiency. With ownership in FCA US now equal to 100 percent, the Group may become subject to certain U.S. legal requirements making it secondarily responsible for a funding shortfall in certain of FCA US's pension plans in the event these pension plans were terminated and FCA US were to become insolvent.

***The Group may not be able to provide adequate access to financing for its dealers and retail customers.***

The Group's dealers enter into wholesale financing arrangements to purchase vehicles to hold in inventory and facilitate retail sales, and retail customers use a variety of finance and lease programmes to acquire vehicles.

Unlike many of its competitors, the Group does not own and operate a controlled finance company dedicated solely to its mass-market operations in the U.S. and certain key markets in Europe. Instead it has elected to partner with specialised financial services providers through joint ventures and commercial agreements. The Group's lack of a controlled finance company in these key markets may increase the risk that dealers and retail customers will not have access to sufficient financing on acceptable terms which may adversely affect the Group's vehicle sales in the future. Furthermore, many of the Group's competitors are better able to implement financing programmes designed to maximise vehicle sales in a manner that optimises profitability for them and their finance companies on an aggregate basis. Since the Group's ability to compete depends on access to appropriate sources of financing for dealers and retail customers, its lack of a controlled finance company in those markets could adversely affect its results of operations.

In other markets, the Group relies on controlled finance companies, joint ventures and commercial relationships with third parties, including third party financial institutions, to provide financing to its dealers and retail customers. Finance companies are subject to various risks that could negatively affect their ability to provide financing services at competitive rates, including:

- the performance of loans and leases in their portfolio, which could be materially affected by delinquencies, defaults or prepayments;
- wholesale auction values of used vehicles;
- higher than expected vehicle return rates and the residual value performance of vehicles they lease; and
- fluctuations in interest rates and currency exchange rates.

Any financial services provider, including the Group's joint ventures and controlled finance companies, will face other demands on its capital, including the need or desire to satisfy funding requirements for dealers or customers of the Group's competitors as well as liquidity issues relating to other investments. Furthermore, they may be subject to regulatory changes that may increase their costs, which may impair their ability to provide competitive financing products to Group's dealers and retail customers.

To the extent that a financial services provider is unable or unwilling to provide sufficient financing at competitive rates to the Group's dealers and retail customers, such dealers and retail customers may not have sufficient access to financing to purchase or lease the Group's vehicles. As a result, the Group's vehicle sales and market share may suffer, which would adversely affect the Group's financial condition and results of operations.

***Vehicle sales depend heavily on affordable interest rates for vehicle financing.***

In certain regions, financing for new vehicle sales has been available at relatively low interest rates for several years due to, among other things, expansive government monetary policies. To the extent that interest rates rise generally, market rates for new vehicle financing are expected to rise as well, which may make the Group's vehicles less affordable to retail customers or steer consumers to less expensive vehicles that tend to be less profitable for the Group, adversely affecting the Group's financial condition and results of operations. Additionally, if consumer interest rates increase substantially or if financial service providers tighten lending standards or restrict their lending to certain classes of credit, the Group's retail customers may not desire to or be able to obtain financing to purchase or lease its vehicles. Furthermore, because the Group's customers may be relatively more sensitive to changes in the availability and adequacy of financing and macroeconomic conditions, the Group's vehicle sales may be disproportionately affected by changes in financing conditions relative to the vehicle sales of Group competitors.

***Limitations on the Group's liquidity and access to funding may limit its ability to execute its Business Plan and improve its financial condition and results of operations.***

The Group's future performance will depend on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and possible access to capital markets or other sources of financing. Although the Group has measures in place that are designed to ensure that adequate levels of working capital and liquidity are maintained, declines in sales volumes could have a negative impact on the cash-generating capacity of its operating activities. The Group could, therefore, find itself in the position of having to seek additional financing and/or having to refinance existing debt, including in unfavourable market conditions, with limited availability of funding and a general increase in funding costs. Any limitations on the Group's liquidity, due to decreases in vehicle sales, the amount of or restrictions in its existing indebtedness, conditions in the credit markets, general economic conditions or otherwise, may adversely impact the Group's ability to execute its Business Plan and impair its financial condition and results of operations. In addition, any actual or perceived limitations of the Group's liquidity may limit the ability or willingness of counterparties, including dealers, customers, suppliers and financial service providers, to do business with the Group, which may adversely affect its financial condition and results of operations.

***The Group's ability to achieve cost reductions and to realise production efficiencies is critical to maintaining its competitiveness and long-term profitability.***

The Group is continuing to implement a number of cost reduction and productivity improvement initiatives in its operations, for example, by increasing the number of vehicles that are based on common platforms, reducing dependence on sales incentives offered to dealers and consumers, leveraging purchasing capacity and volumes and implementing World Class Manufacturing ("WCM") principles. WCM principles are intended to eliminate waste of all types, and improve worker efficiency, productivity, safety and vehicle quality as well as worker flexibility and focus on removing capacity bottlenecks to maximise output when market demand requires without having to resort to significant capital investments. As part of the Group's Business Plan, it plans to continue its efforts to extend its WCM programmes into all of its production facilities and benchmark across all of the Group's facilities around the world. The Group's future success depends upon its ability to implement these initiatives successfully throughout its operations. While some productivity improvements are within its control, others depend on external factors, such as commodity prices, supply capacity limitations, or trade regulation. These external factors may make it more difficult to reduce costs as planned, and the Group may sustain larger than expected production expenses, materially affecting its business and results of operations. Furthermore, reducing costs may prove difficult due to the need to introduce new and improved products in order to meet consumer expectations.

***The Group's business operations may be impacted by various types of claims, lawsuits, and other contingent obligations.***

The Group is involved in various product liability, warranty, product performance, asbestos, personal injury, environmental claims and lawsuits, governmental investigations, antitrust, intellectual property, tax and other legal proceedings including those that arise in the ordinary course of its business. The Group estimates such potential claims and contingent liabilities and, where appropriate, records provisions to address these contingent liabilities. The ultimate outcome of the legal matters pending against the Group is uncertain, and although such claims, lawsuits and other legal matters are not expected individually to have a material adverse effect on its financial condition or results of operations, such matters could have, in the aggregate, a material adverse effect on its financial condition or results of operations. Furthermore, the Group could, in the future, be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on its results of operations in any particular period. While the Group maintains insurance coverage with respect to certain claims, it may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims. For further information, see also Notes 26 and 33 of the audited consolidated financial statements of the FCA Group as of and for the year ended December 31, 2014 included by reference in the Base Prospectus.

***Failure to maintain adequate financial and management processes and controls could lead to errors in the financial reporting, which could harm the Group's business reputation and cause a default under certain covenants in our credit agreements and other debt.***

The Group continuously monitors and evaluates changes in its internal controls over financial reporting. In support of its drive toward common global systems, the Group is extending the current finance, procurement, and capital project and investment management systems to new areas of operations. As appropriate, the Group continues to modify the design and documentation of internal control processes and procedures relating to the new systems to simplify and automate many of its previous processes. The Group's management believes that the implementation of these systems will continue to improve and enhance internal controls over financial reporting. Failure to maintain adequate financial and management processes and controls could lead to errors in the Group's financial reporting, which could harm its business reputation.

In addition, if the Group does not maintain adequate financial and management personnel, processes and controls, it may not be able to accurately report its financial performance on a timely basis, which could cause a default under certain covenants in the indentures governing certain of its public indebtedness, and other credit agreements.

***A disruption in the Group's information technology could compromise confidential and sensitive information.***

The Group depends on its information technology and data processing systems to operate its business, and a significant malfunction or disruption in the operation of its systems, or a security breach that compromises the confidential and sensitive information stored in those systems, could disrupt the Group's business and adversely impact its ability to compete.

The Group's ability to keep its business operating effectively depends on the functional and efficient operation of information, data processing and telecommunications systems, including vehicle design, manufacturing, inventory tracking and billing and payment systems. The Group relies on these systems to make a variety of day-to-day business decisions as well as to track transactions, billings, payments and inventory. Such systems are susceptible to malfunctions and interruptions due to equipment damage, power outages, and a range of other hardware, software and network problems. Those systems are also susceptible to cybercrime, or threats of intentional disruption, which are increasing in terms of sophistication and frequency. For any of these reasons, the Group may experience systems malfunctions or interruptions. Although the Group's systems are diversified, including multiple server locations and a range of software applications for different regions and functions, and the Group is currently undergoing an effort to assess and ameliorate risks to its systems, a significant or large-scale malfunction or interruption of any one of its computer or data processing systems could adversely affect the ability to manage and keep the Group's operations running efficiently, and damage its reputation if it is unable to track transactions and deliver products to dealers and customers. A malfunction that results in a wider or sustained disruption to the Group's business could have a material adverse effect on its business, financial condition and results of operations.

In addition to supporting the its operations, the Group uses its systems to collect and store confidential and sensitive data, including information about its business, customers and employees. As its technology continues to evolve, the Group anticipates that it will collect and store even more data in the future, and that its systems will increasingly use remote communication features that are sensitive to both wilful and unintentional security breaches. Much of the Group's value is derived from its confidential business information, including vehicle design, proprietary technology and trade secrets, and to the extent the confidentiality of such information is compromised, the Group may lose its competitive advantage and its vehicle sales may suffer. The Group also collects, retains and uses personal information, including data it gathers from customers for product development and marketing purposes, and data it obtains from employees. In the event of a breach in security that allows third parties access to this personal information, the Group is subject to a variety of ever-changing laws on a global basis that require it to provide notification to the data owners, and that subject the Group to lawsuits, fines and other means of regulatory enforcement. The Group's reputation could suffer in the event of such a data breach, which could cause consumers to purchase their vehicles from its competitors. Ultimately, any significant compromise in the integrity of the Group's data security could have a material adverse effect on its business.

***The Group may not be able to adequately protect its intellectual property rights, which may harm its business.***

The Group's success depends, in part, on its ability to protect its intellectual property rights. If the Group fails to protect its intellectual property rights, others may be able to compete against it using intellectual property that is the same as or similar to its own. In addition, there can be no guarantee that the Group's intellectual property rights are sufficient to provide it with a competitive advantage against others who offer products similar to those of the Group. Despite its efforts, the Group may be unable to prevent third parties from infringing its intellectual property and using its technology for competitive advantage. Any such infringement and use could adversely affect the Group's business, financial condition or results of operations.

The laws of some countries in which the Group operates does not offer the same protection of its intellectual property rights as do the laws of the U.S. or Europe. In addition, effective intellectual property enforcement may be unavailable or limited in certain countries, making it difficult for the Group to protect its intellectual property from misuse or infringement there. The Group's inability to protect its intellectual property rights in some countries may harm its business, financial condition or results of operations.

***The Group is subject to risks relating to international markets and exposure to changes in local conditions.***

The Group is subject to risks inherent to operating globally, including those related to:

- exposure to local economic and political conditions;
- import and/or export restrictions;
- multiple tax regimes, including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments to or from subsidiaries;
- foreign investment and/or trade restrictions or requirements, foreign exchange controls and restrictions on the repatriation of funds. In particular, current regulations limit the Group's ability to access and transfer liquidity out of Venezuela to meet demands in other countries and also subject it to increased risk of devaluation or other foreign exchange losses. For further information on the Group's Venezuela operations, see "*Financial Review of the FCA Group—Results by Segment—Venezuela*"; and
- the introduction of more stringent laws and regulations.

Unfavourable developments in any one or a combination of these areas (which may vary from country to country) could have a material adverse effect on the Group's financial condition and results of operations.

***The Group's success largely depends on the ability of its current management team to operate and manage effectively.***

The Group's success largely depends on the ability of its senior executives and other members of management to effectively manage the Group and individual areas of the business. In particular, the Chief Executive Officer, Sergio Marchionne, is critical to the execution of the Group's new strategic direction and implementation of the Business Plan. Although Mr. Marchionne has indicated his intention to remain as the Group's Chief Executive Officer through the period of the Group's Business Plan, if the Group were to lose his services or those of any other senior executives or other key employees this could have a material adverse effect on its business prospects, earnings and financial position. The Group has developed succession plans that it believes are appropriate in the circumstances, although it is difficult to predict with any certainty that the Group will replace these individuals with persons of equivalent experience and capabilities. If the Group is unable to find adequate replacements or to attract, retain and incentivise senior executives, other key employees or new qualified personnel its business, financial condition and results of operations may suffer.

***Developments in emerging market countries may adversely affect the Group's business.***

The Group operates in a number of emerging markets, both directly (e.g., Brazil and Argentina) and through joint ventures and other cooperation agreements (e.g., Turkey, India, China and Russia). The Group's Business Plan provides for expansion of existing sales and manufacturing presence in the Group's LATAM and APAC regions. In recent years the Group has been the market leader in Brazil, which has provided a key contribution to its financial performance. Its exposure to other emerging countries has increased in recent years, as have the number and importance of such joint ventures and cooperation agreements. Economic and political developments in Brazil and other emerging markets, including economic crises or political instability, have had and could have in the future material adverse effects on the Group's financial condition and results of operations. Further, in certain markets in which the Group or its joint ventures operate, government approval may be required for certain activities, which may limit its ability to act quickly in making decisions on its operations in those markets.

Maintaining and strengthening the Group's position in these emerging markets is a key component of its global growth strategy in its Business Plan. However, with competition from many of the largest global manufacturers as well as numerous smaller domestic manufacturers, the automotive market in these emerging markets is highly competitive. As these markets continue to grow, the Group anticipates that additional competitors, both international and domestic, will seek to enter these markets and that existing market participants will try to aggressively protect or increase their market share. Increased competition may result in price reductions, reduced margins and the Group's inability to gain or hold market share, which could have a material adverse effect on its financial condition and results of operations.

***The Group's reliance on joint ventures in certain emerging markets may adversely affect the development of its business in those regions.***

The Group intends to expand its presence in emerging markets, including China and India, through partnerships and joint ventures. For instance, the Group entered into a joint venture with Guangzhou Automobile Group Co., Ltd (the "GAC Group") which will localise production of three new Jeep vehicles for the Chinese market and expand the portfolio of Jeep sport utility vehicles, or SUVs, currently available to Chinese consumers as imports. The Group has also entered into a joint venture with TATA Motors Limited for the production of certain of its vehicles, engines and transmissions in India.

The Group's reliance on joint ventures to enter or expand its presence in these markets may expose it to risk of conflict with its joint venture partners and the need to divert management resources to overseeing these shareholder arrangements. Further, as these arrangements require cooperation with third party partners, these joint ventures may not be able to make decisions as quickly as the Group would if it were operating on its own or may take actions that are different from what it would do on a standalone basis in light of the need to consider its partners' interests. As a result, the Group may be less able to respond timely to changes in market dynamics, which could have an adverse effect on its financial condition and results of operations.

***Laws, regulations and governmental policies, including those regarding increased fuel economy requirements and reduced greenhouse gas emissions, may have a significant effect on how the Group does business and may adversely affect its results of operations.***

In order to comply with government regulations related to fuel economy and emissions standards, the Group must devote significant financial and management resources, as well as vehicle engineering and design attention, to these legal requirements. The Group expects the number and scope of these regulatory requirements, along with the costs associated with compliance, to increase significantly in the future and these costs could be difficult to pass through to customers. As a result, it may face limitations on the types of vehicles it produces and sells and where it can sell them, which could have a material adverse impact on the Group’s financial condition and results of operations.

Government initiatives to stimulate consumer demand for products sold by the Group, such as changes in tax treatment or purchase incentives for new vehicles, can substantially influence the timing and level of the Group’s revenues. The size and duration of such government measures are unpredictable and outside of the Group’s control. Any adverse change in government policy relating to those measures could have material adverse effects on its business prospects, financial condition and results of operations.

***The financial resources required to develop and commercialise vehicles incorporating sustainable technologies for the future are significant, as are the barriers that limit the mass-market potential of such vehicles.***

The Group’s product strategy is driven by the objective of achieving sustainable mobility by reducing the environmental impact of vehicles over their entire life cycle. It therefore intends to continue investing capital resources to develop new sustainable technology. The Group aims to increase the use of alternative fuels, such as natural gas, by continuing to offer a range of dual-fuel passenger cars and commercial vehicles. Additionally, it plans to continue developing alternative propulsion systems, particularly for vehicles driven in urban areas (such as the zero-emission Fiat 500e).

In many cases, technological and cost barriers limit the mass-market potential of sustainable natural gas and electric vehicles. In certain other cases the technologies that the Group plans to employ are not yet commercially practical and depend on significant future technological advances by it and by suppliers. There can be no assurance that these advances will occur in a timely or feasible manner, that the funds budgeted or expended for these purposes will be adequate, or that the Group will be able to obtain rights to use these technologies. Further, its competitors and others are pursuing similar technologies and other competing technologies and there can be no assurance that they will not acquire similar or superior technologies sooner than the Group will or on an exclusive basis or at a significant price advantage.

***Labour laws and collective bargaining agreements with the Group’s labour unions could impact its ability to increase the efficiency of its operations.***

Substantially all of the Group’s production employees are represented by trade unions, are covered by collective bargaining agreements and/or are protected by applicable labour relations regulations that may restrict our ability to modify operations and reduce costs quickly in response to changes in market conditions. These and other provisions in the Group’s collective bargaining agreements may impede its ability to restructure its business successfully to compete more effectively, especially with those automakers whose employees are not represented by trade unions or are subject to less stringent regulations, which could have a material adverse effect on the Group’s financial condition and results of operations.

***The Group depends on its relationships with suppliers.***

The Group purchases raw materials and components from a large number of suppliers and depends on services and products provided by companies outside the Group. Close collaboration between an original equipment manufacturer (“OEM”) and its suppliers is common in the automotive industry, and although this offers economic benefits in terms of cost reduction, it also means that the Group depends on its suppliers and is exposed to the possibility that difficulties, including those of a financial nature, experienced by those suppliers (whether caused by internal or external factors) could have a material adverse effect on the Group’s financial condition and results of operations.

***The Group faces risks associated with increases in costs, disruptions of supply or shortages of raw materials.***

The Group uses a variety of raw materials in its business including steel, aluminium, lead, resin and copper, and precious metals such as platinum, palladium and rhodium, as well as energy. The prices for these raw materials fluctuate, and market conditions can affect the Group's ability to manage its cost of sales over the short term. It seeks to manage this exposure, but it may not be successful in managing exposure to these risks. Substantial increases in the prices for raw materials would increase its operating costs and could reduce profitability if the increased costs cannot be offset by changes in vehicle prices or countered by productivity gains. In particular, certain raw materials are sourced from a limited number of suppliers and from a limited number of countries. The Group cannot guarantee that it will be able to maintain arrangements with these suppliers that assure access to these raw materials, and in some cases this access may be affected by factors outside of its control and the control of its suppliers. For instance, natural or man-made disasters or civil unrest may have severe and unpredictable effects on the price of certain raw materials in the future.

As with raw materials, the Group is also at risk for supply disruption and shortages in parts and components for use in its vehicles for many reasons including, but not limited to, tight credit markets or other financial distress, natural or man-made disasters, or production difficulties. The Group will continue to work with suppliers to monitor potential disruptions and shortages and to mitigate the effects of any emerging shortages on its production volumes and revenues. However, there can be no assurances that these events will not have an adverse effect on its production in the future, and any such effect may be material.

Any interruption in the supply or any increase in the cost of raw materials, parts, components and systems could negatively impact the Group's ability to achieve its vehicle sales objectives and profitability. Long-term interruptions in supply of raw materials, parts, components and systems may result in a material impact on vehicle production, vehicle sales objectives, and profitability. Cost increases which cannot be recouped through increases in vehicle prices, or countered by productivity gains, may result in a material impact on the Group's financial condition and/or results of operations.

***The Group is subject to risks associated with exchange rate fluctuations, interest rate changes, credit risk and other market risks.***

The Group operates in numerous markets worldwide and is exposed to market risks stemming from fluctuations in currency and interest rates. The exposure to currency risk is mainly linked to the differences in geographic distribution of its manufacturing activities and commercial activities, resulting in cash flows from sales being denominated in currencies different from those connected to purchases or production activities.

The Group uses various forms of financing to cover funding requirements for its industrial activities and for providing financing to its dealers and customers. Moreover, liquidity for industrial activities is also principally invested in variable-rate or short-term financial instruments. The Group's financial services businesses normally operate a matching policy to offset the impact of differences in rates of interest on the financed portfolio and related liabilities. Nevertheless, changes in interest rates can affect net revenues, finance costs and margins.

The Group seeks to manage risks associated with fluctuations in currency and interest rates through financial hedging instruments. Despite such hedges being in place, fluctuations in currency or interest rates could have a material adverse effect on its financial condition and results of operations. For example, the weakening of the Brazilian Real against the Euro in 2014 impacted the results of operations of the Group's LATAM segment.

The Group's financial services activities are also subject to the risk of insolvency of dealers and retail customers, as well as unfavourable economic conditions in markets where these activities are carried out. Despite its efforts to mitigate such risks through the credit approval policies applied to dealers and retail customers, there can be no assurances that it will be able to successfully mitigate such risks, particularly with respect to a general change in economic conditions.

***FCA is a holding company, which creates structural subordination risks for the holders of the Notes.***

FCA is organised as a holding company that conducts essentially all of its operations through its subsidiaries and depends primarily on the earnings and cash flows of, and the distribution of funds from, these subsidiaries to meet its debt obligations, including its obligations under the Notes issued by it and its guarantee obligations with respect to the Guaranteed Notes. Generally, creditors of a subsidiary, including trade creditors, secured creditors and creditors holding indebtedness and guarantees issued by the subsidiary, and preferred shareholders, if any, of the subsidiary, will be entitled to the assets of that subsidiary before any of those assets can be distributed to shareholders upon liquidation or winding up. As a result, FCA's obligations under the Notes issued by it and under the Guarantee of the Guaranteed Notes will effectively be subordinated to the prior payment of all the debts and other liabilities, including the right of trade creditors and preferred shareholders, if any, of FCA's direct and indirect subsidiaries. FCA's subsidiaries have other liabilities, including contingent liabilities, which could be substantial. See also "*Risk Factors—Risks Related to the Notes Generally—The Notes do not restrict the amount of debt which the Issuers and the Guarantor may incur*".

***The Guarantor's Guarantee of the Notes may be limited by applicable laws or subject to certain procedures that could limit or prevent the Guarantor from making payments under the Guarantee.***

The Guarantee provides the holders of the Guaranteed Notes with a direct claim against the Guarantor. However, the enforcement of the Guarantee against FCA would be subject to certain defences generally available in connection with guarantees. These laws and defences include those that relate to fraudulent conveyance or transfer, bankruptcy claw-back, corporate purpose, conflicts of interest, or similar laws, regulations or defences affecting the rights of creditors generally. In addition, in order for a Guarantee to be enforceable under Dutch law, the Guarantor's directors must determine that the granting of the Guarantee is in the Guarantor's best corporate interest (*vennootschappelijk belang*), that the Guarantor benefits, either directly or indirectly, from the granting of the Guarantee, and that the granting of the Guarantee is contemplated and permitted by the Guarantor's articles of association and corporate objectives.

***FCA operates so as to be treated as exclusively resident in the United Kingdom for tax purposes, but the relevant tax authorities may treat it as also being tax resident elsewhere.***

FCA is not a company incorporated in the U.K. Therefore, whether it is resident in the U.K. for tax purposes will depend on whether its "central management and control" is located (in whole or in part) in the U.K. The test of "central management and control" is largely a question of fact and degree based on all the circumstances, rather than a question of law. Nevertheless, the decisions of the U.K. courts and the published practice of Her Majesty's Revenue & Customs, or HMRC, suggest that FCA, a group holding company, is likely to be regarded as having become U.K.-resident on this basis from incorporation and remaining so if, as FCA intends, including that (i) at least half of the meetings of its Board of Directors are held in the U.K. with a majority of directors present in the U.K. for those meetings; (ii) at those meetings there are full discussions of, and decisions are made regarding, the key strategic issues affecting FCA and its subsidiaries; (iii) those meetings are properly minuted; (iv) at least some of the directors of FCA, together with supporting staff, are based in the U.K.; and (v) FCA has permanent staffed office premises in the U.K.

Even if FCA is resident in the U.K. for tax purposes on this basis, as expected, it would nevertheless not be treated as U.K.-resident if (a) it were concurrently resident in another jurisdiction (applying the tax residence rules of that jurisdiction) that has a double tax treaty with the U.K. and (b) there is a tie-breaker provision in that tax treaty which allocates exclusive residence to that other jurisdiction.

Residence of FCA for Italian tax purposes is largely a question of fact based on all circumstances. A rebuttable presumption of residence in Italy may apply under Article 73(5-*bis*) of the Italian Consolidated Tax Act ("CTA"). However, FCA has set up and thus far maintained, and intends to continue to maintain its management and organisational structure in such a manner that it should be deemed resident in the U.K. from its incorporation for the purposes of the Italy-U.K. tax treaty. The result of this is that FCA should not be regarded as an Italian tax resident either for the purposes of the Italy-UK tax treaty or for Italian domestic law purposes. Because this analysis is highly factual and may depend on future changes in FCA's management and organisational structure, there can be no assurance regarding the final determination of FCA's tax residence. Should FCA be treated as an Italian tax resident, it would be subject to taxation in Italy on its worldwide income and may be required to comply with withholding tax and/or reporting obligations provided under Italian tax law, which could result in additional costs and expenses.

Even if its "central management and control" is in the U.K. as expected, FCA will be resident in the Netherlands for Dutch corporate income tax and Dutch dividend withholding tax purposes on the basis that it is incorporated there. Nonetheless, FCA will be regarded as solely resident in either the U.K. or the Netherlands under the Netherlands-U.K. tax treaty if the U.K. and Dutch competent authorities agree that this is the case. FCA has applied for and received a ruling from the U.K. and Dutch competent authorities that it should be treated as resident solely in the U.K. for the purposes of the treaty. If there is a change over time to the facts upon which a ruling issued by the competent authorities is based, the ruling may be withdrawn or cease to apply.

FCA therefore expects to continue to be treated as resident in the U.K. and subject to U.K. corporation tax.

***The existence of a permanent establishment in Italy for FCA after the Merger is a question of fact based on all the circumstances.***

Whether FCA has maintained a permanent establishment in Italy after the Merger (an "Italian P.E".) is largely a question of fact based on all the circumstances. FCA believes that, on the understanding that it should be a U.K.-resident company under the Italy-U.K. tax treaty, it is likely to be treated as maintaining an Italian P.E. because FCA has maintained and intends to continue to maintain sufficient employees, facilities and activities in Italy to qualify as maintaining an Italian P.E. Should this be the case (i) the embedded gains on FCA's assets connected with the Italian P.E. cannot be taxed as a result of the Merger; (ii) FCA's tax-deferred reserves cannot be taxed, inasmuch as they have been recorded in the Italian P.E.'s financial accounts; and (iii) the Italian fiscal unit that was headed by Fiat before the Merger (the "Fiscal Unit"), continues with respect to FCA's Italian subsidiaries whose shareholdings are part of the Italian P.E.'s net worth.

According to Article 124(5) of the CTA, a mandatory ruling request was submitted to the Italian tax authorities, in order to ensure the continuity, via the Italian P.E., of the Fiscal Unit that was previously in place between Fiat and its Italian subsidiaries. FCA filed a ruling request with the Italian tax authorities in respect of the continuation of the Fiscal Unit via the Italian P.E. on April 16, 2014. The Italian tax authorities issued the ruling on December 10, 2014 (the "Ruling"), confirming that the Fiscal Unit may continue via the Italian P.E. However, the Ruling is an interpretative ruling. It is not an assessment of a certain set of facts and circumstances. Therefore, even though the Ruling confirms that the Fiscal Unit may continue via the Italian P.E., this does not rule out that the Italian tax authorities may in the future verify whether FCA actually has a P.E. in Italy and potentially challenge the existence of such P.E. Because the analysis is highly factual, there can be no assurance regarding FCA's maintenance of an Italian P.E. after the Merger.

**Risks Related to the Group's Substantial Existing Indebtedness**

***The Group has significant outstanding indebtedness, which may limit its ability to obtain additional funding on competitive terms and limit its financial and operating flexibility.***

The extent of the Group's indebtedness could have important consequences on its operations and financial results, including:

- it may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes;
- it may need to use a portion of its projected future cash flow from operations to pay principal and interest on its indebtedness, which may reduce the amount of funds available to the Group for other purposes;
- it may be more financially leveraged than some of its competitors, which may put it at a competitive disadvantage; and
- it may not be able to adjust rapidly to changing market conditions, which may make it more vulnerable to a downturn in general economic conditions or its business.

These risks may be exacerbated by volatility in the financial markets, particularly those resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the Eurozone.

Even after the January 2014 acquisition of the approximately 41.5 percent interest in FCA US that the Group did not already own, FCA US continues to manage financial matters, including cash management, separately. Additionally, FCA has not provided guarantees or security or undertaken any other similar commitment in relation to any financial obligation of FCA US, nor does it have any commitment to provide funding to FCA US in the future.

Furthermore, certain bonds issued by the Group include covenants that may be affected by FCA US's circumstances. In particular, these bonds include cross-default clauses which may accelerate the relevant issuer's obligation to repay its bonds in the event that FCA US fails to pay certain debt obligations on maturity or is otherwise subject to an acceleration in the maturity of any of those obligations. Therefore, these cross-default provisions could require early repayment of those bonds in the event FCA US's debt obligations are accelerated or are not repaid at maturity. There can be no assurance that the obligation to accelerate the repayment by FCA US of its debts will not arise or that it will be able to pay its debt obligations when due at maturity.

***Restrictive covenants in the Group's debt agreements could limit its financial and operating flexibility.***

The indentures governing certain of the Group's outstanding public indebtedness, and other credit agreements to which companies in the Group are a party, contain covenants that restrict the ability of certain companies in the Group to, among other things:

- incur additional debt;
- make certain investments;
- enter into certain types of transactions with affiliates;
- sell certain assets or merge with or into other companies;
- use assets as security in other transactions; and
- enter into sale and leaseback transactions.

For more information regarding our credit facilities and debt, see "*Financial Review of the FCA Group—Liquidity and Capital Resources*".

***Restrictions arising out of FCA US's debt instruments may hinder the Group's ability to manage its operations on a consolidated, global basis.***

FCA US is party to credit agreements for certain senior credit facilities and an indenture for a series of secured senior notes. These debt instruments include covenants that restrict FCA US's ability to pay dividends or enter into sale and leaseback transactions, make certain distributions or purchase or redeem capital stock, prepay other debt, encumber assets, incur or guarantee additional indebtedness, incur liens, transfer and sell assets or engage in certain business combinations, enter into certain transactions with affiliates or undertake various other business activities.

In particular, in January 2014 and February 2015, FCA US paid distributions of U.S.$1.9 billion and U.S.$1.3 billion, respectively, to its members. Further distributions will be limited to 50 percent of FCA US's cumulative consolidated net income (as defined in the agreements) from the period from January 1, 2012 until the end of the most recent fiscal quarter, less the amounts of the January 2014 and February 2015 distribution. For more information regarding our credit facilities and debt, see "*Financial Review of the FCA Group—Liquidity and Capital Resources*".

These restrictive covenants could have an adverse effect on the Group's business by limiting its ability to take advantage of financing, mergers and acquisitions, joint ventures or other corporate opportunities. In particular, the senior credit facilities contain, and future indebtedness may contain, other and more restrictive covenants. These agreements also limit FCA US's ability to prepay certain of its indebtedness or imposing limitations that make prepayment impractical. The senior credit facilities require FCA US to maintain borrowing base collateral coverage and a minimum liquidity threshold. A breach of any of these covenants or restrictions could result in an event of default on the indebtedness and the other indebtedness of FCA US or result in cross-default under certain of its or of the Group's indebtedness.

If FCA US is unable to comply with these covenants, its outstanding indebtedness may become due and payable and creditors may foreclose on pledged properties. In this case, FCA US may not be able to repay its debt and it is unlikely that it would be able to borrow sufficient additional funds. Even if new financing is made available to FCA US in such circumstances, it may not be available on acceptable terms.

Compliance with certain of these covenants could also restrict FCA US's ability to take certain actions that its management believes are in FCA US's and the Group's best long-term interests.

Should FCA US be unable to undertake strategic initiatives due to the covenants provided for by the above-referenced instruments, the Group's business prospects, financial condition and results of operations could be impacted.

***No assurance can be given that restrictions arising out of FCA US's debt instruments will be eliminated.***

In connection with the Group's capital planning to support the Business Plan, FCA has announced its intention to eliminate existing contractual terms limiting the free flow of capital among Group companies, including through the redemption of FCA US's outstanding secured senior notes no later than their optional redemption date, as well as the refinancing or amendment of outstanding FCA US term loans and its revolving credit facility at or before June 2016. No assurance can be given regarding the timing of such transactions or that such transactions will be completed.

***Substantially all of the assets of FCA US and its U.S. subsidiary guarantors are unconditionally pledged as security under its senior credit facilities and secured senior notes and could become subject to lenders' contractual rights if an event of default were to occur.***

FCA US and several of its U.S. subsidiaries are obligors or guarantors under FCA US's senior credit facilities and secured senior notes. The obligations under the senior credit facilities and secured senior notes are secured by senior and junior priority, respectively, security interests in substantially all of the assets of FCA US and its U.S. subsidiary guarantors. The collateral includes 100 percent of the equity interests in FCA US's U.S. subsidiaries, 65 percent of the equity interests in its non-U.S. subsidiaries held directly by FCA US and its U.S. subsidiary guarantors, all personal property and substantially all of FCA US's U.S. real property other than its Auburn Hills, Michigan headquarters. An event of default under FCA US's senior credit facilities and/or secured senior notes could trigger its lenders' or noteholders' contractual rights to enforce their security interest in these assets.

**Risks Relating to the Proposed Separation of Ferrari**

***No assurance can be given that the Ferrari separation will be completed in the manner and within the time expected, or at all.***

No assurance can be given as to whether the separation of Ferrari will be completed in the manner and within the time expected, or at all. FCA may determine to delay or abandon the separation at any time for any reason or for no reason. For further information on the Ferrari separation, see "*Financial Review of the FCA Group—Significant Recent Events*".

***The Group may be unable to achieve some or all of the benefits that it expects to achieve from its separation from Ferrari.***

The Group may not be able to achieve the financial and other benefits that it expects will result from the separation of Ferrari. The anticipated benefits of the separation are based on a number of assumptions, some of which may prove incorrect. For example, there can be no assurance that the separation of Ferrari will enable the Group to strengthen its capital base sufficiently to offset the loss of the earnings power and potential earnings of Ferrari.

**Risks Related to Notes Generally**

***The Notes may not be a suitable investment for all investors.***

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in the Base Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes, which are complex financial instruments, unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

***The terms and conditions of the Notes are subject to modification and waiver.***

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

***Pursuant to the EU Savings Directive, payments on the Notes made or collected through certain EU member states may be subject to withholding.***

Under Council Directive 2003/48/EC on the taxation of savings income (the "Savings Directive"), each Member State of the European Union is required to provide to the tax authorities of another such Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or secured by such a person for, an individual beneficial owner resident in, or certain limited types of entity established in, that other Member State. The Savings Directive will, however, be repealed with effect from January 1, 2016 in the case of Member States other than Austria and from January 1, 2017 in the case of Austria.

Austria will, until January 1, 2017 (unless during such period it elects otherwise), operate a withholding system in relation to such payments instead of an information reporting system. The rate of withholding is 35 percent. However, the beneficial owner of the interest (or similar income) payment may elect that certain provision of information procedures should be applied instead of withholding, provided that certain conditions are met.

The repeal of the Savings Directive is to prevent overlap with the new mandatory automatic exchange of financial account information to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU) (the "DAC"). The repeal will also be subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before the effective dates of the repeal.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures to the Savings Directive.

Those measures in some or all of those countries and territories may be revised to be aligned with the DAC.

If a payment under a Note were to be made and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive or any law implementing or complying with, or introduced in order to conform to, such Directive, neither the relevant Issuer, nor the Guarantor, nor any Paying Agent nor any other person would be obliged to pay additional amounts under the terms of such Note as a result of the imposition of such withholding tax.

Investors who are in any doubt as to their position should consult their professional advisers.

***Bearer Notes may be traded in amounts that are not integral multiples of their Specified Denomination.***

In relation to any issue of Bearer Notes which have denominations consisting of a minimum Specified Denomination and one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a holder who, as a result of such trading, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Bearer Note in respect of such holding (should definitive Bearer Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to the minimum Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination which is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

***Laws may restrict certain investments in the Notes.***

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

***The Notes do not restrict the amount of debt which the Issuers and the Guarantor may incur.***

The terms and conditions relating to the Notes do not contain any restriction on the amount of indebtedness which the Issuers and the Guarantor may from time to time incur. In the event of any insolvency or winding-up of the Issuers or the Guarantor (where applicable), the Notes will rank equally with other unsecured senior indebtedness of the relevant Issuer and the Guarantor and, accordingly, any increase in the amount of unsecured senior indebtedness of the Issuers or the Guarantor in the future may reduce the amount recoverable by Noteholders. In addition, the Notes are unsecured and, save as provided in Condition 4 (*Negative Pledge*), do not contain any restriction on the giving of security by the Issuers or the Guarantor over present and future indebtedness. Where security has been granted over assets of the Issuers or the Guarantor to secure indebtedness, in the event of any insolvency or winding-up of the Issuers or the Guarantor, such indebtedness will rank in priority over the Notes and other unsecured indebtedness of the Issuers or the Guarantor in respect of such assets. In relation to the assets and indebtedness of FCA's subsidiaries, see also "*Risk Factors—FCA is a holding company, which creates structural subordination risks for the holders of the Notes*" above.

**Risks that May Be Related to Particular Series of Notes**

Different types of Notes may be issued under the Programme. A number of these Notes may have features which present particular risks for potential investors. Set out below is a description of the most common such features:

***Notes subject to optional redemption by the Issuer.***

An optional redemption feature of Notes is likely to limit their market value. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***Fixed/Floating Rate Notes.***

Fixed/Floating Rate Notes bear interest at a rate that may convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. When an Issuer has the right to effect such conversion, this will affect the secondary market and the market value of the Notes since an Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If an Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then-prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If an Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then-prevailing rates on its Notes.

***Notes issued at a substantial discount or premium.***

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

**Risks Related to the Market Generally**

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

***Investors may not have access to a liquid secondary market into which to sell their Notes.***

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar instruments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Notes.

***Investors will face the risks of exchange rate fluctuations and possible exchange controls.***

The relevant Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee (where applicable) in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. Appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the relevant Issuer or the Guarantor to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***Investors will face interest-rate risks.***

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

***Credit ratings may not reflect all risks.***

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

**Risks related to Notes Denominated in Renminbi**

***The Renminbi is not freely convertible and there are significant restrictions on the remittance of the Renminbi into and outside the PRC.***

The Renminbi is not freely convertible at present. The government of the PRC (the "PRC Government") continues to regulate conversion between the Renminbi and foreign currencies, despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. Participating banks in Hong Kong, Macau, Singapore, Taiwan, London, Frankfurt, Seoul, Paris, Luxembourg, Sydney, Toronto, Doha, Kuala Lumpur, Bangkok, Santiago, Budapest, Johannesburg, Buenos Aires and Lusaka have been permitted to engage in the settlement of current account trade transactions in Renminbi.

On October 13, 2011, the People's Bank of China (the "PBoC") promulgated the "Administrative Rules on Settlement of RMB-denominated Foreign Direct Investment" (外商直接投资人民币结算业务管理办法) (the "PBoC FDI Measures") as part of the implementation of the PBoC's detailed foreign direct investment ("FDI") accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. On June 14, 2012, the PBoC further issued the implementing rules for the PBoC FDI Measures. Under the PBoC FDI Measures, special approval for FDI and shareholder loans from the PBoC, which was previously required, is no longer necessary. In some cases however, post-event filing with the PBoC is still necessary.

On December 3, 2013, the Ministry of Commerce of the PRC ("MOFCOM") promulgated the "Circular on Issues Concerning Cross-border RMB Direct Investment" (商务部关于跨境人民币直接投资有关问题的公告) (the "MOFCOM Circular"), which became effective on January 1, 2014. The MOFCOM Circular replaced the "Notice on Issues Concerning Cross-border Direct Investment in RMB" (商务部关于跨境人民币直接投资有关问题的通知) promulgated by MOFCOM on October 12, 2011 (the "2011 MOFCOM Notice"). Pursuant to the MOFCOM Circular, written approval from the appropriate office of MOFCOM and/or its local counterparts specifying "Renminbi Foreign Direct Investment" and the amount of capital contribution is required for each FDI. The MOFCOM Circular also clearly prohibits FDI funds from being used for any investments in securities and financial derivatives (except for investments in PRC listed companies by strategic investors) or for entrustment loans in the PRC.

The MOFCOM Circular and the PBoC FDI Measures will be subject to interpretation and application by the relevant authorities in the PRC.

There is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued, or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules. In the event that any regulatory restrictions inhibit the ability of the relevant Issuer or the Guarantor, as the case may be, to repatriate funds outside the PRC to meet its obligations under the CNY Notes, the relevant Issuer or the Guarantor, as the case may be, will need to source Renminbi offshore to finance such obligations under the CNY Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

Investors may be required to provide certifications and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

For further details in respect of the remittance of Renminbi into and outside the PRC (including the MOFCOM Circular and the PBoC FDI Measures), see "*Remittance of Renminbi into and outside the PRC*" below.

***There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the CNY Notes and the ability of the relevant Issuer or Guarantor to source Renminbi outside the PRC to service the CNY Notes.***

As a result of the restrictions imposed by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. Currently, licensed banks in Singapore and Hong Kong may offer limited Renminbi-denominated banking services to Singapore residents, Hong Kong residents and specified business customers. The PBoC, the central bank of the PRC, has also established Renminbi clearing and settlement mechanisms for participating banks in Hong Kong, Macau, Singapore, Taiwan, London, Frankfurt, Seoul, Paris, Luxembourg, Sydney, Toronto, Doha, Kuala Lumpur, Bangkok, Santiago, Budapest, Johannesburg, Buenos Aires and Lusaka through settlement agreements on the clearing of Renminbi business (the "Settlement Agreements") with Bank of China (Hong Kong) Limited in Hong Kong, Bank of China, Macau Branch in Macau, Industrial and Commercial Bank of China, Singapore Branch in Singapore, Bank of China, Taipei Branch in Taiwan, China Construction Bank (London) Limited in London, Bank of China, Frankfurt Branch in Frankfurt, Bank of Communications, Seoul Branch in Seoul, Bank of China, Paris Branch in Paris, Industrial and Commercial Bank of China Limited, Luxembourg Branch in Luxembourg, Bank of China (Australia) in Sydney, Industrial and Commercial Bank of China (Canada) in Toronto, Industrial and Commercial Bank of China Limited, Qatar Branch in Doha, the Bank of China (Malaysia) Berhad in Kuala Lumpur and Industrial and Commercial Bank of China (Thai) Public Company Limited in Bangkok, China Construction Bank (CCB) Chile Branch in Santiago, Bank of China (Hungary) Close Ltd. in Budapest, Bank of China Limited, Johannesburg

Branch in Johannesburg, Industrial and Commercial Bank of China (Argentina) S.A. in Buenos Aires and Bank of China (Zambia) Limited in Lusaka (each, a "Renminbi Clearing Bank").

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. They are only allowed to square their open positions with the relevant Renminbi Clearing Bank after consolidating the Renminbi trade position of banks outside Hong Kong, Macau, Singapore, Taiwan, London, Frankfurt, Seoul, Paris, Luxembourg, Sydney, Toronto, Doha, Kuala Lumpur, Bangkok, Santiago, Budapest, Johannesburg, Buenos Aires and Lusaka that are in the same bank group of the participating banks concerned with their own trade position, and the relevant Renminbi Clearing Bank only has access to onshore liquidity support from the PBoC for the purpose of squaring open positions of participating banks for limited types of transactions. The relevant Renminbi Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In each case, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreements will not be terminated or amended in the future so as to have the effect of restricting the availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the CNY Notes. To the extent the relevant Issuer or the Guarantor, as the case may be, is required to source Renminbi outside the PRC to service the CNY Notes, there is no assurance that it will be able to source such Renminbi on satisfactory terms, if at all. If the Renminbi is not available in certain circumstances as described in the CNY Notes, the relevant Issuer or the Guarantor, as the case may be, can make payments under the CNY Notes in U.S. dollars or another specified currency.

***Investment in the CNY Notes is subject to exchange rate risks and the relevant Issuer or the Guarantor may make payments of interest and principal in U.S.dollars in certain circumstances.***

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC, by international political and economic conditions and by many other factors. In addition, although the primary obligation of the relevant Issuer or the Guarantor, as the case may be, is to make all payments of interest and principal with respect to the CNY Notes in Renminbi, in the event access to Renminbi in Hong Kong becomes restricted to the extent that, by reason of Inconvertibility, Non-transferability or Illiquidity (each as defined in "*Terms and Conditions of the Notes*"), the relevant Issuer or the Guarantor, as the case may be, is unable to pay interest or principal in Renminbi in Hong Kong, the terms of the CNY Notes allow the relevant Issuer or the Guarantor, as the case may be, to make payment in U.S. dollars or another specified currency at the prevailing spot rate of exchange, all as provided for in more detail in "*Terms and Conditions of the Notes—Condition 6(h) (Payments—Payment of Alternative Currency Equivalent)*". As a result, the value of these Renminbi payments in U.S. dollar or other foreign currency terms may vary with the prevailing exchange rates in the market place. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of the investment in U.S. dollars or other applicable foreign currency terms, as the case may be, will decline.

***Payments in respect of the CNY Notes will only be made to investors in the manner specified in the CNY Notes.***

Investors may be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong. Except in the limited circumstances stipulated in "*Terms and Conditions of the Notes—Condition 6(h) (Payments—Payment of Alternative Currency Equivalent)*", all payments to investors in respect of the CNY Notes will be made solely (i) for so long as the CNY Notes are represented by a Global Note, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and procedures of the relevant clearing systems, or (ii) for so long as the CNY Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations of the relevant clearing systems. Other than as described in the "*Terms and Conditions of the Notes*", none of the Issuers nor the Guarantor can be required to make payment by any other means (including in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

## DOCUMENTS INCORPORATED BY REFERENCE

The information contained in certain pages of the documents referred to in paragraphs (a), (b), (c), (d) and (h) below and the documents referred to in paragraph (e), (f) and (g) below have been filed with the Central Bank and shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

(a) the audited consolidated annual financial statements (including a consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and notes to the consolidated financial statements) of the FCA Group as of and for the year ended December 31, 2014.

The FCA Group's audited consolidated financial statements as of and for the year ended December 31, 2014 are set out at pages 141 through 255 of the Annual Report at December 31, 2014 of the FCA Group available on FCA's website at the link below:

http://www.fcagroup.com/en-US/investor_relations/financial_information_reports/annual_reports/annual_reports/FCA_2014_Annual_Report.pdf

the audited consolidated annual financial statements (including a consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and notes to the consolidated financial statements) of the Fiat Group as of and for the year ended December 31, 2013, including the independent auditor's report thereon.

The Fiat Group's audited consolidated financial statements and audit report thereon as of and for the year ended December 31, 2013 are set out at pages 122 through 236 and at pages 340 and 341, respectively, of the Annual Report at December 31, 2013 of the Fiat Group available on FCA's website at the link below:

http://www.fcagroup.com/en-US/investor_relations/financial_reports/FiatDocuments/Bilanci/2013/2013_annual_report.pdf

(b) the unaudited interim condensed consolidated financial statements (including interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of financial position, interim condensed consolidated statement of cash flows, interim condensed consolidated statement of changes in equity and notes to the interim condensed consolidated financial statements) of the FCA Group as of and for the nine months ended September 30, 2015.

The FCA Group's unaudited interim condensed consolidated financial statements as of and for the nine months ended September 30, 2015 are set out on pages 35 to 75 of the FCA Group's Interim Report for the nine months ended September 30, 2015, which is available at the link below:

http://www.fcagroup.com/en-US/investor_relations/financial_information_reports/quarterly_reports/quarterly_reports/FCA_NV_September_30_2015_Interim_Report.pdf

(c) the audited annual statutory financial statements (including income statement, statement of financial position, and notes to the statutory financial statements) of FCA as of and for the year ended December 31, 2014.

The audited annual statutory financial statements of FCA as of and for the year ended December 31, 2014 are set out on pages 258 to 271 of the Annual Report at December 31, 2014 of the FCA Group available on FCA's website at the link below:

http://www.fcagroup.com/en-US/investor_relations/financial_information_reports/annual_reports/annual_reports/FCA_2014_Annual_Report.pdf

(d) the independent auditors' report on (i) the audited consolidated annual financial statements of the FCA Group as of and for the year ended December 31, 2014, and (ii) the audited annual statutory financial statements of FCA as of and for the year ended December 31, 2014 is set out at pages 294 through 298 of the Annual Report at December 31, 2014 of the FCA Group available on FCA's website at the link below:

http://www.fcagroup.com/en-US/investor_relations/financial_information_reports/annual_reports/annual_reports/FCA_2014_Annual_Report.pdf

(e) the report of independent auditors and audited annual financial statements (including the statement of financial position and the related statements of comprehensive income, statements of changes in stockholder's equity and statements of cash flows, and the related notes to the financial statements) of FCFC (previously known as Fiat Finance Canada Ltd.) as of and for the years ended December 31, 2014 and 2013.

FCFC's audited financial statements and the report of independent auditors thereon as of and for the year ended December 31, 2014:

http://www.fcagroup.com/en-US/investor_relations/debt_credit_ratings/gmtn_programme/gmtn_documents/Fiat_Chrysler_Finance_Canada_2014_Financial_Statements_with_report_of_independent_auditors.pdf

FCFC's audited financial statements and the report of independent auditors thereon as of and for the year ended December 31, 2013:

http://www.fcagroup.com/it-IT/investor_relations/financial_reports/obbligazioni/financial_statements/FiatDocuments/Bilanci%20degli%20Emittenti/FIAT%20FINANCE%20CANADA%20LTD%202013.pdf?redirectFromFiatspa=1

(f) the audit report and audited annual financial statements (including statements of financial position, statements of income, statements of comprehensive income, statements of changes in stockholder's equity, statements of cash flows and notes to the financial statements) of FCFNA (previously known as Fiat Finance North America, Inc.) as of and for the years ended December 31, 2014 and 2013.

FCFNA's audited financial statements and audit report thereon as of and for the year ended December 31, 2014:

http://www.fcagroup.com/en-US/investor_relations/debt_credit_ratings/gmtn_programme/gmtn_documents/Fiat_Chrysler_Finance_North_America_2014_Financial_Statements_with_report_of_indipendent_auditors.pdf

FCFNA's audited financial statements and audit report thereon as of and for the year ended December 31, 2013:

http://www.fcagroup.com/it-IT/investor_relations/financial_reports/obbligazioni/financial_statements/FiatDocuments/Bilanci%20degli%20Emittenti/FIAT%20FINANCE%20NORTH%20AMERICA%20INC%202013.pdf?redirectFromFiatspa=1

(g) the audit report and audited annual financial statements (including a consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and notes to the consolidated financial statements) of the FCFE Group, as well as audited annual statutory stand-alone financial statements of FCFE (previously known as Fiat Finance & Trade Ltd., *société anonyme*), including the audit report thereon, as of and for the years ended December 31, 2014 and 2013;

FCFE Group's audited consolidated financial statements and audit report thereon as of and for the year ended December 31, 2014:

http://www.fcagroup.com/en-US/investor_relations/debt_credit_ratings/gmtn_programme/gmtn_documents/Fiat_Chrysler_Finance_Europe_consolidated_financial_statements_2014.pdf

FCFE Group's audited consolidated financial statements and audit report thereon as of and for the year ended December 31, 2013:

http://www.fcagroup.com/it-IT/investor_relations/financial_reports/obbligazioni/financial_statements/FiatDocuments/Bilanci%20degli%20Emittenti/Fiat%20Finance%20and%20Trade%20Ltd%20S.A.-Consolidated%20Financial%20Statements-311213.pdf?

FCFE's audited stand-alone financial statements and audit report thereon as of and for the year ended December 31, 2014:

http://www.fcagroup.com/it-IT/investor_relations/debt_credit_ratings/gmtn_programme/gmtn_documents/Fiat_Chrysler_Finance_Europe_2014_statutory_annual_accounts_2014.pdf

FCFE's audited stand-alone financial statements and audit report thereon as of and for the year ended December 31, 2013:

http://www.fcagroup.com/it-IT/investor_relations/financial_reports/obbligazioni/financial_statements/FiatDocuments/Bilanci%20degli%20Emittenti/FIAT%20FINANCE%20AND%20TRADE%20LTD%20S.A.-Annual%20Accounts-311213%20%20SIGNED.PDF?redirectFromFiatspa=1

(h) the terms and conditions set out on pages 54 to 91 of the base prospectus dated March 14, 2014 relating to the Programme under the heading "*Terms and Conditions of the Notes*" available on FCA's website at the link below:

http://www.fcagroup.com/it-IT/investor_relations/financial_reports/obbligazioni/FiatDocuments/Global%20Medium%20Term%20Note%20Programme/245816_1_Fiat%20S.p.A.%20-%20GMTN%20Programme%20-%202014%20Update%20-%20Base%20Prospectus.pdf?redirectFromFiatspa=1

Non-incorporated parts of a document referred to in (a) to (h) above are either not relevant for an investor or are covered elsewhere in this Base Prospectus.

Each Issuer and the Guarantor will provide, without charge, to each person to whom a copy of the Base Prospectus has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded. Requests for such documents should be directed to any Issuer or the Guarantor at its address set out at the end of the Base Prospectus. The Base Prospectus is available on FCA's website at http://www.fcagroup.com. Copies of the documents incorporated by reference herein may be physically inspected at the offices of the Paying Agent in Ireland for the life of the Base Prospectus and will also be available on FCA's website at the links referred to above. FCA's website, as well as its content (except for the documents available at the links mentioned above to the extent incorporated by reference herein), do not form part of the Base Prospectus.

Each Issuer and the Guarantor will, in connection with the listing of the Notes on the Irish Stock Exchange, so long as any Notes remain outstanding and listed on such exchange, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus, prepare a supplement to the Base Prospectus in accordance with Article 16 of the Prospectus Directive or publish a new Base Prospectus as may be required under the Prospectus Directive for use in connection with any subsequent issue of the Notes to be listed on the Irish Stock Exchange. Any statement contained in this Base Prospectus or in any information or in any of the documents incorporated by reference in, and forming part of, this Base Prospectus shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement provided that such modifying or superseding statement is made by way of a supplement to this Base Prospectus pursuant to Article 16 of the Prospectus Directive.

If the terms of the Programme are modified or amended in a manner that would make the Base Prospectus, as so modified or amended, inaccurate or misleading, a new base prospectus will be prepared.

## FORM OF THE NOTES

The Notes of each Series will be in either bearer form ("Bearer Notes"), with or without interest coupons ("Coupons") attached, or registered form ("Registered Notes"), without Coupons attached; provided, however, that FCFNA may not issue Bearer Notes. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act ("Regulation S") and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A.

**Bearer Notes**

FCFNA may not issue Bearer Notes.

Each Tranche of Bearer Notes will be initially issued in the form of either a temporary bearer global note (a "Temporary Bearer Global Note") or a permanent bearer global note (a "Permanent Bearer Global Note" and, together with a Temporary Bearer Global Note, the "Bearer Global Notes" and each a "Bearer Global Note") as indicated in the applicable Final Terms, which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the "Common Depositary") for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream") or, in respect of Bearer Global Notes representing CMU Notes, to a sub-custodian nominated by the HKMA as operator of the CMU Service. In the case of each Tranche of Bearer Notes, the applicable Final Terms will specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) ("TEFRA C") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) ("TEFRA D") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than one year, that neither TEFRA C nor TEFRA D are applicable. Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Note due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that a certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by (in the case of the Notes other than CMU Notes) Euroclear and/or Clearstream or (in case of CMU Notes) the CMU Lodging and Paying Agent and (in the case of a Temporary Bearer Global Note delivered to the Common Depositary for Euroclear and Clearstream) Euroclear and/or Clearstream, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the "Exchange Date") which is, in respect of each Tranche in respect of which a Temporary Bearer Global Note is issued, 40 days after the Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) definitive Bearer Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and in the case of definitive Bearer Notes, subject to such notice period as is specified in the applicable Final Terms). Such interests will only be exchangeable (i) in the case of Notes issued by FCFC, against certification of non-Canadian residence, and (ii) in each case, against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused. The CMU Service may require that any such exchange for a Permanent Bearer Global Note is made in whole and not in part, and in such event no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU Service) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) have so certified. The CMU Service may require the issue and deposit of such Permanent Bearer Global Note with its sub-custodian without permitting the withdrawal of the Temporary Bearer Global Note so exchanged, although any interests exchanged thereon shall have been properly effected in its records.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note issued in exchange for a Temporary Bearer Global Note, or issued pursuant to TEFRA C, will be made through Euroclear and/or Clearstream against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

In respect of a Bearer Global Note held through the CMU Service, payments of principal, interest (if any) or any other amounts will be made to the person(s) for whose account(s) interests in the relevant Bearer Global Note are credited (as set out in a CMU Instrument Position Report or in any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) and, save in the case of final payment, no presentation of the relevant Bearer Global Note shall be required for such purpose.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached either (a) upon not less than 60 days' written notice from Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein and/or (in the case of CMU Notes) from the relevant accountholders therein to the CMU Lodging and Paying Agent as described therein, or (b) only upon the occurrence of an Exchange Event.

For these purposes, "Exchange Event" means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream and, in the case of CMU Notes, the CMU Service have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) and/or (in the case of CMU Notes), the relevant accountholders therein, may give notice to the Principal Paying Agent or, as the case may be, the CMU Lodging and Paying Agent, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Principal Paying Agent or, as the case may be, the CMU Lodging and Paying Agent, requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent or, as the case may be, the CMU Lodging and Paying Agent.

The following legend will appear on all Bearer Notes which have an original maturity of more than one year, and on all interest coupons relating to all such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE".

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or Coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes or Coupons.

Notes which are represented by a Bearer Global Note will only be transferable, and payment in respect of them will only be made, in accordance with the rules and procedures for the time being of Euroclear, Clearstream or the CMU Service, as the case may be.

**Registered Notes**

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form, without Coupons (a "Regulation S Global Note"), which will (i) be deposited with the Common Depositary and registered in the name of a nominee of the Common Depositary for Euroclear and Clearstream or (ii) be deposited with a sub-custodian for and registered in the name of the HKMA as operator of the CMU Service, as specified in the applicable Final Terms.

Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each such Tranche of Notes, beneficial interests in a Regulation S Global Note of such Tranche may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear, Clearstream or the CMU Service and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be initially offered and sold in the United States or to U.S. persons in private transactions to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act. The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form, without Coupons (a "Rule 144A Global Note" and, together with a Regulation S Global Note, the "Registered Global Notes"), which will be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("DTC").

Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Each Rule 144A Global Note will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of any provision to the contrary, be made to the person shown on the Register (as defined in Condition 6(d)) as the registered holder of the Registered Global Notes. None of the Issuers, the Guarantor, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of any provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6(d)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "Exchange Event" means that (i) an Event of Default has occurred and is continuing, (ii) DTC has notified the relevant Issuer that it is unwilling or unable to continue to act as depositary for the Notes and no alternative clearing system is available, (iii) DTC has ceased to constitute a clearing agency registered under the Exchange Act or the relevant Issuer has been notified that both Euroclear and Clearstream and, in the case of CMU Notes, the CMU Service have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iv) the relevant Issuer has or will become subject to adverse tax consequences which would not be required were the Notes represented by the Registered Global Notes in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) DTC, Euroclear and/or Clearstream, as the case may be (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar or, (b) in the case of CMU Notes, the relevant accountholders therein, may give notice to the CMU Lodging and Paying Agent, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the relevant Issuer may also give notice to the Registrar or, as the case may be, the CMU Lodging and Paying Agent, requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar or, as the case may be, the CMU Lodging and Paying Agent.

## Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear, Clearstream or the CMU Service, in each case to the extent applicable. Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions. See "*Subscription and Sale, and Selling and Transfer Restrictions*".

## General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent or, as the case may be, the CMU Lodging and Paying Agent shall arrange that, when a Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CMU instrument number, a CUSIP and CINS number which are different from the common code, ISIN, CMU instrument number, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Bearer Global Note or a Regulation S Global Note held on behalf of Euroclear, Clearstream or the CMU Service each person (other than Euroclear, Clearstream or the CMU Service) who is for the time being shown in the records of Euroclear, Clearstream or the CMU Service, as applicable, as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream or the CMU Service, as applicable, as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer, the Guarantor and their agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Regulation S Global Note shall be treated by the relevant Issuer, the Guarantor and their agents as the holder of such nominal amount of such Notes in accordance with, and subject to the terms of, the relevant Global Note, and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly.

Notwithstanding the above, if a Note (whether in global or definitive form) is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with prevailing CMU rules and procedures at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) and such payments shall discharge the obligation of the relevant Issuer in respect of that payment under such Note.

So long as DTC or its nominee is the registered owner or holder of a Rule 144A Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Rule 144A Global Note for all purposes under the Agency Agreement and such Notes except to the extent that in accordance with DTC’s published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Any reference herein to Euroclear and/or Clearstream and/or DTC and/or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated automatically by the holder thereof in certain circumstances described in Condition 10. In such circumstances, if any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then, unless within the period of seven days commencing on the relevant due date, payment in full of the amount due in respect of the Global Note, is received by the bearer or the registered holder, as the case may be, in accordance with the provisions of the Global Note, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream and/or DTC and/or the CMU Service, as the case may be, will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear, Clearstream, DTC and/or the CMU Service on and subject to the terms of a deed of covenant (the “Deed of Covenant”) dated December 19, 2014 and executed by the Issuers. In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC’s standard operating procedures.

## APPLICABLE FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

[Date]

[FIAT CHRYSLER AUTOMOBILES N.V./
FIAT CHRYSLER FINANCE EUROPE *société anonyme*/
FIAT CHRYSLER FINANCE CANADA LTD./
FIAT CHRYSLER FINANCE NORTH AMERICA, INC.]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
[Guaranteed by Fiat Chrysler Automobiles N.V.]
under the €[20,000,000,000]
Global Medium Term Note Programme

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated December 14, 2015 [and the supplement[s] dated [ ] (together, the "Base Prospectus") [which together constitute] [which constitutes] a base prospectus for the purposes of Directive 2003/71/EC, as amended (the "Prospectus Directive")]†. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive]† and must be read in conjunction with such Base Prospectus. Full information on the Issuer [and the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and these Final Terms are available for viewing at http://www.fcagroup.com/en-US/investor_relations/fiatspa_debit_rating/obbligazioni/Pages/programme_term.aspx and copies may be obtained from the Issuer [and the Guarantor] at [its/their respective] [principal executive] [and] [registered] office[s]. FCA's website, as well as its content (except for any documents available at the links referred to in the Base Prospectus to the extent incorporated by reference therein) do not form part of the Base Prospectus or of these Final Terms.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the Base Prospectus dated March 14, 2014 [and the supplement[s] dated [*date*]] which are incorporated by reference in the Base Prospectus dated December 14, 2015. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of Directive 2003/71/EC]†, as amended (the "Prospectus Directive") and must be read in conjunction with the Base Prospectus dated December 14, 2015 [and the supplement[s] dated [ ] (together, the "Base Prospectus") [which together constitute] [which constitutes] a base prospectus for the purposes of the Prospectus Directive]†, including the Conditions incorporated by reference in the Base Prospectus. Full information on the Issuer [and the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus, including the Conditions incorporated by reference in the Base Prospectus. The Base Prospectus and the Final Terms are available for viewing at http://www.fcagroup.com/en-US/investor_relations/fiatspa_debit_rating/obbligazioni/Pages/programme_term.aspx and copies may be obtained from the Issuer [and the Guarantor] at [its/their respective] [principal executive] [and] [registered] office[s]. FCA's website, as well as its content (except for any documents available at the links referred to in the Base Prospectus to the extent incorporated by reference therein) do not form part of the Base Prospectus or of these Final Terms.]

† *Delete where the Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive.*

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the subparagraphs of the paragraphs which are not applicable can be deleted. Italics denote directions for completing the Final Terms.]*

*[If the Notes must be redeemed before the first anniversary of their date of issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]*

| | | | |
|---|---|---|---|
| 1. | (i) | Issuer: | [Fiat Chrysler Automobiles N.V./Fiat Chrysler Finance Europe *société anonyme*/Fiat Chrysler Finance Canada Ltd./Fiat Chrysler Finance North America, Inc.] |
| | (ii) | Guarantor: | [Fiat Chrysler Automobiles N.V./Not Applicable] |
| 2. | (i) | Series Number: | [ ] |
| | (ii) | Tranche Number: | [ ] |
| | (iii) | Date on which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single Series with [*provide issue amount/ISIN/maturity date/issue date of earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 23 below, which is expected to occur on or about [*date*]]]/[Not Applicable] |
| 3. | Specified Currency or Currencies: | | [ ] |
| 4. | Aggregate Nominal Amount: | | |
| | (i) | Series: | [ ] |
| | (ii) | Tranche: | [ ] |
| 5. | Issue Price: | | [ ] percent of the Aggregate Nominal Amount [plus accrued Interest from [*insert date*] (*if applicable*)] |
| 6. | (i) | Specified Denominations: | [ ]<br><br>*(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made)]*<br><br>(*Notes must have a minimum denomination of €100,000 or equivalent. Where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*<br><br>"*[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]*".)<br><br>(*N.B. If an issue of Notes is (i) NOT admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the €100,000 minimum denomination is not required*) |

| | | | |
|---|---|---|---|
| | (ii) | Calculation Amount: (*Applicable to Notes in definitive form.*) | [ ] *(If only one Specified Denomination, insert the Specified Denomination.*<br><br>*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)* |
| 7. | (i) | Issue Date: | [ ] |
| | (ii) | Interest Commencement Date: | [*Specify*/Issue Date/Not Applicable]<br><br>(*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.*) |
| 8. | Maturity Date: | | [*Fixed rate – specify date or for Floating rate Notes –* Interest Payment Date falling in or nearest to *[specify month and year*]]<br><br>*(N.B. for certain Fixed Rate Notes, including Notes denominated in Renminbi, where the Interest Payment Dates are subject to modification it will be necessary to use the second option.)* |
| 9. | Interest Basis: | | [[ ] percent Fixed Rate]<br>[[ ]-month [LIBOR/EURIBOR/CNH HIBOR] +/- [ ] percent Floating Rate]<br>[Zero Coupon]<br>(see paragraph[s] [16], [17], [18] below) |
| 10. | Redemption/Payment Basis: | | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 percent of their nominal amount. |
| 11. | Change of Interest Basis: | | [For the period from (and including) the Interest Commencement Date, up to (but excluding) [*date*], paragraph [16/17] applies, and for the period from (and including) [*date*], up to (and including) the Maturity Date, paragraph [16/17] applies/Not Applicable] |
| 12. | Alternative Currency Equivalent: | | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining sub-paragraphs. Where Notes are denominated in Renminbi, it is expected that this paragraph will be marked "Applicable". If so, the sub-paragraphs below should be completed.)* |
| | (i) | Alternative Currency: | [ ] |
| | (ii) | Alternative Currency Calculation Agent: | [ ] |
| | (iii) | Rate Calculation Jurisdiction: | [ ]<br><br>*(N.B. This shall be Eurozone where the Specified Currency is Euro or Hong Kong where the Specified Currency is Renminbi)* |
| | (iv) | Rate Calculation Business Days: | [ ] |

| | | |
|---|---|---|
| | | *(N.B. This shall be "two" where the Specified Currency is Renminbi)* |
| | [(v) RMB Spot Rate: | [[ ]/Not Applicable] [*Include an RMB Spot Rate only where the Notes are denominated in Renminbi and the default RMB Spot Rate is not applicable*] |
| | [(vi) Spot Rate Screen Page: | [ ] [*Delete where the Notes are denominated in Renminbi and sub-paragraphs (v) is marked "Not Applicable"*] |
| | [(vii) Non-deliverable Spot Rate Screen Page: | [ ] [*Delete where the Notes are denominated in Renminbi and sub-paragraphs (v) is marked "Not Applicable"*] |
| | [(viii) Spot Rate Calculation Time: | [ ] [*Delete where the Notes are denominated in Renminbi and sub-paragraphs (v) is marked "Not Applicable"*] |
| 13. | Put/Call Options: | [Investor Put]<br>[Issuer Call]<br>[Not Applicable]<br>(see paragraph[s] [19] and [20] below) |
| 14. | [Date [board of directors'] approval for issuance of Notes [and Guarantee] obtained] | [ ] [and [ ] respectively]<br><br>*(N.B. Only relevant where board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)* |
| 15. | Method of distribution: | [Syndicated/Non-syndicated] |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

| | | |
|---|---|---|
| 16. | Fixed Rate Note Provisions: | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (i) Rate[(s)] of Interest: | [ ] percent per annum [payable [annually/semi-annually/quarterly/monthly] in arrear] |
| | (ii) Interest Payment Date(s): | [ ] in each year up to and including the Maturity Date/[*specify other*]<br><br>(*N.B. This will need to be amended in the case of long or short coupons*)<br><br>(*N.B. For certain Renminbi denominated Fixed Rate Notes, the Interest Payment Dates are subject to modification and the following words should be added:*<br><br>*"provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, "Business Day" means a day, other than a Saturday or a Sunday on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong and […]".*) |

| | | | |
|---|---|---|---|
| | (iii) | Fixed Coupon Amount(s): | [ ] per Calculation Amount |
| | | *(Applicable to Notes in definitive form)* | (*N.B. For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate:*<br><br>*"Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 being rounded upwards in the case of Renminbi denominated Fixed Rate Notes".)* |
| | (iv) | Broken Amount(s):<br><br>*(Applicable to Notes in definitive form*) | [ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ]/[Not Applicable] |
| | (v) | Day Count Fraction: | [30 / 360 / Actual/Actual (ICMA)/[*for Renminbi denominated Fixed Rate Notes* – Actual/365(Fixed)]] |
| | (vi) | Determination Date(s): | [ ] in each year/[Not Applicable]<br><br>*[Insert interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.] (N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration.)*<br><br>*(N.B. Only relevant where Fixed Day Count Fraction is Actual/Actual (ICMA))]* |
| 17. | Floating Rate Note Provisions: | | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (i) | Specified Period(s)/Specified Interest Payment Date(s): | [ ] [, subject to adjustment in accordance with the Business Day Convention set out in (ii) below/not subject to adjustment, as the Business Day Convention in (ii) below is specified to be Not Applicable] |
| | (ii) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable] |
| | (iii) | Additional Business Centre(s): | [ ] |
| | (iv) | Manner in which the Rate of Interest and Interest Amount is to be determined: | [Screen Rate Determination/ISDA Determination] |
| | (v) | Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): | [ ] |

| | | |
|---|---|---|
| (vi) | Screen Rate Determination: | |
| | – Reference Rate: | [ ]-month [LIBOR/EURIBOR/CNH HIBOR] |
| | – Interest Determination Date(s): | [ ]<br><br>*[(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling, euro LIBOR or CNH HIBOR), first day of each Interest Period if Sterling LIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR or the second Hong Kong business day prior to the start of each Interest Period if CNH HIBOR)]* |
| | – Relevant Screen Page: | [ ]<br><br>*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)* |
| (vii) | ISDA Determination: | |
| | – Floating Rate Option: | [ ] |
| | – Designated Maturity: | [ ] |
| | – Reset Date: | [ ]<br><br>(*N.B. The first day of the Interest Period*) |
| (viii) | Linear Interpolation: | [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)] |
| (ix) | Margin(s): | [+/-] [ ] percent per annum |
| (x) | Minimum Rate of Interest: | [ ] percent per annum |
| (xi) | Maximum Rate of Interest: | [ ] percent per annum |
| (xii) | Day Count Fraction: | [Actual/365 or Actual/Actual<br>Actual/365 (Fixed)<br>Actual/365 (Sterling)<br><br>Actual/360<br>30/360, 360/360 or Bond Basis<br>30E/360 or Eurobond Basis] |

| | | |
|---|---|---|
| 18. | Zero Coupon Note Provisions: | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (i) Accrual Yield: | [ ] percent per annum |
| | (ii) Reference Price: | [ ] |

| | | | |
|---|---|---|---|
| | (iii) | Day Count Fraction in relation to Early Redemption Amounts and late payment in accordance with Conditions 7(e)(iii) and (h): | [30/360]<br>[Actual/360]<br>[Actual/365] |

**PROVISIONS RELATING TO REDEMPTION**

| | | | |
|---|---|---|---|
| 19. | Issuer Call: | | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (i) | Optional Redemption Date(s): | [ ] |
| | (ii) | Optional Redemption Amount: | [As set out in Condition 7(c)/[ ] per Calculation Amount] |
| | (iii) | If redeemable in part: | |
| | | (a) Minimum Redemption Amount: | [ ] per Calculation Amount |
| | | (b) Maximum Redemption Amount: | [ ] per Calculation Amount |
| 20. | Investor Put: | | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (i) | Optional Redemption Date(s): | [ ] |
| | (ii) | Optional Redemption Amount(s): | [ ] per Calculation Amount |
| 21. | Final Redemption Amount: | | [ ] per Calculation Amount |
| 22. | Early Redemption Amount of each note payable on redemption for taxation reasons or on event of default: | | [ ] per Calculation Amount |

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

| | | |
|---|---|---|
| 23. | Form of Notes: | [Bearer Notes*:<br><br>[TEFRA D:<br><br>Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event].<br><br>[Temporary Bearer Global Note exchangeable for definitive Notes on and after the Exchange Date.]]<br><br>[TEFRA C:<br><br>[Permanent Bearer Global Note exchangeable for definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]**]<br><br>*(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes* |

* Not applicable where FCFNA is the Issuer.

** Not applicable where FCFC is the Issuer.

| | | |
|---|---|---|
| | | *themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]". Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for definitive Notes)*<br><br>[Registered Notes:<br><br>[Regulation S Global Note ([U.S.$/[ ]] [ ] nominal amount) [registered in the name of a nominee of a common depositary for Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*/registered in the name of the Hong Kong Monetary Authority as operator of the Central Moneymarkets Unit Service]]<br><br>[Rule 144A Global Note ([U.S.$/[ ]] [ ] nominal amount) (*specify nominal amounts*)]] |
| 24. | Additional Financial Centre(s): | [Not Applicable/[*give details*]]<br><br>*(Note that this item relates to the place of payment and not Interest Period end dates to which item 17(iii) relates)* |
| 25. | Talons for future Coupons to be attached to definitive Bearer Notes (and dates on which such Talons mature): | [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made. The Talon will mature on the Specified Interest Payment Date falling on [*month*] [*year*] (*insert the [25th] Specified Interest Payment Date*)/No.] |

**LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of the Irish Stock Exchange of the Notes described herein pursuant to the €20,000,000,000 Global Medium Term Note Programme of Fiat Chrysler Finance Europe *société anonyme*, Fiat Chrysler Finance Canada Ltd. and Fiat Chrysler Finance North America, Inc. as Issuers and Fiat Chrysler Automobiles N.V. as Issuer and Guarantor.

**RESPONSIBILITY**

[Each of the] [The] Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. [[*Relevant third party information*] has been extracted from [ ]. [Each of the] [The] Issuer [and the Guarantor] confirm[s] that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

| | |
|---|---|
| Signed on behalf of the Issuer: | [Signed on behalf of the Guarantor: |
| By: ......................................... | By:................................................. |
| *Duly authorised* | *Duly authorised*] |

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

| | |
|---|---|
| (i) Listing: | [Irish Stock Exchange Ltd./(*specify*)/None] |
| (ii) Admission to trading: | [Application [has been]/[will be] made [to the Irish Stock Exchange/(*specify*)] for the Notes to be admitted [to the Official List/(*specify*) and trading on [its regulated market/(*specify*)] on [ ] with effect from [ ].]<br><br>[Not Applicable.] |
| (iii) Estimate of total expenses related to admission to trading: | [ ] |

### 2. RATINGS

| | |
|---|---|
| Ratings: | [The Notes to be issued [have been]/[are expected to be]/[have not been] rated[:][.]<br><br>[S&P: [ ]]<br>[Moody's [ ]]<br>[Fitch [ ]]<br><br>[[[*EU established/EU-registered CRA*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009/EC, as amended (the "CRA Regulation"), and is included in the list of registered and certified credit ratings agencies published on the website of the European Securities and Markets Authority ("ESMA") in accordance with the CRA Regulation. The ESMA's website and its content do not form part of the Base Prospectus or of these Final Terms.]<br><br>[[*Non-EU established/EU-certified CRA*] is not established in the European Union but has been certified under the CRA Regulation and is included in the list of registered and certified credit rating agencies published on the web site of the ESMA. The ESMA's website and its content do not form part of the Base Prospectus or these Final Terms.]<br><br>[[*Non-EU established CRA/non-EU certified CRA*] is not established in the European Union and is not registered or certified under the CRA Regulation.]<br><br>In general, and subject to certain exceptions, European regulated investors are restricted from using a credit rating for regulatory purposes if such credit rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation.<br><br>Subject to the fulfilment of the conditions set out in Article 4(3) of the CRA Regulation, a credit rating agency established in the European Union and registered in accordance with the CRA Regulation (an "EU CRA") may endorse (for regulatory purposes in the European Union) credit ratings issued outside the European Union where (i) the credit rating activities resulting in the issuing of the credit rating are undertaken in whole or in part by a credit |

rating agency or credit rating agencies belonging to the same group (a "non-EU CRA"); and (ii) the EU CRA has verified and is able to demonstrate on an ongoing basis to ESMA that the conduct of the credit rating activities by the non-EU CRA resulting in the issuing of the credit rating to be endorsed fulfils requirements which are "at least as stringent as" the requirements of the CRA Regulation.

[On [*date of decision*], ESMA announced that it considers the regulatory framework for credit rating agencies established in [*country of non-EU established CRA/non-EU certified CRA*] to be "as stringent as" the requirements of the CRA Regulation. [*EU-established/EU-registered affiliate of non-EU established/non-EU certified CRA*] currently endorses credit ratings issued by [*non-EU established/non-EU certified CRA*] for regulatory purposes in the European Union. [*EU-established/EU-registered affiliate of non-EU established/non-EU certified CRA*] has been registered under the CRA Regulation and appears on the list of registered credit rating agencies on ESMA's website. The ESMA's website and its content do not form part of the Base Prospectus or of these Final Terms. There can be no assurance that [*EU-established/EU-registered affiliate of non-EU established/non-EU certified CRA*] will continue to endorse credit ratings issued by [*non-EU established/non-EU certified CRA*].]]

In addition, subject to the fulfilment of the conditions set out in Article 5 and elsewhere in the CRA Regulation, credit ratings that are related to entities established or financial instruments issued in countries outside the European Union and that are issued by a credit rating agency established in a country outside the European Union may only be used for regulatory purposes within the European Union without being endorsed under Article 4(3) of the CRA Regulation if (amongst other requirements) the European Commission has adopted an equivalence decision in accordance with Article 5(6) of the CRA Regulation, recognising the legal and supervisory framework of the relevant country as equivalent to the requirements of the CRA Regulation.

[On [*date of decision*], the European Commission passed Implementing Decision [*decision number*] which provided that the legal and supervisory framework for credit rating agencies in [*country in which non-EU established/EU certified CRA is established*] shall be considered equivalent to the requirements of the CRA Regulation.]

(*The above disclosure should be amended to reflect (i) the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating; and/or (ii) the credit rating agency issuing the credit rating, in each case in accordance with the applicable requirements of the CRA Regulation.*)

## 3. NOTIFICATION

[The [*name of competent authority in home member state*] [*has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [*names of competent authorities of host* *member states*] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the provisions of the Prospectus Directive and Commission Regulation (EC) No. 809/2004.]

**4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[*Need to include a description of any interest, including a conflicting interest, that is material to the issue, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*

"Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business". *[Amend as appropriate if there are other interests]*]

[(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.*)]

**5. YIELD** *(Fixed Rate Notes only)*

| | |
|---|---|
| Indication of yield: | [ ] |
| | The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. |

**6. DISTRIBUTION**

| | | |
|---|---|---|
| (i) | If syndicated, name of Managers: | [Not Applicable/*give names*] |
| (ii) | Stabilisation Manager(s) (if any): | [Not Applicable/*give name(s)*] |
| (iii) | If non-syndicated, name of relevant Dealer: | [Not Applicable/*give name*] |
| (iv) | U.S. selling restrictions: | [Reg. S Compliance Category:]<br>[TEFRA D/TEFRA C/TEFRA not applicable]<br>[[Not] Rule 144A Eligible] |

**7. OPERATIONAL INFORMATION**

| | | |
|---|---|---|
| (i) | ISIN Code: | [ ] |
| (ii) | Common Code: | [ ] |
| (iii) | CUSIP: | [Not Applicable/[ ]] |
| (iv) | CINS: | [Not Applicable/[ ]] |
| (v) | CMU Instrument Number: | [Not Applicable/[ ]] |
| (vi) | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): | [DTC/Not Applicable/*give name(s), address(es) and number(s)*]<br>[The Notes will be cleared through the Central Moneymarkets Unit Service.] |
| (vii) | Delivery: | Delivery [against/free of] payment |

| | | |
|---|---|---|
| (viii) | Names and addresses of Paying Agent(s): | [*give name(s) and address(es)*] |
| (ix) | Names and addresses of additional Paying Agent(s), if any: | [Not Applicable/*give name(s) and address(es)*] |
| (x) | Name and address of Registrar: | [Not Applicable/*give name and address*] |

# TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange (if any) and agreed by the relevant Issuer, the Guarantor (in case of Guaranteed Notes) and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes shall complete the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued pursuant to the Agency Agreement (as defined below). References herein to the "Issuer" shall be references to the party specified as such in the applicable Final Terms (as defined below).

References herein to the "Notes" shall be references to the Notes of this Series and shall mean:

(i) in relation to any Notes represented by a global Note (a "Global Note"), units of each Specified Denomination in the Specified Currency;

(ii) any Global Note;

(iii) any definitive Notes in bearer form ("Bearer Notes") issued in exchange for a Global Note in bearer form; and

(iv) any definitive Notes in registered form ("Registered Notes") (whether or not issued in exchange for a Global Note in registered form).

The Notes and the Coupons (as defined below) have the benefit of an Amended and Restated Agency Agreement (such Amended and Restated Agency Agreement as amended and/or supplemented and/or restated from time to time, the "Agency Agreement") dated December 14, 2015 and made between (*inter alia*) the Issuers, Fiat Chrysler Automobiles N.V. in its capacity as Guarantor (as defined below), Citibank, N.A., London office, as issuing and principal paying agent and agent bank (the "Principal Paying Agent", which expression shall include any successor principal paying agent) and as exchange agent (the "Exchange Agent", which expression shall include any successor exchange agent), and Citicorp International Limited as lodging and paying agent with respect to the CMU Notes (the "CMU Lodging and Paying Agent", which expression shall include any successor lodging and paying agent) and the other paying agents named therein (together with the Principal Paying Agent and the CMU Lodging and Paying Agent, the "Paying Agents", which expression shall include any additional or successor paying agents), Citigroup Global Markets Deutschland AG, as registrar (the "Registrar", which expression shall include any successor or alternative registrar) and as transfer agent and the other transfer agents named therein (together with the Registrar, the "Transfer Agents", which expression shall include any additional or successor transfer agents).

For the purposes of these Terms and Conditions (the "Conditions"), all references to the Principal Paying Agent shall, with respect to a Series of Notes to be held in the CMU Service (as defined below), be deemed to be a reference to the CMU Lodging and Paying Agent (other than in relation to the determination of interest and other amounts payable in respect of the Notes) and all such references shall be construed accordingly.

Interest bearing definitive Bearer Notes have interest coupons ("Coupons") and, in the case of Bearer Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons ("Talons") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note and complete these Conditions and, in the case of a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of this Note. References to the "applicable Final Terms" are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The payment of all amounts in respect of Notes issued by Fiat Chrysler Finance Europe *société anonyme*, Fiat Chrysler Finance Canada Ltd. and Fiat Chrysler Finance North America, Inc. (the "Guaranteed Notes") shall be unconditionally and irrevocably guaranteed by Fiat Chrysler Automobiles N.V. (in such capacity, the "Guarantor") pursuant to a guarantee (such guarantee as modified and/or supplemented and/or restated from time to time, the "Guarantee") dated December 19, 2014 executed by the Guarantor. Under the Guarantee, Fiat Chrysler Automobiles N.V. has guaranteed the due and punctual payment of all amounts due under such Guaranteed Notes.

The original of the Guarantee is held by the Principal Paying Agent on behalf of the Noteholders and the Couponholders, in each case of the Guaranteed Notes, at its specified office. References herein to the Guarantor shall only be relevant where the Issuer is one of Fiat Chrysler Finance Europe *société anonyme*, Fiat Chrysler Finance Canada Ltd. or Fiat Chrysler Finance North America, Inc.

Any reference to "Noteholders" or "holders" in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below.

Any reference herein to "Couponholders" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "Tranche" means Notes which are identical in all respects (including as to listing) and "Series" means a Tranche of Notes together with any further Tranche or Tranches of Notes which (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders and the Couponholders are entitled to the benefit of the deed of covenant (such deed of covenant as modified and/or supplemented and/or restated from time to time, the "Deed of Covenant") dated December 19, 2014 and made (*inter alia*) by the Issuer. The original of the Deed of Covenant is held by the Common Depositary for Euroclear (as defined below) and Clearstream (as defined below).

Copies of the Agency Agreement, the Guarantee, a deed poll (such deed poll as modified and/or supplemented and/or restated from time to time, the "Deed Poll") dated December 19, 2014 and made (*inter alia*) by the Issuer and the Guarantor (where applicable) and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Principal Paying Agent, the Registrar, the CMU Lodging and Paying Agent and the other Paying Agents and Transfer Agents (such agents and the Registrar being together referred to as the "Agents"). Copies of the applicable Final Terms are obtainable during normal business hours at the specified office of each of the Agents save that, if this Note is an unlisted Note of any Series, the applicable Final Terms will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes and identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Guarantee (where applicable), the Deed Poll, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated; provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In these Conditions, "euro" means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended.

## 1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis specified in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Guarantor (where applicable) and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Bearer Global Note or a Regulation S Global Note (as defined in Condition 2) held on behalf of Euroclear Bank S.A./N.V. ("Euroclear") and/or Clearstream Banking, *société anonyme* ("Clearstream"), and/or the Hong Kong Monetary Authority ("HKMA") as operator of the Central Moneymarkets Unit Service (the "CMU Service" or "CMU"), each person (other than Euroclear, Clearstream, or the CMU Service) who is for the time being shown in the records of Euroclear, of Clearstream or of the CMU Service as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream or the CMU Service as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor (where applicable) and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or, as the case may be, the registered holder of the relevant Regulation S Global Note shall be treated by the Issuer, the Guarantor (where applicable) and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly. Payment in respect of Notes represented by a Global Note will only be made, in accordance with the rules and procedures for the time being of DTC (as defined below), Euroclear, Clearstream or the CMU Service, as the case may be.

Notwithstanding the above, if a Note (whether in global or definitive form) is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with prevailing CMU rules and procedures at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant "CMU Instrument Position Report" (as defined in the rules of the CMU Service) or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) and such payments shall discharge the obligation of the relevant Issuer in respect of that payment under such Note.

For so long as The Depositary Trust Company ("DTC") or its nominee is the registered owner or holder of a Rule 144A Global Note (as defined in Condition 2), DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Rule 144A Global Note for all purposes under the Agency Agreement and the Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear, Clearstream or the CMU Service, as the case may be. References to DTC, Euroclear, Clearstream and/or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

Fiat Chrysler Finance North America, Inc. may not issue Bearer Notes.

## 2. TRANSFERS OF REGISTERED NOTES

(a) **Transfers of interests in Registered Global Notes:** Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear, Clearstream or the CMU Service, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear, Clearstream, or the CMU Service, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

(b) **Transfers of Registered Notes in definitive form:** Subject as provided in paragraphs (e), (f) and (g) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (such initial regulations being set out in Schedule 9 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) **Registration of transfer upon partial redemption:** In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) **Costs of registration:** Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) **Transfers of interests in Regulation S Global Notes:** Prior to the expiry of the applicable Distribution Compliance Period (as defined below), transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

(i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "Transfer Certificate"), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or

(ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of (i) above, such transferee may take delivery through a Legended Note in global or definitive form. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Regulation S Global Notes may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC; and (ii) such certification requirements will no longer apply to such transfers.

(f) **Transfers of interests in Legended Notes:** Transfers of Legended Notes or beneficial interests therein may be made:

(i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, that the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream; or

(ii) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the legend, the Registrar shall deliver only Legended Notes or refuse to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

(g) **Exchanges and transfers of Registered Notes generally:** Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

(h) **Definitions:** In these Conditions, the following expressions shall have the following meanings:

"Distribution Compliance Period" means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

"Legended Note" means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

"QIB" means a "qualified institutional buyer" within the meaning of Rule 144A;

"Regulation S" means Regulation S under the Securities Act;

"Regulation S Global Note" means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

"Rule 144A" means Rule 144A under the Securities Act;

"Rule 144A Global Note" means a Registered Global Note representing Notes sold in private transactions to QIBs in accordance with the requirements of Rule 144A; and

"Securities Act" means the United States Securities Act of 1933, as amended.

## 3. STATUS OF THE NOTES AND THE GUARANTEE

(a) **Status of the Notes:** The Notes and any related Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and (subject as aforesaid) rank and will rank *pari passu* without any preference among themselves, with all other present and future outstanding unsubordinated and unsecured obligations of the Issuer (subject to mandatorily preferred obligations under applicable laws).

(b) **Status of the Guarantee:** The payment of principal and interest in respect of the Guaranteed Notes and any related Coupons has been irrevocably and unconditionally guaranteed by the Guarantor pursuant to the Guarantee. The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Guarantor and (subject as aforesaid) rank and will rank *pari passu* (subject to mandatorily preferred obligations under applicable laws) with all other present and future outstanding unsecured and unsubordinated obligations of the Guarantor.

## 4. NEGATIVE PLEDGE

(a) **Negative Pledge:** So long as any of the Notes remains outstanding (as defined in the Agency Agreement) neither the Issuer nor the Guarantor (where applicable) will (unless previously authorised by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders) create or have outstanding any mortgage, charge, pledge, lien, encumbrance or other security interest ("Lien") (other than a Permitted Lien) upon the whole or any part of its undertaking or assets (including uncalled capital), present or future, to secure any Quoted Indebtedness (as defined below) or any Qualifying Guarantee of such Quoted Indebtedness, unless in any such case the same security (or such other security as may be approved by an Extraordinary Resolution of the Noteholders) shall forthwith be extended equally and rateably to the Notes (or, in the case of a Lien securing any Quoted Indebtedness that is subordinated or junior in right of payment to the Notes or the Guarantee (where applicable), secured by a Lien on such property, assets or proceeds that is senior in priority to such Lien).

For the purpose of these Conditions and the Guarantee (where applicable):

(i) the "FCA Group" means Fiat Chrysler Automobiles N.V. and its direct and indirect subsidiaries consolidated in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, including all interpretations issued by the IFRS Interpretations Committee ("IFRS") as adopted by the European Union; and

(ii) "Financial Services Subsidiary" means a subsidiary of FCA:

(A) which carries on no material business other than the offer and sale of financial services products to customers of Members of the FCA Group (and other related support activities incidental to the offer and sale of such financial services products including, without limitation, input financing and the purchase and sale of equipment in connection with eqpower.com and rental business activities) in any of the following areas:

(1) retail financing for the purchase, contract hire or lease of new or old equipment manufactured by a Member of the FCA Group or any other manufacturer whose products are from time to time sold through the dealer network of a Member of the FCA Group;

(2) other retail and wholesale financing programmes reasonably related thereto, including, without limitation, financing to the dealer network of any Member of the FCA Group;

(3) insurance and credit card products and services reasonably related thereto, together with the underwriting, marketing, servicing and other related support activities incidental to the offer and sale of such financial services products; and

(4) licensed banking activities; or

(B) a holding company of a Financial Services Subsidiary which carries on no material business or activity other than holding shares in that Financial Services Subsidiary and/or activities described in paragraph (A) above;

(iii) "Indebtedness" means any indebtedness (whether principal, premium or interest) for or in respect of (A) any notes, bonds, debenture stock, loan stock or other securities, (B) any Loan Financing, or (C) any liability under or in respect of any banker's acceptance or banker's acceptance credit; *provided*, that (x) Indebtedness of a Member of the FCA Group to any other Member of the FCA Group and (y) Indebtedness that qualifies as Non-recourse Securitisation Debt shall, in each case, not be deemed to be Indebtedness for purposes of this Condition 4(a) or any other purpose of these Conditions or the Guarantee (where applicable);

(iv) "Industrial Subsidiary" means each subsidiary of FCA other than a Financial Services Subsidiary;

(v) "Loan Financing" means any money borrowed from (A) a bank, financial institution, hedge fund, pension fund, or insurance company or (B) any other entity having as its principal business the lending of money and/or investing in loans, in each case other than public or quasi-public entities or international organisations with a public or quasi-public character;

(vi) "Member of the FCA Group" means each of Fiat Chrysler Automobiles N.V. and any direct or indirect subsidiaries it fully consolidates on a line-by-line basis in accordance with IFRS as adopted by the European Union;

(vii) "Non-recourse Securitisation" means any securitisation, asset backed financing or transaction having similar effect under which an entity (or entities in related transactions) on commercially reasonable terms:

(A) acquires receivables for principally cash consideration or uses existing receivables; and

(B) issues any notes, bonds, commercial paper, loans or other securities (whether or not listed on a recognised stock exchange) to fund the purchase of or otherwise backed by those receivables and/or any shares or other interests referred to in Condition 4(a)(ix)(C)(ii) and the payment obligations in respect of such notes, bonds, commercial paper, loans or other securities:

(1) are secured on those receivables; and

(2) are not guaranteed by any Member of the FCA Group (other than as a result of any Lien which is granted by any Member of the FCA Group as permitted by Condition 4(a)(ix)(C)(ii) or as to the extent of any Standard Securitisation Undertakings);

(viii) "Non-recourse Securitisation Debt" means any Indebtedness incurred by a Securitisation Entity pursuant to a securitisation of receivables where the recourse in respect of that Indebtedness to the Issuer or the Guarantor (where applicable) is limited to:

(A) those receivables and/or related insurance and/or any Standard Securitisation Undertakings; and

(B) if those receivables comprise all or substantially all of the business or assets of such Securitisation Entity, the shares or other interests of any Member of the FCA Group in such Securitisation Entity,

*provided* that any Indebtedness not qualifying as Non-recourse Securitisation Debt solely because the extent of recourse to any Member of the FCA Group with respect to such Indebtedness is greater than that provided in clauses (A) and (B) above shall only not qualify as Non-recourse Securitisation Debt with respect to the extent of such additional recourse;

(ix) "Permitted Liens" means:

(A) Liens existing on the Issue Date; or

(B) Liens arising by operation of law, by contract having an equivalent effect, from rights of set-off arising in the ordinary course of business between either the Issuer or the Guarantor (where applicable) and any of their respective suppliers or customers, or from rights of set-off or netting arising by operation of law (or by contract having similar effect) by virtue of the provision to the Issuer or the Guarantor (where applicable) of clearing bank facilities or overdraft facilities; or

(C) any Lien over:

(1) the receivables of a Securitisation Entity (and any bank account to which such proceeds are deposited) which are subject to a Non-recourse Securitisation as security for Non-recourse Securitisation Debt raised by such Securitisation Entity in respect of such receivables; and/or

(2) the shares or other interests owned by any Member of the FCA Group in any Securitisation Entity as security for Non-recourse Securitisation Debt raised by such Securitisation Entity *provided* that the receivables or revenues which are the subject of the relevant Non-recourse Securitisation comprise all or substantially all of the business of such Securitisation Entity; or

(D) any Liens on assets acquired by a Member of the FCA Group after the Issue Date, *provided* that (i) such Lien was existing or agreed to be created at or before the time the relevant asset was acquired by a Member of the FCA Group, (ii) such Lien was not created in contemplation of such acquisition, and (iii) the principal amount then secured does not exceed the principal amount of the committed financing then secured (whether or not drawn), with respect to such assets at the time the relevant asset was acquired by a Member of the FCA Group; or

(E) any Lien created to secure all or any part of the purchase price, or to secure Quoted Indebtedness incurred or assumed to pay all or any part of the purchase price or cost of construction, of property (or any improvement thereon) acquired or constructed by the Issuer or the Guarantor (where applicable) after the Issue Date, *provided*, that (i) any such Lien shall extend solely to the item or items of property (or improvement thereon) so acquired or constructed and (ii) the principal amount of Quoted Indebtedness secured by any such Lien shall at no time exceed an amount equal to the fair market value of such property (or any improvement thereon) at the time of such acquisition or construction; or

(F) any Lien securing Quoted Indebtedness incurred to refinance other indebtedness itself secured by a Lien included in clauses (A), (B), (D) or (E) above, but only if the principal amount of the Quoted Indebtedness is not increased and only the same assets are secured as were secured by the prior Lien; or

(G) any Lien provided in favour of any bank or governmental (central or local), intergovernmental or supranational body, agency, department or other authority securing any Quoted Indebtedness of the Issuer or the Guarantor (where applicable) under a loan scheme operated by (or on behalf of) Banco Nacional de Desenvolvimento Economico e Social, Finame, Banco de Minas Gerais, a member country of the OECD, Argentina, Brazil, China, India, South Africa or any supranational entity (such as the European Bank for Reconstruction and Development or the International Finance Corporation) where the provision of such Lien is required for the relevant loan; or

(H) (i) any Lien created on the shares of capital stock of a subsidiary, and (ii) any Lien created on the assets of a subsidiary of the type described in Condition 4(a)(ix)(E) other than shares of capital stock of a subsidiary;

(x) "Qualifying Guarantee" means a direct or indirectly guarantee in respect of any Indebtedness or a direct or indirect indemnity against the consequences of a default in the payment of any Indebtedness, other than, in each case, by endorsement of negotiable instruments, letters of credit or reimbursement agreements in the ordinary course of business;

(xi) "Quoted Indebtedness" means any indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other securities and which at the time of issue is, or is capable of being, quoted, listed or ordinarily dealt in on any stock exchange or over-the-counter market or other securities market (whether or not initially distributed by means of a private placement);

(xii) "Securitisation Entity" means any special purpose vehicle created for the sole purpose of carrying out, or otherwise used solely for the purpose of carrying out a Non-recourse Securitisation or any other Industrial Subsidiary which is effecting Non-recourse Securitisations; and

(xiii) "Standard Securitisation Undertakings" means representations, warranties, covenants and indemnities entered into by any Member of the Group from time to time which are customary in relation to Non-recourse Securitisations, including any performance undertakings with respect to servicing obligations or undertakings with respect to breaches of representations or warranties.

(b) **Reports:** If FCA ceases to be listed on the New York Stock Exchange or any other stock exchange in the United States of America or the European Economic Area, FCA will furnish to the Noteholders so long as the Notes are outstanding, English language annual and quarterly reports containing financial information substantially similar in scope to that provided in the annual and quarterly reports published in the Netherlands in the financial year ended immediately prior to such cessation. For the avoidance of doubt, FCA shall not be required to provide any U.S GAAP reconciled financial information in any reports it is required to provide pursuant to this Condition 4(b).

So long as the Notes are listed on the Irish Stock Exchange, any reports FCA provides pursuant to this Condition 4(b) will also be made available in Ireland through the office of the Paying Agent in Dublin.

## 5. INTEREST

(a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable in arrears on the Interest Payment Date(s) in each year and on the Maturity Date if that does not fall on an Interest Payment Date.

If the Notes are in definitive form except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(i) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or

(ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise rounded in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

In these Conditions:

"Day Count Fraction" means, in respect of the calculation of an amount of interest, in accordance with this Condition 5(a):

(i) if **"Actual/Actual (ICMA)"** is specified in the applicable Final Terms:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(ii) if **"30/360"** is specified in the applicable Final Terms, the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360; and

(iii) if **"Actual/365 (Fixed)"** is specified in the applicable Final Terms, the actual number of days in the Fixed Interest Period divided by 365;

"Determination Period" means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

"Fixed Interest Period" means the period from (and including) an Interest Payment Date or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date; and

"sub-unit" means with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) **Interest on Floating Rate Notes:**

(i) *Interest Payment Dates:* Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrears on either:

(A) the Specified Interest Payment Date(s) (each an "Interest Payment Date") in each year specified in the applicable Final Terms; or

(B) if no express Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an "Interest Payment Date") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a "Business Day Convention" is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the "**Floating Rate Convention**", such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis*; or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (1) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (2) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the "**Following Business Day Convention**", such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the "**Modified Following Business Day Convention**", such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the "**Preceding Business Day Convention**", such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, "Business Day" means a day which is both:

(A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;

(B) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "TARGET2 System") is open;

(C) either (1) in relation to any sum payable in a Specified Currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively); or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; or (3) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets in Hong Kong are open for general business and settlement of payments in Renminbi.

(ii) *Rate of Interest:* The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where "ISDA Determination" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions, as amended and updated as at the Issue Date of the first Tranche of the Notes, published by the International Swaps and Derivatives Association, Inc. (the "ISDA Definitions") and under which:

(1) the Floating Rate Option is as specified in the applicable Final Terms;

(2) the Designated Maturity is a period specified in the applicable Final Terms; and

(3) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate Notes

Where "Screen Rate Determination" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR, EURIBOR or CNH HIBOR, as specified in the applicable Final Terms) which appears on the Relevant Screen Page as at 11:00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) or at approximately 11:15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2:30 p.m. (Hong Kong time), then as of 2:30 p.m. (Hong Kong time) (in the case of CNH HIBOR) (such time, the "**Specified Time**") on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement provides that, if the Relevant Screen Page is not available or if, in the case of (1) above, no offered quotation appears or, in the case of (2) above, fewer than three offered quotations appear, in each case as at the Specified Time, the Principal Paying Agent shall request the principal London office of each of the Reference Banks in the London inter-bank market (in the case of a determination of LIBOR), the principal Euro-zone office of each of the Reference Banks in the Euro-zone inter-bank market (in the case of a determination of EURIBOR), or the principal Hong Kong office of four major banks in the Hong Kong inter-bank market (in the case of a determination of CNH HIBOR) to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

The Agency Agreement further provides that, if on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR), the Eurozone inter-bank market (if the Reference Rate is EURIBOR) or the principal Hong Kong office of four major banks dealing in Renminbi in the Hong Kong inter-bank market (if the Reference Rate is CNH HIBOR), in each case selected by the Principal Paying Agent or as specified in the applicable Final Terms, plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is of are in the opinion of the relevant Issuer suitable for the purpose) informs the Principal Paying Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR), the Eurozone inter-bank market (if the Reference Rate is EURIBOR) or the principal Hong Kong office of four major banks dealing in Renminbi in the Hong Kong inter-bank market (if the Reference Rate is CNH HIBOR), in each case selected by the Principal Paying Agent or as specified in the applicable Final Terms, plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(iii) *Minimum and/or maximum Rate of Interest:* If the applicable Final Terms specify a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specify a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts:* The Principal Paying Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"Day Count Fraction" means, in respect of the calculation of an amount of interest for any Interest Period:

(A) if **"Actual/365"** or **"Actual/Actual"** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(B) if **"Actual/365 (Fixed)"** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(C) if **"Actual/365 (Sterling)"** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(D) if **"Actual/360"** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(E) if **"30/360", "360/360"** or **"Bond Basis"** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

(F) if **"30E/360"** or **"Eurobond Basis"** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(v) *Linear Interpolation:* Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

As used herein:

"Designated Maturity" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(vi) *Notification of Rate of Interest and Interest Amounts:* The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed with notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression "London Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vii) *Certificates to be final:* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b) by the Principal Paying Agent shall (in the absence of wilful default, bad faith, negligence or manifest error) be binding on the Issuer, the Guarantor (where applicable), the Principal Paying Agent, the other Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor (where applicable), the Noteholders or the Couponholders shall attach to the Principal Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) **Accrual of interest:** Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(i) the date on which all amounts due in respect of such Note have been paid; and

(ii) the date on which the full amount of the monies payable in respect of such Note has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14.

## 6. PAYMENTS

(a) Method of payment

Subject as provided below:

(i) payments in a Specified Currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively);

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; and

(iii) payments in Renminbi will be made by a transfer to a Renminbi account maintained by or on behalf of the payee with a bank in Hong Kong.

Without prejudice to the provisions of Condition 8, payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in any jurisdiction, including (without limitation) any obligations pursuant to such laws or regulations to make a withholding or deduction for or on account of any taxes, duties or assessments of whatever nature, including, for the avoidance of doubt, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, the regulations thereunder, any official interpretations thereof, or any agreement, law, regulation or other official guidance implementing an intergovernmental approach thereto, and neither the Issuer nor the Guarantor (where applicable) will be liable to pay any additional amounts in the event of any such withholding or deduction.

(b) **Presentation of definitive Bearer Notes and Coupons:** Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only (i) in the case of a definitive Bearer Note not held in the CMU Service, against presentation and surrender of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America or its possessions) or (ii) in the case of a definitive Bearer Note held in the CMU Service, to the person(s) for whose account(s) interest in the relevant definitive Bearer Note are credited as being held with the CMU Service in accordance with the prevailing CMU rules and procedures at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report or any relevant notification by the CMU Service, which notification shall be conclusive evidence of the records of the CMU Service (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

Fixed Rate Notes in definitive bearer form not held in the CMU Service (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form not held in the CMU Service becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

(c) **Payments in respect of Bearer Global Notes:** Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note (i) in the case of a Bearer Global Note lodged with the CMU Service, to the person(s) for whose account(s) interests in the relevant Bearer Global Note are credited as being held by the CMU Service in accordance with the prevailing CMU rules and procedures at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report or any relevant notification by the CMU, which notification shall be conclusive evidence of the records of the CMU Service (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment, or (ii) in the case of a Bearer Global Note not lodged with the CMU Service, against presentation or surrender, as the case may be, of such Bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made.

(d) **Payments in respect of Registered Notes:** Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "Register") (i) where in global form, at the close of the business day (being for this purpose, in respect of Notes clearing through Euroclear and Clearstream, a day on which Euroclear and Clearstream are open for business and, in respect of Notes clearing through the CMU Service, a day on which the CMU Service is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (the "Principal Record Date"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "Designated Account" means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account and, in the case of a payment in Renminbi, means the Renminbi account maintained by or on behalf of the payee with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment) maintained by a holder with a Designated Bank and identified as such in the Register and "Designated Bank" means (in the case of payment in a Specified Currency other than euro and Renminbi) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively), (in the case of a payment in euro) any bank which processes payments in euro, and (in the case of a payment in Renminbi) a bank in Hong Kong that settles payments in Renminbi.

Payments of interest in respect of each Registered Note (whether or not in global form) will be made (A) in the case of payments of interest in a Specified Currency other than Renminbi, by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the relevant due date (or, if the relevant due date is not a business day in the city where the specified office of the Registrar is located, on the following such business day) to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at his address shown in the Register on the Interest Record Date (as defined below) and at his risk; or (B) in the case of payments of interest in Renminbi, by transfer to the registered account of the payee, in each case (i) where in global form, at the close of the business day (being for this purpose, in respect of Notes clearing through Euroclear and Clearstream, a day on which Euroclear and Clearstream are open for business and, in respect of Notes clearing through the CMU Service, a day on which the CMU Service is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifth day (in the case of Renminbi) or on the fifteenth day (in the case of a Specified Currency other than Renminbi, whether or not such fifteenth day is a business day) before the relevant due date (the "Interest Record Date" and each of the Principal Record Date and the Interest Record Date, a "Record Date"). Upon application of the holder to the specified office of the Registrar (1) not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, or (2) where such Registered Note is in global form, on the Interest Record Date, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note.

In the case of definitive Registered Notes or Registered Notes in global form held through the CMU Service, payments of principal and interest in respect of such Notes will be made at the direction of the registered holder to the person(s) for whose account(s) interests in such Registered Note are credited as being held through the CMU Service in accordance with prevailing CMU rules and procedures at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) and such payments shall discharge the obligation of the relevant Issuer in respect of that payment under such Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency for conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer, the Guarantor (where applicable) or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) **General provisions applicable to payments:** The holder of a Global Note (if the Global Note is not lodged with the CMU Service) or (if the Global Note is lodged with the CMU Service) the person(s) for whose account(s) interests in such Global Note are credited as being held through the CMU in accordance with the prevailing CMU rules and procedures as notified to the CMU Lodging and Paying Agent by the CMU in a relevant CMU Instrument Position Report or any other relevant notification by CMU (which notification, in either case, shall be conclusive evidence of the records of the CMU save in the case of manifest error), shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor (where applicable) will be discharged by payment to, or to the order of, the holder of such Global Note or such other person(s) for whose account(s) interests in such Global Note are credited as being held in the CMU Service, as the case may be, in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, DTC or the CMU Service as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, DTC, or the CMU Service as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor (where applicable) to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if: (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due; (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor (where applicable), adverse tax consequences to the Issuer or the Guarantor (where applicable).

(f) **Payment Day:** If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Payment Day" means any day which (subject to Condition 9) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(A) in the case of Notes in definitive form only;

(B) the relevant place of presentation; and

(C) each Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;

(D) in the case of CMU Notes, Hong Kong;

(E) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms a day on which the TARGET2 System is open; and

(F) where the Issuer is FCA, London, where the Issuer is FCFE, Luxembourg, where the Issuer is FCFC, Toronto, and where the Issuer is FCFNA, New York City;

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively); (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; or (3) in relation to any sum payable in Renminbi, a day on which (i) commercial banks and foreign exchange markets in Hong Kong are open for general business and settlement of payments in Renminbi; and (ii) if a Registered Note representing the Notes is lodged with the CMU Service, the CMU Service is operating; and

(iii) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

(g) **Interpretation of principal and interest:** Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 8;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(e)); and

(vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

(h) **Payment of Alternative Currency Equivalent:** Notwithstanding the foregoing, where Alternative Currency Equivalent is specified in the applicable Final Terms as being applicable to a Series of Notes, if by reason of Inconvertibility, Non-transferability or Illiquidity the relevant Issuer or, in the case of Guaranteed Notes, the Guarantor, as the case may be, is unable to satisfy payments of principal or interest in respect of Notes when due in the Specified Currency, the relevant Issuer or, in the case of Guaranteed Notes, the Guarantor, as the case may be, shall, on giving to Noteholders, in accordance with Condition 14, not less than five nor more than 30 days' irrevocable notice prior to the due date for payment that it will make payment in the Alternative Currency, settle any such payment in the Alternative Currency on the due date at the Alternative Currency Equivalent of any such amount. Any payment made in the Alternative Currency under such circumstances will constitute valid payment in satisfaction of the relevant Issuer's or Guarantor's (as the case may be) obligations for such payment, and will not constitute a default in respect of the Notes. Notwithstanding the foregoing, if the relevant Inconvertibility, Non-transferability or Illiquidity event occurs within five days before the relevant due date for payment then such notice shall be given as soon as practicable and whether on or prior to the due date for payment.

As used herein:

"Alternative Currency" means the currency specified as such in the applicable Final Terms (or any lawful successor currency to that currency);

"Alternative Currency Calculation Agent" means (i) in the case of CMU Notes denominated in Renminbi, Citicorp International Limited (or any lawful successor thereto) unless otherwise specified in the applicable Final Terms; and (ii) in the case of all other Notes, the Alternative Currency Calculation Agent specified in the applicable Final Terms (or any lawful successor thereto);

"Alternative Currency Equivalent" means in respect of an amount denominated in the Specified Currency such amount converted into the Alternative Currency using the Spot Rate or, where the Specified Currency is Renminbi and the Alternative Currency is U.S. dollars, the RMB Spot Rate, in each case for the relevant Rate Calculation Date, all as determined by the Alternative Currency Calculation Agent;

"Governmental Authority" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the Specified Currency Jurisdiction;

"Illiquidity" means, with respect to the payment of any sum, foreign exchange markets for the Specified Currency becoming illiquid as a result of which it is impossible (as determined by the relevant Issuer or, in the case of Guaranteed Notes, the Guarantor, acting in good faith and in a commercially reasonable manner (and in the case of Notes denominated in Renminbi, following consultation with two independent foreign exchange dealers of international repute active in the Renminbi exchange market in Hong Kong reasonably selected by the relevant Issuer or (in the case of Guaranteed Notes) the Guarantor, as the case may be)), or commercially impracticable for the relevant Issuer or (in the case of Guaranteed Notes) the Guarantor, as the case may be, to obtain a sufficient amount of the Specified Currency in order to satisfy its obligation to pay such sum in respect of the Notes or (in the case of Guaranteed Notes) under the Guarantee, as the case may be;

"Inconvertibility" means, with respect to the payment of any sum, the occurrence of any event that makes it impossible or commercially impracticable for the relevant Issuer, or (in the case of Guaranteed Notes) the Guarantor, as the case may be, to convert any amount due in the foreign exchange markets for the Specified Currency, other than where such impossibility or impracticability is due solely to the failure of the relevant Issuer, or (in the case of Guaranteed Notes) the Guarantor, as the case may be, to comply with any law, rule or regulation enacted by any relevant Governmental Authority (unless such law, rule or regulation becomes effective on or after the date on which agreement is reached to issue the first Tranche of a Series of Notes and it is impossible or commercially impracticable for the relevant Issuer, or (in the case of Guaranteed Notes) the Guarantor, as the case may be, due to an event beyond its control, to comply with such law, rule or regulation);

"Non-deliverable Spot Rate Screen Page" means the relevant screen page specified as such in the applicable Final Terms;

"Non-transferability" means, with respect to the payment of any sum, the occurrence of any event that makes it impossible or commercially impracticable for the relevant Issuer or (in the case of Guaranteed Notes) the Guarantor, as the case may be, to transfer the Specified Currency in respect of such sum between accounts inside the Specified Currency Jurisdiction or between an account inside the Specified Currency Jurisdiction and an account outside the Specified Currency Jurisdiction, other than where such impossibility or impracticability is due solely to the failure of the relevant Issuer or (in the case of Guaranteed Notes) the Guarantor, as the case may be, to comply with any law, rule or regulation enacted by any relevant Governmental Authority (unless such law, rule or regulation becomes effective on or after the date on which agreement is reached to issue the first Tranche of a Series of Notes) and it is impossible or commercially impracticable for the relevant Issuer, or (in the case of Guaranteed Notes) the Guarantor, as the case may be, due to an event beyond its control, to comply with such law, rule or regulation;

"Rate Calculation Business Day" means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general business (including dealings in foreign exchange) in the Rate Calculation Jurisdiction;

"Rate Calculation Date" means (i) the day which is the number of Rate Calculation Business Days specified in the applicable Final Terms (which shall be two Rate Calculation Business Days where the Specified Currency is Renminbi) before the due date of the relevant amount under these Conditions or (ii) if the relevant Spot Rate is not available on such day, the last preceding Rate Calculation Business Day on which the relevant Spot Rate was most recently available, as determined by the Alternative Currency Calculation Agent;

"Rate Calculation Jurisdiction" means the jurisdiction(s) specified in the applicable Final Terms, which shall be the Eurozone where the Specified Currency is euro or Hong Kong where the Specified Currency is Renminbi;

"RMB Spot Rate", for a Rate Calculation Date, means the spot Renminbi/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement on the due date for payment, as determined by the Alternative Currency Calculation Agent at or around 11.00 a.m. (Hong Kong time) on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Alternative Currency Calculation Agent will determine the spot rate at or around 11.00 a.m. (Hong Kong time) on the Rate Calculation Date as the most recently available Renminbi/U.S. dollar official fixing rate for settlement on the due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate;

"Specified Currency Jurisdiction" means (i) other than in the case of euro or Renminbi, the primary jurisdiction for which the Specified Currency is the lawful currency, (ii) in the case of euro, the Eurozone or (iii) in the case of Renminbi, Hong Kong;

"Spot Rate", for a Rate Calculation Date, means the spot exchange rate for the purchase of the Alternative Currency with the Specified Currency in the over-the-counter foreign exchange market for the Specified Currency for settlement on the due date for payment in the Specified Currency Jurisdiction for settlement as a "spot" foreign exchange transaction in such market, as determined by the Alternative Currency Calculation Agent at or around the Spot Rate Calculation Time specified in the applicable Final Terms (Specified Currency Jurisdiction time or, in the case of euro, Central European time) on a deliverable basis by reference to the Spot Rate Screen Page (the "Spot Rate Screen Page") as specified in the applicable Final Terms, or if no such rate is available, on a non-deliverable basis by reference to the Non-deliverable Spot Rate Screen Page (the "Non-deliverable Spot Rate Screen Page") as specified in the applicable Final Terms. Unless specified otherwise in the applicable Final Terms, if neither rate is available, the Alternative Currency Calculation Agent will determine the Spot Rate in its discretion on the Rate Calculation Date at or around the Spot Rate Calculation Time (Specified Currency Jurisdiction time or, in the case of euro, Central European time) taking into consideration all available information which the Alternative Currency Calculation Agent deems relevant, including, without limitation, pricing information obtained from any other deliverable or non-deliverable foreign exchange market for the purchase of the Alternative Currency with the Specified Currency for settlement on the due date for payment as a "spot" foreign exchange transaction in or in relation to the relevant market; and

"Spot Rate Screen Page" means the relevant screen page specified as such in the applicable Final Terms.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(h) by the relevant Issuer, the Guarantor (where applicable) or the Alternative Currency Calculation Agent, as the case may be, will (in the absence of wilful default, bad faith or manifest error) be binding on the relevant Issuer, the Guarantor (where applicable), the Agents and all Noteholders and (in the absence of wilful default or bad faith) no liability to the relevant Issuer, the Guarantor (where applicable), the Agents and all Noteholders shall attach to the Alternative Adjudication Currency Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

## 7. REDEMPTION AND PURCHASE

(a) **Redemption at maturity:** Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) **Redemption for tax reasons:**

(i) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if:

(A) either the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 or the Guarantor (where applicable) would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws, regulations or rulings of the Relevant Tax Jurisdiction or any change in the application or official interpretation of such laws, regulations or rulings, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(B) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor (where applicable) taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor (in the case of Guaranteed Notes) would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 7(b), the Issuer or, as the case may be, the Guarantor (where applicable) shall deliver to the Principal Paying Agent a certificate signed by one Director of the Issuer or, as the case may be, one Director of the Guarantor (where applicable) stating that the Issuer or, as the case may be, the Guarantor (where applicable) is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer or, as the case may be, the Guarantor (where applicable) so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor (where applicable) has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 7(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

"Relevant Tax Jurisdiction" shall mean, in the case of payment by the Issuer, the Netherlands and the United Kingdom (*where the Issuer is FCA*), the Grand-Duchy of Luxembourg (*where the Issuer is FCFE*), Canada (*where the Issuer is FCFC*) or the United States of America (*where the Issuer is*

*FCFNA*) or any political subdivision or any authority thereof or therein having power to tax and, in the case of payment by the Guarantor (in the case of Guaranteed Notes), shall also include the Netherlands and the United Kingdom and any political subdivision or any authority thereof or therein having power to tax.

(c) **Redemption at the option of the Issuer ("Issuer Call"):** If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given:

(i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and

(ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) described below or as otherwise specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount at least equal to the Minimum Redemption Amount and not greater than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream and/or DTC and/or the CMU Service, as the case may be, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes or represented by a Global Note shall in each case bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding and Notes outstanding represented by such Global Note, respectively, bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that, if necessary, appropriate adjustments shall be made to such nominal amounts to ensure that each represents an integral multiple of the Specified Denomination. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

The Optional Redemption Amount will either be the amount specified in the applicable Final Terms or, if "As set out in Condition 7(c)" is specified as being applicable in the applicable Final Terms, an amount equal to 100 percent of the principal amount of such Notes together (if appropriate) with interest accrued to (but excluding) the date of redemption, plus the Applicable Premium.

In these Conditions:

**"Applicable Premium"** means, with respect to the relevant Note(s) on any redemption date, the greater of:

(i) 1.0 percent of the principal amount of such Note(s); or

(ii) the excess of:

(A) the present value at such redemption date of (i) the principal amount of such Note(s) at maturity plus (ii) all required interest payments due on such Note(s) through the Maturity Date indicated in the relevant Final Terms, (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 0.50 percent; over

(B) the principal amount of such Note(s), if greater.

**"Bund Rate"** means, with respect to any relevant date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue, (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

(i) **"Comparable German Bund Issue"** means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to the Maturity Date indicated in the relevant Final Terms, and that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes, and of a maturity most nearly equal to the Maturity Date indicated in the relevant Final Terms; *provided*, however, that, if the period from such redemption date to the Maturity Date indicated in the relevant Final Terms is less than one year, a fixed maturity of one year shall be used;

(ii) **"Comparable German Bund Price"** means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations or, if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(iii) **"Reference German Bund Dealer"** means any dealer of German Bundesanleihe securities appointed by the Issuer; and

(iv) **"Reference German Bund Dealer Quotations"** means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at or about 3.30 p.m. Frankfurt time, on the third business day (being for this purpose a day on which banks are open for business in Frankfurt and London) preceding the relevant date.

(d) **Redemption at the option of the Noteholders ("Investor Put"):** If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not, in the case of a Bearer Note in definitive form, in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount (each as specified in the applicable Final Terms) together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 7(d) in any multiple of their lowest Specified Denomination.

If this Note is in definitive form, to exercise the right to require redemption of this Note, the holder of this Note must deliver this Note at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "Put Notice") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b).

Any Put Notice given by a holder of any Note pursuant to this Condition 7(d) shall be irrevocable except where prior to the due date for redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7(d) and instead to declare such Note forthwith due and payable pursuant to Condition 10.

(e) **Early Redemption Amounts:** For the purpose of paragraph (b) above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

(i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(ii) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

(iii) in the case of a Zero Coupon Note, at an amount (the "Amortised Face Amount") calculated in accordance with the following formula:

Early Redemption Amount = RP x $(1 + AY)^y$ where:

"***RP***" means the Reference Price;

"***AY***" means the Accrual Yield expressed as a decimal; and

"***y***" is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

(f) **Purchases:** The Issuer, the Guarantor (where applicable) or any of their respective subsidiaries may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor (where applicable), surrendered to any Paying Agent and/or the Registrar for cancellation.

(g) **Cancellation:** All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to paragraph (f) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

(h) **Late payment on Zero Coupon Notes:** If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) the date on which the full amount of the monies payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14.

(i) **Repurchase at the Option of Noteholders—Change of Control:** If a Change of Control occurs, the holder of any Note will have the right to require the Issuer thereof to repurchase all (but not, in the case of a Bearer Note in definitive form, any part) of such Note pursuant to a Change of Control Offer. Registered Notes may be repurchased under this Condition 7(i) in any multiple of their lowest Specified Denomination. In the Change of Control Offer, the relevant Issuer will offer a payment in cash equal to 101 percent of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest, if any, to the date of purchase (the "Change of Control Payment"). Within thirty (30) days following any Change of Control, the Issuer will give notice to each holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the payment date specified in the notice (the "Change of Control Payment Date"), which date will be no earlier than 30 days and no later than 60 days from the date such notice is given to Noteholders in accordance with Condition 14.

The Issuer will comply with any applicable securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with this provision, the relevant Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this provision by virtue of such compliance.

On the Change of Control Payment Date, the relevant Issuer will, to the extent lawful:

(i) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(ii) deposit with the Principal Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(iii) deliver or cause to be delivered for cancellation the Notes properly accepted together with an officers' certificate of the relevant Issuer stating the aggregate principal amount of Notes or portions of Notes being purchased by the relevant Issuer.

If the Note is in definitive form, to exercise the right to require repurchase of the Note the holder of the Note must deliver this Note at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar, within the notice period, accompanied by a duly completed and signed acceptance notice in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (an "Acceptance Notice") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b).

Any Acceptance Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date for redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead declare such Note forthwith due and payable pursuant to Condition 10.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth herein applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer.

In these Conditions, the following expressions shall have the following meanings:

"Change of Control" means the occurrence of both (i) an event described in clauses (A) or (B) below and (ii) a Rating Decline:

(A) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any "person" (as that term is used in Section 13(d) of the Exchange Act), other than one or more Related Parties, becomes the beneficial owner, directly or indirectly, of more than 50 per cent. of the Voting Stock of FCA measured by voting power rather than number of shares; or

(B) the stockholders of the Guarantor (where applicable) or the Issuer approve any plan of liquidation or dissolution of the Guarantor (where applicable) or the Issuer, as the case may be, other than in connection with a merger, consolidation or other form of combination while the Issuer or Guarantor (where applicable) is solvent, with another company where such company, in the case of the Issuer, assumes all obligations of the Issuer under the Notes and, in the case of the Guarantor (where applicable), assumes all obligations of the Guarantor under the Guarantee and where such merger, consolidation or other combination does not have the effect of or result in an event described in paragraph (A) above;

"Change of Control Offer" means the offer to repurchase the Notes following a Change of Control as further described above;

"Person" means any individual, group, company, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organisation, limited liability company or government or other entity;

"Rating Date" means (i) the date one business day (being for this purpose a day on which banks are open for business in London) prior to the occurrence of an event specified in clause (A) or (B) of the definition of Change of Control or, if applicable, and only with respect to the type of transaction specified in clause (A) of the definition of Change of Control, the date one business day before the first public announcement of a definitive agreement with respect to such transaction and (ii) in the event that a Rating Agency has announced a Rating Decline of the Notes within 90 days prior to the occurrence of an event specified in clause (A) or (B) of the definition of Change of Control or, if applicable, and only with respect to the type of transaction specified in clause (A) of the definition of Change of Control, within 90 days before the first public announcement of a definitive agreement with respect to such transaction, and the official statement issued by a Rating Agency announcing the Rating Decline refers to such event or transaction as a reason for such downgrade, the date one business day prior to such announcement by a Rating Agency;

"Rating Agency" means Moody's or Standard & Poor's (each as herein defined), or, if either such entity ceases to rate the Notes for reasons outside of the control of the Guarantor (where applicable) or the relevant Issuer, the equivalent investment grade credit rating from any other "nationally recognised statistical rating organisation" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act;

"Rating Decline" means the occurrence on any date within the 60-day period following the occurrence of the event specified in clauses (A) or (B) of the definition of a Change of Control (which period shall be extended so long as during such period any rating of the Notes is under publicly announced consideration for possible downgrade by a Rating Agency, *provided* that such extension shall not be for more than 30 days) of: (i) in the event the Notes are rated by any Rating Agency on the Rating Date below investment grade, the rating of the Notes by such Rating Agency within such period being at least one rating category below the rating of the Notes by such Rating Agency on the Rating Date, (ii) in the event the Notes are rated by any Rating Agency on the Rating Date as investment grade, the rating of the Notes within such period by such Rating Agency being (1) at least two rating categories below the rating of the Notes by such Rating Agency on the Rating Date or (2) below investment grade or (iii) the Notes not being rated by any Rating Agency. In determining how many rating categories the rating of the Notes has decreased, gradation will be taken in account (e.g., with respect to Standard & Poor's, a decline in a rating from BB+ to BB, or from BB to BB-, will constitute a decrease of one rating category);

"Related Party" means (i) each of the owners and beneficial holders of interests in Giovanni Agnelli & C. S.A.p.A. (at the Issue Date and each of their spouses, heirs, legatees, descendants and blood relatives to the third degree, (ii) Giovanni Agnelli & C. S.a.p.az. or (iii) any Person directly or indirectly under the Control of Giovanni Agnelli & C. S.a.p.az. For the purposes of this definition, the term "Control" means (1) the direct or indirect ownership (beneficial or otherwise) of more than 50 percent of the Voting Stock of a Person measured by voting power rather than number of shares or (2) the power to appoint or remove all or the majority of the directors or other equivalent officers of a Person; and

"Voting Stock" of any Person as of any date means the capital stock of such Person that is at the time entitled to vote in the election of the board of directors of such Person.

## 8. TAXATION

All amounts payable in respect of the Notes and Coupons by the Issuer or the Guarantor (where applicable), as the case may be, will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed, withheld or levied by or on behalf of the Relevant Tax Jurisdiction (as defined in Condition 7(b)), unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor (where applicable) will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction except as follows:

(a) Where the Issuer is FCA or where payment is made pursuant to the Guarantee (in which case no additional amounts shall be paid in circumstances where the conditions set forth in (i) to (vii) of this Condition 8(a) apply, nor in circumstances where the conditions related to the relevant Issuer in this Condition 8 apply):

No such additional amounts shall be payable with respect to any Note or Coupon:

(i) presented for payment in the Netherlands or the United Kingdom; or

(ii) presented for payment by, or by a third party on behalf of, a holder who is liable to those taxes or duties in respect of that Note or Coupon by reason of his having some connection with the Relevant Tax Jurisdiction other than the mere holding of the Note or Coupon or the receipt of principal or interest in respect of it; or

(iii) presented for payment by a holder who is able to avoid the withholding by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

(iv) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to additional amounts on presenting it for payment on the last day of such 30-day period assuming that day to have been a Payment Day; or

(v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to or as a consequence of, such Directive; or

(vi) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a member state of the European Union; or

(vii) presented for payment for or on account of any tax, assessment or other governmental charge that would not have been imposed but for a failure by the holder or beneficial owner, or any financial institution (other than any Paying Agent) through which the holder or beneficial owner holds any Note or through which payment on the Note is made, to enter into or comply with an agreement described in Section 1471(b)(1) of the Code and the regulations thereunder or otherwise comply with Sections 1471 through 1474 of the Code, the regulations thereunder, any official interpretations thereof or any agreement, law, regulation, or other official guidance implementing an intergovernmental approach thereto.

(b) Where the Issuer is FCFE:

No such additional amounts shall be payable with respect to any Note or Coupon:

(i) presented for payment in Luxembourg; or

(ii) presented for payment by, or by a third party on behalf of, a holder who is liable to those taxes or duties in respect of that Note or Coupon by reason of his having some connection with the Relevant Tax Jurisdiction other than the mere holding of the Note or Coupon or the receipt of principal or interest in respect of it; or

(iii) presented for payment by a holder who is able to avoid the withholding by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

(iv) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to additional amounts on presenting it for payment on the last day of such 30-day period assuming that day to have been a Payment Day; or

(v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to or as a consequence of, such Directive; or

(vi) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a member state of the European Union; or

(vii) presented for payment for or on account of any tax, assessment or other governmental charge that would not have been imposed but for a failure by the holder or beneficial owner, or any financial institution (other than any Paying Agent) through which the holder or beneficial owner holds any Note or through which payment on the Note is made, to enter into or comply with an agreement described in Section 1471(b)(1) of the Code and the regulations thereunder or otherwise comply with Sections 1471 through 1474 of the Code, the regulations thereunder, any official interpretations thereof, or any agreement, law, regulation, or other official guidance implementing an intergovernmental approach thereto.

(c) Where the Issuer is FCFC:

No such additional amounts shall be payable with respect to any Note or Coupon:

(i) presented for payment in Canada;

(ii) presented for payment by, or by a third party on behalf of, a holder who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with the Relevant Tax Jurisdiction other than the mere holding or use or ownership of such Note or Coupon or deemed holding or use outside Canada or ownership as a non-resident of Canada of such Note or Coupon;

(iii) presented for payment by, or by a third party on behalf of, a holder in respect of whom such taxes or duties are required to be withheld or deducted by reason of the holder being a person with whom FCFC is not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada) (the "Act")) or by reason of the holder being a "specified shareholder" (as defined in subsection 18(5) of the Act) of FCFC or not dealing at arm's length with any such "specified shareholder" of FCFC (within the meaning of the Act);

(iv) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day;

(v) presented for payment by, or by a third party on behalf of, a holder in respect of whom any such taxes or duties would not have been so imposed but for the failure of such holder to comply with any requirement under relevant income tax treaties or Canadian statutes and regulations (or any administrative practice in Canada) to claim or establish entitlement to exemption from or reduction of such taxes or duties;

(vi) presented for payment in respect of any taxes or duties required to be withheld by any Paying Agent from any payment in respect of any Note or Coupon, if such payment can be made without such withholding by any other Paying Agent;

(vii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to or as a consequence of, such Directive; or

(viii) presented for payment for or on account of any tax, assessment or other governmental charge that would not have been imposed but for a failure by the holder or beneficial owner, or any financial institution (other than any Paying Agent) through which the holder or beneficial owner holds any Note or through which payment on the Note is made, to enter into or comply with Part XVIII of the Act, an agreement described in Section 1471(b)(1) of the Code and the regulations thereunder or otherwise comply with Sections 1471 through 1474 of the Code, the regulations thereunder, any official interpretations thereof or any agreement, law, regulation, or other official guidance implementing an intergovernmental approach thereto.

(d) Where the Issuer is FCFNA:

No such additional amounts shall be payable with respect to any Note:

(i) presented for payment for or on account of any tax assessment or other governmental charge that would not have been imposed but for (x) the existence of any present or former connection between such holder (or between a fiduciary, settlor or beneficiary of, or a person holding a power over, such holder, if such holder is an estate or a trust, or a member or shareholder of such holder, if such holder is a partnership or a corporation) and the Relevant Tax Jurisdiction (other than the mere receipt of such payment or the holding of such Note), including, without limitation, such holder (or such fiduciary, settlor, beneficiary, person holding a power, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in trade or business or present therein or having or having had a permanent establishment therein or (y) (where the Relevant Tax Jurisdiction is the United States) such holder's past or present status as a personal holding company or private foundation or other tax-exempt organisation with respect to the United States or as a corporation that accumulates earnings to avoid United States federal income tax;

(ii) presented for payment for or on account of any estate, inheritance, gift, sales, transfer or personal property tax or any similar tax, assessment or other governmental charge;

(iii) presented for payment for or on account of any tax, assessment or other governmental charge that would not have been imposed but for the presentation by the holder of a Note for payment more than 30 days after the Relevant Date;

(iv) presented for payment for or on account of any tax, assessment or other governmental charge that is payable otherwise than by deduction or withholding from a payment on a Note;

(v) presented for payment for or on account of any tax, assessment or other governmental charge required to be deducted or withheld by any Paying Agent from a payment on a Note, if such payment can be made without such deduction or withholding by any other Paying Agent;

(vi) presented for payment for or on account of any tax, assessment or other governmental charge that would not have been imposed but for a failure to comply with any applicable certification, documentation, information or other reporting requirement concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of a Note if, without regard to any tax treaty, such compliance is required by statute or regulation of the United States as a precondition to relief or exemption from such tax, assessment or other governmental charge;

(vii) presented for payment for or on account of any tax, assessment or other governmental charge that would not have been imposed but for a failure by the holder or beneficial owner, or any financial institution (other than any Paying Agent) through which the holder or beneficial owner holds any Note or through which payment on the Note is made, to enter into or comply with an agreement described in Section 1471(b)(1) of the Code and the regulations thereunder or otherwise comply with Sections 1471 through 1474 of the Code, the regulations promulgated thereunder, any official interpretation thereof, or any agreement, law, regulation, or other official guidance implementing an intergovernmental approach thereto;

(viii) presented for payment for or on account of any tax, assessment or other governmental charge imposed on a holder that actually or constructively owns 10 percent or more of the combined voting power of all classes of stock of the Issuer or that is a controlled foreign corporation related to the Issuer through stock ownership; or

(ix) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to or as a consequence of, such Directive;

nor shall such additional amounts be paid with respect to a payment on a Note to a holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of such Note.

As used in these Conditions, "Relevant Date", in respect of any payment, means the date on which that payment first becomes due but, if the full amount of the monies payable has not been received by the Principal Paying Agent on or before the due date, it means the date on which, the full amount of those monies having been so received, notice to that effect has been duly given to the relevant Noteholders in accordance with Condition 14.

## 9. PRESCRIPTION

The Notes (whether in bearer or registered form) and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

## 10. EVENTS OF DEFAULT

If any of the following events (each an "Event of Default") shall occur:

(i) there is a default for more than 14 days after the date when due in the payment of principal or interest (if any) due in respect of the Notes; or

(ii) there is default in the performance of any other obligation under the Agency Agreement, the Notes or the Guarantee (where applicable) (a) which is incapable of remedy or (b) which, being a default capable of remedy, continues for 30 days after written notice of such default has been given through the Principal Paying Agent by the holder of any Note to the Issuer and the Guarantor (where applicable); or

(iii) any final order shall be made by any competent court or other authority or resolution passed by the Issuer or the Guarantor (where applicable) for the dissolution or winding-up of the Issuer or the Guarantor (where applicable) or for the appointment of a liquidator, receiver or trustee of the Issuer or the Guarantor (where applicable) or of all or a substantial part of their respective assets, provided that there shall be no Event of Default in the case of an order or a resolution passed by the Issuer or the Guarantor (where applicable) for the liquidation or dissolution of the Issuer or the Guarantor (where applicable), as the case may be, to the extent that (a) such an order or resolution is in connection with a merger, consolidation or any other form of combination while the Issuer or Guarantor (where applicable) is solvent, with another company and such company, in the case of the Issuer, assumes all obligations of the Issuer under the Notes and, in the case of the Guarantor (where applicable), assumes all obligations of the Guarantor under the Guarantee, or (b) the Issuer has made a Change of Control Offer and repurchased the Notes from Noteholders following a Change of Control; or

(iv) the Issuer or the Guarantor (where applicable) shall stop payment or shall be unable to, or shall admit to creditors generally its inability to pay its debts as they fall due, or shall be finally adjudicated or found bankrupt or insolvent, or shall enter into any composition or other arrangement with its creditors generally or, where FCFE is the Issuer, the Issuer shall apply for controlled management (*gestion contrôlée*) or reprieve from payment (*sursis de paiement*); or

(v) the Issuer or the Guarantor (where applicable) ceases, or threatens to cease, to carry on business unless such cessation, or threatened cessation, is in connection with a merger, consolidation or any other form of combination with another company and such company in the case of the Issuer, assumes all obligations of the Issuer under the Notes, and in the case of the Guarantor (where applicable), assumes all obligations of the Guarantor under the Guarantee; or

(vi) in the case of Guaranteed Notes only, the Issuer ceases to be controlled directly or indirectly by the Guarantor, for which purpose the Guarantor shall be deemed to control the Issuer only if the Guarantor directly or indirectly, through one or more companies controlled by it within the meaning of this definition, (a) owns more than 50 percent of the voting share capital of the Issuer; or (b) has power to appoint or remove more than 50 percent of the board of directors (or other similar senior supervisory body) of the Issuer; or

(vii) there shall have occurred a default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness of the relevant Issuer, the Guarantor (where applicable) or any Material Subsidiary (as defined below in this Condition 10) (or the payment of which is guaranteed by the relevant Issuer, the Guarantor (where applicable) or any such Material Subsidiary) which default (A) is caused by a failure to pay the principal, interest or premium, if any, of any such Indebtedness (including without limitation a such failure under any called but unpaid guarantee issued or given by the Issuer, the Guarantor (where applicable) or any such Material Subsidiary in respect of any such Indebtedness) whether in the case of a repayment at maturity, a mandatory prepayment or otherwise, in each case after any applicable grace period provided in such Indebtedness or guarantee on the date of such failure (each such failure being a "payment default"), which payment default has not been validly waived in accordance with the terms of such Indebtedness or guarantee and applicable law, *provided* that the amount unpaid pursuant to such payment default, together with the amount unpaid pursuant to any other such payment default that has not been so waived or has not been otherwise validly cured aggregates €100,000,000 or (B) results in the acceleration of such Indebtedness prior to its express maturity, and such acceleration has not been validly waived in accordance with the terms of such Indebtedness and applicable law, *provided* that the principal amount of such Indebtedness so accelerated, together with the principal amount of any such other Indebtedness the maturity of which has been so accelerated and has not been waived or otherwise validly cured, aggregates €250,000,000; or

(viii) in the case of Guaranteed Notes only, the Guarantee shall be held in any judicial proceeding (in each case being a judgment or order from which no further appeal or judicial review is permissible under applicable law) to be unenforceable or invalid or shall cease for any reason to be in full force and effect or the Guarantor shall deny or disaffirm its obligations under the Guarantee, as the case may be,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 7(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

For the purposes of this Condition 10, the term “Material Subsidiary” means (A) Fiat Group Automobiles S.p.A. (renamed FCA Italy S.p.A. starting from December 15, 2014) (and any other person Controlled by FCA which Fiat Group Automobiles S.p.A. (now FCA Italy S.p.A.) is consolidated or merged with or into or to whom all or substantially all of the assets of such entity is sold, assigned, transferred, leased or otherwise disposed of); (B) Chrysler Group LLC (renamed FCA US LLC starting from December 15, 2014) (and any other person Controlled by FCA which Chrysler Group LLC (now FCA US LLC) is consolidated or merged with or into or to whom all or substantially all of the assets of such entity is sold, assigned, transferred, leased or otherwise disposed of); (C) any Member of the FCA Group the total assets of which on a stand-alone basis (excluding intra-Group items and as determined from the entity’s most recent IFRS financial data used by FCA in the preparation of its most recent audited consolidated financial statements) constitutes five percent or more of the consolidated total assets of the FCA Group (as determined from FCA’s most recent audited consolidated financial statements prepared in accordance with IFRS); (D) any Treasury Subsidiary or (E) any entity under the direct or indirect Control of FCA that directly or indirectly Controls a subsidiary that meets the requirements of the preceding clauses (A), (B), (C) or (D), *provided* that if any such entity Controls such a subsidiary only pursuant to the aggregate ownership test specified in the proviso to clause (1) of the definition of “Control”, “Controls” or “Controlled” below, then, and only then, the Issuer and the Guarantor (where applicable) shall have the right to designate which such entities shall be deemed to so Control such a subsidiary *provided* that, in each case, such designated entities Control in the aggregate more than 50 percent of the relevant subsidiary’s Voting Stock. For purposes of this definition of “Material Subsidiary”, (i) the term “Control”, “Controls” or “Controlled” means (1) the direct or indirect ownership (beneficial or otherwise) of more than 50 percent of the Voting Stock of a Person measured by voting power rather than number of shares, *provided* that to the extent that no single entity directly owns more than 50 percent of the Voting Stock of a Person, entities with aggregate direct or indirect ownership of more than 50 percent of the Voting Stock of a Person will be deemed to Control such Person or (2) the power to appoint or remove all or the majority of the directors or other equivalent officers of a Person and (ii) no Financial Services Subsidiary shall be considered or deemed to be a Material Subsidiary. Notwithstanding the foregoing, a subsidiary shall be considered or deemed to be a Material Subsidiary only to the extent that such is located or domiciled in an OECD Country (or, to the extent that the Organisation for Economic Co-operation and Development or a successor organisation no longer exists, the countries that were members of the relevant organisation on the date such organisation ceased to exist).

For purposes of this Condition 10, the term “OECD Country” means a country that is member of the Organisation for Economic Co-operation and Development or any successor organisation at the time of the occurrence of a payment default or acceleration specified in clause (vii) of this Condition 10 (or, to the extent that the Organisation for Economic Co-operation and Development or a successor organisation no longer exists, at the time the relevant organisation ceased to exist).

For purposes of this Condition 10, “Treasury Subsidiary” means (A) each of Fiat Chrysler Finance Europe *société anonyme*, Fiat Chrysler Finance North America, Inc., and Fiat Chrysler Finance Canada Ltd. and

(B) any other subsidiary of FCA the primary purpose of which is borrowing funds, issuing securities or incurring Indebtedness. For the avoidance of doubt, "Treasury Subsidiary" does not, and shall not be deemed to, include any Financial Services Subsidiary.

## 11. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

## 12. AGENTS

The names of the initial Agents and their initial specified offices are set out below. If any additional Agents are appointed in connection with any Series, the names of such Paying Agents will specified in Part B of the applicable Final Terms.

The Issuer and/or the Guarantor (where applicable) is/are entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Principal Paying Agent, a Registrar and, in the case of CMU Notes, a CMU Lodging and Paying Agent;

(b) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent, which may be the Principal Paying Agent (in the case of Bearer Notes) or, in the case of CMU Notes, a CMU Lodging and Paying Agent and a Transfer Agent, which may be the Registrar (in the case of Registered Notes), with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;

(c) each of the Issuer and the Guarantor (where applicable) will ensure that it maintains a Paying Agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to or as a consequence of such Directive; and

(d) there will at all times be a Paying Agent in a jurisdiction within Europe, other than (i) the jurisdiction in which the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) is incorporated, and (ii) the United Kingdom where FCA is the Issuer or a payment is made pursuant to the Guarantee by the Guarantor (in the case of Guaranteed Notes).

In addition, the Issuer and/or the Guarantor (in the case of Guaranteed Notes) shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6(e). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency or where an Agent is an FFI and does not become, or ceases to be, a Participating FFI or a Registered Deemed-Compliant FFI, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the Guarantor (where applicable) and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

As used herein:

"FFI" (a "foreign financial institution") means an FFI as defined in U.S. Treasury Regulations section 1.1471-1(b)(42);

"Participating FFI" means a participating FFI as defined in U.S. Treasury Regulations section 1.1471-1(b)(85); and

"Registered Deemed-Compliant FFI" means a registered deemed-compliant FFI as described in U.S. Treasury Regulations section 1.1471-5(f)(1).

**13. EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

**14. NOTICES**

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London; provided, however that in the case of Bearer Notes cleared through the CMU Service, notices will be deemed to be validly given if published in a leading daily newspaper of general circulation in Hong Kong. It is expected that such publication will be made in the Financial Times in London or, in the case of Bearer Notes cleared through the CMU Service, either The Standard or the South China Morning Post in Hong Kong. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Bearer Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange and the rules of that stock exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of (i) Euroclear and/or Clearstream and/or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream and/or DTC for communication by them to the holders of the Notes or (ii) the CMU Service, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU Service on the first business day preceding the date of despatch of such notice as holding interests in the relevant Global Note. In addition, for so long as any Notes are listed or admitted to trading on a stock exchange and the rules of that stock exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream and/or DTC and/or the CMU Service.

All notices to the Noteholders will be deemed to be validly given if filed with the Companies Announcements Office of the Irish Stock Exchange.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream and/or DTC and/or in the case of Notes lodged with the CMU Service, by delivery by such holder or such notice to the CMU Lodging and Paying Agent in Hong Kong, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream and/or DTC, and/or the CMU Service, as the case may be, may approve for this purpose.

## 15. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than five percent in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than three-quarters in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than a clear majority in nominal amount of the Notes for the time being outstanding. The Agency Agreement provides that a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than 75 percent of the persons voting on the resolution upon a show of hands or if a poll was duly demanded then by a majority consisting of not less than 75 percent of the votes given on the poll or consent given by way of electronic consents through the relevant clearing system(s) by or behalf of all the Noteholders, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

(a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or

(b) any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

Where the Issuer is FCFE, the provisions of articles 86 to 94-8 of the Luxembourg law of August 10, 1915 on commercial companies, as amended, are hereby excluded.

## 16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue so that the same shall be consolidated and form a single Series with the outstanding Notes.

## 17. RIGHTS OF THIRD PARTIES

The Notes confer no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## 18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) **Governing law:** The Agency Agreement, the Guarantee (where applicable), the Deed of Covenant, the Deed Poll, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Guarantee (where applicable), the Deed of Covenant, the Deed Poll, the Notes and the Coupons are governed by, and shall be construed in accordance with, English law.

(b) **Submission to jurisdiction:** Subject to Condition 18(d), the courts of England have jurisdiction to settle any disputes which may arise out of or in connection with the Notes and/or the Coupons, including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a "Dispute") and, accordingly, each of the Issuer and any Noteholders and Couponholders in relation to any Dispute submits to the jurisdiction of such courts.

(c) For the purposes of this Condition 18, the Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any suit, action or proceedings (together referred to as "Proceedings") in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any jurisdiction.

(d) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) Proceedings against the Issuer in any other court of competent jurisdiction, and (ii) concurrent Proceedings in one or more jurisdictions.

(e) **Appointment of Process Agent:** The Issuer appoints Fiat Chrysler Finance Europe *société anonyme*, UK branch at its registered office for the time being in England as its agent for service of process, and undertakes that, in the event of Fiat Chrysler Finance Europe *société anonyme*, UK branch ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

# USE OF PROCEEDS

The net proceeds from each issue of Notes will be used to finance the activities of the Group.

# REMITTANCE OF RENMINBI INTO AND OUTSIDE THE PRC

The following is a general description of certain currency controls in the PRC and is based on the law and relevant interpretations thereof in effect as at the date of this Base Prospectus, all of which are subject to change, and does not constitute legal advice. It does not purport to be a complete analysis of all applicable currency controls in the PRC relating to the Notes. Prospective holders of the Notes who are in any doubt as to PRC currency controls are advised to consult their own professional advisers.

Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

**Current Account Items**

Under PRC foreign exchange control regulations, current account item refers to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers.

Since July 2009, the PRC has commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. On June 17, 2010, the PRC Government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Program of Renminbi Settlement of Cross-Border Trades (关于扩大跨境贸易人民币结算试点有关问题的通知) (the "Renminbi Settlement Circular"), pursuant to which (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts was expanded to cover 20 provinces and cities and (iii) the restriction on designated offshore districts was lifted. Accordingly, any enterprises in the designated pilot districts and offshore enterprises are entitled to use Renminbi to settle imports and exports of goods and services and other current account items between them. Renminbi remittance for exports of goods from the PRC may only be effected by approved pilot enterprises in designated pilot districts in the PRC. In August 2011, the PRC Government further expanded Renminbi cross-border trade settlement nationwide. Currently, participating banks in Hong Kong, Macau, Singapore, Taiwan, London, Frankfurt, Seoul, Paris, Luxembourg, Sydney, Toronto, Doha, Kuala Lumpur, Bangkok, Santiago, Budapest, Johannesburg, Buenos Aires and Lusaka have been permitted to engage in the settlement of Renminbi trade transactions.

On July 5, 2013, the PBoC issued the Circular on the Simplification of Renmibi Cross-border Business Processes and the Improvement of Relevant Policies (关于简化跨境人民币业务流程和完善有关政策的通知) (the "2013 PBOC Circular"), pursuant to which on the basis of three principles of "know your customer", "know your business" and "due diligence", PRC banks can directly handle the cross-border settlement upon the PRC enterprises presenting the payment instruction (except for enterprises on the key regulatory list of regulating Renminbi cross-border settlement in export goods trade). PRC banks may also allow PRC enterprises to make/receive payments under current account items prior to the relevant PRC bank's verification of underlying transactions (noting that verification of underlying transactions is usually a precondition for cross-border remittance).

The Renminbi Settlement Circular and the 2013 PBOC Circular will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying the Renminbi Settlement Circular and the 2013 PBOC Circular and impose conditions for settlement of current account items. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the use of Renminbi for payment of transactions categorised as current account items, then such settlement will need to be made subject to the specific requirements or restrictions set out in such regulations.

**Capital Account Items**

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of the relevant PRC authorities.

Settlements for capital account items are generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) are required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or relevant PRC parties are also generally required to make capital item payments including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment to foreign investors in a foreign currency. That said, the relevant PRC authorities may grant approval for a foreign entity to make a capital contribution or a shareholder's loan to a foreign invested enterprise with Renminbi lawfully obtained by it outside the PRC and for the foreign invested enterprise to service interest and principal repayment to its foreign investors outside the PRC in Renminbi on a trial basis. The foreign invested enterprise may be required to complete a registration and verification process with the relevant PRC authorities before such Renminbi remittances.

On April 7, 2011, the State Administration of Foreign Exchange ("SAFE") promulgated the Circular on Issues Concerning the Capital Account Items in connection with Cross-Border Renminbi (the "SAFE Circular"), which became effective on May 1, 2011. According to the SAFE Circular, in the event that foreign investors intend to use cross-border Renminbi (including Renminbi inside and outside the PRC held in the capital accounts of non-PRC residents) to make a contribution to an onshore enterprise or make payment for the transfer of an equity interest of an onshore enterprise by a PRC resident, such onshore enterprise shall be required to submit the relevant prior written consent of the MOFCOM to the relevant local branches of SAFE of such onshore enterprise and register for a foreign invested enterprise status. Further, the SAFE Circular clarifies that the foreign debts borrowed, and the external guarantee provided, by an onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt and external guarantee regime. Furthermore, according to the 2013 PBOC Circular, upon enforcement of external guarantees in Renminbi provided by non-financial enterprises in the PRC, PRC banks may provide RMB settlement services (i.e. remittance of enforcement proceeds) directly. Non-financial enterprises in the PRC can (through PRC banks) extend loans in Renminbi to entities within the same group outside the PRC under Renminbi cash pooling arrangements and will no longer need to apply for a quota from SAFE. However, SAFE has not amended its positions under the SAFE Circular, nor has it issued any regulations to confirm the positions in the 2013 PBOC Circular. Therefore, there remain potential inconsistencies between the provisions of the SAFE Circular and the provisions of the 2013 PBOC Circular and it is unclear how SAFE will deal with such inconsistencies in practice.

On October 13, 2011, PBoC promulgated the PBoC FDI Measures, pursuant to which, PBoC special approval for RMB FDI and shareholder loans, which is required by an earlier circular of PBoC is no longer necessary. The PBoC FDI Measures provide that, among others, foreign invested enterprises are required to conduct registrations with the local branch of PBoC within ten working days after obtaining the business licences for the purpose of Renminbi settlement, and a foreign investor is allowed to open Renminbi special accounts for designated usage in relation to making an equity investment in a PRC enterprise or receiving Renminbi proceeds from distribution (dividends or otherwise) by its PRC subsidiaries. The PBoC FDI Measures also state that the foreign debt quota of a foreign invested enterprise constitutes its Renminbi debt and foreign currency debt from its offshore shareholders, offshore affiliates and offshore financial institutions, and a foreign invested enterprise may open a Renminbi account (人民币一般存款户口) to receive its Renminbi proceeds borrowed offshore by submitting the Renminbi loan contract to the commercial bank and make repayments of principal of and interest on such debt in Renminbi by submitting certain documents as required to the commercial bank.

The SAFE Circular and the PBoC FDI Measures will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

## FIAT CHRYSLER FINANCE EUROPE S.A.

### BUSINESS AND INCORPORATION

Fiat Chrysler Finance Europe S.A. ("FCFE") was formed as a company with limited liability (*société anonyme*) under the laws of the Grand-Duchy of Luxembourg on June 18, 1997, for an unlimited duration. FCFE was originally named Fiat Finance and Trade Ltd., but its name was changed effective October 29, 2014. Its registered office is at 24, Boulevard Royal, L-2449 Luxembourg, Grand-Duchy of Luxembourg, its telephone number is + 352 26 20 56 21 and it is registered in the Luxembourg trade and company register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B-59500. The articles of incorporation of FCFE have been published in the *Mémorial C, Journal Officiel du Grand-Duché de Luxembourg, Recueil Spécial des Sociétés et Associations* under number C. 384 of July 17, 1997. The articles were modified on October 9, 1997 (published in the *Mémorial* C under number 635 of November 13, 1997), on December 31, 1998 (published in the *Mémorial* C under number 237 of April 6, 1999), on June 25, 1999 (published in the *Mémorial C* under number 705 of September 22, 1999), on November 27, 2000 (published in the *Mémorial C* under number 514 of July 7, 2001), on November 12, 2004 (published in the *Mémorial C* under number 118 of February 9, 2005) and on January 27, 2006 (published in the *Mémorial* C under number 792 of April 20, 2006). The articles of incorporation of FCFE were last amended pursuant to a deed of amendment dated October 29, 2014 to reflect, among other things, the change of the name of FCFE from "Fiat Finance and Trade Ltd". to "Fiat Chrysler Finance Europe" Such amendment and the coordinated articles of incorporation of FCFE have been filed with the Luxembourg Register of Commerce and Companies. Such amendment has been published in the *Mémorial C, Journal Officiel du Grand-Duché de Luxembourg, Recueil des Sociétés et Associations* under number 3428 of November 18, 2014.

FCFE, which is approximately 40% owned by FCA and approximately 60% owned by Fiat Chrysler Finance S.p.A., which in turn is a wholly owned subsidiary of FCA, is the central treasury vehicle for the FCA Group in the international financial markets. Its object, according to Article 3 of its articles of incorporation, is the holding of participations in other companies and/or enterprises and the direct and/or indirect financing of such entities or entities being members of its group.

Effective on December 15, 2011, FCFE acquired (i) the entire (aggregate 100%) stakes in FCFNA previously held by Fiat and by Fiat Chrysler Finance S.p.A., and (ii) the entire (100%) stake in FCFC previously held by Fiat Chrysler Finance S.p.A. As a result of these acquisitions, FCFE became the parent company of a group of companies formed by FCFE and its direct subsidiaries, FCFNA and FCFC (the "FCFE Group"), and beginning from the financial year ended December 31, 2011, it started to prepare consolidated financial statements in accordance with IFRS.

The registered share capital of FCFE is €251,494,000, represented by 13,416 shares without a nominal value.

#### Directors

FCFE is managed by a board of directors comprising three members. The names of the directors are listed below:

| NAME | POSITION ON BOARD |
|---|---|
| Leonardo Cecchetti | Chairman |
| Jacques Loesch | Director |
| Marella Moretti | Director |

The business address for the board of directors is 24, Boulevard Royal, L-2449 Luxembourg, Grand-Duchy of Luxembourg. The directors of FCFE do not hold any relevant positions outside the FCA Group and/or FCFE that are significant with respect to FCFE, and there are no potential conflicts of interest of the members of the board of directors between their duties to FCFE and their private interests and/or other duties.

FCFE's independent auditors for the financial years ended December 31, 2014 and December 31, 2013 were Ernst & Young S.A.

There are no recent events particular to FCFE which are to a material extent relevant to the evaluation of FCFE's solvency.

FCFE is in compliance with those corporate governance laws of the Grand-Duchy of Luxembourg to which it may be subject, if any.

## FINANCIAL INFORMATION RELATING TO THE FCFE GROUP

The following financial information has been extracted from the audited consolidated financial statements of the FCFE Group as of December 31, 2014 and 2013 and for the financial years then ended, prepared in accordance with IFRS.

### CONSOLIDATED INCOME STATEMENT

| | Year ended December 31, 2014 | Year ended December 31, 2013 |
|---|---|---|
| | (figures in €) (audited) | |
| Revenue from services | 903,487 | 936,077 |
| Personnel costs | (1,460,518) | (1,490,135) |
| Other operating costs | (3,343,441) | (2,866,069) |
| Amortisation and depreciation | (206,510) | (220,045) |
| Financial income | 940,352,000 | 765,586,012 |
| Financial expenses | (893,288,971) | (838,588,923) |
| Net gain on derivative financial instruments | (35,899,463) | 78,977,384 |
| **PROFIT BEFORE TAXES** | **7,056,584** | **2,334,301** |
| Income taxes | (3,326,315) | (987,542) |
| **PROFIT FOR THE YEAR, ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT** | **3,730,269** | **1,346,759** |

### CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

| | Year ended December 31, 2014 | Year ended December 31, 2013 |
|---|---|---|
| | (figures in €) (audited) | |
| **OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS** | | |
| Translation reserves | 21,003,018 | (8,403,060) |
| Cash flow hedges (net of tax). | 3,491,553 | 554,544 |
| Income recognised in the cash flow hedge reserve (net effect) | (7,596,001) | 13,647,177 |
| Transfer from cash flow hedge reserve (net effect) | 11,087,554 | (13,092,634) |
| **TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)), NET OF TAX** | **24,494,571** | **(7,848,516)** |
| **TOTAL COMPREHENSIVE INCOME/(LOSS), NET OF TAX, ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT** | **28,224,840** | **(6,501,757)** |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at December 31, 2014 | 2013 |
|---|---|---|
| | (figures in €) (audited) | |
| **ASSETS** | | |
| **NON-CURRENT ASSETS** | | |
| Non-current loans | 574,833,996 | 536,866,296 |
| Tangible assets | 82,463 | 142,545 |
| Intangible assets | 379,599 | 476,965 |
| Deferred tax assets | 6,135,462 | 7,341,406 |
| **Total non-current assets** | **581,431,520** | **544,827,212** |
| **CURRENT ASSETS** | | |
| Current loans | 10,199,792,727 | 9,998,303,306 |
| Derivative financial instruments | 161,824,153 | 204,612,474 |
| Prepayments | 23,317,002 | 36,986,960 |
| Current tax receivables | 1,437,052 | 885,014 |
| Cash and cash equivalents | 4,548,985,889 | 3,709,866,377 |
| **Total current assets** | **14,935,356,823** | **13,950,654,131** |
| **TOTAL ASSETS** | **15,516,788,343** | **14,495,481,343** |
| **EQUITY AND LIABILITIES** | | |
| **EQUITY** | | |
| Share capital | 251,494,000 | 251,494,000 |
| Legal reserve | 13,438,000 | 13,380,000 |
| Reserves | 41,824,009 | 13,657,167 |
| **Total equity** | **306,756,009** | **278,531,167** |
| **NON-CURRENT LIABILITIES** | | |
| Non-current borrowings | 10,343,161,679 | 9,564,737,450 |
| **Total non-current liabilities** | **10,343,161,679** | **9,564,737,450** |
| **CURRENT LIABILITIES** | | |
| Current borrowings | 4,699,711,180 | 4,597,668,885 |
| Derivative financial instruments | 164,703,181 | 52,516,703 |
| Trade and other payables | 2,162,671 | 1,457,216 |
| Current tax payable | 293,623 | 569,922 |
| **Total current liabilities** | **4,866,870,655** | **4,652,212,726** |
| **TOTAL EQUITY AND LIABILITIES** | **15,516,788,343** | **14,495,481,343** |

## CONSOLIDATED STATEMENT OF CASH FLOWS

| | Year ended December 31, 2014 | 2013 |
|---|---|---|
| | (figures in €) (audited) | |
| **Operating activities** | | |
| Profit before tax | **7,056,584** | **2,334,301** |
| Adjustments to reconcile profit before tax to net cash flows: | | |
| Valuation gain on financial assets and financial liabilities at fair value through profit or loss | (507,753,655) | (227,198,586) |
| Valuation loss on financial assets and financial liabilities at fair value through profit or loss | 487,938,282 | 240,757,131 |
| Finance income | (945,322,927) | (849,064,325) |
| Finance expense | 953,974,734 | 829,531,306 |
| Depreciation and amortisation of tangible and intangible assets | 206,510 | 220,045 |
| Working capital adjustments: | | |
| Decrease/(increase) in prepayments | (13,699,960) | (16,279,337) |
| Decrease/(increase) in other receivables | — | — |
| (Decrease)/increase in trade and other payables | 705,456 | (3,679,422) |
| Income tax paid | (3,837,680) | (1,481,707) |
| **Net cash flow generated by/(used in) operating activities** | **(20,702,656)** | **(24,860,594)** |
| **Investing activities** | | |
| Loans granted | (117,398,168) | (1,980,594,212) |
| Interest received | 945,322,927 | 842,463,529 |
| Purchase of equipment and other tangible/intangible assets | 9,501 | 306,675 |
| **Net cash flow generated by/(used in) investing activities** | **827,934,260** | **(1,137,824,008)** |
| **Financing activities** | | |
| Proceeds from Bonds issued | 2,557,245,296 | 2,865,170, 819 |
| Repayments of Bonds issued | (2,150,000,000) | (1,000,000,000) |
| Proceeds from other borrowings | 583,064,211 | 135,859,220 |
| Repayments of other borrowings | — | — |
| | **990,309,507** | **2,001,030,039** |
| Interest paid | (929,009,395) | (818,174,715) |
| **Net cash flow generated by/(used in) financing activities** | 61,300,112 | 1,182,855,324 |
| Effect of exchange rate adjustments on cash and bank balances | (29,412,204) | 18,811,260 |
| Net increase in cash and cash equivalents | 868,531,716 | 20,170,722 |
| Cash and cash equivalents at the beginning of the year | 3,709,866,377 | 3,670,884,395 |
| **Cash and cash equivalents at the end of the year/period** | **4,548,985,889** | **3,709,866,377** |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

(figures in € thousand)
(audited)

| | Issued Capital | Legal Reserve | Foreign Currency Translation Reserve | Cash Flow Hedge Reserve | Other Reserve | Retained Earnings | Total Equity |
|---|---|---|---|---|---|---|---|
| **As at January 1, 2013** | **251,494** | **13,319** | **7,184** | **(10,167)** | **315** | **22,887** | **285,032** |
| Allocation of prior year result | — | 61 | — | — | 1,890 | (1,951) | — |
| Profit for the period | — | — | — | — | — | 1,347 | 1,347 |
| Other comprehensive income | — | — | (8,403) | 555 | — | — | (7,848) |
| Total comprehensive income | — | — | (8,403) | 555 | — | 1,347 | (6,501) |
| **As at December 31, 2013** | **251,494** | **13,380** | **(1,219)** | **(9,612)** | **2,205** | **22,283** | **278,531** |
| Allocation of prior year result | — | 58 | — | — | 2,207 | (2,265) | — |
| Profit for the year | — | — | — | — | — | 3,730 | 3,730 |
| Other comprehensive income | — | — | 21,003 | 3,492 | — | — | 24,495 |
| Total comprehensive income | — | — | 21,003 | 3,492 | — | 3,730 | 28,225 |
| **As at December 31, 2014** | **251,494** | **13,438** | **19,784** | **(6,120)** | **4,412** | **23,748** | **306,756** |

# FINANCIAL INFORMATION RELATING TO FIAT CHRYSLER FINANCE EUROPE S.A.

The following financial information has been extracted from the audited annual financial statements of FCFE as of December 31, 2014 and 2013 and for the years then ended, prepared in accordance with Luxembourg GAAP:

**BALANCE SHEET**

| | As at December 31, 2014 | As at December 31, 2013 |
|---|---|---|
| | (figures in €) (audited) | |
| **ASSETS** | | |
| **FIXED ASSETS** | | |
| Intangible assets | 378,315 | 474,790 |
| Tangible assets | | |
| *Other fixtures and fittings, tools and equipment* | 33,203 | 88,796 |
| Financial assets | 165,244,409 | 165,244,409 |
| **TOTAL FIXED ASSETS** | **165,655,927** | **165,807,995** |
| **CURRENT ASSETS** | | |
| Debtors | | |
| Amounts owed by affiliated undertakings | | |
| *Becoming due and payable after less than one year* | 9,099,571,229 | 9,391,665,796 |
| *Becoming due and payable after more than one year* | 245,371,843 | 245,371,843 |
| Other debtors | | |
| *Becoming due and payable after less than one year* | 767,501 | 625,600 |
| Investments | | |
| *Other investments* | 1,284,322,131 | 308,512,499 |
| Cash at bank and in hand | 3,023,427,976 | 2,912,601,134 |
| **TOTAL CURRENT ASSETS** | **13,653,460,680** | **12,858,776,872** |
| **ACCRUALS AND PREPAYMENTS** | **115,248,213** | **116,229,406** |
| **TOTAL ASSETS** | **13,934,364,820** | **13,140,814,273** |

**BALANCE SHEET (continued)**

| (figures in €) | As at December 31, 2014 | 2013 |
|---|---|---|
| | (figures in €) (audited) | |
| **LIABILITIES** | | |
| **CAPITAL AND RESERVES** | | |
| Subscribed capital | 251,494,000 | 251,494,000 |
| Reserves | | |
| Legal reserve | 13,438,000 | 13,380,000 |
| Other reserves | 4,412,000 | 2,205,500 |
| Profit or loss brought forward | 20,495,147 | 21,613,941 |
| Result for the financial year | 116,631 | 1,145,705 |
| **TOTAL SHAREHOLDERS' EQUITY** | **289,955,778** | **289,839,146** |
| **PROVISIONS** | | |
| Provisions for taxation | 284,075 | 522,626 |
| **NON SUBORDINATED DEBTS** | | |
| Debenture loans | | |
| Non-convertible loans | | |
| *Becoming due and payable after less than one year* | 2,262,371,277 | 2,534,495,986 |
| *Becoming due and payable after more than one year* | 9,221,836,993 | 8,495,611,926 |
| Amounts owed to credit institutions | | |
| *Becoming due and payable after less than one year* | 273,189,728 | 115,391,245 |
| *Becoming due and payable after more than one year* | — | — |
| Amounts owed to affiliated undertakings | | |
| *Becoming due and payable after less than one year* | 1,841,648,480 | 1,661,929,558 |
| Other creditors | | |
| *Becoming due and payable after less than one year* | 46,965 | 65,211 |
| **TOTAL NON SUBORDINATED DEBTS** | **13,599,093,443** | **12,807,493,926** |
| **TAX AND SOCIAL SECURITY DEBTS** | **592,041** | **321,207** |
| **ACCRUALS AND DEFERRED INCOME** | **44,439,483** | **42,637,368** |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **13,934,364,820** | **13,140,814,273** |

## PROFIT AND LOSS ACCOUNTS

| | Year ended December 31, 2014 | 2013 |
|---|---|---|
| | (figures in €) (audited) | |
| **CHARGES** | | |
| Other external charges. | 1,876,704 | 1,187,302 |
| **Staff costs** | | |
| Wages and salaries | 697,174 | 737,510 |
| Social security costs | 153,323 | 137,503 |
| | 850,497 | 875,013 |
| **Value adjustments** | | |
| On formation expenses and on tangible and intangible fixed assets | 187,500 | 197,038 |
| **Other operating charges** | 351,168 | 240,398 |
| **Interest payable and similar charges** | | |
| Concerning affiliated undertakings | 22,487,250 | 20,267,700 |
| Other interest payable and similar charges | 804,328,338 | 710,664,098 |
| | **826,815,588** | **730,931,798** |
| Tax on profit or loss | 398,967 | 507,777 |
| Other taxes (Net Wealth Tax).. | 345,030 | 475,456 |
| Profit for the financial year | 116,631 | 1,145,705 |
| **TOTAL CHARGES** | **830,942,085** | **735,560,487** |
| **INCOME** | | |
| **Income from financial current assets** | | |
| Derived from affiliated undertakings | 815,721,893 | 719,162,609 |
| Other income | 5,149,054 | 5,098,834 |
| | 820,870,947 | 724,261,443 |
| **Other interests and other financial income** | | |
| Derived from affiliated undertakings | 241,078 | 280,879 |
| Other interest receivable and similar income | 9,830,060 | 11,018,165 |
| | 10,071,138 | 11,299,044 |
| **TOTAL INCOME** | **830,942,085** | **735,560,487** |

## FIAT CHRYSLER FINANCE CANADA LTD.

### BUSINESS AND INCORPORATION

Fiat Chrysler Finance Canada Ltd. ("FCFC") was incorporated on May 2, 1991 under the Business Corporations Act of the Province of Alberta, Canada with corporate access number 204927990 and began operations on May 6, 1991 for an unlimited duration. FCFC was originally named Fiat Finance Canada Ltd., but its name was changed to Fiat Chrysler Finance Canada Ltd. effective November 14, 2014. Its registered office is at 855 – 2nd Street SW, Suite 3500, Calgary, Alberta T2P 4J8, Canada, and its telephone number is +1 212 207-0910.

FCFC is a wholly owned subsidiary of FCFE, which in turn is approximately 40% owned by FCA and approximately 60% owned by Fiat Chrysler Finance S.p.A. The sole shareholder of Fiat Chrysler Finance S.p.A. is FCA. FCFC performs cash management, investment and corporate finance services and provides working capital financing for FCA Group companies in Canada.

The authorised share capital of FCFC is an unlimited number of common shares without nominal or par value. The issued capital is CAN$ 10,099,885 represented by 493 common shares.

Effective on December 14, 2011, FCFE acquired (i) the entire (aggregate 100%) stakes in FCFNA previously held by Fiat and by Fiat Chrysler Finance S.p.A., and (ii) the entire (100%) stake in FCFC previously held by Fiat Chrysler Finance S.p.A. As a result of these acquisitions, FCFE became the parent company of the FCFE Group, of which FCFC forms a part, and beginning from the financial year ended December 31, 2011, FCFE started to prepare consolidated financial statements in accordance with IFRS.

#### Directors

FCFC has a board of directors comprising five members. The names of the directors are listed below:

| Name | Position on Board |
|---|---|
| Stefano Luigi Salvini | President, CEO, Secretary and Director |
| J. David A. Jackson | Assistant Secretary and Director |
| Paul K. Tamaki | Director |
| David J. Toswell | Vice President and Director |
| Enrico Zecchini | Director |

The business address for the board of directors is 855 – 2nd Street SW, Suite 3500, Calgary, Alberta T2P 4J8.

The directors of FCFC do not hold any relevant positions outside the FCA Group and/or FCFC which are significant with respect to FCFC nor do there exist any potential conflicts of interest between their duties to FCFC and their private interests and/or other duties.

FCFC's independent auditors for the financial years ended December 31, 2014 and December 31, 2013 were Ernst & Young LLP.

There are no recent events particular to FCFC which are to a material extent relevant to the evaluation of FCFC's solvency.

FCFC is in compliance with those corporate governance laws of the province of Alberta, and any federal laws applicable therein, to which it may be subject, if any.

## FINANCIAL INFORMATION RELATING TO FIAT CHRYSLER FINANCE CANADA LTD.

The following financial information has been extracted from the audited annual financial statements of FCFC as of December 31, 2014 and 2013 and for the financial years then ended, prepared in accordance with IFRS:

### STATEMENTS OF FINANCIAL POSITION

| | As at December 31, 2014 | As at December 31, 2013 |
|---|---|---|
| | (Thousands of CAN$) (audited) | |
| **Assets** | | |
| Cash and cash equivalents | 21,768 | 21,637 |
| Other deferred and current tax assets | — | 2 |
| Prepaid expenses | 12 | 14 |
| **Total assets** | **21,780** | **21,653** |
| **Liabilities and Stockholder's Equity** | | |
| Liabilities: | | |
| Current tax liabilities | 14 | — |
| Accrued expenses and other liabilities | 17 | 26 |
| **Total liabilities** | **31** | **26** |
| Stockholder's equity: | | |
| Capital stock (no par value; unlimited authorised shares; 493 shares outstanding at assigned value) | 10,100 | 10,100 |
| Retained earnings | 11,649 | 11,527 |
| **Total stockholder's equity** | 21,749 | 21,627 |
| **Total** | **21,780** | **21,653** |

### STATEMENTS OF COMPREHENSIVE INCOME

| | Year ended December 31, 2014 | Year ended December 31, 2013 |
|---|---|---|
| | (Thousands of CAN$) (audited) | |
| **Revenues** | | |
| Interest income | 263 | 255 |
| **Total revenues** | **263** | **255** |
| **Expenses** | | |
| General and administrative expenses | 64 | 90 |
| Other expenses | 37 | 37 |
| **Total expenses** | **101** | **127** |
| Income before provision for income taxes | 162 | 128 |
| Provision for income taxes | 40 | 32 |
| **Net income** | **122** | **96** |

# FIAT CHRYSLER FINANCE NORTH AMERICA, INC.

## BUSINESS AND INCORPORATION

Fiat Chrysler Finance North America, Inc. ("FCFNA") was incorporated in the State of Delaware on August 5, 1996, has a perpetual duration, and began operations on September 15, 1996. FCFNA was originally named Fiat Finance North America, Inc., but its name was changed to Fiat Chrysler Finance North America, Inc. effective November 14, 2014. Its taxpayer identification number is 13-3901942 and its registered office is at 1209 Orange Street, Wilmington, County of New Castle, Delaware, United States of America and its telephone number is +1 212 207 0910.

FCFNA is a wholly owned subsidiary of FCFE, which in turn is approximately 40% owned by FCA and approximately 60% owned by Fiat Chrysler Finance S.p.A. The sole shareholder of Fiat Chrysler Finance S.p.A. is FCA. FCFNA performs cash management, investment and corporate finance services and provides working capital financing for FCA Group companies in the United States.

The authorised share capital of FCFNA is represented by 5,000 common shares without par value. The subscribed capital is U.S.$190,090,010 represented by 380 common shares without par value.

In 1999, FCFNA issued 230 common shares to Fiat Chrysler Finance S.p.A. Prior to 1999, FCFNA was wholly owned by I.H.F.-Internazionale Holding Fiat S.A., which held 150 shares. In 2002, Fiat acquired all shares (150) owned by I.H.F. Internazionale Holding Fiat S.A.

Effective on December 15, 2011, FCFE acquired (i) the entire (aggregate 100%) stakes in FCFNA previously held by Fiat and by Fiat Chrysler Finance S.p.A., and (ii) the entire (100%) stake in FCFC previously held by Fiat Chrysler Finance S.p.A. As a result of these acquisitions, FCFE became the parent company of the FCFE Group, of which FCFNA forms a part, and beginning from the financial year ended December 31, 2011, FCFE started to prepare consolidated financial statements in accordance with IFRS.

### Directors

FCFNA is managed by a board of directors comprising four members. The names of the directors are set out below:

| Name | Position on Board |
|---|---|
| Stefano Luigi Salvini | President, Chief Executive Officer, Secretary and Director |
| Ferrante Zileri Dal Verme | Director |
| Enrico Zecchini | Director |
| Kenneth D. Nilson | Director |

The business address of the board of directors is 7 Times Square Tower, Suite 4306, New York, NY 10036, United States of America.

The directors of FCFNA do not hold any relevant positions outside the FCA Group and/or FCFNA, which are significant with respect to FCFNA; nor do there exist any potential conflicts of interest between their duties to FCFNA and their private interests and/or other duties.

FCFNA's independent auditors for the financial years ended December 31, 2014 and December 31, 2013 were Ernst & Young LLP.

There are no recent events particular to FCFNA which are to a material extent relevant to the evaluation of FCFNA's solvency.

FCFNA is in compliance with those corporate governance laws of the State of Delaware to which it may be subject, if any.

# FINANCIAL INFORMATION RELATING TO FIAT CHRYSLER FINANCE NORTH AMERICA, INC.

The following financial information has been extracted from the audited annual financial statements of FCFNA, as of December 31, 2014 and 2013 and for the financial years then ended, prepared in accordance with IFRS:

### STATEMENTS OF FINANCIAL POSITION

| | As at December 31, 2014 | As at December 31, 2013 |
|---|---|---|
| | (Thousands of U.S. dollars) (audited) | |
| **Assets** | | |
| Cash and cash equivalents | 274,091 | 653,699 |
| Amounts owed by affiliated companies | 1,736,574 | 1,238,620 |
| Financial derivatives – at fair value | 108,300 | 201,671 |
| Deferred tax assets | 5,251 | 5,070 |
| Property, plant and equipment | 61 | 77 |
| Prepaid expenses and other assets | 975 | 585 |
| **Total assets** | **2,125,252** | **2,099,722** |
| **Liabilities and Shareholder's Equity** | | |
| Liabilities: | | |
| Bank borrowings | 195,054 | 195,027 |
| Borrowings from affiliated company | 216,842 | 125,604 |
| Notes payable | 1,364,235 | 1,572,852 |
| Financial derivatives – at fair value | 141,371 | 1,840 |
| Accrued expenses and other liabilities | 184 | 196 |
| **Total liabilities** | **1,917,686** | **1,895,519** |
| Stockholder's equity: | | |
| Capital stock (no par value; authorised 5,000 shares; 380 shares outstanding at assigned value) | 190,090 | 190,090 |
| Retained earnings | 23,046 | 19,372 |
| Cash flow hedge reserve | (5,570) | (5,259) |
| **Total stockholder's equity** | **207,566** | **204,203** |
| **Total liabilities and stockholder's equity** | **2,125,252** | **2,099,722** |

## STATEMENTS OF INCOME

| | Year ended December 31, 2014 | 2013 |
|---|---|---|
| | (Thousands of U.S. dollars) (audited) | |
| **Revenues** | | |
| Interest income | 81,612 | 80,179 |
| Other financial income. | 93 | 71 |
| Other income | 881 | 870 |
| Net result on hedging and trading activities | 8,242 | 4,656 |
| **Total revenues** | **90,828** | **85,776** |
| **Expenses** | | |
| Interest expense | 78,191 | 77,912 |
| General and administrative expenses | 1,802 | 2,039 |
| Other financial expenses | 3,728 | 3,609 |
| **Total expenses** | **83,721** | **83,560** |
| Income before provision for income taxes | 7,107 | 2,216 |
| Provision for income taxes | 3,433 | 1,044 |
| **Net income** | **3,674** | **1,172** |

# THE FCA GROUP

The Group is an international leader in the automotive sector, engaged in designing, engineering, manufacturing, distributing and selling vehicles, components and production systems. The FCA Group is the seventh largest automaker in the world based on total worldwide vehicle sales for the year ended December 31, 2014. It operates in approximately 40 countries and its products are sold directly or through distributors and dealers in more than 150 countries. The Group designs, engineers, manufactures, distributes and sells vehicles for the mass-market under the Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia and Ram brands and the SRT performance vehicle designation. FCA supports its vehicle sales by after-sales services and products worldwide under the Mopar brand for mass-market vehicles. The Group also provides retail and dealer financing, leasing and rental services through its subsidiaries, joint ventures and commercial arrangements. FCA also designs, engineers, manufactures, distributes and sells luxury vehicles under the Ferrari and Maserati brands, which it supports with financial services provided to its dealers and retail customers. The Group operates in the components and production systems sectors under the Magneti Marelli, Teksid and Comau brands.

FCA was incorporated as a public limited liability company (*naamloze vennootschap*) under the laws of the Netherlands on April 1, 2014 for the purpose of carrying out the reorganisation of the Fiat Group, including the Merger, and FCA is the successor entity to Fiat. FCA was originally named Fiat Investments N.V. but its name was changed effective October 12, 2014, upon the completion of the Merger. Under its current articles of association, FCA has an unlimited duration. FCA's corporate seat (*statutaire zetel*) is in Amsterdam, the Netherlands, and its corporate office is located at 25 St. James' Street, London SW1A 1HA, United Kingdom. Its telephone number is +44-(0)20 7766 0311 and it is registered in the Amsterdam Chamber of Commerce (*Kamer van Koophandel*) under number 60372958.

The Group activities are carried out through seven reportable segments: four regional Car Mass-Market Segments (NAFTA, LATAM, APAC and EMEA), Ferrari and Maserati, our two global Luxury Brand segments and a global Components segment (see "*The FCA Group—Overview of The Group's Business*" below for a description of these reportable segments).

On October 29, 2014, FCA's Board of Directors announced that it had authorised the separation of Ferrari from FCA. On October 26, 2015, Ferrari completed an initial public offering of approximately 10 percent of its shares, with all shares being offered and sold by FCA. The separation is part of a series of transactions intended to separate FCA's remaining ownership interest in Ferrari N.V. and to distribute that ownership interest to holders of FCA shares and mandatory convertible securities. The separation was approved by FCA's extraordinary general meeting of shareholders (the "EGM") on December 3, 2015. For further information on the Ferrari separation, see "*Financial Review of the FCA Group—Significant Recent Events*".

In 2014, FCA shipped 4.6 million vehicles. For the year ended December 31, 2014, it reported net revenues of €96.1 billion, EBIT of €3.2 billion and net profit of €0.6 billion. At December 31, 2014 the Group had available liquidity of €26.2 billion (including €3.2 billion available under undrawn committed credit lines). At December 31, 2014, FCA had Net Industrial Debt of €7.7 billion. See "*Financial Review of the FCA Group—Net Industrial Debt*" below.

For the nine months ended September 30, 2015, worldwide shipments were 3.4 million units. For the nine months ended September 30, 2015, net revenues were €83.1 billion, and Adjusted EBIT was €3.6 million. Adjusted net profit[2] for the nine months ended September 30, 2015 was €853 million compared to €526 million for the nine months ended September 30, 2014, while without adjustments there was a net profit of €126 million compared to a net profit of €212 million for the nine months ended September 30, 2014. As of September 30, 2015, Net Industrial Debt was €7.8 billion and liquidity remained strong at €24.9 billion. See "*Financial Review of the FCA Group—Net Industrial Debt*" below.

## HISTORY OF THE GROUP

### *The Fiat Group*

Fiat, the predecessor to FCA, was founded as *Fabbrica Italiana Automobili Torino* – FIAT, on July 11, 1899 in Turin, Italy as an automobile manufacturer. Fiat opened its first factory in 1900 in Corso Dante in Turin with 150

2 Adjusted net profit is calculated as Net profit/(loss) excluding post-tax impacts of the same items excluded from Adjusted EBIT: gains/(losses) on the disposal of investments, restructuring, impairments, asset write-offs and other unusual income/(expenses) that are considered rare or discrete events that are infrequent in nature. Adjusted basic EPS is calculated by adjusting Basic EPS for the impact of the same items excluded from Adjusted EBIT.

workers producing 24 cars. In 1902 Giovanni Agnelli, Fiat's founder, became the Managing Director of the company.

Beginning in 2008, Fiat pursued a process of transformation in order to meet the challenges of a changing marketplace characterised by global overcapacity in automobile production and the consequences of economic recession that has persisted particularly in the European markets on which it had historically depended. As part of its efforts to restructure our operations, Fiat worked to expand the scope of its automotive operations, having concluded that significantly greater scale was necessary to enable it to be a competitive force in the increasingly global automotive markets.

In April 2009, Fiat and Old Carco LLC (formerly Chrysler LLC), or "Old Carco", entered into a master transaction agreement, pursuant to which FCA US LLC, formerly known as Chrysler Group LLC, agreed to purchase the principal operating assets of Old Carco and to assume certain of Old Carco's liabilities.

Following the closing of that transaction on June 10, 2009, Fiat held an initial 20 percent ownership interest in FCA US, with the UAW Retiree Medical Benefits Trust, or the VEBA Trust, the U.S. Treasury and the Canadian government holding the remaining interests. FCA US's operations were funded with financing from the U.S. Treasury and Canadian government. In addition, Fiat held several options to acquire additional ownership interests in FCA US.

Over the following years, Fiat acquired additional ownership interests in FCA US, leading to majority ownership and full consolidation of FCA US's results into the Fiat Group's financial statements from June 1, 2011. On May 24, 2011, FCA US refinanced the U.S. and Canadian government loans, and, in July 2011, Fiat acquired the ownership interests in FCA US held by the U.S. Treasury and Canadian government.

In January 2014, Fiat purchased all of the VEBA Trust's equity interests in FCA US, which represented the approximately 41.5 percent of FCA US interest not then held by Fiat. The transaction was completed on January 21, 2014, resulting in FCA US becoming an indirect 100 percent owned subsidiary of FCA.

***The Merger***

On January 29, 2014, the Board of Directors of Fiat approved a proposed corporate reorganisation resulting in the formation of FCA and decided to establish FCA, incorporated in the Netherlands, as the parent company of the Group with its principal executive offices in the United Kingdom.

On June 15, 2014, the Board of Directors of Fiat, approved the terms of a cross-border legal merger of Fiat, the parent of the Group, into its 100 percent owned direct subsidiary, FCA (the "Merger").

Fiat shareholders received in the Merger one (1) FCA common share for each Fiat ordinary share that they held. Moreover, under the Articles of Association of FCA, FCA shareholders received, if they so elected and were otherwise eligible to participate in the loyalty voting structure, one (1) FCA special voting share for each FCA common share received in the Merger. The loyalty voting structure is designed to provide eligible long-term FCA shareholders with two votes for each FCA common share held. For additional information regarding the FCA special voting shares, see "*Corporate Governance—Loyalty Voting Structure*".

FCA was incorporated under the name Fiat Investments N.V. with issued share capital of €200,000, fully paid and divided into 20,000,000 common shares having a nominal value of €0.01 each. Capital increased to €350,000 on May 13, 2014.

On August 1, 2014, Fiat shareholders voted and approved the Merger at their extraordinary general meeting. After this approval, Fiat shareholders not voting in favour of the Merger were entitled to exercise cash exit rights (the "Cash Exit Rights") by August 20, 2014. The redemption price payable to these shareholders was €7.727 per share (the "Exit Price"), equivalent to the average daily closing price published by Borsa Italiana for the six months prior to the date of the notice calling the meeting).

On October 7, 2014, Fiat announced that all conditions precedent to completion of the Merger were satisfied.

The Cash Exit Rights were exercised for a total of 60,002,027 Fiat shares equivalent to an aggregate amount of €464 million at the Exit Price. Pursuant to the Italian Civil Code, these shares were offered to Fiat shareholders not having exercised the Cash Exit Rights. On October 7, 2014, at the completion of the offer period Fiat shareholders elected to purchase 6,085,630 shares out of the total of 60,002,027 for a total of €47 million; as a result, concurrent with the Merger, on October 12, 2014, a total of 53,916,397 Fiat shares were cancelled in the Merger with a resulting net aggregate cash disbursement of €417 million.

As a consequence, the Merger became effective on October 12, 2014. On October 13, 2014 FCA common shares commenced trading on the New York Stock Exchange ("NYSE") and on the Mercato Telematico Azionario managed by Borsa Italiana S.p.A. ("MTA"). The Merger is recognised in FCA's annual accounts from January 1, 2014. FCA, as successor of Fiat was therefore deemed to to be the parent company of the Group. There were no accounting effects as a direct result of the Merger.

***Separation of Ferrari***

On October 29, 2014, FCA's Board of Directors announced that it had authorised the separation of Ferrari from FCA. On October 26, 2015, Ferrari completed an initial public offering of approximately 10 percent of its shares, with all shares being offered and sold by FCA. The separation is part of a series of transactions intended to separate FCA's remaining ownership interest in Ferrari N.V. and to distribute that ownership interest to holders of FCA shares and mandatory convertible securities. The separation was approved by the EGM on December 3, 2015. For further information on the Ferrari separation, see "*Financial Review of the FCA Group—Significant Recent Events*".

## INDUSTRY OVERVIEW

***Vehicle Segments and Descriptions***

We manufacture and sell passenger cars, light trucks and light commercial vehicles covering all market segments.

Passenger cars can be divided among seven main groups, whose definition could slightly vary by region. Mini cars, known as "A segment" vehicles in Europe and often referred to as "city cars", are between 2.7 and 3.7 metres in length and include three- and five-door hatchbacks. Small cars, known as "B segment" vehicles in Europe and "sub-compacts" in the U.S., range in length from 3.7 metres to 4.4 metres and include three- and five-door hatchbacks and sedans. Compact cars, known as "C segment" vehicles in Europe, range in length from 4.3 metres to 4.7 metres, typically have a sedan body and mostly include three- and five-door hatchback cars. Mid-size cars, known as "D segment" vehicles in Europe, range between 4.7 metres to 4.9 metres, typically have a sedan body or are station wagons. Full-size cars range in length from 4.9 metres to 5.1 metres and are typically sedan cars or, in Europe, station wagons. Minivans, also known as multi-purpose vehicles, or "MPVs", typically have seating for up to eight passengers. Utility vehicles include sport utility vehicles, or "SUVs", which are four-wheel drive with true off-road capabilities, and cross utility vehicles, or "CUVs", which are not designed for heavy off-road use, but offer better on-road ride comfort and handling compared to SUVs.

Light trucks may be divided between vans (also known as light commercial vehicles), which typically are used for the transportation of goods or groups of people and have a payload capability up to 4.2 tons, and pick-up trucks, which are light motor vehicles with an open-top rear cargo area and which range in length from 4.8 metres to 5.2 metres (in North America, the length of pick-up trucks typically ranges from 5.5 metres to 6 metres). In North America, minivans and utility vehicles are categorised within trucks. In Europe, vans and pick-up trucks are categorised as light commercial vehicles.

We characterise a vehicle as "new" if its vehicle platform is significantly different from the platform used in the prior model year and/or has had a full exterior renewal. We characterise a vehicle as "significantly refreshed" if it continues its previous vehicle platform but has extensive changes or upgrades from the prior model.

***Industry***

Designing, engineering, manufacturing, distributing and selling vehicles require significant investments in product design, engineering, research and development, technology, tooling, machinery and equipment, facilities and marketing in order to meet both consumer preferences and regulatory requirements. Automotive original equipment manufacturers ("OEMs"), are able to benefit from economies of scale by leveraging their investments and activities on a global basis across brands and models. The automotive industry has also historically been highly cyclical, and to a greater extent than many industries, is impacted by changes in the general economic environment. In addition to having lower leverage and greater access to capital, larger OEMs that have a more diversified revenue base across regions and products tend to be better positioned to withstand industry downturns and to benefit from industry growth.

Most automotive OEMs produce vehicles for the mass-market and some of them also produce vehicles for the luxury market. Vehicles in the mass-market are typically intended to appeal to the largest number of consumers possible. Intense competition among manufacturers of mass-market vehicles, particularly for non-premium brands, tends to compress margins, requiring significant volumes to be profitable. As a result, success is measured in part by vehicle unit sales relative to other automotive OEMs. Luxury vehicles on the other hand are designed to appeal to consumers with higher levels of disposable income, and can therefore more easily achieve much higher margins. This allows luxury vehicle OEMs to produce lower volumes, enhancing brand appeal and exclusivity, while maintaining profitability.

In 2014, 84 million automobiles were sold around the world. Although China is the largest single automotive sales market, with approximately 18 million vehicles sold, the majority of automobile sales are still in the developed markets, including North America, Western Europe and Japan. Growth in other emerging markets has also played an increasingly important part in global automotive demand in recent years.

The automotive industry is highly competitive, especially in our key markets, such as the U.S., Brazil and Europe. Vehicle manufacturers must continuously improve vehicle design, performance and content to meet consumer demands for quality, reliability, safety, fuel efficiency, comfort, driving experience and style. Historically, manufacturers relied heavily upon dealer, retail and fleet incentives, including cash rebates, option package discounts, guaranteed depreciation programs, and subsidised or subvented financing or leasing programs to compete for vehicle sales. Since 2009, manufacturers generally have worked to reduce reliance on pricing-related incentives as competitive tools in the North American market, while pricing pressure, under different forms, is still affecting sales in the European market since the inception of the financial crisis. However, an OEM’s ability to increase or maintain vehicle prices and reduce reliance on incentives is limited by the competitive pressures resulting from the variety of available competitive vehicles in each segment of the new vehicle market as well as continued global manufacturing overcapacity in the automotive industry. At the same time, OEMs generally cannot effectively lower prices as a means to increase vehicle sales without adversely affecting profitability, since the ability to reduce costs is limited by commodity market prices, contract terms with suppliers, evolving regulatory requirements and collective bargaining agreements and other factors that limit the ability to reduce labour expenses.

OEMs generally sell vehicles to dealers and distributors, which then resell vehicles to retail and fleet customers. Retail customers purchase vehicles directly from dealers, while fleet customers purchase vehicles from dealers or directly from OEMs. Fleet sales comprise three primary channels: (i) daily rental, (ii) commercial and (iii) government. Vehicle sales in the daily rental and government channels are extremely competitive and often require significant discounts. Fleet sales are an important source of revenue and can also be an effective means for marketing vehicles. Fleet orders can also help normalise plant production as they typically involve the delivery of a large, pre-determined quantity of vehicles over several months. Fleet sales are also a source of aftermarket service parts revenue for OEMs and service revenue for dealers.

***Financial Services***

Because dealers and retail customers finance the purchase of a significant percentage of the vehicles sold worldwide, the availability and cost of financing is one of the most significant factors affecting vehicle sales volumes. Most dealers use wholesale or inventory financing arrangements to purchase vehicles from OEMs in order to maintain necessary vehicle inventory levels. Financial services companies may also provide working capital and real estate loans to facilitate investment in expansion or restructuring of the dealers’ premises. Financing may take various forms, based on the nature of creditor protection provided under local law, but financial institutions tend to focus on maximising credit protection on any financing originated in conjunction with a vehicle sale. Financing to retail customers takes a number of forms, including simple instalment loans and finance leases. These financial products are usually distributed directly by the dealer and have a typical duration of three to five years. OEMs often use retail financing as a promotional tool, including through campaigns offering below market rate financing, known as subvention programs. In such situations, an OEM typically compensates the financial services company up front for the difference between the financial return expected under standard market rates and the rates offered to the customer within the promotional campaign.

Many automakers rely on wholly-owned or controlled finance companies to provide this financing. In other situations, OEMs have relied on joint ventures or commercial relationships with banks and other financial institutions in order to provide access to financing for dealers and retail customers. The model adopted by any particular OEM in a particular market depends upon, among other factors, its sales volumes and the availability of stable and cost-effective funding sources in that market, as well as regulatory requirements.

Financial services companies controlled by OEMs typically receive funding from the OEM's central treasury or from industrial and commercial operations of the OEM that have excess liquidity, however, they also access other forms of funding available from the banking system in each market, including sales or securitisation of receivables either in negotiated sales or through securitisation programs. Financial services companies controlled by OEMs compete primarily with banks, independent financial services companies and other financial institutions that offer financing to dealers and retail customers. The long-term profitability of finance companies also depends on the cyclical nature of the industry, interest rate volatility and the ability to access funding on competitive terms and to manage risks with particular reference to credit risks. OEMs within their global strategy aimed to expand their business, may provide access to financial services to their dealers and retail customers, for the financing of parts and accessories, as well as pre-paid service contracts.

## OVERVIEW OF THE GROUP'S BUSINESS

As of December 31, 2014, we design, engineer, develop and manufacture vehicles, components and production systems worldwide through 165 manufacturing facilities around the world and 85 research and development centres.

Our activities are carried out through seven reportable segments: four regional Car Mass-Market Segments, Ferrari, Maserati and a global Components segment as discussed below.

Our four regional Car Mass-Market Segments deal with the design, engineering, development, manufacturing, distribution and sale of passenger cars, light commercial vehicles and related parts and services in specific geographic areas: NAFTA (U.S., Canada, Mexico and the Caribbean islands), LATAM (South and Central America), APAC (Asia and Pacific countries) and EMEA (Europe, Middle East and Africa). We also operate on a global basis in the luxury vehicle and components sectors. In the luxury vehicle sector, we have the operating segments Ferrari and Maserati, while in the components sector we have the operating segments Magneti Marelli, Teksid and Comau. The operating segments in the components sector did not meet the quantitative thresholds required in IFRS 8 – *Operating segments* for separate disclosure, consequently, based on their characteristics and similarities, they are presented as one reportable segment: "Components".

Until December 31, 2013, Ferrari and Maserati were recorded as one reportable segment labelled Luxury Brands as both operating segments did not individually meet the quantitative thresholds set by IFRS 8 – *Operating Segments* to be separate reporting segments and they met the aggregation criteria. At December 31, 2014, there was no change in the nine operating segments that had previously been identified by the Group, however, the Ferrari operating segment met the quantitative threshold for being a separate reportable segment. As a result, and in accordance with IFRS 8 – *Operating Segments*, the financial information for the Ferrari operating segment is reflected as a separate reportable segment as of and for the year ended December 31, 2014. The prior period financial information presented for comparative purposes was also restated to reflect the Ferrari operating segment as a separate reportable segment. The Group also reflects Maserati as a separate reportable segment, as the financial information for this operating segment is used by the Group's chief operating decision maker and this operating segment does not meet the aggregation criteria stipulated in IFRS 8 for aggregation with another of the Group's operating segments.

We support our mass-market vehicle sales with the sale of related service parts and accessories, as well as service contracts under the Mopar brand name. In support of our vehicle sales efforts, we make available dealer and retail customer financing either through subsidiaries or joint ventures and through strategic commercial arrangements with third party financial institutions.

For our mass-market brands, we have centralised design, engineering, development and manufacturing operations, which allow us to efficiently operate on a global scale.

The following list sets forth our reportable segments:

(i) **NAFTA**: our operations to support distribution and sales of mass-market vehicles in the United States, Canada, Mexico and the Caribbean islands, the segment that we refer to as NAFTA, primarily through the Chrysler, Dodge, Fiat, Jeep and Ram brands.

(ii) **LATAM**: our operations to support the distribution and sale of mass-market vehicles in South and Central America, the segment that we refer to as LATAM, primarily under the Chrysler, Dodge, Fiat, Jeep and Ram brands, with the largest focus of our business in the LATAM segment in Brazil and Argentina.

(iii) **APAC**: our operations to support the distribution and sale of mass-market vehicles in the Asia Pacific region (mostly in China, Japan, Australia, South Korea and India), the segment we refer to as APAC, carried out in the region through both subsidiaries and joint ventures, primarily under the Abarth, Alfa Romeo, Chrysler, Dodge, Fiat and Jeep brands.

(iv) **EMEA**: our operations to support the distribution and sale of mass-market vehicles in Europe (which includes the 28 members of the European Union and the members of the European Free Trade Association), the Middle East and Africa, the segment we refer to as EMEA, primarily under the Abarth, Alfa Romeo, Chrysler, Fiat, Fiat Professional, Jeep and Lancia brand names.

(v) **Ferrari:** the design, engineering, development, manufacturing, worldwide distribution and sale of luxury vehicles under the Ferrari brand. On October 29, 2014, FCA's Board of Directors announced that it had authorised the separation of Ferrari from FCA. On October 26, 2015, Ferrari completed an initial public offering of approximately 10 percent of its shares, with all shares being offered and sold by FCA. The separation is part of a series of transactions intended to separate FCA's remaining ownership interest in Ferrari N.V. and to distribute that ownership interest to holders of FCA shares and mandatory convertible securities. The separation was approved by the EGM on December 3, 2015. For further information on the Ferrari separation, see "*Financial Review of the FCA Group—Significant Recent Events*".

(vi) **Maserati:** the design, engineering, development, manufacturing, worldwide distribution and sale of luxury vehicles under the Maserati brand.

(vii) **Components**: production and sale of lighting components, engine control units, suspensions, shock absorbers, electronic systems, and exhaust systems and activities in powertrain (engine and transmissions) components, engine control units, plastic moulding components and in the after-market carried out under the Magneti Marelli brand name; cast iron components for engines, gearboxes, transmissions and suspension systems, and aluminium cylinder heads under the Teksid brand name; and design and production of industrial automation systems and related products for the automotive industry under the Comau brand name.

The following chart sets forth the mass-market vehicle brands we sell in each regional segment:

| | NAFTA | LATAM | APAC | EMEA |
|---|---|---|---|---|
| Abarth | | | | X |
| Alfa Romeo | X | | X | X |
| Chrysler | X | X | X | X |
| Dodge | X | X | X | |
| Fiat | X | X | X | X |
| Fiat Professional | | | X | X |
| Jeep | X | X | X | X |
| Lancia | | | | X |
| Ram | X | X | | |

*Note: Presence determined by sales in the regional segment, if material, through dealer entities of our dealer network*

We also hold interests in companies operating in other activities and businesses that are not considered part of our seven reportable segments. These activities are grouped under "Other Activities", which primarily consists of companies that provide services, including accounting, payroll, tax, insurance, purchasing, information technology, facility management and security, to our Group as well as CNH Industrial Group, manage central treasury activities (excluding treasury activities for FCA US, which are handled separately) and operate in media and publishing (*La Stampa daily newspaper*).

## CAR MASS-MARKET

### *Car Mass-Market Brands*

We design, engineer, develop, manufacture, distribute and sell vehicles and service parts under 11 mass-market brands and designations. We believe that we can continue to increase our vehicle sales by building the value of our mass-market brands in particular by ensuring that each of our brands has a clear identity and market focus. In connection with our multi-year effort to clearly define each of our brands' identities, we have launched several advertising campaigns that have received industry accolades. We are reinforcing our effort to build brand value by ensuring that we introduce new vehicles with individualised characteristics that remain closely aligned with the unique identity of each brand.

- **Abarth**: Abarth, named after the company founded by Carlo Abarth in 1949, specialises in performance modification for on-road sports cars since the brand's re-launch in 2007 through performance modifications on classic Fiat models such as the 500 (including the 2012 launch of the Fiat 500 Abarth) and Punto, as well as limited edition models that combine design elements from Ferrari and Maserati such as the 695 Edizione Maserati and 695 Tributo Ferrari, for consumers seeking customised vehicles with steering and suspension geared towards racing.

- **Alfa Romeo**: Alfa Romeo, founded in 1910, and part of the Group since 1986, is known for a long, sporting tradition and Italian design. Vehicles currently range from the three door premium MiTo and the lightweight sports car, the 4c, to the compact car, the Giulietta. The Alfa Romeo brand is intended to appeal to drivers seeking high-level performance and handling combined with attractive and distinctive appearance.

- **Chrysler**: Chrysler, named after the company founded by Walter P. Chrysler in 1925, aims to create vehicles with distinctive design, craftsmanship, intuitive innovation and technology standing as a leader in design, engineering and value, with a range of vehicles from mid-size sedans (Chrysler 200) to full size sedans (Chrysler 300) and minivans (Town & Country).

- **Dodge**: With a traditional focus on "muscle car" performance vehicles, the Dodge brand, which began production in 1914, offers a full line of cars, CUVs and minivans, mainly in the mid-size and large size vehicle market, that are sporty, functional and innovative, intended to offer an excellent value for families looking for high performance, dependability and functionality in everyday driving situations.

- **Fiat**: Fiat brand cars have been produced since 1899. The brand has historically been strong in Europe and the LATAM region and is currently primarily focused on the mini and small vehicle segments. Current models include the mini-segment 500 and Panda and the small-segment Punto. The brand aims to make cars that are flexible, easy to drive, affordable and energy efficient. The brand re-entered the U.S. market in 2011 with the 500 model and in 2013 the 500L model. Fiat continued expansion of the 500 family, with the introduction of the 500X crossover, which debuted at the Paris Motor Show in October 2014. Fiat also recently launched the new Uno and the new Palio in the LATAM region.

- **Fiat Professional**: Fiat Professional, launched in 2007 to replace the "Fiat Veicoli Commerciali" brand, offers light commercial vehicles and MPVs ranging from large vans (capable of carrying up to 4.2 tons) such as the Ducato, to panel vans such as the Doblò and Fiorino for commercial use by small to medium size business and public institutions. Fiat Professional vehicles are often readily fitted as ambulances, tow trucks, school buses and people carriers (especially suitable for narrow streets) and as recreational vehicles such as campers and motor homes, where Fiat Professional is the market leader.

- **Jeep**: Jeep, founded in 1941, is a globally recognised brand focused exclusively on the SUV and off-road vehicles market. The Jeep Grand Cherokee is the most awarded SUV ever. The brand's appeal builds on its heritage associated with the outdoors and adventurous lifestyles, combined with the safety and versatility features of the brand's modern vehicles. Jeep introduced the all-new 2014 Jeep Cherokee in October 2013 and recently unveiled the Jeep Renegade, a small segment SUV designed in the U.S. and manufactured in Italy. Jeep set an all-time brand record in 2014 with over one million vehicles sold.

- **Lancia**: Lancia, founded in 1906, and part of the Fiat Group since 1969, covers the spectrum of small segment cars and is targeted at the Italian market.

- **Ram**: Ram, established as a standalone brand separate from Dodge in 2009, offers a line of full-size trucks, including light- and heavy-duty pick-up trucks such as the Ram 1500 pick-up truck, which recently became the first truck to be named *Motor Trend*'s "Truck of the Year" for two consecutive years, and cargo vans. By investing substantially in new products, infusing them with great looks, refined interiors, durable engines and features that further enhance their capabilities, we believe Ram has emerged as a market leader in full size pick-up trucks. Ram customers, from half-ton to commercial, have a demanding range of needs and require their vehicles to provide high levels of capability.

We also leverage the more than 75-year history of the Mopar brand to provide a full line of service parts and accessories for the mass-market vehicles worldwide. As of December 31, 2014, we had 50 parts distribution centres throughout the world to support our customer care efforts in each of the relevant regions. The Group's Mopar brand accessories allow our customers to customise their vehicles by including after-market sales of products from side steps and lift-kits, to graphics packages, such as racing stripes, and custom leather interiors. Further, through the Mopar brand, we offer vehicle service contracts to our retail customers worldwide under the "Mopar Vehicle Protection" brand, with the majority of our service contract sales in 2014 in the U.S. and Europe. Finally, Mopar customer care initiatives support vehicle distribution and sales efforts in each of our mass-market segments through 27 call centres located around the world.

***Vehicle Sales Overview***

We are the seventh largest automotive OEM in the world based on worldwide new vehicle sales for the year ended December 31, 2014. We compete with other large OEMs to attract vehicle sales and market share. Many of these OEMs have more significant financial or operating resources and liquidity at their disposal, which may enable them to invest more heavily on new product designs and manufacturing or in sales incentives.

Our new vehicle sales represent sales of vehicles primarily through dealers and distributors, or in some cases, directly by us to retail customers and fleet customers. Our sales include mass-market and luxury vehicles manufactured at our plants, as well as vehicles manufactured by our joint ventures and third party contract manufacturers. Our sales figures exclude sales of vehicles that we contract manufactured for other OEMs. While our vehicle sales are illustrative of our competitive position and the demand for our vehicles, sales are not directly correlated to our revenues, cost of sales or other measures of financial performance, as such results are primarily driven by our vehicle shipments to dealers and distributors.

The following table shows our new vehicle sales by geographic market for the periods presented.

| | For the Years Ended December 31, | |
|---|---|---|
| **Segment** | **2014** | **2013** |
| | **Millions of units** | |
| NAFTA | 2.5 | 2.1 |
| LATAM | 0.8 | 0.9 |
| APAC | 0.3 | 0.2 |
| EMEA | 1.2 | 1.1 |
| **Total Mass-Market Brands** | **4.8** | **4.4** |
| Ferrari | — | — |
| Maserati | 0.04 | 0.02 |
| **Total Worldwide** | **4.8** | **4.4** |

***NAFTA***

*NAFTA Sales and Competition*

The following table present our mass-market vehicle sales and market share in the NAFTA segment for the years ended December 31, 2014 and 2013:

| | For the Years Ended December 31, | | | |
|---|---|---|---|---|
| | **2014(1),(2)** | | **2013(1),(2)** | |
| **NAFTA** | **Group Sales** | **Market Share** | **Group Sales** | **Market Share** |
| U.S. | 2,091 | 12.4% | 1,800 | 11.4% |
| Canada | 290 | 15.4% | 260 | 14.6% |
| Mexico | 78 | 6.7% | 87 | 7.9% |
| **Total** | **2,459** | **12.4%** | **2,148** | **11.5%** |

*(1) Certain fleet sales that are accounted for as operating leases are included in vehicle sales.*

*(2) Our estimated market share data presented are based on management's estimates of industry sales data, which use certain data provided by third-party sources, including IHS Global Insight, Ward's Automotive.*

The following table presents our new vehicle market share information and our principal competitors in the U.S., our largest market in the NAFTA segment (certain totals in the tables included in this document may not add due to rounding):

| | For the Year Ended December 31, | |
|---|---|---|
| **U.S.** | **2014** | **2013** |
| **Automaker** | **Percentage of industry** | |
| GM | 17.4% | 17.6% |
| Ford | 14.7% | 15.7% |
| Toyota | 14.1% | 14.1% |
| **FCA** | **12.4%** | **11.4%** |
| Honda | 9.2% | 9.6% |
| Nissan | 8.2% | 7.9% |
| Hyundai/Kia | 7.8% | 7.9% |
| Other | 16.2% | 15.9% |
| **Total** | **100.0%** | **100.0%** |

U.S. automotive market sales have steadily improved after a sharp decline from 2007 to 2010. U.S. industry sales, including medium- and heavy-duty vehicles, increased from 10.6 million units in 2009 to 16.8 million units in 2014, an increase of approximately 58.5 percent. Both macroeconomic factors, such as growth in per capita disposable income and improved consumer confidence, and automotive specific factors, such as the increasing age of vehicles in operation, improved consumer access to affordably priced financing and higher prices of used vehicles, contributed to the strong recovery.

Our vehicle line-up in the NAFTA segment leverages the brand recognition of the Chrysler, Dodge, Jeep and Ram brands to offer cars, utility vehicles, pick-up trucks and minivans under those brands, as well as vehicles in smaller segments, such as the mini-segment Fiat 500 and the small & compact MPV segment Fiat 500L. With the reintroduction of the Fiat brand in 2011 and the launch of the Dodge Dart in 2012, we now sell vehicles in all vehicle segments. Our vehicle sales and profitability in the NAFTA segment are generally weighted towards larger vehicles such as utility vehicles, trucks and vans, while overall industry sales in the NAFTA segment generally are more evenly weighted between smaller and larger vehicles. In recent years, we have increased our sales of mini, small and compact cars in the NAFTA segment.

*NAFTA Distribution*

In the NAFTA segment, our vehicles are sold primarily to dealers in our dealer network for sale to retail customers and fleet customers. The following table sets forth the number of independent entities in our dealer and distributor network in the NAFTA segment. The table counts each independent dealer entity, regardless of the number of contracts or points of sale the dealer operates. Where we have a relationship with a general distributor, this table reflects that general distributor as one distribution relationship:

| **Distribution Relationships** | **At December 31,** | |
|---|---|---|
| | **2014** | **2013** |
| NAFTA | 3,251 | 3,204 |

In the NAFTA segment, fleet sales in the commercial channel are typically more profitable than sales in the government and daily rental channels since they more often involve customised vehicles with more optional features and accessories; however, vehicle orders in the commercial channel are usually smaller in size than the orders made in the daily rental channel. Fleet sales in the government channel are generally more profitable than fleet sales in the daily rental channel primarily due to the mix of products included in each respective channel. Rental car companies, for instance, place larger orders of small and mid-sized cars and minivans with minimal options, while sales in the government channel often involve a higher mix of relatively more profitable vehicles such as pick-up trucks, minivans and large cars with more options.

*NAFTA Segment Mass-Market Dealer and Customer Financing*

In the NAFTA segment, we do not have a captive finance company or joint venture and instead rely upon independent financial service providers, primarily our strategic relationship with Santander Consumer USA Inc. ("SCUSA") to provide financing for dealers and retail customers in the U.S. Prior to the agreement with SCUSA, we principally relied on Ally Financial Inc. ("Ally") for dealer and retail financing and support. Additionally, we have arrangements with a number of financial institutions to provide a variety of dealer and retail customer financing programs in Canada. There are no formal retail financing arrangements in Mexico at this time, although CF Credit Services, S.A. de C.V. SOFOM E.R., provides nearly all dealer financing and about half of all retail financing of our products in Mexico.

In February 2013, we entered into a private label financing agreement with SCUSA (the “SCUSA Agreement”), under which SCUSA provides a wide range of wholesale and retail financial services to our dealers and retail customers in the U.S., under the Chrysler Capital brand name. The financial services include credit lines to finance dealers’ acquisition of vehicles and other products that we sell or distribute, retail loans and leases to finance retail customer acquisitions of new and used vehicles at dealerships, financing for commercial and fleet customers, and ancillary services. In addition, SCUSA offers dealers construction loans, real estate loans, working capital loans and revolving lines of credit.

The SCUSA Agreement has a ten year term from February 2013, subject to early termination in certain circumstances, including the failure by a party to comply with certain of its on-going obligations under the SCUSA Agreement. In accordance with the terms of the agreement, SCUSA provided us an upfront, nonrefundable payment in May 2013 which is being amortised over ten years.

Under the SCUSA Agreement, SCUSA has certain rights, including limited exclusivity to participate in specified minimum percentages of certain retail financing rate subvention programs. SCUSA’s exclusivity rights are subject to SCUSA maintaining price competitiveness based on market benchmark rates to be determined through a steering committee process as well as minimum approval rates.

The SCUSA Agreement replaced an auto finance relationship with Ally, which was terminated in 2013. As of December 31, 2014, Ally was providing wholesale lines of credit to approximately 39 percent of our dealers in the U.S. For the year ended December 31, 2014, we estimate that approximately 82 percent of the vehicles purchased by our U.S. retail customers were financed or leased through our dealer network, of which approximately 48 percent were financed or leased through Ally and SCUSA.

***LATAM***

*LATAM Sales and Competition*

The following table presents our mass-market vehicles sales and market share in the LATAM segment for the years ended December 31, 2014 and 2013:

| | For the Years Ended December 31, | | | |
|---|---|---|---|---|
| | **2014(1)** | | **2013(1)** | |
| **LATAM** | **Group Sales** | **Market Share** | **Group Sales** | **Market Share** |
| | **Thousands of units (except percentages)** | | | |
| Brazil | 706 | 21.2% | 771 | 21.5% |
| Argentina | 88 | 13.4% | 111 | 12.0% |
| Other LATAM | 37 | 3.0% | 51 | 3.6% |
| **Total** | **830** | **16.0%** | **933** | **15.8%** |

*(1) Our estimated market share data presented are based on management’s estimates of industry sales data, which use certain data provided by third-party sources, including IHS Global Insight, National Organisation of Automotive Vehicles Distribution and Association of Automotive Producers.*

The following table presents our mass-market vehicle market share information and our principal competitors in Brazil, our largest market in the LATAM segment:

| Brazil | For the Years Ended December 31, | |
|---|---|---|
| | 2014(1) | 2013(1) |
| Automaker | Percentage of industry | |
| **FCA** | **21.2%** | **21.5%** |
| Volkswagen(*) | 17.7% | 18.8% |
| GM | 17.4% | 18.1% |
| Ford | 9.2% | 9.4% |
| Other | 34.5% | 32.2% |
| **Total** | **100.0%** | **100.0%** |

*(1) Our estimated market share data presented are based on management's estimates of industry sales data, which use certain data provided by third-party sources, including IHS Global Insight, National Organisation of Automotive Vehicles Distribution and Association of Automotive Producers.*

*(*) Including Audi.*

The LATAM segment automotive industry decreased 12.5 percent from 2013, to 5.2 million vehicles (cars and light commercial vehicles) in 2014. The decrease was mainly due to Brazil and Argentina with 6.9 percent and 28.7 percent decreases, respectively. Over the past four years industry sales in the LATAM segment grew by 1.4 percent, mainly due to Argentina and Other countries while Brazilian market remained substantially stable driven by economic factors such as greater development of gross domestic product, increased access to credit facilities and incentives adopted by Brazil in 2009 and 2012.

Our vehicle sales in the LATAM segment leverage the name recognition of Fiat and the relatively urban population of countries like Brazil to offer Fiat brand mini and small vehicles in our key markets in the LATAM segment. We are the leading automaker in Brazil, due in large part to our market leadership in the mini and small segments (which represent almost 60 percent of Brazilian market vehicle sales). Fiat also leads the pickup truck market in Brazil (with the Fiat Strada, 56.2 percent of segment share), although this segment is small as a percentage of total industry and compared to other countries in the LATAM segment.

In Brazil, the automotive industry benefitted from tax incentives in 2012, which helped our strong performance in that year as we were able to leverage our operational flexibility in responding to the sharp increase in market demand. However, tax incentives have limited the ability of OEMs to recover cost increases associated with inflation by increasing prices, a problem that has been exacerbated by the weakening of the Brazilian Real. Increasing competition over the past several years has further reduced our overall profitability in the region. Import restrictions in Brazil have also limited our ability to bring new vehicles to Brazil. In the first nine months of 2015, we started production in our new assembly plant in Brazil, which will enhance our ability to introduce new locally-manufactured vehicles that are not subject to such restrictions.

*LATAM Distribution*

The following table presents the number of independent entities in our dealer and distributor network. In the LATAM segment, we generally enter into multiple dealer agreements with a single dealer, covering one or more points of sale.

Outside Brazil and Argentina, our major markets, we distribute our vehicles mainly through general distributors and their dealer networks. This table counts each independent dealer entity, regardless of the number of contracts or points of sale the dealer operates. Where we have relationships with a general distributor in a particular market, this table reflects that general distributor as one distribution relationship:

| Distribution Relationships | At December 31, | |
|---|---|---|
| | 2014 | 2013 |
| LATAM | 441 | 450 |

*LATAM Dealer and Customer Financing*

In the LATAM segment, we provide access to dealer and retail customer financing through both wholly-owned captive finance companies and through strategic relationships with financial institutions.

We have two wholly-owned captive finance companies in the LATAM segment: Banco Fidis S.A. in Brazil and Fiat Credito Compañia Financiera S.A. in Argentina. These captive finance companies offer dealer and retail customer financing. In addition, in Brazil we have a significant commercial partnership with Banco Itaù, a leading vehicle retail financing company in Brazil, to provide financing to retail customers purchasing Fiat brand vehicles. This partnership was renewed in August 2013 for a ten-year term ending in 2023. Under this agreement, Banco Itaù has exclusivity on our promotional campaigns and preferential rights on non-promotional financing. We receive commissions in connection with each vehicle financing above a certain threshold. This agreement applies only to our retail customers purchasing Fiat branded vehicles and excludes Chrysler, Jeep, Dodge and Ram brand vehicles, which are directly financed by Banco Fidis S.A.

***APAC***

*APAC Sales and Competition*

The following table presents our mass-market vehicles sales and market share in the APAC segment for the years ended December 31, 2014 and 2013:

| | For the Years Ended December 31, | | | |
|---|---|---|---|---|
| | 2014(1),(2) | | 2013(1),(2) | |
| **APAC** | **Group Sales** | **Market Share** | **Group Sales** | **Market Share** |
| | Thousands of units (except percentages) | | | |
| China | 182 | 1.0% | 129 | 0.8% |
| India(3) | 12 | 0.5% | 10 | 0.4% |
| Australia | 44 | 4.0% | 34 | 3.1% |
| Japan | 18 | 0.4% | 16 | 0.4% |
| South Korea | 6 | 0.5% | 5 | 0.4% |
| APAC 5 major Markets | 262 | 0.9% | 194 | 0.7% |
| Other APAC | 5 | — | 6 | — |
| **Total** | **267** | **—** | **199** | **—** |

*(1) Our estimated market share data presented are based on management's estimates of industry sales data, which use certain data provided by third-party sources, including R.L. Polk Data, and National Automobile Manufacturing Associations.*

*(2) Sales data include vehicles sold by certain of our joint ventures within the Chinese and, until 2012, the Indian market. Beginning in 2013, we took over the distribution from the joint venture partner and we started distributing vehicles in India through wholly-owned subsidiaries.*

*(3) India market share is based on wholesale volumes.*

The automotive industry in the APAC segment has shown strong year-over-year growth. Industry sales in the five key markets (China, India, Japan, Australia and South Korea) where we compete increased from 16.3 million in 2009 to 28.2 million in 2014, a compound annual growth rate, or CAGR, of approximately 12 percent. Industry sales in the five key markets for 2013, 2012, 2011 and 2010 were 26.1 million, 23.8 million, 21.3 million and 20.3 million, respectively. China was the driving force behind the significant growth in the region. China's industry volume increased from 8.5 million passenger cars in 2009 to 18.4 million passenger cars in 2014, representing a CAGR of 17 percent. Industry volumes in China for 2013, 2012, 2011 and 2010 were 16.7 million, 14.2 million, 13.1 million and 11.5 million passenger cars, respectively. In 2014, the five key markets grew by 8 percent over 2013, primarily driven by a 10 percent increase in China.

We sell a range of vehicles in the APAC segment, including small and compact cars and utility vehicles. Although our smallest mass-market segment by vehicle sales, we believe the APAC segment represents a significant growth opportunity and we have invested in building relationships with key joint venture partners in China and India in order to increase our presence in the region. In 2010, the demand for mid-size vehicles in China led us to begin a joint venture with the GAC Group for the production of Fiat brand passenger cars. Currently the Fiat Ottimo and Fiat Viaggio, along with our other Fiat-branded vehicles imported from Europe and North America, are distributed through the joint venture's local dealer network in that country. In addition, as announced in 2014, we commenced the production of Jeep and Chrysler branded vehicles in China with our joint venture with the GAC Group during 2015. We also work with a joint venture partner in India to manufacture Fiat branded vehicles that we distribute through our wholly-owned subsidiary. In other parts of the APAC segment, we distribute vehicles that we manufacture in the U.S. and Europe through our dealers and distributors.

*APAC Distribution*

In the key markets in the APAC segment (China, Australia, India, Japan and South Korea), we sell our vehicles through a wholly-owned subsidiary or through our joint ventures to local independent dealers. In other markets where we do not have a substantial presence, we have agreements with general distributors for the distribution of our vehicles through their networks. The following table presents the number of independent entities in our dealer and distributor network. The table counts each independent dealer entity, regardless of the number of contracts or points of sale the dealer operates. Where we have relationships with a general distributor in a particular market, this table reflects that general distributor as one distribution relationship:

| **Distribution Relationships** | **At December 31,** | |
|---|---|---|
| | **2014** | **2013** |
| APAC | 729 | 671 |

*APAC Dealer and Customer Financing*

In the APAC segment, we operate a wholly-owned captive finance company, Fiat Automotive Finance Co., Ltd, which supports, on a non-exclusive basis, our sales activities in China through dealer and retail customer financing and provides similar services to dealers and customers of the CNH Industrial Group. Vendor programs are also in place with different financial partners in India, Japan, South Korea and Australia.

## EMEA

*EMEA Sales and Competition*

The following table presents our mass-market vehicles sales and market share in the EMEA segment for the years ended December 31, 2014 and 2013:

| | **For the Years Ended December 31,** | | | |
|---|---|---|---|---|
| **EMEA** | **2014(1),(2),(3)** | | **2013(1),(2),(3)** | |
| **Passenger Cars** | **Group Sales** | **Market Share** | **Group Sales** | **Market Share** |
| | **Thousands of units (except percentages)** | | | |
| Italy | 377 | 27.7% | 374 | 28.7% |
| Germany | 84 | 2.8% | 80 | 2.7% |
| UK | 80 | 3.2% | 72 | 3.2% |
| France | 62 | 3.5% | 62 | 3.5% |
| Spain | 36 | 4.3% | 27 | 3.7% |
| Other Europe | 121 | 3.5% | 123 | 3.7% |
| Europe* | 760 | 5.8% | 738 | 6.0% |
| Other EMEA** | 126 | — | 137 | — |
| **Total** | **886** | **—** | **875** | **—** |

** 28 members of the European Union and members of the European Free Trade Association (other than Italy, Germany, UK, France, and Spain).*

*** Market share not included in Other EMEA because our presence is less than one percent.*

*(1) Certain fleet sales accounted for as operating leases are included in vehicle sales.*

*(2) Our estimated market share data is presented based on the European Automobile Manufacturers Association (ACEA) Registration Databases and national Registration Offices databases.*

*(3) Sale data includes vehicle sales by our joint venture in Turkey.*

| EMEA Light Commercial Vehicles | For the Years Ended December 31, 2014[(1),(2),(3)] Group Sales | Market Share | 2013[(1),(2),(3)] Group Sales | Market Share |
|---|---|---|---|---|
| | Thousands of units (except percentages) | | | |
| Europe* | 197 | 11.5% | 182 | 11.6% |
| Other EMEA** | 68 | — | 68 | — |
| **Total** | **265** | **—** | **250** | **—** |

** 28 members of the European Union and members of the European Free Trade Association*

*** Market share not included in Other EMEA because our presence is less than one percent.*

*(1) Certain fleet sales accounted for as operating leases are included in vehicle sales.*

*(2) Our estimated market share data is presented based on the national Registration Offices databases on products categorised under light commercial vehicles.*

*(3) Sale data includes vehicle sales by our joint venture in Turkey.*

The following table summarise our new vehicle market share information and our principal competitors in Europe, our largest market in the EMEA segment:

| Europe-Passenger Cars* | For the Years Ended December 31, 2014[(1)] | 2013[(1)] |
|---|---|---|
| **Automaker** | **Percentage of industry** | |
| Volkswagen | 25.5% | 25.1% |
| PSA | 10.7% | 10.9% |
| Renault | 9.5% | 8.9% |
| GM | 7.1% | 7.9% |
| Ford | 7.3% | 7.3% |
| BMW | 6.4% | 6.4% |
| **FCA** | **5.9%** | **6.0%** |
| Daimler | 5.4% | 5.5% |
| Toyota | 4.3% | 4.4% |
| Other | 17.9% | 17.6% |
| **Total** | **100.0%** | **100.0%** |

** Including all 28 European Union (EU) Member States and the 4 European Free Trade Association, or EFTA member states.*

*(1) Market share data is presented based on the European Automobile Manufacturers Association, or ACEA Registration Databases, which also includes Ferrari and Maserati within our Group.*

In 2014, there was an improvement in passenger car industry volumes in Europe (EU28+EFTA), with unit sales increasing 5.4 percent over the prior year to a total of 13 million, although still well below the pre-crisis level of approximately 16 million units in 2007. As a result of production over-capacity, however, significant price competition among automotive OEMs continues to be a factor, particularly in the small and mid-size segments. Volumes were also higher in the light commercial vehicle ("LCV"), segment, with industry sales up 9.6 percent year-over-year to about 1.72 million units, following two consecutive years with industry volumes stable at around 1.6 million units. In 2014, Fiat Professional, FCA's LCV brand in Europe, introduced the sixth generation of its highly successful Fiat Ducato, which has sold 2.7 million units since the nameplate was launched in 1981. The Ducato continued its strong performance in 2014, taking the lead in the OEM ranking in its segment in Europe for the first year ever, and registering a further increase in market share – which has grown steadily since 2008 – to an all-time record of 20.9 percent. Fiat Professional also operates in Russia through wholly-owned subsidiaries. We also operate through joint ventures and other cooperation agreements.

During the year, FCA maintained its focus on production of a select number of models as it implemented a strategic re-focus and realignment of the Fiat brand. Central to this strategy has been the expansion of the Fiat 500 family and other selected economy models. This has resulted in FCA achieving a leading position in the "mini" and "compact MPV" segments in Europe. We continued expansion of the 500 family in 2014, with the introduction of the 500X crossover, which debuted at the Paris Motor Show in October. Building on the history of Alfa Romeo, Fiat and Lancia, we sell mini, small and compact passenger cars in the EMEA region under these brands. We are also leveraging Jeep's global brand recognition to offer Jeep brand SUVs, all of which the EMEA segment categorises as passenger cars. In September 2014, the Group launched the Jeep Renegade, FCA's first model designed in the U.S. and produced in Italy. In addition, we sell LCV's under the Fiat Professional brand, which mainly include half-ton pick-up trucks and commercial vans.

In Europe, FCA's sales are largely weighted to passenger cars, with approximately 53 percent of our total vehicle sales in Europe in 2014 in the small car segment, reflecting demand for smaller vehicles driven by driving conditions prevalent in many European cities and stringent environmental regulations.

*EMEA Distribution*

In certain markets, such as Europe, our relationship with individual dealer entities can be represented by a number of contracts (typically, we enter into one agreement per brand of vehicles to be sold) and the dealer can sell those vehicles through one or more points of sale. In those markets, points of sale tend to be physically small and carry limited inventory.

In Europe, we sell our vehicles directly to independent and our own dealer entities located in most European markets. In other markets in the EMEA segment in which we do not have a substantial presence, we have agreements with general distributors for the distribution of our vehicles through their existing distribution networks.

The following table summarises the number of independent entities in our dealer and distributor network. The table counts each independent dealer entity, regardless of the number of contracts or points of sale the dealer operates. Where we have relationships with a general distributor in a particular market, this table reflects that general distributor as one distribution relationship:

| **Distribution Relationships** | **At December 31,** | |
|---|---|---|
| | **2014** | **2013** |
| EMEA | 2,143 | 2,300 |

*EMEA Dealer and Customer Financing*

In the EMEA segment, dealer and retail customer financing is primarily managed by FCA Bank S.p.A ("FCA Bank") formerly known as FGA Capital S.p.A., our 50/50 joint venture with Crédit Agricole Consumer Finance S.A. ("Crédit Agricole"). FCA Bank operates in 14 European countries including Italy, France, Germany, the U.K. and Spain. We began this joint venture in 2007, and in July 2013, we reached an agreement with Crédit Agricole to extend its term through December 31, 2021. Under the agreement, FCA Bank will continue to benefit from the financial support of the Crédit Agricole Group while continuing to strengthen its position as an active player in the securitisation and debt markets. FCA Bank provides retail and dealer financing to support our mass-market brands and Maserati, as well as certain other OEMs.

Fidis S.p.A., our wholly-owned captive finance company, provides dealer and other wholesale customer financing in certain markets in the EMEA segment in which FCA Bank does not operate. We also operate a joint venture providing financial services to retail customers in Turkey, and operate vendor programs with bank partners in other markets to provide access to financing in those markets.

## FERRARI

Ferrari, a racing and sports car manufacturer founded in 1929 by Enzo Ferrari, began producing street cars in 1947, beginning with the 125 S. Fiat acquired 50 percent of Ferrari in 1969, then expanding its stake to the 90 percent. Scuderia Ferrari, the brand's racing team division, has achieved enormous success, winning numerous Formula One titles, including 16 constructors' championships and 15 drivers' championships. The street car division currently produces vehicles ranging from sports cars (such as the 458 Italia, the 458 Spider and the F12 Berlinetta), to the gran turismo models (such as the California and the FF), designed for long-distance, high-speed journeys. We believe that Ferrari customers are seeking the state-of-the-art in luxury sports cars, with a special focus on the very best Italian design and craftsmanship, along with unparalleled performance both on the track and on the road. Ferrari recently presented the California T, which brings turbocharging back to its street cars for the first time since 1992. We also launched the exclusive limited edition LaFerrari, which attracted orders for more than the production run before its official debut at the 2013 Geneva Motor Show. We believe LaFerrari sets a new benchmark for the sector, incorporating the latest technological innovations that Ferrari will apply to future models. On October 29, 2014, FCA's Board of Directors announced that it had authorised the separation of Ferrari from FCA. On October 26, 2015, Ferrari completed an initial public offering of approximately 10 percent of its shares, with all shares being offered and sold by FCA. The separation is part of a series of transactions intended to separate FCA's remaining ownership interest in Ferrari N.V. and to distribute that ownership interest to holders of FCA shares and mandatory convertible securities. The separation was approved by the EGM on December 3, 2015. For further information on the Ferrari separation, see "*Financial Review of the FCA Group—Significant Recent Events*".

The following table shows the distribution of our Ferrari sales by geographic regions as a percentage of total sales for each year ended December 31, 2014 and 2013:

| | **Ferrari Sales by country (as a percentage of 2014 sales)** | **Ferrari Sales by country (as a percentage of 2013 sales)** |
|---|---|---|
| Europe Top 5 countries[(1)] | 30% | 30% |
| U.S. | 30% | 29% |
| Japan | 6% | 5% |
| China, Hong Kong & Taiwan | 9% | 10% |
| Other countries | 25% | 26% |
| **Total** | 100% | 100% |

*(1) Europe Top 5 Countries by sales, includes Italy, UK, Germany, France and Switzerland.*

In 2014, a total of 7.2 thousand Ferrari street cars were sold to retail customers, growth driven by the performance of the limited edition LaFerrari. Ferrari experienced solid growth in North America, Ferrari's largest market, Japan and China, with the European market substantially flat year over year.

Ferrari vehicles are designed to maintain exclusivity and appeal to a customer looking for such rare vehicles, and as a result, we deliberately limit the number of Ferrari vehicles produced each year in order to preserve the exclusivity of the brand. Our efforts in designing, engineering and manufacturing our luxury vehicles focus on use of state-of-the-art technology and luxury finishes to appeal to our luxury vehicle customers.

We sell our Ferrari vehicles through a worldwide distribution network of approximately 180 Ferrari dealers as of December 31, 2014, that is separate from our mass-market distribution network.

Ferrari Financial Services S.p.A., a financial services company 90 percent owned by Ferrari, offers financial services for the purchase of all types of Ferrari vehicles. Ferrari Financial Services S.p.A. operates in Ferrari's major markets, including, Germany, U.K., France, Belgium, Switzerland, Italy, U.S. and Japan.

## MASERATI

Maserati, a luxury vehicle manufacturer founded in 1914, became part of our business in 1993. We believe that Maserati customers typically seek a combination of style, both in high quality interiors and external design, performance, sports handling and comfort that come with a top of the line luxury vehicle. In 2013 the Maserati brand was re-launched by the introduction of the Quattroporte and Ghibli (luxury four door sedans), the first addressed to the flagship large sedan segment and the second was designed to address the luxury full-size sedan vehicle segment.

Maserati's current vehicles also include the GranTurismo, the brand's first modern two door, four seat coupe, also available in a convertible version. In 2014 we showcased the Ermenegildo Zegna version of the Quattroporte, which will be produced in a limited run of 100 vehicles to commemorate the brand's 100th anniversary. In addition, we expect to launch a luxury SUV in 2016. This luxury SUV has been designed on the same platform as the Quattroporte and the Ghibli and will complete the Maserati's product portfolio with full coverage of the global luxury vehicle market.

Further, we recently presented a sports car concept (the Maserati Alfieri) expected to be put into production in the coming years.

The following tables show the distribution of Maserati sales by geographic regions as a percentage of total sales for each year ended December 31, 2014 and 2013:

| | Maserati Sales by country (as a percentage of 2014 sales) | Maserati Sales by country (as a percentage of 2013 sales) |
|---|---|---|
| Europe Top 4 countries(1) | 13% | 9% |
| U.S. | 39% | 41% |
| Japan | 4% | 4% |
| China | 25% | 26% |
| Other countries | 19% | 20% |
| **Total** | **100%** | **100%** |

*(1) Europe Top 4 Countries by sales, includes Italy, UK, Germany and Switzerland.*

In 2014, a total of 32.8 thousand Maserati vehicles were sold to retail customers, an increase of 183 percent compared to 2013, on the back of continued strong performance for the Quattroporte and Ghibli, resulting in an increase of approximately 170 percent in the U.S., the brand's number one market, and in China, the brand's second largest market, combined with a fourfold increase in Europe.

We sell our Maserati vehicles through a worldwide distribution network of approximately 364 Maserati dealers as of December 31, 2014, that is separate from our mass-market distribution network.

FCA Bank provides access to retail customer financing for Maserati brand vehicles in Europe. In other regions, we rely on local agreements with financial services providers for financing of Maserati brand vehicles.

## COMPONENTS

We sell components and production systems under the following brands:

***Magneti Marelli***. Founded in 1919 as a joint venture between Fiat and Ercole Marelli, Magneti Marelli is an international leader in the design and production of state-of-the-art automotive systems and components. Through Magneti Marelli, we design and manufacture automotive lighting systems, powertrain (engines and transmissions) components and engine control unit, electronic systems, suspension systems and exhaust systems, and plastic components and modules. The Automotive Lighting business line, headquartered in Reutlingen, Germany, is dedicated to the development, production and sale of automotive exterior lighting products for all major OEMs worldwide. The Powertrain business line is dedicated to the production of engine and transmission components for automobiles, motorbikes and light commercial vehicles and has a global presence due to its own research and development centres, applied research centres and production plants. The Electronic Systems business line provides know-how in the development and production of hardware and software in mechatronics, instrument clusters, telematics and satellite navigation. We also provide aftermarket parts and services and operate in the motorsport business, in particular electronic and electro-mechanical systems for championship motorsport racing, under the Magneti Marelli brand. We believe the Magneti Marelli brand is characterised by key technologies available to its final customers at a competitive price compared to other component manufacturers, with high quality and competitive offerings, technology and flexibility.

Magneti Marelli provides wide-ranging expertise in electronics, through a process of ongoing innovation and environmental sustainability in order to develop intelligent systems for active and passive vehicle safety, on-board comfort and powertrain technologies. With 89 production facilities (including joint ventures) and 39 research and development centres, Magneti Marelli has a presence in 19 countries and supplies all the major OEMs across the globe. In several countries, Magneti Marelli's activities are carried out through a number of joint ventures with local partners with the goal of entering more easily into new markets by leveraging the partner's local relationships. Thirty-five percent of Magneti Marelli's 2014 revenue was derived from sales to the Group.

***Teksid***. Originating from Fiat's 1917 acquisition of Ferriere Piemontesi, the Teksid brand was established in 1978 and today is specialised in grey and nodular iron castings production. Teksid produces engine blocks, cylinder heads, engine components, transmission parts, gearboxes and suspensions. Teksid Aluminium produces aluminium cylinder heads. Thirty-nine percent of Teksid's 2014 revenue was derived from sales to the Group.

***Comau***. Founded in 1973, Comau, which originally derived its name from the acronyms of COnsorzio MAcchine Utensili (*consortium of machine tools*), produces advanced manufacturing systems through an international network.

Comau operates primarily in the field of integrated automation technology, delivering advanced turnkey systems to its customers. Through Comau, we develop and sell a wide range of industrial applications, including robotics, while we provide support service and training to customers. Comau's main activities include powertrain metal-cutting systems; mechanical assembly systems and testing; innovative and high performance body welding and assembly systems; and robotics. Comau's automation technology is used in a variety of industries, including automotive and aerospace.

Comau also provides maintenance service in Latin America. 26 percent of Comau's 2014 revenue was derived from sales to the Group.

## RESEARCH AND DEVELOPMENT

We conduct research and development for new vehicles and technology to improve the performance, safety, fuel efficiency, reliability, consumer perception and environmental impact (*i.e.* reduced emissions) of our vehicles.

Research and development costs consist primarily of material costs and personnel related expenses that support the development of new and existing vehicles with powertrain technologies.

Research and development costs for the year ended December 31, 2014 were €2,537 million, an increase of €301 million, or 13.5 percent, from €2,236 million for the year ended December 31, 2013. As a percentage of net revenues, research and development costs were 2.6 percent both for years ended December 31, 2014 and 2013.

The increase in research and development costs was attributable to the combined effects of (i) an increase in the amortisation of previously capitalised development costs of €170 million, (ii) an increase in research and development costs expensed during the period of €73 million and (iii) an increase in write-down of costs previously capitalised of €58 million.

Research and development costs capitalised as a percentage of total expenditures on research and development were 61.9 percent for the year ended December 31, 2014, as compared to 60.6 percent for the year ended December 31, 2013. Expenditures on research and development amounted to €3,665 million for the year ended December 31, 2014, an increase of 8.9 percent, from €3,367 million, for the year ended December 31, 2013, resulting in a 5.5 percent increase in research and development costs expensed.

The increase in amortisation of capitalised development costs was attributable to the launch of new products, and in particular related to the NAFTA segment, driven by the all-new 2014 Jeep Cherokee, which began shipping to dealers in late October 2013, and the all-new 2015 Chrysler 200, which was launched in the first quarter of 2014, and began arriving in dealerships in May 2014.

Research and development costs for the nine months ended September 30, 2015 were €2.2 billion, reflecting an increase of €0.4 billion, or 21.0 percent (€0.2 billion or 9.6 percent at constant currency), from €1.8 billion for the nine months ended September 30, 2014. Total research and development costs expensed in the nine months ended September 30, 2015 increased by €0.2 billion, largely attributable to continued research to support the development of new and existing vehicles.

The increase in amortisation of capitalised development costs was mainly attributable to the launch of new products primarily related to the NAFTA segment driven by the all-new 2015 Jeep Renegade, the Dodge Challenger and the 2015 Chrysler 300, as well as the EMEA segment driven by the all-new 2015 Fiat 500X.

Total expenditures on research and development amounted to €3.1 billion for the nine months ended September 30, 2015, reflecting an increase of 22.9 percent, from €2.5 billion, for the nine months ended September 30, 2014, which is in line with the Group's product development established in the 2014-2018 Business Plan. Development costs capitalised were €1.9 billion (60.8 percent of total expenditures on research and development) for the nine months ended September 30, 2015, as compared to €1.5 billion (59.7 percent of total expenditures on research and development) for the nine months ended September 30, 2014.

The following table summarises our research and development expenditures for the nine months ended September 30, 2015 and 2014 and for the years ended December 31, 2014 and 2013:

| | For the Nine Months Ended September 30 | |
|---|---|---|
| | 2015 | 2014 |
| | (€ million) | |
| Research and development costs expensed during the period | 1,227 | 1,027 |
| Amortisation of capitalised development costs | 979 | 781 |
| Write-down of costs previously capitalised | 2 | 17 |
| **Total research and development costs** | **2,208** | **1,825** |

| | For the Year ended December 31, | |
|---|---|---|
| | 2014 | 2013 |
| | (€ million) | |
| Research and development costs expensed during the year | 1,398 | 1,325 |
| Amortisation of capitalised development costs | 1,057 | 887 |
| Write-down of costs previously capitalised | 82 | 24 |
| **Total research and development costs** | 2,537 | **2,236** |

## EMPLOYEES

The Group's employees are crucial to its ability to compete as a leader in the global auto sector, as well as to create value that is sustainable over the long term.

As of December 31, 2014, the Group had a total of 232,165 employees, a 1.4% increase over year-end 2013.

There were a total of 32,198 new hires during the year, of which 44% were in North America, this region experienced continued increases in production to meet consumer demand. Approximately 5,670 fixed-term contracts were converted to permanent, demonstrating the Group's continued commitment to the long-term stability of the workforce.

As of September 30, 2015, the Group had a total of 238,634 employees, compared to a total of 228,987 employees as of September 30, 2014.

### *Industrial Relations and Social Dialogue*

At the Investor Day held in Auburn Hills on May 6, 2014, FCA presented its 2014-2018 Business Plan to members of the international financial community, dealers, suppliers and media. In addition, as confirmation of the importance the Group places on social dialogue, representatives of the most represented trade unions at Group plants in Europe, the U.S. and Brazil were also invited to attend.

At the European level, EU regulations require that all Community-scale undertakings establish a European Works Council (EWC), which ensures workers the right to information and consultation. Fiat, the predecessor of FCA, first established an EWC in 1997 on the basis of the establishing agreement signed in 1996 and subsequently renewed (with amendments and modifications).

During 2014, FCA and the IndustriALL European Trade Union (The European federation of metalworking, chemical and textile sector trade unions) jointly agreed on solutions to issues, primarily related to the absence of affiliated trade unions in certain Member States, that had prevented the proper establishment of a EWC in implementation of the renewal agreement signed in June 2011. The FCA EWC held its first meeting on 19-20 November 2014, with 16 members representing workers in each of the European member states where the Group has a significant presence. Also present were representatives of the trade unions signatories to the establishing agreement. During the meeting, management presented information relating to the Group's financial performance, changes in workforce, current market conditions and sales performance for each of the Group's main businesses.

Participants were also given an overview of the five-year business plan for EMEA, as presented on May 6, as well as the corporate reorganisation and creation of FCA completed during the year.

***Collective Bargaining***

Collective bargaining, conducted in accordance with local law and practice, resulted in various agreements with trade unions on both wage and employment conditions.

Worldwide, approximately 90% of FCA employees are covered by collective bargaining agreements. Also of major significance in this area are the supplementary pension and health care schemes, which are the result of negotiations and continuous dialogue between FCA and the trade unions.

In Italy, where all employees are covered by collective bargaining, FCA and the trade unions reached an agreement for 2014, which included a €260 one-time payment to all personnel in the company's employ on the date of the agreement, an in-principle agreement on the employment conditions already negotiated and a commitment to conclude a 3-year collective labour agreement with changes in current wage and employment conditions that reflect the operating requirements of the 2014-2018 Business Plan. In April, 2015, a new four-year compensation agreement was signed by FCA companies in Italy within the automobiles business. The new compensation agreement was subsequently included into the new labour agreement and was extended to all FCA companies in Italy on July 7, 2015. For information on the new compensation agreement, entered into in April 2015, see Note 23 of the unaudited interim condensed consolidated financial statements incorporated by reference herein.

For information on the new four-year national collective bargaining agreement, entered into on October 22, 2015, between FCA US and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (the "UAW"), see "*Financial Review of the FCA Group—Significant Recent Events*".

Outside Italy, an average 81% of employees are covered by collective bargaining agreements. That percentage varies from country to country on the basis of local practice and regulations.

For FCA companies in the European Union, wage negotiations in 2014 took into account the fact that the Group's operations in the region were still loss-making. Plants were operating below capacity and the auto market remained weak as many European economies continue to struggle with low levels of inflation and, in some cases, even deflation.

Accordingly, in 2014 the Group worked to contain the cost of labour without reducing activities or personnel.

Poland, company-level wage negotiations were limited to payment of a one-time amount for employees at Group companies where activity levels had been increased.

In France, the annual negotiation (*Négociation Annuelle Obligatoire*) concluded with no general wage increases except for the Magneti Marelli plant in Châtellerault, where the reference parameters for 2014 had already been agreed to with the trade unions in 2012.

In Serbia, the 3-year collective agreement for employees of Fiat Automobili Srbija d.o.o in Kragujevaç was renewed at year end, bringing it into line with new labour legislation that came into effect in July 2014. In December 2014, the company defined criteria for the determination of the "Christmas Bonus," which is based on actual employee hours worked.

Following the establishment of trade union representation at Magneti Marelli d.o.o. Kragujevac and pending initiation of negotiations for a company-level agreement, the company will continue to apply the company's Internal Rulebook, which has been updated to reflect the requirements of the new labour legislation. At Fiat Services d.o.o Kragujevac, trade union representation was established during the year and negotiations for a company-level agreement to replace the Internal Rulebook were initiated. The parties agreed to an extension of the original negotiating deadline to incorporate changes relative to the new labour legislation and negotiations were completed in January 2015.

In Spain, an agreement was reached with trade unions in September 2014 to extend the collective labour agreement at Mecaner S.A.U., which expired at year-end 2014, for a further two years. Under the new agreement, wages will be increased by 0.5% in 2015 and 0.9% in 2016.

In Brazil, FIEMG (Federação das Indústrias do Estado de Minas Gerais) and metalworking sector trade unions for the State of Minas Gerais completed wage negotiations in November 2014 with agreement to increase the "database" (Minimum wage) in line with inflation. Agreements were also negotiated at the company level that provided one-time amounts additional to the sector-level agreement.

In Mexico, the annual contractual negotiation at Teksid Hierro de Mexico concluded with workers being awarded a 4.3% increase in hourly employee wages, in line with inflation. At the Comau facility in Tepotzotlan (since relocated to San Martin Obispo), workers received a 4.5% increase.

In 2014, the level of labour unrest at Group companies in Italy, including local labour actions, was negligible in terms of the number of instances and level of employee participation.

Outside Italy, the overall level of labour unrest in 2014 was negligible and mostly related to local issues at individual plants.

## CYCLICAL NATURE OF THE BUSINESS

As is typical in the automotive industry, our vehicle sales are highly sensitive to general economic conditions, availability of low interest rate vehicle financing for dealers and retail customers and other external factors, including fuel prices, and as a result may vary substantially from quarter to quarter and year to year. Retail consumers tend to delay the purchase of a new vehicle when disposable income and consumer confidence are low. In addition, our vehicle production volumes and related revenues may vary from month to month, sometimes due to plant shutdowns, which may occur for several reasons, including production changes from one model year to the next. Plant shutdowns, whether associated with model year changeovers or other factors, such as temporary supplier interruptions, can have a negative impact on our revenues and a negative impact on our working capital as we continue to pay suppliers under standard contract terms while we do not receive proceeds from vehicle sales.

## LEGAL PROCEEDINGS

As a global group with a diverse business portfolio, the Group is exposed to numerous legal risks, particularly in the areas of product liability, competition and antitrust law, environmental risks and tax matters, dealer and supplier relationships and intellectual property rights. The outcome of any proceedings cannot be predicted with certainty. These proceedings seek recovery for damage to property, personal injuries and in some cases include a claim for exemplary or punitive damage. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group's financial position and results.

At December 31, 2014, contingent liabilities estimated by the Group for which no provisions have been recognised since an outflow of resources is not considered to be probable and contingent liabilities for which a reliable estimate can be made amount to approximately €100 million at December 31, 2014 and 2013. Furthermore, contingent assets and expected reimbursement in connection with these contingent liabilities for approximately €10 million (€12 million at December 31, 2013) have been estimated but not recognised. The Group will recognise the related amounts when it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and the amounts can be reliably estimated.

Furthermore, in connection with significant asset divestitures carried out in prior years, the Group provided indemnities to purchasers with the maximum amount of potential liability under these contracts generally capped at a percentage of the purchase price. These liabilities refer principally to potential liabilities arising from possible breaches of representations and warranties provided in the contracts and, in certain instances, environmental or tax matters, generally for a limited period of time. At December 31, 2014, potential obligations with respect to these indemnities were approximately €240 million at December 31, 2014 and 2013. At December 31, 2014 provisions of €58 million (€62 million December 31, 2013) have been made related to these obligations which are classified as Other provisions. The Group has provided certain other indemnifications that do not limit potential payment and as such, it was not possible to estimate the maximum amount of potential future payments that could result from claims made under these indemnities.

For updated information concerning the Group's on-going legal proceedings as of September 30, 2015, see Note 23 of the unaudited interim condensed consolidated financial statements incorporated by reference herein.

# SELECTED FINANCIAL AND STATISTICAL INFORMATION RELATING TO THE FCA GROUP

The following tables set forth selected historical consolidated financial and other data for the FCA Group, as of and for the years ended on December 31, 2014 and 2013 and the unaudited interim condensed consolidated financial statements of the FCA Group as of and for the nine months ended September 30, 2015.

The financial information presented below has been extracted from the annual audited consolidated financial statements of the FCA Group for the year ended December 31, 2014, and the unaudited interim condensed consolidated financial statements of the FCA Group as of and for the nine months ended September 30, 2015.

Both sets of financial statements have been prepared in accordance with IFRS issued by the IASB and adopted by the European Union and are incorporated by reference herein.

The unaudited interim condensed consolidated financial statements of the FCA Group as of and for the nine months ended September 30, 2015 have been prepared on the same basis as the annual audited consolidated financial statements of the FCA Group for the year ended December 31, 2014 and include all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the unaudited interim condensed consolidated financial statements. Interim results are not necessarily indicative of results that may be expected for a full year or any future interim period.

The Group adopted IFRS 11—*Joint arrangements*, as amended as of January 1, 2014 and retrospectively applied those amendments from January 1, 2013. For the impacts of the adoption of IFRS 11 on the December 31, 2013 comparative amounts, see "*New Standards and amendments effective from January 1, 2014*" in the annual audited consolidated financial statements of the FCA Group for the year ended December 31, 2014 incorporated by reference herein. For further information, see "*Presentation of Financial Information*".

Adjusted Earnings Before Interest and Taxes ("Adjusted EBIT") is the measure used by the chief operating decision maker to assess performance, allocate resources to the Group's operating segments and to view operating trends, perform analytical comparisons and benchmark performance between periods and among the segments. Operating assets are not included in the data reviewed by the chief operating decision maker, and as a result and as permitted by IFRS 8 – *Operating Segments*, the related information is not provided. Adjusted EBIT as reported in the unaudited interim condensed consolidated financial statements for the nine months ended September 30, 2015 is calculated as EBIT excluding: gains/(losses) on the disposal of investments, restructuring, impairments, asset write-offs and other unusual income/(expenses) that are considered rare or discrete events that are infrequent in nature. See Note 24 in the unaudited interim condensed consolidated financial statements as of and for the nine months ended September 30, 2015 for a reconciliation of Adjusted EBIT to EBIT.

The following information should be read in conjunction with the sections entitled "*Risk Factors*", "*Financial Review of the FCA Group*", the annual audited consolidated financial statements of the FCA Group as of and for the year ended December 31, 2014 and the annual audited consolidated financial statements of the Fiat Group as of and for the year ended December 31, 2013, and the unaudited interim condensed consolidated financial statements of the FCA Group as of and for the nine months ended September 30, 2015 incorporated by reference in this Base Prospectus. Investors are advised to review the full financial statements before making any investment decision.

Historical results for any period are not necessarily indicative of results to be expected for any future period.

**Consolidated Income Statement Data**

| | For the nine months ended September 30, 2015 | 2014 |
|---|---|---|
| | **(€ million, except per share data)** | |
| Net revenues | 83,092 | 69,006 |
| EBIT | 2,500 | 2,157 |
| EBITDA[(1)] | 6,745 | 5,756 |
| Adjusted EBIT[(2)] | 3,628 | 2,591 |
| Profit before taxes | 647 | 647 |
| Net profit | 126 | 212 |
| Attributable to: | | |
| *Owners of the parent* | *92* | *160* |
| *Non-controlling interest* | *34* | *52* |
| Basic earnings per ordinary share | 0.061 | 0.132 |
| Diluted earnings per ordinary share | 0.061 | 0.130 |

## Other Statistical Information:

| | 2015 | 2014 |
|---|---|---|
| Shipments (in thousands of units) | 3,402 | 3,393 |
| Number of employees at period end | 238,634 | 228,987 |

(1) EBIT plus Depreciation and Amortisation.

(2) Adjusted EBIT is calculated as EBIT excluding gains/(losses) on the disposal of investments, restructuring, impairments, asset write-offs and other unusual income/(expenses) that are considered rare or discrete events that are infrequent in nature.

### Consolidated Statement of Financial Position Data

| | At September 30, 2015 | At December 31, 2014 |
|---|---|---|
| | (€ million, except share data) | |
| Cash and cash equivalents | 20,177 | 22,840 |
| Total assets | 103,551 | 100,510 |
| Debt | 31,175 | 33,724 |
| Total equity | 14,554 | 13,738 |
| *Equity attributable to owners of the parent* | *14,197* | *13,425* |
| *Non-controlling interests* | *357* | *313* |
| Share capital | 17 | 17 |
| Ordinary shares issued: | | |
| *Common* | *1,288,936,908* | *1,284,919,505* |
| *Special voting* | *408,941,767* | *408,941,767* |

### Consolidated Income Statement Data

| | For the years ended December 31, 2014 | 2013 |
|---|---|---|
| | (€ million, except per share data) | |
| Net revenues | 96,090 | 86,624 |
| EBIT | 3,223 | 3,002 |
| Profit before taxes | 1,176 | 1,015 |
| Profit from continuing operations | 632 | 1,951 |
| Profit from discontinued operations | — | — |
| Net profit | 632 | 1,951 |
| Attributable to: | | |
| *Owners of the parent* | *568* | *904* |
| *Non-controlling interest* | *64* | *1,047* |
| Earnings per share from continuing operations (in Euro) | | |
| Basic per ordinary share | 0.465 | 0.744 |
| Diluted per ordinary share | 0.460 | 0.736 |
| Basic per preference share | — | — |
| Diluted per preference share | — | — |
| Basic per savings share | — | — |
| Diluted per savings share | — | — |
| Earnings per share (in Euro) | | |
| Basic per ordinary share | 0.465 | 0.744 |
| Diluted per ordinary share | 0.460 | 0.736 |
| Basic per preference share | — | — |
| Diluted per preference share | — | — |
| Basic per savings share | — | — |
| Diluted per savings share | — | — |
| Dividends paid per share (in Euro)[1] | | |
| Ordinary share | — | — |
| Preference share[2] | — | — |
| Savings share[2] | — | — |

### Other Statistical Information (unaudited):

| | | |
|---|---|---|
| Shipments (in thousands of units) | 4,608 | 4,352 |
| Number of employees at period end | 232,165 | 229,053 |

(1) Dividends paid represent cash payments in the applicable year that generally relates to earnings of the previous year.

(2) In accordance with the resolution adopted by the shareholders' meeting on April 4, 2012, Fiat's preference and savings shares were mandatorily converted into ordinary shares.

### Consolidated Statement of Financial Position Data

| | At December 31, 2014 | 2013 |
|---|---|---|
| | (€ million, except share data) | |
| Cash and cash equivalents | 22,840 | 19,455 |
| Total assets | 100,510 | 87,214 |
| Debt | 33,724 | 30,283 |
| Total equity | 13,738 | 12,584 |
| *Equity attributable to owners of the parent* | *13,425* | *8,326* |
| *Non-controlling interests* | *313* | *4,258* |
| Share capital | 17 | 4,477 |
| Shares issued (in thousands of shares): | | |
| Fiat | | |
| *Ordinary* | — | *1,250,687,773* |
| *Preference*(1) | — | — |
| *Saving*(1) | — | — |
| FCA | | |
| *Common*(2) | *1,284,919,505* | |
| *Special Voting* | *408,941,767* | |

(1) In accordance with the resolution adopted by the shareholders' meeting on April 4, 2012, Fiat's preference and savings shares were mandatorily converted into ordinary shares.

(2) Book value per common share at December 31, 2014 amounted to €10.45.

# FINANCIAL REVIEW OF THE FCA GROUP

*The following discussion of our financial condition and results of operations should be read together with the information included under "The FCA Group", "Selected Financial and Statistical Information relating to the FCA Group", the annual audited consolidated financial statements of the FCA Group as of and for the year ended December 31, 2014 and the annual audited consolidated financial statements of the Fiat Group as of and for the year ended December 31, 2013, and the unaudited interim condensed consolidated financial statements of the FCA Group as of and for the nine months ended September 30, 2015, incorporated by reference in this Base Prospectus. This discussion includes forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described under "Cautionary Statement Concerning Forward-Looking Statements" and "Risk Factors". Actual results may differ materially from those contained in any forward looking statements.*

*The Group adopted IFRS 11—Joint arrangements, as amended as of January 1, 2014 and retrospectively applied those amendments from January 1, 2013.. For the impacts of the adoption of IFRS 11 on the December 31, 2013 comparative amounts, see "New Standards and amendments effective from January 1, 2014" in the annual audited consolidated financial statements of the FCA Group for the year ended December 31, 2014 incorporated by reference herein.*

*Adjusted Earnings Before Interest and Taxes ("Adjusted EBIT") is the measure used by the chief operating decision maker to assess performance, allocate resources to the Group's operating segments and to view operating trends, perform analytical comparisons and benchmark performance between periods and among the segments. Operating assets are not included in the data reviewed by the chief operating decision maker, and as a result and as permitted by IFRS 8 – Operating Segments, the related information is not provided. Adjusted EBIT as reported in the unaudited interim condensed consolidated financial statements as of and for the nine months ended September 30, 2015, is calculated as EBIT excluding: gains/(losses) on the disposal of investments, restructuring, impairments, asset write-offs and other unusual income/(expenses) that are considered rare or discrete events that are infrequent in nature. See Note 24 in the unaudited interim condensed consolidated financial statements as of and for the nine months ended September 30, 2015 for a reconciliation of Adjusted EBIT to EBIT.*

*At December 31, 2014, there was no change in the nine operating segments that had previously been identified by the Group, however, the Ferrari operating segment met the quantitative threshold for being a separate reportable segment. As a result, and in accordance with IFRS 8—Operating Segments, the financial information for the Ferrari operating segment is reflected as a separate reportable segment as of and for the year ended December 31, 2014. The prior period financial information presented for comparative purposes was also restated to reflect the Ferrari operating segment as a separate reportable segment. The Group also reflects Maserati as a separate reportable segment, as the financial information for this operating segment is used by the Group's chief operating decision maker and this operating segment does not meet the aggregation criteria stipulated in IFRS 8 for aggregation with another of the Group's operating segments.*

*The discussion in the "Financial Review of the Group" includes information about our results at constant currency. We calculate constant currency by applying the prior-year average exchange rates to current financial data expressed in local currency in which the relevant financial statements are denominated in order to eliminate the impact of foreign exchange rate fluctuations on the translation from local currency to our Euro reporting currency.*

**Results of Operations**

**Nine months ended September 30, 2015 compared to nine months ended September 30, 2014**

The following is a discussion of the results of operations for the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014. The discussion of certain line items (Cost of sales, Selling, general and administrative costs and Research and development costs) includes a presentation of such line items as a percentage of net revenues for the respective periods presented to facilitate comparisons of the related periods.

The Group is no longer presenting the separate line item Other unusual income/(expenses) on the consolidated income statements. All amounts previously reported within the Other unusual income/(expenses) line item have been reclassified into the appropriate line item within the consolidated income statements based upon the nature of the transaction. For the nine months ended September 30, 2014, of the total €405 million previously presented as Other unusual income/(expenses), €98 million related to the remeasurement of our VEF denominated net monetary assets and was reclassified to Cost of sales. In addition, a net €272 million was reclassified to Other income/(expense), which included the €495 million expense recognised in connection with the execution of the memorandum of understanding (the "MOU") with the UAW, entered into by FCA US in January 2014, offset by the non-taxable gain of €223 million on the remeasurement to fair value of the previously exercised options on approximately 10 percent of FCA US's membership interest in connection with the acquisition of the remaining interest in FCA US previously not owned.

| | For the nine months ended September 30, | |
|---|---|---|
| **(€ million)** | **2015** | **2014** |
| Net revenues | 83,092 | 69,006 |
| Cost of sales | 72,551 | 59,790 |
| Selling, general and administrative costs | 5,879 | 5,184 |
| Research and development costs | 2,208 | 1,825 |
| Result from investments | 120 | 105 |
| Gains on the disposal of investments | — | 11 |
| Restructuring costs | 25 | 23 |
| Other income/(expenses) | (49) | (143) |
| **EBIT** | **2,500** | **2,157** |
| Net financial income/(expenses) | (1,853) | (1,510) |
| **Profit before taxes** | **647** | **647** |
| Tax expenses | 521 | 435 |
| **Net profit** | **126** | **212** |
| **Net profit attributable to:** | | |
| *Owners of the parent* | *92* | *160* |
| *Non-controlling interests* | *34* | *52* |

### *Net revenues*

| | For the nine months ended September 30, | | Increase/(decrease) | |
|---|---|---|---|---|
| **(€ million, except percentages)** | **2015** | **2014** | **2015 vs. 2014** | |
| Net revenues | 83,092 | 69,006 | 14,086 | 20.4% |

Net revenues for the nine months ended September 30, 2015 were €83.1 billion, reflecting an increase of €14.1 billion, or 20.4 percent (6.7 percent at constant currency), from €69.0 billion for the nine months ended September 30, 2014.

The increase in Net revenues was primarily attributable to (i) a €13.9 billion increase in NAFTA related to an increase in shipments, improved net pricing and favourable foreign currency translation effects (ii) a €1.7 billion increase in EMEA mainly attributable to an increase in shipments, improved net pricing and favourable product mix, (iii) an increase of €1.1 billion in Components, and was partially offset by (iv) a decrease of €1.4 billion in LATAM that was attributable to the effect of lower vehicle shipments resulting from poor trading conditions in the region's principal markets that was partially offset by positive pricing and favourable product mix primarily related to the all-new 2015 Jeep Renegade (v) a decrease of €0.7 billion in APAC which was primarily attributable to lower volumes driven by strong competition in China and the disruption in shipments from the explosions at the Port of Tianjin as well as the €89 million of incremental incentives recorded as a reduction to Net revenues for vehicles affected by the explosions (described above) and (vi) a decrease of €0.4 billion in Maserati primarily resulting from lower volumes, due to weaker segment demand in the U.S. and China, as well as unfavourable mix.

See — "*Results by Segment*" below for a detailed discussion of net revenues by segment.

***Cost of sales***

| | For the nine months ended September 30, | | | | Increase/(decrease) | |
|---|---|---|---|---|---|---|
| (€ million, except percentages) | 2015 | Percentage of net revenues | 2014 | Percentage of net revenues | 2015 vs. 2014 | |
| Cost of sales ........................... | 72,551 | 87.3% | 59,790 | 86.6% | 12,761 | 21.3% |

Cost of sales for the nine months ended September 30, 2015 was €72.6 billion, reflecting an increase of €12.8 billion, or 21.3 percent (7.4 percent at constant currency), from €59.8 billion for the nine months ended September 30, 2014. As a percentage of Net revenues, Cost of sales was 87.3 percent for the nine months ended September 30, 2015 compared to 86.6 percent for the nine months ended September 30, 2014.

The increase in Cost of sales was primarily due to the combination of (i) a €3.6 billion increase related to both increased volumes in the NAFTA, EMEA and Components segments, partially offset by a reduction in volume in LATAM and APAC, and improved product mix (ii) the change in estimate for the campaign accrual of €761 million for the U.S. and Canada for estimated future recall campaign costs for vehicles sold in prior periods, which has been excluded from Adjusted EBIT as well as the €65 million charge related to the increase in the accrual rate per vehicle for vehicles sold during the three months ended September 30, 2015, which is included in Adjusted EBIT (iii) higher input cost inflation and Pernambuco start-up costs and (iv) foreign currency translation effects of €8.3 billion primarily related to the strengthening of the U.S. Dollar.

Cost of sales for the nine months ended September 30, 2015 also included the €53 million related to the write-down of inventory to the estimated net realisable value for vehicles affected by the explosions at the Port of Tianjin (described above) and the total €80 million charge resulting from the adoption of the SIMADI exchange rate at June 30, 2015 due to the continuing deterioration of the economic conditions in Venezuela (€53 million) and the write-down of inventory in Venezuela to the lower of cost or net realisable value (€27 million) as, due to pricing controls, we are unable to increase the VEF sales price in Venezuela to compensate for the devaluation as described in more detail in the *Results by Segment—LATAM* section below. These costs described above were excluded from Adjusted EBIT for the nine months ended September 30, 2015.

For the nine months ended September 30, 2014, Cost of Sales included €98 million related to the Group's use of the SICAD I rate to remeasure our VEF denominated net monetary assets, which was excluded from Adjusted EBIT.

***Selling, general and administrative costs***

| | For the nine months ended September 30, | | | | Increase/(decrease) | |
|---|---|---|---|---|---|---|
| (€ million, except percentages) | 2015 | Percentage of net revenues | 2014 | Percentage of net revenues | 2015 vs. 2014 | |
| Selling, general and administrative costs ................. | 5,879 | 7.1% | 5,184 | 7.5% | 695 | 13.4% |

Selling, general and administrative costs include advertising, personnel, and other costs. Advertising costs accounted for approximately 46 percent of total Selling, general and administrative costs for the nine months ended September 30, 2015 and 44 percent for the nine months ended September 30, 2014.

Selling, general and administrative costs for the nine months ended September 30, 2015 were €5.9 billion, reflecting an increase of €0.7 billion, or 13.4 percent (2.7 percent at constant currency), from €5.2 billion for the nine months ended September 30, 2014. As a percentage of Net revenues, Selling, general and administrative costs were 7.1 percent in the nine months ended September 30, 2015 compared to 7.5 percent in the nine months ended September 30, 2014.

The increase in Selling, general and administrative costs was due to (i) foreign currency translation of €0.6 billion, primarily resulting from the strengthening of the U.S. Dollar against the Euro (ii) an increase in advertising expenses for the EMEA and NAFTA segments for new product launches, which were partially offset by lower marketing expenses in APAC and Maserati and (iii) launch costs related to the all-new 2015 Jeep Renegade and start-up costs for the Pernambuco plant in the LATAM segment.

***Research and development costs***

| | For the nine months ended September 30, | | | | Increase/(decrease) | |
|---|---|---|---|---|---|---|
| **(€ million, except percentages)** | **2015** | **Percentage of net revenues** | **2014** | **Percentage of net revenues** | **2015 vs. 2014** | |
| Research and development costs expensed | 1,227 | 1.5% | 1,027 | 1.5% | 200 | 19.5% |
| Amortisation of capitalised development costs | 979 | 1.2% | 781 | 1.1% | 198 | 25.4% |
| Write-off of costs previously capitalised | 2 | n.m.[1] | 17 | n.m.[1] | (15) | (88.2)% |
| **Research and development costs** | **2,208** | **2.7%** | **1,825** | **2.6%** | **383** | **21.0%** |

(1) Number is not meaningful.

Research and development costs for the nine months ended September 30, 2015 were €2.2 billion, reflecting an increase of €0.4 billion, or 21.0 percent (€0.2 billion or 9.6 percent at constant currency), from €1.8 billion for the nine months ended September 30, 2014. As a percentage of Net revenues, Research and development costs were 2.7 percent for the nine months ended September 30, 2015 and 2.6 percent for the nine months ended September 30, 2014. Total research and development costs expensed in the nine months ended September 30, 2015 increased by €0.2 billion, largely attributable to continued research to support the development of new and existing vehicles.

The increase in amortisation of capitalised development costs was mainly attributable to the launch of new products primarily related to the NAFTA segment driven by the all-new 2015 Jeep Renegade, the Dodge Challenger and the 2015 Chrysler 300, as well as the EMEA segment driven by the all-new 2015 Fiat 500X.

Total expenditures on research and development amounted to €3.1 billion for the nine months ended September 30, 2015, reflecting an increase of 22.9 percent, from €2.5 billion, for the nine months ended September 30, 2014, which is in line with the Group's product development established in the 2014-2018 business plan. Development costs capitalised were €1.9 billion (60.8 percent of total expenditures on research and development) for the nine months ended September 30, 2015, as compared to €1.5 billion (59.7 percent of total expenditures on research and development) for the nine months ended September 30, 2014.

***Result from investments***

| | For the nine months ended September 30, | | Increase/(decrease) | |
|---|---|---|---|---|
| **(€ million, except percentages)** | **2015** | **2014** | **2015 vs. 2014** | |
| Result from investments | 120 | 105 | 15 | 14.3% |

Result from investments for the nine months ended September 30, 2015 was €120 million, reflecting an increase of €15 million, or 14.3 percent, from €105 million for the nine months ended September 30, 2014. The increase in Result from investments was primarily attributable to improved results of FCA Bank and Tofas.

***Other income/(expenses)***

| | For the nine months ended September 30, | | Increase/(decrease) | |
|---|---|---|---|---|
| **(€ million, except percentages)** | **2015** | **2014** | **2015 vs. 2014** | |
| Other income/(expenses) | (49) | (143) | (94) | (65.7)% |

Other expenses, net for the nine months ended September 30, 2015 amounted to €49 million, as compared to €143 million for the nine months ended September 30, 2014.

For the nine months ended September 30, 2015, Other expenses, net included an €81 million charge resulting from a consent order agreed with NHTSA on July 24, 2015, (the "Consent Order") which resolved the issues raised by NHTSA with respect to FCA US's execution of 23 recall campaigns in NHTSA's Special Order issued to FCA

US on May 22, 2015. Pursuant to the Consent Order, FCA US made a U.S.$70 million (€63 million) cash payment to NHTSA in September 2015 and will spend U.S.$20 million (€18 million) on industry and consumer outreach activities and incentives to enhance certain recall and service campaign completion rates.

For the nine months ended September 30, 2014, Other expenses, net primarily related to the €495 million expense recognised in connection with the execution of the MOU with the UAW entered into by FCA US in January 2014, which was partially offset by the non-taxable gain of €223 million on the remeasurement to fair value of the previously exercised options on approximately 10 percent of FCA US's membership interest in connection with the acquisition of the remaining equity interest in FCA US previously not owned. There were no other items that were individually material.

***EBIT***

| | For the nine months ended September 30, | | Increase/(decrease) | |
|---|---|---|---|---|
| **(€ million, except percentages)** | **2015** | **2014** | **2015 vs. 2014** | |
| EBIT | 2,500 | 2,157 | 343 | 15.9% |

EBIT for the nine months ended September 30, 2015 was €2.5 billion, reflecting an increase of €343 million, or 15.9 percent, from €2.2 billion for the nine months ended September 30, 2014. The increase was primarily driven by (i) strong performance in NAFTA reflecting an increase of €1,240 million that was principally driven by increased volumes, which was partially offset by the €761 million related to the change in estimate for future recall campaign costs for vehicles sold in the period as described above, as well as the €81 million charge resulting from the Consent Order entered into by FCA US with NHTSA (ii) continued improvement in EMEA resulting in an increase of €243 million (iii) a €94 million increase in Components (iv) an increase of €85 million in Ferrari, and was partially offset by (v) lower results in APAC of €525 million which included the total €142 million recorded for the write-down of inventory and incremental incentives for vehicles affected by the explosions at the Port of Tianjin (vi) a decrease of €277 million in LATAM including the €80 million charge related to the adoption of the Venezuelan government's SIMADI exchange rate at June 30, 2015 and the write-down of inventory in Venezuela to the lower of cost or net realisable value due to the continuing deterioration of the economic conditions in Venezuela (described in more detail in the *Results by Segment*—LATAM section below) and (vii) a decrease of €122 million in Maserati. The year over year results also reflect a positive translation impact from the strengthening of the U.S. Dollar, which was partially offset by negative foreign currency transactional impacts.

For the nine months ended September 30, 2014, EBIT included the €495 million charge connected with the execution of the MOU with the UAW entered into by FCA US in January 2014, the €98 million charge resulting from the remeasurement of our VEF denominated net monetary assets and the €15 million cost related to the resignation of the former Ferrari chairman. These costs were partially offset by the non-taxable gain of €223 million on the fair value remeasurement of the previously exercised options in connection with the acquisition of the remaining equity interest of FCA US previously not owned.

***Adjusted EBIT***

| | For the nine months ended September 30, | | Increase/(decrease) | |
|---|---|---|---|---|
| **(€ million, except percentages)** | **2015** | **2014** | **2015 vs. 2014** | |
| Adjusted EBIT | 3,628 | 2,591 | 1,037 | 40.0% |

Adjusted EBIT increased by €1.0 billion due to the combined effect of (i) sustained strong performance in NAFTA primarily as a result of higher volumes, positive net pricing, favourable foreign currency translation impacts from the strengthening U.S. Dollar, which was partially offset by increased warranty costs (ii) continued improvement in EMEA, primarily attributable to volume increase, favourable product mix and positive pricing (iii) increased volumes in Ferrari and Components (iv) a decrease in LATAM, reflecting lower volumes due to the poor market conditions in Brazil and Argentina and Pernambuco start-up costs, partially offset by favourable net pricing and product mix (v) a decrease in APAC mainly due to reduced volumes as a result of strong competition in China, the disruption in shipments from the explosions at the Port of Tianjin, increased incentives and foreign exchange effects and (vi) a decrease in Maserati primarily as a result of lower volumes and unfavourable mix.

***Net financial expenses***

| | For the nine months ended September 30, | | Increase/(decrease) | |
|---|---|---|---|---|
| **(€ million, except percentages)** | **2015** | **2014** | **2015 vs. 2014** | |
| Net financial expenses | 1,853 | 1,510 | 343 | 22.7% |

Net financial expenses for the nine months ended September 30, 2015 were €1,853 million, reflecting an increase of €343 million, or 22.7 percent (17.0 percent at constant currency), from €1,510 million for the nine months ended September 30, 2014. The increase was primarily due to higher debt levels in LATAM mainly related to the development of our Pernambuco plant and unfavourable foreign currency translation effects, and was partially offset by interest cost savings resulting from the reduction in overall gross debt.

***Tax expense***

| | For the nine months ended September 30, | | Increase/(decrease) | |
|---|---|---|---|---|
| **(€ million, except percentages)** | **2015** | **2014** | **2015 vs. 2014** | |
| Tax expense | 521 | 435 | 86 | 19.8% |

Tax expense for the nine months ended September 30, 2015 was €521 million, compared to €435 million for the nine months ended September 30, 2014.

The €86 million increase was primarily related to lower one-off discrete benefits during the nine months ended September 30, 2015 as compared to 2014, partially offset by an increase in non-taxable incentives. Profit before tax for the nine months ended September 30, 2014 included certain discrete items including the non-taxable gain related to the fair value remeasurement of the previously exercised options in connection with the acquisition of the remaining equity interest of FCA US previously not owned. There were no significant one-off discrete items during the nine months ended September 30, 2015.

**RESULTS BY SEGMENT**

The following is a discussion of Net revenues, Adjusted EBIT and shipments for each segment for the nine months ended September 30, 2015 and 2014.

| (€ million, except shipments which are in thousands of units) | Net revenues | | EBIT | | Shipments | |
|---|---|---|---|---|---|---|
| | For the nine months ended September 30, | | | | | |
| | **2015** | **2014** | **2015** | **2014** | **2015** | **2014** |
| NAFTA | 51,067 | 37,124 | 3,114 | 1,529 | 1,995 | 1,825 |
| LATAM | 4,917 | 6,315 | (116) | 169 | 413 | 610 |
| APAC | 3,877 | 4,597 | 29 | 414 | 123 | 163 |
| EMEA | 14,765 | 13,031 | 102 | (131) | 843 | 763 |
| Ferrari | 2,110 | 2,011 | 364 | 289 | 6 | 6 |
| Maserati | 1,649 | 2,039 | 91 | 210 | 22 | 26 |
| Components | 7,332 | 6,240 | 262 | 172 | — | — |
| Other activities | 621 | 602 | (109) | (49) | — | — |
| Unallocated items & adjustments | (3,246) | (2,953) | (109) | (12) | — | — |
| **Total** | **83,092** | **69,006** | **3,628** | **2,591** | **3,402** | **3,393** |

(1) Primarily includes intercompany transactions which are eliminated in consolidation.

## CAR MASS-MARKET SEGMENTS

### *NAFTA*

| (€ million, except shipments which are in thousands of units) | For the nine months ended September 30, 2015 | Percentage of net revenues | 2014 | Percentage of net revenues | Increase/(decrease) | |
|---|---|---|---|---|---|---|
| Net revenues | 51,067 | 100.0% | 37,124 | 100.0% | 13,943 | 37.6% |
| Adjusted EBIT | 3,114 | 6.1% | 1,529 | 4.1% | 1,585 | 103.7% |
| Shipments | 1,995 | — | 1,825 | — | 170 | 9.3% |

*Net revenues*

NAFTA Net revenues for the nine months ended September 30, 2015 were €51.1 billion, reflecting an increase of €13.9 billion, or 37.6 percent (14.8 percent at constant currency) from €37.1 billion for the nine months ended September 30, 2014. The total increase was primarily attributable to (i) €4.1 billion related to increased volume (ii) favourable net pricing of €0.7 billion, including dealer discount reductions and pricing for enhanced content and (iii) favourable foreign currency translation effects of €8.5 billion.

The 9.3 percent increase in vehicle shipments from 1,825 thousand units for the nine months ended September 30, 2014 to 1,995 thousand units for the nine months ended September 30, 2015, was driven by increased demand of the Group's vehicles in the retail market, notably the Jeep brand, including the all-new 2015 Jeep Renegade and Jeep Cherokee.

Adjusted *EBIT*

NAFTA Adjusted EBIT for the nine months ended September 30, 2015 was €3.1 billion, reflecting an increase of €1.6 billion, or 103.7 percent, from €1.5 billion for the nine months ended September 30, 2014.

The increase in NAFTA Adjusted EBIT was attributable to (i) an impact of €806 million related to the increase in volumes as described above and favourable mix (ii) an increase of €695 million due to favourable net pricing which includes dealer discount reduction and (iii) an increase of €560 million mostly related to positive foreign currency translation effects, partially offset by (iv) an increase in industrial costs of €459 million, which included the €65 million charge related to the change in estimate for future recall campaign costs for vehicles sold during the three months ended September 30, 2015, as well as higher product costs for content enhancements on new models, which were partially offset by purchasing efficiencies.

For the nine months ended September 30, 2015, Adjusted EBIT excluded the €761 million adjustment related to the change in estimate of future recall campaign costs for vehicles sold in prior periods and also excluded the €81 million charge related to the Consent Order agreed with NHTSA.

For the nine months ended September 30, 2014, Adjusted EBIT excluded the €495 million charge connected with the execution of the MOU with the UAW entered into by FCA US in January 2014.

### *LATAM*

| (€ million, except shipments which are in thousands of units) | For the nine months ended September 30, 2015 | % of segment net revenues | 2014 | % of segment net revenues | Increase/(decrease) | |
|---|---|---|---|---|---|---|
| Net revenues | 4,917 | 100.0% | 6,315 | 100.0% | (1,398) | (22.1)% |
| Adjusted EBIT | (116) | (2.4)% | 169 | 2.7% | (285) | n.m.[1] |
| Shipments | 413 | — | 610 | — | (197) | (32.3)% |

(1) Number is not meaningful.

*Net revenues*

LATAM Net revenues for the nine months ended September 30, 2015 were €4.9 billion, reflecting a decrease of €1.4 billion, or 22.1 percent (17.1 percent at constant currency), from €6.3 billion for the nine months ended September 30, 2014. The total decrease was primarily attributable to (i) a decrease of €1.6 billion driven by lower shipments, which were partially offset by (ii) favourable product mix of €0.3 billion largely attributable to the all-new 2015 Jeep Renegade and (iii) favourable net pricing of €0.3 billion.

The 32.3 percent decrease in vehicle shipments from 610 thousand units for the nine months ended September 30, 2014, to 413 thousand units for nine months ended September 30, 2015 reflected continued macroeconomic weakness in the region's principal markets, where Brazil continued the negative market trend started in 2012 and Argentina continued to be impacted by import restrictions and overall economic uncertainties.

*Adjusted EBIT*

LATAM Adjusted EBIT for the nine months ended September 30, 2015 was negative €116 million, reflecting a decrease of €285 million from €169 million for the nine months ended September 30, 2014.

The decrease in LATAM Adjusted EBIT was attributable to (i) a €265 million impact of a decrease in shipments in Brazil and Argentina, (ii) an increase in industrial costs of €298 million mainly attributable to start-up costs for the Pernambuco plant and higher input cost inflation (iii) an increase of €99 million in Selling, general and administrative costs primarily for the commercial launch of the all-new 2015 Jeep Renegade, partially offset by (iv) favourable net pricing of €325 million and (v) a €47 million impact for favourable product mix primarily from the all-new 2015 Jeep Renegade.

Adjusted EBIT for the nine months ended September 30, 2015 excluded the €80 million total charge resulting from the adoption of the SIMADI exchange rate at June 30, 2015 and the write-down of inventory in Venezuela to the lower of cost or net realisable value due to the continuing deterioration of the economic conditions in Venezuela as described below.

Adjusted EBIT for the nine months ended September 30, 2014 excluded the €98 million charge for the remeasurement of our net monetary assets in Venezuela resulting from our initial adoption of the SICAD I rate.

*Venezuela*

On February 10, 2015, the Venezuelan government introduced a new market-based exchange system, referred to as the SIMADI exchange rate, with certain specified limitations on its usage by individuals and entities in the private sector. On February 12, 2015, the SIMADI exchange rate began trading at 170.0 VEF to U.S. Dollar for individuals and entities in the private sector. In February 2015, the Venezuelan government announced that the SICAD I and SICAD II exchange systems would be merged into a single exchange system (the "SICAD") with a rate starting at 12.0 VEF to U.S. Dollar. As of March 31, 2015, the SICAD exchange rate was expected to be used to complete the majority of FCA Venezuela LLC's ("FCA Venezuela") transactions to exchange VEF for U.S. Dollar and as such, it was deemed the appropriate rate to use to convert our monetary assets and liabilities to U.S. Dollar for the first quarter 2015. Refer to our FCA Consolidated Financial Statements at December 31, 2014 for additional details regarding the SICAD I and SICAD II exchange rates.

Due to the continuing deterioration of the economic conditions in Venezuela, as of June 30, 2015 we came to believe it is unlikely that the majority of our future transactions to exchange VEF for U.S. Dollar will be at the SICAD rate. Rather, we have determined that the SIMADI exchange rate is the most appropriate rate to use as based on the volume of VEF to U.S. Dollar exchange transactions in Venezuela since the formation of SIMADI exchange rate as compared to the SICAD rate. As a result of adopting the SIMADI exchange rate at June 30, 2015, we recorded a remeasurement charge of €53 million on our VEF denominated net monetary assets, including cash and cash equivalents in Venezuela, at an exchange rate of 197.3 VEF to U.S. Dollar (by comparison, the SICAD rate is 12.8 VEF per U.S. Dollar at September 30, 2015). We also recorded a charge of €27 million to reduce inventory held in Venezuela to the lower of cost or net realisable value, as due to pricing controls, we are unable to increase the VEF sales price in Venezuela to compensate for the devaluation. As of September 30, 2015, the SIMADI exchange rate of 199 VEF per U.S. Dollar did not result in the recording of material charges during the three months ended September 30, 2015. The total charge of €80 million was recorded within Cost of Sales during the nine months ended September 30, 2015.

In accordance with our use of the SICAD I rate, we recorded a charge of €98 million within Cost of Sales for the nine months ended September 30, 2014 related to the remeasurement of our VEF denominated net monetary assets.

As of September 30, 2015, we continue to control and therefore consolidate our Venezuelan operations. We will continue to assess conditions in Venezuela, and if in the future we conclude that we no longer maintain control over our operations in Venezuela, we may incur a pre-tax charge of approximately €173 million using the current exchange rate of 199 VEF to USD. Refer to Note 25 in the Interim Condensed Consolidated Financial Statements included in the Interim Report for the nine months ended September 30, 2019 incorporated by reference in this Base Prospectus for additional information.

***APAC***

| (€ million, except shipments which are in thousands of units) | For the nine months ended September 30, 2015 | % of segment net revenues | 2014 | % of segment net revenues | Increase/(decrease) | |
|---|---|---|---|---|---|---|
| Net revenues | 3,877 | 100.0% | 4,597 | 100.0% | (720) | (15.7)% |
| Adjusted EBIT | 29 | 0.7% | 414 | 9.0% | (385) | (93.0)% |
| Shipments | 123 | — | 163 | — | (40) | (24.5)% |

*Net revenues*

APAC Net revenues for the nine months ended September 30, 2015 were €3.9 billion, reflecting a decrease of €0.7 billion or 15.7 percent from the nine months ended September 30, 2014 (26.4 percent lower at constant currency).

The 24.5 percent decrease in shipments from 163 thousand units for the nine months ended September 30, 2014 to 123 thousand units for the nine months ended September 30, 2015, was primarily due to challenging market conditions and competitive market actions from local producers in China as well as the disruption in shipments from the explosions at the Port of Tianjin.

*Adjusted EBIT*

APAC Adjusted EBIT for the nine months ended September 30, 2015 was €29 million, reflecting a decrease of €385 million, or 93.0 percent from €414 million for the nine months ended September 30, 2014.

The decrease in APAC Adjusted EBIT was primarily attributable to (i) the impact of lower volumes resulting from strong local competition in China and the blockage of shipments from the Port of Tianjin as a result of the explosions (ii) unfavourable net pricing primarily due to foreign currency effects for vehicle sales in Australia as well as increased incentives in China, partially offset by (iii) lower Selling, general and administrative costs mainly as a result of reduced marketing costs.

***EMEA***

| (€ million, except shipments which are in thousands of units) | For the nine months ended September 30, 2015 | % of segment net revenues | 2014 | % of segment net revenues | Increase/(decrease) | |
|---|---|---|---|---|---|---|
| Net revenues | 14,765 | 100.0% | 13,031 | 100.0% | 1,734 | 13.3% |
| Adjusted EBIT | 102 | 0.7% | (131) | (1.0)% | 233 | n.m.[(1)] |
| Shipments | 843 | — | 763 | — | 80 | 10.5% |

(1) Number is not meaningful.

*Net revenues*

EMEA Net revenues for the nine months ended September 30, 2015 were €14.8 billion, reflecting an increase of 13.3 percent, from €13.0 billion for the nine months ended September 30, 2014.

The increase in EMEA Net revenues was primarily attributable to increased volumes, positive net pricing, favourable product mix and favourable foreign exchange effects.

The 10.5 percent increase in vehicle shipments, from 763 thousand units for the nine months ended September 30, 2014, to 843 thousand units for the nine months ended September 30, 2015, was largely driven by the Fiat 500 family and the Jeep brand, specifically the all-new Fiat 500X and the all-new 2015 Jeep Renegade.

*Adjusted EBIT*

EMEA Adjusted EBIT for the nine months ended September 30, 2015 was €102 million, an improvement of €233 million from negative €131 million for the nine months ended September 30, 2014.

The increase in EMEA Adjusted EBIT was primarily attributable to (i) increased volumes and favourable mix impact of €324 million reflecting the continued success of the Fiat 500 family and Jeep brand (ii) a €105 million impact from positive net pricing, partially offset by (iii) a €90 million increase in sales and marketing spending to support the Jeep brand growth and the launch of the all-new Fiat 500X and (iv) a €130 million increase in industrial costs, reflecting higher costs for U.S. imported vehicles due to a stronger U.S. Dollar, partially offset by purchasing savings and manufacturing efficiencies.

**FERRARI**

| (€ million, except shipments which are in units) | For the nine months ended September 30, 2015 | % of segment net revenues | 2014 | % of segment net revenues | Increase/(decrease) | |
|---|---|---|---|---|---|---|
| Net revenues | 2,110 | 100.0% | 2,011 | 100.0% | 99 | 4.9% |
| Adjusted EBIT | 364 | 17.3% | 289 | 14.4% | 75 | 26.0% |
| Shipments | 5,643 | — | 5,280 | — | 363 | 6.9% |

***Net Revenues***

For the nine months ended September 30, 2015, Ferrari Net revenues of €2.1 billion increased €0.1 billion, or 4.9 percent from €2.0 billion for the nine months ended September 30, 2014. The increase was primarily attributable to an increase in volumes, improved product mix and favourable foreign currency exchange effects, partially offset by lower sales of engines to Maserati.

*Adjusted EBIT*

Ferrari Adjusted EBIT for the nine months ended September 30, 2015, was €364 million, reflecting an increase of €75 million, or 26.0 percent from €289 million for the nine months ended September 30, 2014. The increase primarily reflected higher volumes, favourable product mix and favourable foreign currency transaction effects.

Adjusted EBIT for the nine months ended September 30, 2014 excluded a total of €15 million related to compensation costs from the resignation of the former Ferrari chairman.

***MASERATI***

| (€ million, except shipments which are in units) | For the nine months ended September 30, 2015 | % of segment net revenues | 2014 | % of segment net revnues | Increase/(decrease) | |
|---|---|---|---|---|---|---|
| Net revenues | 1,649 | 100.0% | 2,039 | 100.0% | (390) | (19.1)% |
| Adjusted EBIT | 91 | 5.5% | 210 | 10.3% | (119) | (56.7)% |
| Shipments | 22,503 | — | 26,428 | — | (3,925) | (14.9)% |

*Net revenues*

For the nine months ended September 30, 2015, Maserati Net revenues were €1.6 billion, reflecting a decrease of €0.4 billion, or 19.1 percent (28.8 percent at constant currency), from €2.0 billion for the nine months ended September 30, 2014. The decrease was primarily driven by a decrease in vehicle shipments from 26,428 units for the nine months ended September 30, 2014 to 22,503 units for the nine months ended September 30, 2015 that resulted from weaker segment demand in the U.S. and China and an unfavourable product mix.

*Adjusted EBIT*

Maserati Adjusted EBIT for the nine months ended September 30, 2015, was €91 million, reflecting a decrease of €119 million, or 56.7 percent, from €210 million for the nine months ended September 30, 2014. The decrease was due to lower volumes as described above and unfavourable product mix, partially offset by a reduction in Selling, general and administrative costs.

## COMPONENTS

| | For the nine months ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| (€ million, except shipments which are in units) | 2015 | % of segment net revenues | 2014 | % of segment net revenues | Increase/(decrease) | |
| ***Magneti Marelli*** | | | | | | |
| Net revenues | 5,419 | | 4,770 | | 649 | 13.6% |
| Adjusted EBIT | 216 | | 146 | | 70 | 47.9% |
| ***Comau*** | | | | | | |
| Net revenues | 1,480 | | 1,032 | | 448 | 43.4% |
| Adjusted EBIT | 47 | | 29 | | 18 | 62.1% |
| ***Teksid*** | | | | | | |
| Net revenues | 493 | | 480 | | 13 | 2.7% |
| Adjusted EBIT | (1) | | (3) | | 2 | n.m.[1] |
| ***Intrasegment eliminations*** | | | | | | |
| Net revenues | (60) | | (42) | | (18) | (42.9) |
| **Components** | | | | | | |
| Net revenues | 7,332 | 100.0% | 6,240 | 100.0% | 1,092 | 17.5% |
| Adjusted EBIT | 262 | 3.6% | 172 | 2.8% | 90 | 52.3% |

(1) Number is not meaningful

### *Net revenues*

Components Net revenues for the nine months ended September 30, 2015 were €7.3 billion, reflecting an increase of €1.1 billion, or 17.5 percent (14.3 percent at constant currency), from the nine months ended September 30, 2014.

*Magneti Marelli*

The increase in Magneti Marelli net revenues for the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014 primarily reflected increased volumes and positive performance for the lighting, electronic systems and powertrain businesses.

*Comau*

The increase in Comau Net revenues for the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014 was mainly attributable to the body assembly (previously known as body welding), powertrain and robotics businesses.

*Teksid*

For the nine months ended September 30, 2015, there was an overall increase in aluminum business volumes, which was partially offset by the overall decrease in cast iron business volumes compared to the nine months ended September 30, 2014.

### *Adjusted EBIT*

Components Adjusted EBIT for the nine months ended September 30, 2015 was €262 million, reflecting an increase of €90 million or 52.3 percent, from €172 million for the nine months ended September 30, 2014.

*Magneti Marelli*

The increase in Magneti Marelli Adjusted EBIT for the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014, primarily related to higher volumes, cost containment actions and efficiencies.

*Comau*

The increase in Comau Adjusted EBIT for the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014, was primarily attributable to increased volumes.

*Teksid*

The increase of €2 million in Teksid Adjusted EBIT for the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014 was primarily attributable favourable foreign exchange rate effects.

**Year ended December 31, 2014 compared to the year ended December 31, 2013**

The following is a discussion of the results of operations for the year ended December 31, 2014 as compared to the year ended December 31, 2013. The discussion of certain line items (cost of sales, selling, general and administrative costs and research and development costs) includes a presentation of such line items as a percentage of net revenues for the respective periods presented, to facilitate the year-on-year comparisons.

| | For the years ended December 31, | |
|---|---|---|
| **(€ million)** | **2014** | **2013** |
| Net revenues | 96,090 | 86,624 |
| Cost of sales | 83,146 | 74,326 |
| Selling, general and administrative costs | 7,084 | 6,702 |
| Research and development costs | 2,537 | 2,236 |
| Other income/(expenses) | 197 | 77 |
| Result from investments | 131 | 84 |
| Gains/(losses) on the disposal of investments | 12 | 8 |
| Restructuring costs | 50 | 28 |
| Other unusual income/(expenses) | (390) | (499) |
| **EBIT** | **3,223** | **3,002** |
| Net financial income/(expenses) | (2,047) | (1,987) |
| **Profit before taxes** | **1,176** | **1,015** |
| Tax (income)/expenses | 544 | (936) |
| **Net profit** | **632** | **1,951** |
| **Net profit attributable to:** | | |
| *Owners of the parent* | *568* | *904* |
| *Non-controlling interests* | *64* | *1,047* |

***Net revenues***

| | For the years ended December 31, | | Increase/(decrease) | |
|---|---|---|---|---|
| **(€ million, except percentages)** | **2014** | **2013** | **2014 vs. 2013** | |
| Net revenues | 96,090 | 86,624 | 9,466 | 10.9% |

Net revenues for the year ended December 31, 2014 were €96.1 billion, an increase of €9.5 billion, or 10.9 percent (11.9 percent on a constant currency basis), from €86.6 billion for the year ended December 31, 2013.

The increase in net revenues was primarily attributable to (i) a €6.7 billion increase in NAFTA net revenues, related to an increase in shipments and improved vehicle and distribution channel mix, (ii) a €1.6 billion increase in APAC net revenues attributable to an increase in shipments and improved vehicle mix, (iii) a €1.1 billion increase in Maserati net revenues primarily attributable to an increase in shipments, (iv) a €0.7 billion increase in EMEA net revenues mainly attributable to an increase in shipments and improved mix, and (v) an increase of €0.5 billion in Components net revenues, which were partially offset by (vi) a decrease of €1.3 billion in LATAM net revenues. The decrease in LATAM net revenues was attributable to the combined effect of lower vehicle shipments and unfavourable foreign currency translation effect related to the weakening of the Brazilian Real against the Euro, only partially offset by positive pricing and vehicle mix.

See "— *Results by Segment*" below for a detailed discussion of net revenues by segment.

***Cost of sales***

| | For the years ended December 31, | | | | Increase/(decrease) | |
|---|---|---|---|---|---|---|
| (€ million, except percentages) | 2014 | % of net revenues | 2013 | % of net revenues | 2014 vs. 2013 | |
| Cost of sales | 83,146 | 86.5% | 74,326 | 85.8% | 8,820 | 11.9% |

Cost of sales includes purchases, certain warranty and product-related costs, labour costs, depreciation, amortisation and logistic costs. We purchase a variety of components (including mechanical, steel, electrical and electronic, plastic components as well as castings and tires), raw materials (steel, rubber, aluminium, resin, copper, lead, and precious metals including platinum, palladium and rhodium), supplies, utilities, logistics and other services from numerous suppliers which we use to manufacture our vehicles, parts and accessories. These purchases generally account for approximately 80 percent of total cost of sales. Fluctuations in cost of sales are primarily related to the number of our vehicles we produce and ship, along with changes in vehicle mix, as newer models of vehicles generally have more technologically advanced components and enhancements and therefore additional costs per unit. The cost of sales could also be affected, to a lesser extent, by fluctuations in certain raw material prices.

Cost of sales for the year ended December 31, 2014 was €83.1 billion, an increase of €8.8 billion, or 11.9 percent (12.8 percent on a constant currency basis), from €74.3 billion for the year ended December 31, 2013.

As a percentage of net revenues, cost of sales was 86.5 percent for the year ended December 31, 2014 compared to 85.8 percent for the year ended December 31, 2013.

The increase in cost of sales was primarily due to the combination of (i) €5.6 billion related to increased vehicle shipments, primarily in the NAFTA, APAC, Maserati and EMEA segments, partially offset by a reduction in LATAM shipments (ii) €2.5 billion related to vehicle and distribution channel mix primarily attributable to the NAFTA segment, and (iii) €0.5 billion arising primarily from price increases for certain raw materials in LATAM, which were partially offset by (iv) favourable foreign currency translation effect of €0.7 billion.

In particular, the €2.5 billion increase in cost of sales related to vehicle and distribution channel mix was primarily driven by the higher percentage of growth in certain SUV shipments as compared to passenger car shipments, along with more retail shipments relative to fleet shipments in NAFTA.

Cost of sales for the year ended December 31, 2014 increased by approximately €800 million due to an increase of warranty expense and also included the effects of recently approved recall campaigns in the NAFTA segment.

The favourable foreign currency translation impact of €0.7 billion was primarily attributable to the LATAM segment, driven by the weakening of the Brazilian Real against the Euro.

***Selling, general and administrative costs***

| | For the years ended December 31, | | | | Increase/(decrease) | |
|---|---|---|---|---|---|---|
| (€ million, except percentages) | 2014 | Percentage of net revenues | 2013 | Percentage of net revenues | 2014 vs. 2013 | |
| Selling, general and administrative costs | 7,084 | 7.4% | 6,702 | 7.7% | 382 | 5.7% |

Selling, general and administrative costs for the year ended December 31, 2014 were €7,084 million, an increase of €382 million, or 5.7 percent, from €6,702 million for the year ended December 31, 2013. As a percentage of net revenues, selling, general and administrative costs were 7.4 percent for the year ended December 31, 2014 compared to 7.7 percent for the year ended December 31, 2013.

The increase in selling, general and administrative costs was due to the combined effects of (i) a €293 million increase in advertising expenses driven primarily by the NAFTA, APAC and EMEA segments, (ii) a €157 million increase in other selling, general and administrative costs primarily attributable to the LATAM and Maserati segments, and to a lesser extent, the APAC segment which were partially offset by (iii) a reduction in other general and administrative expenses in the NAFTA segment and (iv) the impact of favourable foreign currency translation of €68 million.

The increase in advertising expenses was largely attributable to the APAC and NAFTA segments to support the growth of the business in their respective markets. In addition, advertising expenses increased within the NAFTA segment for new product launches, including the all-new 2014 Jeep Cherokee and the all-new 2015 Chrysler 200.

There were additional increases in advertising expenses for the EMEA segment related to the Jeep brand growth and new product launches, including the all-new 2014 Jeep Cherokee and Renegade. The favourable foreign currency translation impact of €68 million was primarily attributable to the LATAM segment, driven by the weakening of the Brazilian Real against the Euro.

The increase in other selling, general and administrative costs attributable to the Maserati segment has been driven by the increase in volumes. The increase in other selling, general and administrative costs attributable to the APAC segment was driven by volume growth in the region, while the increase in the LATAM segment includes the start-up costs of the Pernambuco plant.

***Research and development costs***

| | For the years ended December 31, | | | | Increase/(decrease) | |
|---|---|---|---|---|---|---|
| **(€ million, except percentages)** | **2014** | **Percentage of net revenues** | **2013** | **Percentage of net revenues** | **2014 vs. 2013** | |
| Research and evelopment osts expensed uring the year | 1,398 | 1.5% | 1,325 | 1.5% | 73 | 5.5% |
| Amortisation of capitalised development costs | 1,057 | 1.1% | 887 | 1.0% | 170 | 19.2% |
| Write-down of costs previously capitalised | 82 | 0.1% | 24 | 0.0% | 58 | 241.7% |
| **Research and development costs** | 2,537 | 2.6% | **2,236** | **2.6%** | **301** | **13.5%** |

We conduct research and development for new vehicles and technology to improve the performance, safety, fuel efficiency, reliability, consumer perception and environmental impact (i.e. reduced emissions) of our vehicles. Research and development costs consist primarily of material costs and personnel related expenses that support the development of new and existing vehicles with powertrain technologies.

Research and development costs for the year ended December 31, 2014 were €2,537 million, an increase of €301 million, or 13.5 percent, from €2,236 million for the year ended December 31, 2013. As a percentage of net revenues, research and development costs were 2.6 percent both for years ended December 31, 2014 and 2013.

The increase in research and development costs was attributable to the combined effects of (i) an increase in the amortisation of previously capitalised development costs of €170 million, (ii) an increase in research and development costs expensed during the period of €73 million and (iii) an increase in write-down of costs previously capitalised of €58 million.

Research and development costs capitalised as a percentage of total expenditures on research and development were 61.9 percent for the year ended December 31, 2014, as compared to 60.6 percent for the year ended December 31, 2013. Expenditures on research and development amounted to €3,665 million for the year ended December 31, 2014, an increase of 8.9 percent, from €3,367 million, for the year ended December 31, 2013, resulting in a 5.5 percent increase in research and development costs expensed.

The increase in amortisation of capitalised development costs was attributable to the launch of new products, and in particular related to the NAFTA segment, driven by the all-new 2014 Jeep Cherokee, which began shipping to dealers in late October 2013, and the all-new 2015 Chrysler 200, which was launched in the first quarter of 2014, and began arriving in dealerships in May 2014.

***Other income/(expenses)***

| | For the years ended December 31, | | Increase/(decrease) | |
|---|---|---|---|---|
| **(€ million, except percentages)** | **2014** | **2013** | **2014 vs. 2013** | |
| Other income/(expenses) | 197 | 77 | 120 | 155.8% |

Other income/(expenses) for the year ended December 31, 2014 amounted to net income of €197 million, as compared to net income of €77 million for the year ended December 31, 2013.

For both years ended December 31, 2014 and December 31, 2013, there were no items that either individually or in aggregate are considered material.

***Result from investments***

| | For the years ended December 31, | | Increase/(decrease) | |
|---|---|---|---|---|
| **(€ million, except percentages)** | **2014** | **2013** | **2014 vs. 2013** | |
| Result from investments | 131 | 84 | 47 | 56.0% |

The largest contributors to result from investments for the years ended December 31, 2014 and 2013 were FCA Bank S.p.A ("FCA Bank") formerly known as FGA Capital S.p.A., a jointly-controlled finance company that manages activities in retail automotive financing, dealership financing, long-term car rental and fleet management in 14 European countries and Tofas-Turk Otomobil Fabrikasi A.S. a jointly-controlled Turkish automaker.

Result from investments for the year ended December 31, 2014 was €131 million, an increase of €47 million, or 56.0 percent, from €84 million for the year ended December 31, 2013. The increase in result from investments was primarily attributable to the €20 million decrease in the loss relating to the Group's investment in RCS MediaGroup and to the €26 million increase in results from investments in the EMEA segment.

***Gains/(losses) on the disposal of investments***

| | For the years ended December 31, | | Increase/(decrease) | |
|---|---|---|---|---|
| **(€ million, except percentages)** | **2014** | **2013** | **2014 vs. 2013** | |
| Gains/ (losses) on the disposal of investments | 12 | 8 | 4 | 50.0% |

Gains on the disposal of investments for the year ended December 31, 2014 were €12 million, an increase of €4 million, from €8 million for the year ended December 31, 2013.

For both years ended December 31, 2014 and December 31, 2013, there were no items that either individually or in aggregate are considered material.

***Restructuring costs***

| | For the years ended December 31, | | Increase/(decrease) | |
|---|---|---|---|---|
| **(€ million, except percentages)** | **2014** | **2013** | **2014 vs. 2013** | |
| Restructuring costs | 50 | 28 | 22 | 78.6% |

Restructuring costs for the year ended December 31, 2014 were €50 million, an increase of €22 million, from €28 million for the year ended December 31, 2013.

Restructuring costs for the year ended December 31, 2014 mainly relate to the LATAM and Components segments.

Restructuring costs for the year ended December 31, 2013 mainly relate to Other activities partially offset by release of a restructuring provision previously recognised in the NAFTA segment.

***Other unusual income/(expenses)***

| | For the years ended December 31, | | Increase/(decrease) | |
|---|---|---|---|---|
| **(€ million, except percentages)** | **2014** | **2013** | **2014 vs. 2013** | |
| Other unusual income/(expenses) ................... | (390) | (499) | 109 | 21.8% |

Other unusual expenses for the year ended December 31, 2014 were €390 million, a decrease of €109 million from €499 million for the year ended December 31, 2013.

For the year ended December 31, 2014, Other unusual income/(expenses) amounted to net expenses of €390 million, primarily relating to the €495 million expense recognised in the NAFTA segment in connection with the execution of the MOU with the UAW which was entered into by FCA US on January 21, 2014, which was partially offset by the non-cash and non-taxable gain of €223 million on the remeasurement to fair value of the previously exercised options on approximately 10 percent of FCA US's membership interest in connection with FCA's acquisition of the remaining 41.5 percent ownership interest in FCA US that was not previously owned. In addition, Other unusual expenses include a €98 million remeasurement charge recognised in the LATAM segment as a result of the Group's change in the exchange rate used to remeasure its Venezuelan subsidiary's net monetary assets in U.S. Dollar, based on developments in the first quarter 2014 related to the foreign exchange process in Venezuela as described in more detail in the discussion of results for LATAM below. For the year ended December 31, 2014, Other unusual expenses also included the €15 million compensation costs deriving from the resignation of the former Ferrari chairman.

***EBIT***

| | For the years ended December 31, | | Increase/(decrease) | |
|---|---|---|---|---|
| **(€ million, except percentages)** | **2014** | **2013** | **2014 vs. 2013** | |
| EBIT ................................................................. | 3,223 | 3,002 | 221 | 7.4% |

EBIT for the year ended December 31, 2014 was €3,223 million, an increase of €221 million, or 7.4 percent (9.4 percent on a constant currency basis), from €3,002 million for the year ended December 31, 2013.

The increase in EBIT was primarily attributable to the combined effect of (i) a €397 million decrease in EMEA loss, (ii) a €202 million increase in APAC (iii) a €169 million increase in Maserati, (iv) a €114 million increase in Components and (v) the non-cash and non-taxable gain of €223 million on the remeasurement to fair value of the previously exercised options on approximately 10 percent of FCA US's membership interest in connection with the acquisition of the remaining 41.5 percent interest in FCA US that was not previously owned, which were partially offset by (vi) a €643 million decrease in NAFTA and (vii) a €315 million decrease in LATAM.

See "—*Segments*" for a detailed discussion of EBIT by Segment.

***Net financial income/(expenses)***

| | For the years ended December 31, | | Increase/(decrease) | |
|---|---|---|---|---|
| **(€ million, except percentages)** | **2014** | **2013** | **2014 vs. 2013** | |
| Net financial income/(expenses) ..................... | (2,047) | (1,987) | (60) | (3.0)% |

Net financial expenses for the year ended December 31, 2014 were €2,047 million, an increase of €60 million, or 3.0 percent, from €1,987 million for the year ended December 31, 2013.

Excluding the gain on the Fiat stock option-related equity swaps of €31 million recognised in the year ended December 31, 2013, net financial expenses were substantially unchanged as the benefits from the new financing transactions completed in February 2014 by FCA US were offset by higher average debt level (see Note 27 to the annual audited consolidated financial statements of the FCA Group for the year ended December 31, 2014 incorporated by reference in this Base Prospectus for a more detailed description of the new financings of FCA US).

***Tax expenses (income)***

| (€ million, except percentages) | For the years ended December 31, 2014 | 2013 | Increase/(decrease) 2014 vs. 2013 | |
|---|---|---|---|---|
| Tax (income)/expenses | 544 | (936) | 1,480 | 158.1% |

Tax expense for the year ended December 31, 2014 was €544 million, compared with tax income of €936 million for the year ended December 31, 2013. At December 31, 2013, previously unrecognised deferred tax assets of €1,500 million were recognised, principally related to tax loss carry forwards and temporary differences in the NAFTA operations.

Higher deferred tax expense in 2014 due to utilisation of a portion of the deferred tax assets recognised in 2013 were largely offset by non-recurring deferred tax benefits which did not occur in the prior year.

In 2014, the Group's effective tax rate is equal to 39.5 percent. The difference between the theoretical and the effective income taxes is primarily due to €379 million arising from the unrecognised deferred tax assets on temporary differences and tax losses originating in the year in EMEA, which is partially offset by the recognition of non-recurring deferred tax benefits of €173 million.

## RESULTS BY SEGMENT

The following is a discussion of net revenues, EBIT and shipments for each segment.

| (€ million, except shipments which are in thousands of units) | Net revenues For the years ended December 31, 2014 | 2013 | EBIT For the years ended December 31, 2014 | 2013 | Shipments For the years ended December 31, 2014 | 2013 |
|---|---|---|---|---|---|---|
| NAFTA | 52,452 | 45,777 | 1,647 | 2,290 | 2,493 | 2,238 |
| LATAM | 8,629 | 9,973 | 177 | 492 | 827 | 950 |
| APAC | 6,259 | 4,668 | 537 | 335 | 220 | 163 |
| EMEA | 18,020 | 17,335 | (109) | (506) | 1,024 | 979 |
| Ferrari | 2,762 | 2,335 | 389 | 364 | 7 | 7 |
| Maserati | 2,767 | 1,659 | 275 | 106 | 36 | 15 |
| Components | 8,619 | 8,080 | 260 | 146 | *n.m.*(*) | *n.m.* |
| Other activities | 831 | 929 | (114) | (167) | *n.m.* | *n.m.* |
| Unallocated items & adjustments(1) | (4,249) | (4,132) | 161 | (58) | *n.m.* | *n.m.* |
| **Total** | **96,090** | **86,624** | **3,223** | **3,002** | **4,608** | **4,352** |

(1) Primarily includes intercompany transactions which are eliminated on consolidation.

(*) N.m. means that number is not meaningful.

## CAR MASS-MARKET SEGMENTS

***NAFTA***

| (€ million, except percentages shipments which are in thousands of units) | For the years ended December 31, 2014 | % of segment net revenues | 2013 | % of segment net revenues | Increase/(decrease) 2014 vs. 2013 | |
|---|---|---|---|---|---|---|
| Net revenues | 52,452 | 100.0% | 45,777 | 100.0% | 6,675 | 14.6% |
| EBIT | 1,647 | 3.1% | 2,290 | 5.0% | (643) | (28.1)% |
| Shipments | 2,493 | — | 2,238 | — | 255 | 11.4% |

***Net revenues***

NAFTA net revenues for the year ended December 31, 2014 were €52.5 billion, an increase of €6.7 billion, or 14.6 percent, from €45.8 billion for the year ended December 31, 2013. The total increase of €6.7 billion was primarily attributable to (i) an increase in shipments of €4.4 billion, (ii) favourable market and vehicle mix of €1.9 billion and (iii) favourable net pricing of €0.4 billion.

The 11.4 percent increase in vehicle shipments from 2,238 thousand units for the year ended December 31, 2013, to 2,493 thousand units for the year ended December 31, 2014, was largely driven by increased demand of the Group's vehicles, including the all-new 2014 Jeep Cherokee, Ram pickups and the Jeep Grand Cherokee. These increases were partially offset by a reduction in the prior model year Chrysler 200 and Dodge Avenger shipments due to their discontinued production in the first quarter of 2014 in preparation for the launch and changeover to the all-new 2015 Chrysler 200, which began arriving in dealerships in May 2014.

Of the favourable mix impact of €1.9 billion, €1.7 billion related to vehicle mix due to higher proportion of trucks and certain SUVs as compared to passenger cars (as these larger vehicles generally have a higher selling price), and €0.2 billion related to a shift in distribution channel mix to greater retail shipments as a percentage of total shipments, which is consistent with the continuing strategy to grow U.S. retail market share while maintaining stable fleet shipments.

Favourable net pricing of €0.4 billion reflected favourable pricing and pricing for enhanced content, partially offset by incentive spending on certain vehicles in portfolio.

***EBIT***

NAFTA EBIT for the year ended December 31, 2014 was €1,647 million, a decrease of €643 million, or 28.1 percent, from EBIT of €2,290 million for the year ended December 31, 2013.

The decrease in NAFTA EBIT was primarily attributable to the combination of (i) increased industrial costs of €1,577 million (ii) an increase of €575 million in other unusual expenses and (iii) a €29 million increase in selling, general and administrative costs largely attributable to higher advertising costs to support new vehicle launches, including the all-new 2014 Jeep Cherokee and the all-new 2015 Chrysler 200, partially offset by (iv) the favourable volume/mix impact of €1,129 million, driven by the previously described increase in shipments, and (v) favourable net pricing of €411 million due to favourable pricing and pricing for enhanced content, partially offset by incentive spending on certain vehicles in portfolio.

The increase in industrial costs was attributable to an increase in warranty expenses of approximately €800 million which included the effects of certain recall campaigns, an increase in base material costs of €978 million mainly related to higher base material costs associated with vehicles and components and content enhancements on new models and €262 million in higher research and development costs and depreciation and amortisation.

For the year ended December 31, 2014, unusual items were negative by €504 million primarily reflecting the €495 million charge in the first quarter of 2014 connected with the UAW MOU entered into by FCA US on January 21, 2014.

For the year ended December 31, 2013, unusual items were positive by €71 million, primarily including (i) a €115 million charge related to the June 2013 voluntary safety recall for the 1993-1998 Jeep Grand Cherokee and the 2002-2007 Jeep Liberty, as well as the customer satisfaction action for the 1999-2004 Jeep Grand Cherokee, partially offset by (ii) the impacts of a curtailment gain and plan amendments of €166 million with a corresponding net reduction pension obligation in NAFTA.

***LATAM***

| | For the years ended December 31, | | | | Increase/(decrease) | |
|---|---|---|---|---|---|---|
| (€ million, except percentages shipments which are in thousands of units) | 2014 | % of segment net revenues | 2013 | % of segment net revenues | 2014 vs. 2013 | |
| Net revenues | 8,629 | 100.0% | 9,973 | 100.0% | (1,344) | (13.5)% |
| EBIT | 177 | 2.1% | 492 | 4.9% | (315) | (64.0)% |
| Shipments | 827 | — | 950 | — | (123) | (12.9)% |

***Net revenues***

LATAM net revenues for the year ended December 31, 2014 were €8.6 billion, a decrease of €1.3 billion, or 13.5 percent (6.9 percent on a constant currency basis), from €10.0 billion for the year ended December 31, 2013.

The total decrease of €1.3 billion was attributable to (i) a decrease of €1.2 billion driven by lower shipments, and (ii) unfavourable foreign currency translation of €0.7 billion, which were partially offset by (iii) favourable net pricing and vehicle mix of €0.6 billion.

The 12.9 percent decrease in vehicle shipments from 950 thousand units for the year ended December 31, 2013, to 827 thousand units for the year ended December 31, 2014 reflected the weaker demand in the region's main markets, where Brazil continued the negative market trend started in 2012, Argentina was impacted by import restrictions and additional tax on more expensive vehicles and Venezuela suffered from weaker trading conditions. The weakening of the Brazilian Real against the Euro impacted net revenues by €0.6 billion, in particular, the average exchange rate used to translate Brazilian Real balances for the year ended December 31, 2014, was 8.9 percent lower than the average exchange rate used for the same period in 2013.

***EBIT***

LATAM EBIT for the year ended December 31, 2014 was €177 million, a decrease of €315 million, or 64.0 percent (53.7 percent on a constant currency basis), from €492 million for the year ended December 31, 2013.

The decrease in LATAM EBIT was primarily attributable to the combination of (i) unfavourable volume/mix impact of €228 million attributable to a decrease in shipments, partially offset by an improvement in vehicle mix in Brazil, (ii) an increase in industrial costs of €441 million largely attributable to price increases for certain foreign currency denominated purchases, which were impacted by the weakening of the Brazilian Real, (iii) the impact of unfavourable foreign currency translation of €51 million attributable to the weakening of the Brazilian Real against the Euro, partially offset by (v) favourable pricing of €381 million driven by pricing actions in Brazil and Argentina.

In particular, LATAM net other unusual expenses amounted to €112 million for the year ended December 31, 2014, which included €98 million for the remeasurement charge on the Venezuelan subsidiary's net monetary assets, compared to €127 million for the year ended December 31, 2013 which included €75 million attributable to the streamlining of architectures and models associated to the refocused product strategy and €43 million relating to the loss recognised on translation of certain monetary liabilities from VEF into U.S. Dollar.

During the year ended December 31, 2014, the economic conditions in Venezuela declined due to high inflation, the downward trend in the price of oil which began during the fourth quarter of 2014, and continued uncertainty regarding liquidity within the country and the availability of U.S. Dollar. In addition, the Venezuelan government enacted a law in January 2014 which provided limits on costs, sales prices and profit margins (30 percent maximum above structured costs) across the Venezuelan economy. There remains uncertainty as to the application of certain aspects of this law by the Venezuelan government; therefore, we are unable to assess its impact on our vehicle, parts and accessory sales. Despite the negative economic conditions in Venezuela, we continued to obtain cash to support future operations through the SICAD I auctions and were also able to complete our workforce reduction initiative.

As of December 31, 2014, we continue to control and therefore consolidate our Venezuelan operations. We will continue to assess conditions in Venezuela and if in the future, we conclude that we no longer maintain control over our operations in Venezuela, we may incur a pre-tax charge of approximately €247 million using the current exchange rate of 12.0 VEF to U.S. Dollar.

Based on first quarter 2014 developments related to the foreign exchange process in Venezuela, we changed the exchange rate used to remeasure our Venezuelan subsidiary's net monetary assets in U.S. Dollar. The official exchange rate was increasingly reserved only for purchases of those goods and services deemed "essential" by the Venezuelan government. As of March 31, 2014, we began to use the exchange rate determined by an auction process conducted by Venezuela's Supplementary Foreign Currency Administration System, referred to as the SICAD I rate.

In late March 2014, the Venezuelan government introduced an additional auction-based foreign exchange system, referred to as SICAD II rate. Prior to the new exchange system described below, the SICAD II rate had ranged from 49 to 52.1VEF to U.S. Dollar in the period since its introduction. The SICAD II rate was expected to be used primarily for imports and has been limited to amounts of VEF that could be exchanged into other currencies, such as the U.S. Dollar. As a result of the March 2014 exchange agreement between the Central Bank of Venezuela and the Venezuelan government and the limitations of the SICAD II rate, we believed at December 31, 2014, that any future remittances of dividends would be transacted at the SICAD I rate. As a result, we determined that the SICAD I rate is the most appropriate rate to use as of December 31, 2014.

As of December 31, 2014 and 2013, the net monetary assets of FCA Venezuela LLC, formerly known as Chrysler de Venezuela LLC, or FCA Venezuela, denominated in VEF were 783 million (€54 million) and 2,221 million (€255 million), respectively, which included cash and cash equivalents denominated in VEF of 1,785 million (€123 million) and 2,347 million (€270 million), respectively. Based on our net monetary assets at December 31, 2014, a charge of approximately €5 million would result for every 10.0 percent devaluation of the VEF. On February 10, 2015, the Venezuelan government introduced a new market-based exchange system, referred to as Marginal Currency System, or the SIMADI rate, with certain specified limitations on its usage by individuals and legal entities. On February 12, 2015, the SIMADI rate began trading at 170 VEF to U.S. Dollar and is expected to be used by individuals and legal entities in the private sector. We are currently evaluating our utilisation of the SIMADI rate since this new exchange system is limited by certain government mandated restrictions. In addition, the Venezuelan government announced that the SICAD I and SICAD II auction-based exchange systems would be merged into a single exchange system, with a rate starting at 12.0 VEF to U.S. Dollar. We continue to monitor the appropriate rate to be used for remeasuring our net monetary assets. Additionally, we will continue to monitor the currency exchange regulations and other factors to assess whether our ability to control and benefit from our Venezuelan operations has been adversely affected.

***APAC***

| | For the years ended December 31, | | | | Increase/(decrease) | |
|---|---|---|---|---|---|---|
| **(€ million, except percentages shipments which are in thousands of units)** | **2014** | **% of segment net revenues** | **2013** | **% of segment net revenues** | **2014 vs. 2013** | |
| Net revenues | 6,259 | 100.0% | 4,668 | 100.0% | 1,591 | 34.1% |
| EBIT | 537 | 8.6% | 335 | 7.2% | 202 | 60.3% |
| Shipments | 220 | — | 163 | — | 57 | 35.0% |

***Net revenues***

APAC net revenues for the year ended December 31, 2014 were €6.3 billion, an increase of €1.6 billion, or 34.1 percent (34.6 percent on a constant currency basis), from €4.7 billion for the year ended December 31, 2013.

The total increase of €1.6 billion was primarily attributable to an increase in shipments and improved vehicle mix.

The 35.0 percent increase in shipments from 163 thousand units for the year ended December 31, 2013, to 220 thousand units for the year ended December 31, 2014, was largely supported by shipments to China and Australia, and in particular, driven by Jeep Grand Cherokee, Dodge Journey and the newly-launched Jeep Cherokee.

***EBIT***

APAC EBIT for the year ended December 31, 2014 was €537 million, an increase of €202 million, or 60.3 percent (unchanged on a constant currency basis) from €335 million for the year ended December 31, 2013.

The increase in APAC EBIT was primarily attributable to (i) a positive volume/mix impact of €494 million as a result of the increase in shipments described above partially offset by (ii) an increase in selling, general and administrative costs of €111 million to support the growth of the APAC operations, (iii) an increase in industrial costs of €54 million due to higher research and development costs, increased fixed manufacturing costs for new product initiatives and higher production volumes, (iv) unfavourable pricing of €142 million due to the increasingly competitive trading environment, particularly in China.

***EMEA***

| | For the years ended December 31, | | | | Increase/(decrease) | |
|---|---|---|---|---|---|---|
| **(€ million, except percentages shipments which are in thousands of units)** | **2014** | **% of segment net revenues** | **2013** | **% of segment net revenues** | **2014 vs. 2013** | |
| Net revenues | 18,020 | 100.0% | 17,335 | 100.0% | 685 | 4.0% |
| EBIT | (109) | (0.6)% | (506) | (2.9%) | 397 | 78.5% |
| Shipments | 1,024 | — | 979 | — | 45 | 4.6% |

***Net revenues***

EMEA net revenues for the year ended December 31, 2014 were €18.0 billion, an increase of €0.7 billion, or 4.0 percent, from €17.3 billion for the year ended December 31, 2013.

The €0.7 billion increase in EMEA net revenues was mainly attributable to the combination of (i) a €0.6 billion increase in vehicle shipments, (ii) a €0.3 billion favourable sales mix impact primarily driven by Jeep brand and LCV shipments, partially offset by (iii) unfavourable pricing of €0.1 billion due to the increasingly competitive trading environment particularly related to passenger cars in Europe and (iv) €0.1 billion lower components sales.

In particular, the 4.6 percent increase in vehicle shipments, from 979 thousand units for the year ended December 31, 2013, to 1,024 thousand units for the year ended December 31, 2014, was largely driven by the Fiat 500 family, the Jeep brand (the all-new Renegade and Cherokee) and the new Fiat Ducato.

***EBIT***

EMEA EBIT loss for the year ended December 31, 2014 was €109 million, an improvement of €397 million, or 78.5 percent, from an EBIT loss of €506 million for the year ended December 31, 2013.

The decrease in EMEA EBIT loss was primarily attributable to the combination of (i) a €199 million decrease in other unusual expenses, (ii) a favourable volume/mix impact of €174 million driven by the previously described increase in shipments and improved vehicle mix, (iii) a decrease in net industrial costs of €166 million mainly driven by industrial and purchasing efficiencies, which were partially offset by (iv) unfavourable pricing of €85 million as a result of the competitive trading environment and resulting price pressure and (v) an increase in selling, general and administrative costs of €67 million mainly related to advertising expenses primarily to support the growth of Jeep brand and the Jeep Renegade launch.

In 2013, other unusual expenses were €195 million which included the write-off of previously capitalised research and development related to new model development for Alfa Romeo products which were switched to a new platform considered more appropriate for the brand.

**FERRARI**

| | For the years ended December 31, | | | | Increase/(decrease) | |
|---|---|---|---|---|---|---|
| **(€ million, except percentages shipments which are in thousands of units)** | **2014** | **% of segment net revenues** | **2013** | **% of segment net revenues** | **2014 vs. 2013** | |
| Net revenues | 2,762 | 100.0% | 2,335 | 100.0% | 427 | 18.3% |
| EBIT | 389 | 14.1% | 364 | 15.6% | 25 | 6.9% |
| Shipments | 7 | — | 7 | — | 0 | 0 |

***Net revenues***

For the year ended December 31, 2014, Ferrari net revenues were €2.8 billion, an increase of €0.4 billion, or 18.3 percent, from €2.3 billion for the year ended December 31, 2013. The increase was primarily attributable to the increased volumes and improved vehicle mix driven by the contribution of the LaFerrari model.

***EBIT***

Ferrari EBIT for the year ended December 31, 2014, was €389 million, an increase of €25 million, or 6.9 percent from €364 million for the year ended December 31, 2013. For 2014 EBIT includes an unusual charge of €15 million in compensation cost related to the resignation of the former chairman. Increase in EBIT was attributable to higher volumes and improved sales mix largely driven by the contribution of the LaFerrari model.

## MASERATI

| (€ million, except percentages shipments which are in thousands of units) | For the years ended December 31, 2014 | % of segment net revenues | 2013 | % of segment net revenues | Increase/(decrease) 2014 vs. 2013 | |
|---|---|---|---|---|---|---|
| Net revenues | 2,767 | 100.0% | 1,659 | 100.0% | 1,108 | 66.8% |
| EBIT | 275 | 9.9% | 106 | 6.4% | 169 | 159.4% |
| Shipments | 36 | — | 15 | — | 21 | 140.0% |

### *Net revenues*

Maserati net revenues were €2.8 billion, an increase of €1.1 billion, or 66.8 percent from €1.7 billion for the year ended December 31, 2013, primarily driven by an increase in vehicle shipments from 15 thousand units for the year ended December 31, 2013, to 36 thousand units for the year ended December 31, 2014.

### *EBIT*

Maserati EBIT for the year ended December 31, 2014 was €275 million, an increase of €169 million, or 159.4 percent, from €106 million for the year ended December 31, 2013. The increase was primarily driven by the growth in shipments, as previously discussed. In 2013, EBIT included €65 million in unusual charges related to the writedown of previously capitalised development costs following the decision to switch a future model to a more technically advanced platform.

## COMPONENTS

| (€ million, except percentages) | For the years ended December 31, 2014 | % of segment net revenues | 2013 | % of segment net revenues | Change 2014 vs. 2013 | |
|---|---|---|---|---|---|---|
| ***Magneti Marelli*** | | | | | | |
| Net revenues | 6,500 | | 5,988 | | 512 | 8.6% |
| EBIT | 204 | | 169 | | 35 | 20.7% |
| ***Teksid*** | | | | | | |
| Net revenues | 639 | | 688 | | (49) | (7.1)% |
| EBIT | (4) | | (70) | | 66 | (94.3)% |
| ***Comau*** | | | | | | |
| Net revenues | 1,550 | | 1,463 | | 87 | 5.9% |
| EBIT | 60 | | 47 | | 13 | 27.7% |
| ***Intrasegment eliminations*** | | | | | | |
| Net revenues | (70) | | (59) | | (11) | 18.6% |
| **Components** | | | | | | |
| Net revenues | 8,619 | 100.0% | 8,080 | 100.0% | 539 | 6.7% |
| EBIT | 260 | 3.0% | 146 | 1.8% | 114 | 78.1% |

### *Net revenues*

Components net revenues for the year ended December 31, 2014, revenues were €8.6 billion, an increase of €0.5 billion, or 6.7 percent (9.3 percent on a constant currency basis), from €8.1 billion for the year ended December 31, 2013.

*Magneti Marelli*

Magneti Marelli net revenues for the year ended December 31, 2014, were €6.5 billion, an increase of €0.5 billion, or 8.6 percent, from €6.0 billion for the year ended December 31, 2013 primarily reflecting positive performance in North America, China and Europe, partially offset by performance in Brazil, which was impacted by the weakening of the Brazilian Real against the Euro.

*Teksid*

Teksid net revenues for the year ended December 31, 2014 were €639 million, a decrease of €49 million, or 7.1 percent, from €688 million for the year ended December 31, 2013, primarily attributable to a 4.0 percent decrease in cast iron business volumes, which were partially offset by a 24.0 percent increase in aluminium business volumes.

*Comau*

Comau net revenues for the year ended December 31, 2014 were €1.6 billion, an increase of €0.1 billion, or 5.9 percent, from €1.5 billion for the year ended December 31, 2013, mainly attributable to the body welding business.

***EBIT***

Components EBIT for the year ended December 31, 2014 was €260 million, an increase of €114 million, or 78.1 percent, from €146 million for the year ended December 31, 2013.

*Magneti Marelli*

Magneti Marelli EBIT for the year ended December 31, 2014 EBIT was €204 million, an increase of €35 million, 20.7 percent, from €169 million for the year ended December 31, 2013. EBIT includes unusual charges of €20 million for 2014 (unusual income of €1 million for 2013). Excluding these unusual charges, EBIT increased by €56 million, mainly reflecting higher volumes and the benefit of cost containment actions and efficiencies.

*Teksid*

Teksid EBIT loss for the year ended December 31, 2014 was €4 million, a decrease of €66 million, from an EBIT loss of €70 million for the year ended December 31, 2013. In 2013, EBIT included unusual charges of €60 million, mainly related to impairment of assets in the Cast Iron business unit.

*Comau*

Comau EBIT for the year ended December 31, 2014 was €60 million, an increase of €13 million, or 27.7 percent, from €47 million for the year ended December 31, 2013, primarily due to volume in body welding operations and an improved mix.

**Liquidity and Capital Resources**

*Liquidity Overview*

We require significant liquidity in order to meet our obligations and fund our business. Short-term liquidity is required to purchase raw materials, parts and components for vehicle production, and to fund selling, administrative, research and development, and other expenses. In addition to our general working capital and operational needs, we expect to use significant amounts of cash for the following purposes: (i) capital expenditures to support our existing and future products; (ii) principal and interest payments under our financial obligations and (iii) pension and employee benefit payments. We make capital investments in the regions in which we operate primarily related to initiatives to introduce new products, enhance manufacturing efficiency, improve capacity, and for maintenance and environmental compliance. Our capital expenditures in 2015 are expected to be between approximately €8.5 and €9.0 billion, which we plan to fund primarily with cash generated from our operating activities, as well as with credit lines provided to certain of our Group entities.

Our business and results of operations depend on our ability to achieve certain minimum vehicle sales volumes. As is typical for an automotive manufacturer, we have significant fixed costs, and therefore, changes in our vehicle sales volume can have a significant effect on profitability and liquidity. We generally receive payment for sales of vehicles to dealers and distributors, shortly after shipment, whereas there is a lag between the time we receive parts and materials from our suppliers and the time we are required to pay for them. Therefore, during periods of increasing vehicle sales, there is generally a corresponding positive impact on our cash flow and liquidity. Conversely, during periods in which vehicle sales decline, there is generally a corresponding negative impact on our cash flow and liquidity. Thus, delays in shipments of vehicles, including delays in shipments in order to address quality issues, tend to negatively affect our cash flow and liquidity. In addition, the timing of our collections of receivables for export sales of vehicles, fleet sales and part sales tend to be longer due to different payment terms. Although we regularly enter into factoring transactions for such receivables in certain countries, in order to anticipate collections and transfer relevant risks to the factor, a change in volumes of such sales may cause fluctuations in our working capital. The increased internationalisation of our product portfolio may also affect our working capital requirements as there may be an increased requirement to ship vehicles to countries different from where they are produced. Finally, working capital can be affected by the trend and seasonality of sales under vehicle buy-back programs.

Management believes that the funds currently available, in addition to those funds that will be generated from operating and financing activities, will enable the Group to meet its obligations and fund its businesses including funding planned investments, working capital needs and fulfilling its obligations to repay its debts in the ordinary course of business.

Liquidity needs are met primarily through cash generated from operations, including the sale of vehicles, service and parts to dealers, distributors and other consumers worldwide.

The operating cash management and liquidity investment of the Group are centrally coordinated with the objective of ensuring effective and efficient management of the Group's funds. The companies raise capital in the financial markets through various funding sources. See "*The FCA Group—Industry Overview—Financial Services*".

FCA US continues to manage its liquidity independently from the rest of the Group. Intercompany financing from FCA US to other Group entities is not restricted other than through the application of covenants requiring that transactions with related parties be conducted at arm's length terms or be approved by a majority of the "disinterested" members of the Board of Directors of FCA US. In addition, certain of FCA US's financing agreements place restrictions on the distributions which it is permitted to make. In particular, dividend distributions, other than certain exceptions including certain permitted distributions and distributions with respect to taxes, are generally limited to an amount not to exceed 50 percent of cumulative consolidated net income (as defined in the agreements) from January 1, 2012.

FCA has not provided any guarantee, commitment or similar obligation in relation to any of FCA US's financial indebtedness, nor has it assumed any kind of obligation or commitment to fund FCA US. However, certain bonds issued by FCA, its subsidiaries (other than FCA US and its subsidiaries) include covenants which may be affected by circumstances related to FCA US, in particular there are cross-default clauses which may accelerate repayments in the event that FCA US fails to pay certain of its debt obligations.

Committed revolving facilities currently available to the treasury companies of the Group (excluding FCA US) amount to approximately €4.8 billion at September 30, 2015 (€3.3 billion at December 31, 2014; €3.2 billion at December 31, 2013), of which approximately €3.3 billion was undrawn at September 30, 2015 (€2.1 billion at December 31, 2014 and at December 31, 2013) which includes the €2.5 billion related to the new syndicated revolving credit facility entered into in June 2015. FCA US had access to the U.S.$1.3 billion (€1.2 billion) secured revolving credit facility, which remained undrawn, at September 30, 2015. For information on the termination of the U.S.$1.3 billion revolving credit facility, see "*Financial Review of the FCA Group—Significant Recent Events*".

In addition to the undisbursed €0.4 billion on the Mexico Bank Loan, the operating entities of the Group have other committed credit lines available to fund scheduled investments of which approximately €0.4 billion was undrawn at September 30, 2015 (€0.9 billion at December 31, 2014 and approximately €1.8 billion at December 31, 2013). See "*—Total Available Liquidity*" below.

In June 2015, FCA entered into a new €5.0 billion syndicated revolving credit facility ("RCF") for general corporate purposes and the working capital needs of the Group. The RCF replaces and expands the €2.1 billion three-year revolving credit facility entered into by FCA on June 21, 2013 and will replace the five year secured revolving credit facility amounting to U.S.$1.3 billion (€1.1 billion) that FCA US elected to terminate effective November 25, 2015. The RCF is available in two tranches. As of September 30, 2015, the first tranche of €2.5 billion was available and was undrawn. The first tranche matures in July 2018 and has two extension options (1-year and 11-months, respectively) which are exercisable on the first and second anniversary of signing. The second tranche, which consists of an additional €2.5 billion, matures in June 2020 and will be available upon the elimination of the restrictions under FCA US's financing documentation on the provision of guarantees and payment of dividends by FCA US for the benefit of the rest of the Group (refer to Note 27 of the 2014 Consolidated Financial Statements included within our 2014 Annual Report for more detail on the restrictions). The covenants of the RCF include financial covenants (Net Debt/Adjusted EBITDA and Adjusted EBITDA/Net

Interest ratios related to industrial activities) and negative pledge, *pari passu*, cross default and change of control clauses. The failure to comply with these covenants and, in certain cases if not suitably remedied, can lead to the requirement of early repayment of any outstanding amounts.

For further information on the €600 million loan issued on June 29, 2015 by the European Investment Bank (the "EIB") and SACE, see "*Liquidity and Capital Resources—European Investeent Bank Borrowings*" below.

The following pages discuss in more detail the principal covenants relating to the Group's revolving credit facilities and certain other financing agreements. At September 30, 2015, December 31, 2014 and December 31, 2013, the Group was in compliance with all covenants under its financing agreements.

Long-term liquidity requirements may involve some level of debt re-financing as outstanding debt becomes due or we are required to make amortisation or other principal payments. Although we believe that our current level of total available liquidity is sufficient to meet our short-term and long-term liquidity requirements, we regularly evaluate opportunities to improve our liquidity position in order to enhance financial flexibility and to achieve and maintain a liquidity and capital position consistent with that of our principal competitors.

However, any actual or perceived limitations of our liquidity may limit the ability or willingness of counterparties, including dealers, consumers, suppliers, lenders and financial service providers, to do business with us, or require us to restrict additional amounts of cash to provide collateral security for our obligations. Our liquidity levels are subject to a number of risks and uncertainties, including those described in section "*Risk Factors*" herein.

*Total Available Liquidity*

At September 30, 2015, our total available liquidity was €24.9 billion (€26.2 billion at December 31, 2014; €22.7 billion at December 31, 2013), including €20.2 billion of cash and cash equivalents, €0.2 billion of current securities and €4.5 billion available under undrawn committed credit lines related to (i) the first tranche of the new RCF of €2.5 billion, (ii) the U.S.$1.3 billion revolving credit facility that FCA US elected to terminate effective November 25, 2015 and (iii) approximately €0.8 billion of other revolving facilities available to FCA treasury companies, excluding FCA US. The terms of FCA US's revolving credit facility require FCA US to maintain a minimum liquidity of U.S.$3.0 billion (€2.7 billion), which includes any undrawn amounts under FCA US's revolving credit facility. Total available liquidity is subject to intra-month and seasonal fluctuations resulting from business and collection-payment cycles as well as to changes in foreign exchange conversion rates.

The following table summarises our total available liquidity:

| | At September 30, | At December31, | |
|---|---|---|---|
| **(€ million)** | **2015** | **2014** | **2013** |
| Cash, cash equivalent and current securities [(1)] | 20,408 | 23,050 | 19,702 |
| Undrawn committed credit lines [(2)] | 4,469 | 3,171 | 3,043 |
| **Total available liquidity** [(3)] | **24,877** | **26,221** | **22,745** |

(1) Current securities comprise of short term or marketable securities which represent temporary investments but which do not satisfy all the requirements to be classified as cash equivalents as they may not be able to be readily converted into cash or they are subject to significant risk of change in value (even if they are short-term in nature or marketable).

(2) Excludes the undrawn €0.4 billion medium/long-term dedicated credit lines available to fund scheduled investments as of September 30, 2015 (€0.9 billion was undrawn at December 31, 2014; €1.8 billion was undrawn as of December 31, 2013), the undisbursed €0.4 billion on the Mexico Bank Loan as of September 30, 2015 (€0 at December 31, 2014), which can be drawn subject to meeting the preconditions for additional disbursements.

(3) The majority of our liquidity is available to our treasury operations in Europe, U.S. (subject to the restrictions on FCA US distributions as discussed in the Consolidated Financial Statements at December 31, 2014), and Brazil; however, liquidity is also available to certain subsidiaries which operate in other areas. Cash held in such countries may be subject to restrictions on transfer depending on the foreign jurisdictions in which these subsidiaries operate. Based on our review of such transfer restrictions in the countries in which we operate and maintain material cash balances, we do not believe such transfer restrictions have an adverse impact on the Group's ability to meet its liquidity requirements at the dates represented above.

Our liquidity is principally denominated in U.S. Dollar and in Euro. Out of the total €20.4 billion of cash, cash equivalents and current securities available at September 30, 2015 (€23.0 billion at December 31, 2014; €19.7 billion at December 31, 2013), €13.0 billion, or 64 percent were denominated in U.S. Dollar (€10.6 billion, or 46 percent, at December 31, 2014; €8.3 billion, or 42.1 percent, at December 31, 2013) and €3.4 billion, or 17 percent, were denominated in Euro ((€6.2 billion, or 27 percent, at December 31, 2014; €6.1 billion, or 31 percent, at December 31, 2013). Liquidity available in Brazil and denominated in Brazilian Reals accounted for approximately €0.6 billion or 3 percent at September 30, 2015 (€1.6 billion, or 7 percent, at December 31, 2014; €1.5 billion, or 7.9 percent, at December 31, 2013), with the remainder being distributed in various countries and denominated in the relevant local currencies.

The decrease in total available liquidity from December 31, 2014 to September 30, 2015 includes the payment of a €1.5 billion bond and a CHF 425 million (€390 million) bond at each of their respective maturity dates as well as a total of €244 million of payments on the Canadian Health Care Trust Notes, which included the prepayment on the remaining scheduled payments on the Canada HCT Tranche A Note. The decrease in total available liquidity was partially offset by the draw-down of the €600 million new EIB loan. Refer to the Cash Flows section below for additional information regarding the change in cash and cash equivalents. See "—*Cash Flows*", below for additional information regarding change in cash and cash equivalents.

*Acquisition of the Remaining Equity Interest in FCA US*

On January 1, 2014 we announced an agreement with the VEBA Trust, under which our wholly owned subsidiary, FCA North America Holdings LLC ("FCA NA", formerly known as Fiat North America LLC), would acquire the remaining 41.5 percent ownership interest in FCA US held by the VEBA Trust for total consideration of U.S.$3,650 million (equivalent to €2,691 million). The transaction closed on January 21, 2014. The consideration for the acquisition consisted of:

- a special distribution paid by FCA US to its members on January 21, 2014 of U.S.$1,900 million (equivalent to €1,404 million) wherein FCA NA directed its portion of the special distribution to the VEBA Trust as part of the purchase consideration which served to fund a portion of the transaction; and

- a cash payment by FCA NA to the VEBA Trust of U.S.$1,750 million (equivalent to €1.3 billion) on January 21, 2014.

The distribution from FCA US was funded from FCA US's available cash on hand. The payment by FCA NA was funded by Fiat's available cash on hand.

*FCA US Debt Issuances and Prepayment of VEBA Trust Note*

In February 2014, FCA US prepaid all amounts outstanding including accrued and unpaid interest of approximately U.S.$5.0 billion (€3.6 billion) related to its financial liability to the VEBA Trust (the "VEBA Trust Note"). Such prepayment was financed by FCA US as follows:

- New Senior Credit Facilities – a U.S.$250 million (€181 million) incremental term loan under FCA US's existing tranche B term loan facility that matures on May 24, 2017 and a new U.S.$1,750 million (€1.3 billion) term loan, issued under a new term loan credit facility, that matures on December 31, 2018;

- Secured Senior Notes due 2019 – issuance of an additional U.S.$1,375 million (€1.0 billion) aggregate principal amount of 8 percent secured senior notes due June 15, 2019, at an issue price of 108.25 percent of the aggregate principal amount, which were incremental to the secured senior notes due 2019 that were issued in May 2011. See "*Liquidity and Capital Resources—Capital Market*" section below, for more information regarding the prepayment in May 2015, and

- Secured Senior Notes due 2021 – issuance of an additional U.S.$1,380 million (€1.0 billion) aggregate principal amount of 8.25 percent secured senior notes due June 15, 2021 at an issue price of 110.50 percent of the aggregate principal amount, which were incremental to the secured senior notes due 2021 that were issued in May 2011.

*FCA Unsecured Senior Debt Securities*

On May 14, 2015, FCA US prepaid its 8% secured senior notes due June 15, 2019 with an aggregate principal outstanding amount of U.S.$2,875 million (€2,518 million) at a price equal to the principal amount of the notes redeemed, plus accrued and unpaid interest to the date of redemption and a "make-whole" premium calculated in accordance with the terms of the indenture. The redemption payment of $3.1 billion (€2.7 billion) was made with cash on hand at FCA US.

In April 2015, FCA issued U.S.$1.5 billion (€1.4 billion) principal amount of 4.500% unsecured senior debt securities due April 15, 2020 (the "Initial 2020 Notes") and U.S.$1.5 billion (€1.4 billion) principal amount of

5.250% unsecured senior debt securities due April 15, 2023 (the "Initial 2023 Notes") at an issue price of 100.0 percent of their principal amount. The Initial 2020 Notes and the Initial 2023 Notes, collectively referred to as "the Initial Notes", rank pari passu in right of payment with respect to all of FCA's existing and future senior unsecured indebtedness and senior in right of payment to any of FCA's future subordinated indebtedness and existing indebtedness, which is by its terms subordinated in right of payment to the Initial Notes.

*Cash Flows*

The following table summarises the cash flows from operating, investing and financing activities for the nine months ended September 30, 2015 and 2014. For a complete discussion of our cash flows, see our unaudited interim condensed consolidated statement of cash flows included in our unaudited interim condensed consolidated financial statements incorporated by reference in this Base Prospectus.

| | For the nine months ended September 30, | |
|---|---|---|
| **(€ million)** | **2015** | **2014** |
| **Cash and cash equivalents at beginning of the period** | **22,840** | **19,455** |
| Cash flows from operating activities | 5,473 | 4,250 |
| Cash flows used in investing activities | (6,152) | (5,119) |
| Cash flows used in financing activities | (2,447) | (1,077) |
| Translation exchange differences | 463 | 886 |
| Total change in cash and cash equivalents | (2,663) | (1,060) |
| **Cash and cash equivalents at end of the period** | **20,177** | **18,395** |

<u>*Operating Activities — Nine Months Ended September 30, 2015*</u>

For the nine months ended September 30, 2015, cash flows from operating activities were €5,473 million and were primarily the result of:

(i) Net profit of €126 million adjusted to add back €4,245 million for depreciation and amortisation expense,

(ii) a net increase of €2,068 million in provisions, mainly related to an increase in the warranty provision for NAFTA primarily resulting from the change in estimate for future recall campaign costs and higher accrued sales incentives, primarily to support increased sales volumes in NAFTA, and

(iii) €112 million of dividends received from jointly-controlled entities.

These positive cash flows were partially offset by:

(iv) the negative impact of the change in working capital of €1,425 million, which was primarily driven by (a) €1,657 million increase in inventories, which reflects the trend in production and sales volumes for the period as well as the effects of the disruption in shipments from the explosions at the Port of Tianjin (b) €811 million increase in trade receivables primarily as a result of the limited plant activity at December 31, 2014 due to the holiday shutdown and (c) €438 million increase in net other current assets and liabilities, which were partially offset by (d) €1,481 million increase of trade payables, mainly related to increased production in NAFTA and EMEA as a result of increased consumer demand for our vehicles in addition to the holiday shutdown and related limited plant activity at December 31, 2014.

<u>*Operating Activities — Nine Months Ended September 30, 2014*</u>

For the nine months ended September 30, 2014, cash flows from operating activities were €4,250 million and were primarily the result of:

(i) Net profit of €212 million adjusted to add back (a) €3,599 million for depreciation and amortisation expense and (b) other non-cash items of €197 million, which primarily included (i) €372 million related to the non-cash portion of the expense recognised in connection with the execution of the UAW MOU entered into by FCA US in January 2014 (ii) €98 million remeasurement charge recognised as a result of the Group's change in the exchange rate used to re-measure its Venezuelan subsidiary's net monetary assets in U.S. Dollars, which were partially offset by (iii) the non-taxable gain of €223 million on the remeasurement to fair value of the previously exercised options on approximately 10 percent of FCA US's membership interest in connection with the acquisition of the remaining interest in FCA US previously not owned,

(ii) a net increase of €689 million in provisions, mainly related to (i) net adjustments to warranties, including those related to recall campaigns in the NAFTA segment and (ii) an increase in accrued sales incentives due to increased retail shipments, primarily in the NAFTA segment and

(iii) €60 million of dividends received from jointly-controlled entities.

These positive items were partially offset by the total negative impact of the change in working capital of €726 million primarily driven by (i) €1,010 million increase in inventory due to increased production and sales levels for all geographic regions and the luxury brands, (ii) €350 million increase in trade receivables, principally in NAFTA following the increased shipments at the end of September 2014 as compared to the end of December 2013 as a result of the annual plant shutdowns, and (iii) €90 million in net other current assets and liabilities which was partially offset by (d) €724 million increase in trade payables, mainly related to increased production in NAFTA.

*Investing Activities — Nine Months Ended September 30, 2015*

For the nine months ended September 30, 2015, cash flows used in investing activities were €6,152 million, primarily as a result of:

(i) €6,469 million of capital expenditures, including €1,905 million of capitalised development costs, to support investments in existing and future products. Capital expenditure primarily relates to the car mass-market operations in NAFTA and EMEA, investment in Alfa Romeo and the completion of the Pernambuco plant, partially offset by

(ii) a €392 million net decrease in receivables from financing activities primarily related to the decreased lending portfolio of the financial services activities of the Group.

*Investing Activities — Nine Months Ended September 30, 2014*

For the nine months ended September 30, 2014, cash flows used in investing activities were €5,119 million, primarily as a result of:

(i) €5,350 million of capital expenditures, including €1,521 million of capitalised development costs that supported investments in existing and future products. Capital expenditure primarily related to the car mass-market operations in NAFTA and EMEA and the construction of the Pernambuco plant, partially offset by

(ii) €128 million of a net decrease in receivables from financing activities, of which €163 million related to the decreased lending portfolio of the financial services activities of the Group .

*Financing Activities — Nine Months Ended September 30, 2015*

For the nine months ended September 30, 2015, cash flows used in financing activities were €2,447 million and were primarily as a result of:

(i) the prepayment of the FCA US 8% secured senior notes due June 15, 2019 for a total principal amount of €2,518 million and the repayment on maturity of two notes issued under the Global Medium Term Note Programme, one for a principal amount of €1,500 million and another for a principal amount of CHF 425 million (€390 million) and

(ii) the payment of medium-term borrowings for a total of €3,508 million, which included the repayment on maturity of the EIB loan of €250 million, the repayment of our Mexican development banks credit facilities of €414 million as part of FCA Mexico's refinancing transaction completed in March 2015, total payments of €244 million on the Canadian Health Care Trust Notes, and other financing transactions, primarily in Brazil and FCA treasury companies.

These items were partially offset by:

(iii) proceeds from FCA's issuance of U.S.$3.0 billion (€2.8 billion) total principal amount of unsecured senior notes due in 2020 and 2023 and

(iv) proceeds from new medium-term borrowings for a total of €2,653 million which included the initial disbursement received of €0.4 billion under a new non-revolving loan agreement of €0.8 billion (U.S.$0.9 billion) as part of FCA Mexico's refinancing transaction completed in March 2015, proceeds from the new EIB €600 million loan, and other financing transactions, primarily in Brazil.

*Financing Activities — Nine Months Ended September 30, 2014*

For the nine months ended September 30, 2014, cash flows used in financing activities were €1,077 million and were primarily the result of:

(i) cash payments to the VEBA Trust for the acquisition of non-controlling interest of €2,691 million relating to the acquisition of the remaining 41.5 percent ownership interest in FCA US previously not owned,

(ii) payment of medium-term borrowings for a total of €5,241 million, mainly related to the prepayment of all amounts of the VEBA Trust Note amounting to approximately U.S.$5 billion (€3.6 billion), including accrued and unpaid interest and

(iii) the repayment on maturity of notes issued under the GMTN Programme, for a total principal amount of €2,150 million.

These items were partially offset by:

(iv) proceeds from bond issuances for a total amount of €4,588 million which included (a) approximately €2.6 billion of notes issued as part of the GMTN Programme and (b) €2.0 billion of secured senior notes issued by FCA US as part of the refinancing transaction to facilitate the prepayment of the VEBA Trust Note,

(v) proceeds from new medium-term borrowings for a total of €3,950 million, which included the incremental term loan entered into by FCA US of U.S.$ 250 million (€181 million) under its existing tranche B term loan facility, the additional U.S.$ 1.75 billion (€1.3 billion) tranche B term loan credit facility entered into by FCA US as part of the refinancing transaction to facilitate the repayment of the VEBA Trust Note, and new medium-term borrowings in Brazil and

(vi) a positive net contribution of €509 million from the net change in other financial payables and other financial assets/liabilities.

The translation exchange differences for the nine months ended September 30, 2015 were €463 million and mainly reflect the increase in the Euro-translated value of cash and cash equivalent balances denominated in U.S. Dollar, due to the strengthening of the U.S. Dollar.

*Year Ended December 31, 2014 compared to Years Ended December 31, 2013*

The following table summarises the cash flows from operating, investing and financing activities for the years ended December 31, 2014 and 2013. For a complete discussion of our cash flows, see our audited consolidated statement of cash flows included in our audited consolidated financial statements as of and for the year ended December 31, 2014, incorporated by reference in this Base Prospectus.

| | For the years ended December 31, | |
|---|---|---|
| **(€ million)** | **2014** | **2013** |
| **Cash and cash equivalents at beginning of the period** | **19,455** | **17,666** |
| Cash flows from operating activities | 8,169 | 7,618 |
| Cash flows used in investing activities | (8,140) | (8,054) |
| Cash flows from financing activities | 2,137 | 3,136 |
| Translation exchange differences | 1,219 | (911) |
| Total change in cash and cash equivalents | 3,385 | 1,789 |
| **Cash and cash equivalents at end of the period** | **22,840** | **19,455** |

<u>*Operating Activities — Year Ended December 31, 2014*</u>

For the year ended December 31, 2014, our net cash from operating activities was €8,169 million and was primarily the result of:

(i) net profit of €632 million adjusted to add back (a) €4,897 million for depreciation and amortisation expense and (b) other non-cash items of €352 million, which primarily include (i) €381 million related to the non-cash portion of the expense recognised in connection with the execution of the MOU entered into by the UAW and FCA US on January 21, 2014 (ii) €98 million remeasurement charge recognised as a result of the Group's change in the exchange rate used to remeasure its Venezuelan subsidiary's net monetary assets in U.S. Dollar (reported, for the effect on cash and cash equivalents, in the "Translation exchange differences") which were partially offset by (iii) the non-taxable gain of €223 million on the remeasurement at fair value of the previously exercised options on approximately 10 percent of FCA US's membership interests in connection with the acquisition of the remaining 41.5 percent interest in FCA US not previously owned;

(ii) a net increase of €1,239 million in provisions, mainly related to a €1,023 million increase in Other provisions following net adjustments to warranties for NAFTA and higher accrued sales incentives, primarily due to an increase in retail incentives as well as an increase in dealer stock levels to support increased sales volumes in NAFTA and a €216 million increase in employees benefits mainly related to U.S. and Canada pension plan as lower discount rates impact was not fully offset by higher return on assets;

(iii) positive impact of change in working capital of €965 million primarily driven by (a) €1,495 million increase in trade payables, mainly related to increased production in EMEA and NAFTA as a result of increased consumer demand for our vehicles (b) €123 million decrease in trade receivables in addition to (c) €21 million increase in net other current assets and liabilities, which were partially offset by (d) €674 million increase in inventory (net of vehicles sold under buy-back commitments), mainly related to increased finished vehicle and work in process levels at December 31, 2014 compared to December 31, 2013, in part driven by higher production levels in late 2014 to meet anticipated consumer demand in NAFTA, EMEA and Maserati segment.

(iv) €87 million dividends received from jointly-controlled entities.

The translation exchange differences in the period were positive for €1,219 million and mainly reflect the increase in Euro translated value of U.S. Dollar denominated cash and cash equivalent balances, due to the appreciation of the U.S. Dollar, as compared to December 31, 2013.

<u>*Operating Activities — Year Ended December 31, 2013*</u>

For the year ended December 31, 2013, our net cash from operating activities was €7,618 million and was primarily the result of:

(i) net profit of €1,951 million adjusted to add back (a) €4,635 million for depreciation and amortisation expense and (b) other non-cash items of €535 million, which primarily include €336 million of impairment losses on tangible and intangible assets, €59 million loss related to the devaluation of the official exchange rate of the Venezuelan Bolivar (VEF) per U.S. Dollar, €56 million write-off of the book value of the equity recapture rights resulting from the acquisition of the remaining 41.5% interest in FCA US that was not previously owned, €105 million of write-down in financial assets from the lending portfolio of our financial services activities, partially offset by €74 million of the share of profit or loss of equity method investees;

(ii) positive impact of change in working capital of €1,410 million primarily driven by (a) €1,328 million increase in trade payables, mainly related to increased production in NAFTA as a result of increased consumer demand for our vehicles, and increased production of Maserati, (b) €817 million in net other current assets and liabilities, mainly related to increases in accrued expenses and deferred income as well as indirect taxes payables, (c) €213 million decrease in trade receivables, principally due to the contraction of sales volumes in EMEA and LATAM which were partially offset by (d) €948 million increase in inventory (net of vehicles sold under buy-back commitments), mainly related to increased finished vehicle and work in process levels at December 31, 2013 compared to December 31, 2012, in part driven by higher production levels in late 2013 to meet anticipated consumer demand in NAFTA, APAC and Maserati segment;

(iii) a net increase of €457 million in provisions, mainly related to accrued sales incentives due to increased dealer stock levels at December 31, 2013 compared to December 31, 2012 to support increased sales volumes; which were partially offset by a net reduction in the post-retirement benefit reserve; and

(iv) €92 million dividends received from jointly-controlled entities.

These positive contributions were partially offset by:

(i) €1,578 million non-cash impact of deferred taxes mainly arising from the recognition of previously unrecognised deferred tax assets relating to FCA US.

*Investing Activities — Year Ended December 31, 2014*

For the year ended December 31, 2014, net cash used in investing activities was €8,140 million and was primarily the result of:

(i) €8,121 million of capital expenditures, including €2,267 million of capitalised development costs, to support investments in existing and future products. Capital expenditure primarily relates to the mass-market operations in NAFTA and EMEA and the on-going construction of the new plant at Pernambuco, Brazil, and

(ii) €137 million of a net increase in receivables from financing activities, of which €104 million related to the increased lending portfolio of the financial services activities of the Group and €31 million related to increased financial receivables due from jointly controlled financial services companies.

*Investing Activities — Year Ended December 31, 2013*

For the year ended December 31, 2013, our net cash used in investing activities was €8,054 million, and was primarily the result of:

(i) €7,492 million of capital expenditures, including €2,042 million of capitalised development costs, to support our investments in existing and future products. The capitalised development costs primarily include materials costs and personnel related expenses relating to engineering, design and development focused on content enhancement of existing vehicles, new models and powertrain programs in NAFTA and EMEA. The remaining capital expenditure primarily relates to the car mass-market operations in NAFTA and EMEA and the ongoing construction of the new LATAM plant at Pernambuco, Brazil;

(ii) €166 million related to equity investments, which principally includes €94 million of additional investment in RCS MediaGroup S.p.A., €37 million of capital injection into the 50 percent joint venture related to the GAC Fiat Chrysler Automobiles Co. Ltd. (previously known as GAC Fiat Automobiles Co. Ltd.); and

(iii) €459 million of net increase in receivables from financing activities, primarily due to the increased lending portfolio of the financial services activities of the Group.

These cash outflows were partially offset by:

(i) €59 million proceeds from the sale of tangible and intangible assets.

*Financing Activities — Year Ended December 31, 2014*

For the year ended December 31, 2014, net cash from financing activities was €2,137 million and was primarily the result of:

(i) net proceeds from the mandatory convertible securities issuance due 2016 of €2,245 million and the net proceeds from the offering of 100 million common shares of €849 million;

(ii) proceeds from bond issuances for a total amount of €4,629 million which includes (a) approximately €2,556 million of notes issued as part of the GMTN Programme and (b) €2,073 million (for a total face value of U.S.$2,755 million) of Secured Senior Notes issued by FCA US used to repay the VEBA Trust Note;

(iii) proceeds from new medium-term borrowings for a total of €4,876 million, which include (a) the incremental term loan entered into by FCA US of U.S.$250 million (€181 million) under its existing tranche B term loan facility and (b) the new U.S.$1,750 million (€1.3 billion) tranche B term loan, issued under a new term loan credit facility entered into by FCA US to facilitate the prepayment of the VEBA Trust Note, and new medium term borrowing in Brazil; and

(iv) a positive net contribution of €548 million from the net change in other financial payables and other financial assets/liabilities.

These positive items, were partially offset by:

(i) the cash payment to the VEBA Trust for the acquisition of the remaining 41.5 percent ownership interest in FCA US held by the VEBA Trust equal to U.S.$3,650 million (€2,691 million) and U.S.$60 million (€45 million) of tax distribution by FCA US to cover the VEBA Trust's tax obligation. In particular the consideration for the acquisition consisted of a special distribution paid by FCA US to its members on January 21, 2014 of U.S.$1,900 million (€1,404 million) (FCA NA's portion of the special distribution was assigned to the VEBA Trust as part of the purchase consideration) which served to fund a portion of the transaction; and a cash payment by FCA NA to the VEBA Trust of U.S.$1,750 million (€1.3 billion). The special distribution by FCA US and the cash payment by FCA NA for an aggregate amount of €2,691 million is classified as acquisition of non-controlling interest while the tax distribution (€45 million) is classified separately in the Statement of cash flows in the annual audited consolidated financial statements of the FCA Group for the year ended December 31, 2014 incorporated by reference in this Base Prospectus,

(ii) payment of medium-term borrowings for a total of €5,838 million, mainly related to the prepayment of all amounts under the VEBA Trust Note amounting to approximately U.S.$5 billion (€3.6 billion), including accrued and unpaid interest, and repayment of medium term borrowings primarily in Brazil;

(iii) the repayment on maturity of notes issued under the GMTN Programme, for a total principal amount of €2,150 million;

(iv) the net cash disbursement of €417 million for the exercise of cash exit rights in connection with the Merger.

<u>*Financing Activities —Year Ended December 31, 2013*</u>

For the year ended December 31, 2013, net cash from financing activities was €3,136 million and was primarily the result of:

(i) proceeds from bond issuances for a total amount of €2,866 million, relating to notes issued as part of Programme;

(ii) the repayment on maturity of notes issued under the Programme in 2006, for a total principal amount of €1 billion;

(iii) proceeds from new medium-term borrowings for a total of €3,188 million, which mainly include (a) new borrowings by the Brazilian companies for €1,686 million, primarily in relation to investments in the country (b) €400 million loan granted by the European Investment Bank in order to fund our investments and research and development costs in Europe and (c) €595 million (U.S.$790 million) related to the amendments and re-pricings in 2013 of the U.S.$3.0 billion tranche B term loan which matures May 24, 2017 and the revolving credit facility. In particular, pursuant to such amendments and re-pricings in 2013, an amount of U.S.$790 million of the outstanding principal balance of the U.S.$3.0 billion tranche B term loan which matures May 24, 2017 was repaid. However, new and continuing lenders acquired the portion of such loan, therefore the principal balance outstanding did not change. Refer to "*—Bank Debt—FCA US Senior Credit Facilities*", below, for additional information regarding this transaction;

(iv) repayment of medium-term borrowings on their maturity for a total of €2,558 million, including the €595 million (U.S.$790 million) relating to the amendments and re-pricings of the Senior Credit Facilities described above; and

(v) a positive net contribution of €677 million from the net change in other financial payables and other financial assets/liabilities.

*Net Industrial Debt*

Due to different sources of cash flows used for the repayment of the financial debt between industrial activities and financial services (by cash from operations for industrial activities and by collection of financial receivables for financial services) and the different business structure and leverage implications, we provide a separate analysis of Net Debt between industrial activities and financial services.

The division between industrial activities and financial services represents a sub-consolidation based on the core business activities (industrial or financial services) of each Group company. The sub-consolidation for industrial activities also includes companies that perform centralised treasury activities, such as raising funding in the market and financing Group companies, but do not however, provide financing to third parties. Financial services includes companies that provide retail and dealer finance, leasing and rental services in support of the car mass-market brands in certain geographical segments and for the luxury brands.

All FCA US activities are included under industrial activities. Since FCA US's cash management activities are managed separately from the rest of the Group, we also provide the analysis of Net Industrial Debt split between FCA excluding FCA US and FCA US.

Net Industrial Debt (*i.e.* Net Debt of Industrial Activities) is management's primary measure for analysing our financial leverage and capital structure and is one of the key targets used to measure our performance.

The following tables detail our Net Debt at September 30, 2015, December 31, 2014 and December 31, 2013.

| | At September 30, 2015 | | | | |
|---|---|---|---|---|---|
| | | Industrial Activities | | | |
| (€ million) | Total | FCA ex | FCA US | Financial Services | Consolidated |
| Third Parties Debt (Principal) | (29,596) | (21,330) | (8,266) | (1,200) | (30,796) |
| *Capital Market* [(1)] | *(16,248)* | *(13,499)* | *(2,749)* | *(282)* | *(16,530)* |
| *Bank Debt* | *(11,646)* | *(6,878)* | *(4,768)* | *(788)* | *(12,434)* |
| *Other Debt* [(2)] | *(1,702)* | *(953)* | *(749)* | *(130)* | *(1,832)* |
| Accrued interest and other adjustments[(3)] | (378) | (250) | (128) | (1) | (379) |
| **Debt with third Parties** | **(29,974)** | **(21,580)** | **(8,394)** | **(1,201)** | **(31,175)** |
| Intercompany financial receivables/payables (net)[(4)] | 1,441 | 1,492 | (51) | (1,441) | — |
| Current financial receivables from jointly-controlled financial services companies [(5)] | 32 | 32 | — | — | 32 |
| **Debt, net of intercompany and current financial receivables from jointly-controlled financial services companies** | **(28,501)** | **(20,056)** | **(8,445)** | **(2,642)** | **(31,143)** |
| Other financial assets/(liabilities) (net) [(6)] | 449 | 205 | 244 | 24 | 473 |
| Current securities | 207 | 207 | — | 24 | 231 |
| Cash and cash equivalents | 20,000 | 8,441 | 11,559 | 177 | 20,177 |
| **Net Debt** | **(7,845)** | **(11,203)** | **3,358** | **(2,417)** | **(10,262)** |

| | At December 31, 2014 | | | | | At December 31, 2013 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Industrial Activities | | Financial Services | Consolidated | | Industrial Activities | | Financial Services | Consolidated |
| (€ million) | | Fiat ex FCA US | FCA US | | | Total | Fiat ex FCA US | FCA US | | |
| Third Parties Debt (Principal) | (31,381) | (21,011) | (10,370) | (1,980) | (33,361) | (27,624) | (18,325) | (9,299) | (2,031) | (29,655) |
| *Capital Market* [(1)] | *(17,378)* | *(12,473)* | *(4,905)* | *(351)* | *(17,729)* | *(13,981)* | *(11,661)* | *(2,320)* | *(239)* | *(14,220)* |
| *Bank Debt* | *(11,904)* | *(7,484)* | *(4,420)* | *(1,216)* | *(13,120)* | *(7,635)* | *(5,095)* | *(2,540)* | *(1,297)* | *(8,932)* |
| *Other Debt* [(2)] | *(2,099)* | *(1,054)* | *(1,045)* | *(413)* | *(2,512)* | *(6,008)* | *(1,569)* | *(4,439)* | *(495)* | *(6,503)* |
| Accrued Interests and other adjustments [(3)] | (362) | (200) | (162) | (1) | (363) | (626) | (467) | (159) | (2) | (628) |
| **Debt with third Parties** | **(31,743)** | **(21,211)** | **(10,532)** | **(1,981)** | **(33,724)** | **(28,250)** | **(18,792)** | **(9,458)** | **(2,033)** | **(30,283)** |
| Intercompany Financial Receivables/Payables (net)[(4)] | 1,453 | 1,515 | (62) | (1,453) | — | 1,336 | 1,415 | (79) | (1,336) | — |
| Current financial receivables from jointly-controlled financial services companies [(5)] | 58 | 58 | — | — | 58 | 27 | 27 | — | — | 27 |
| **Debt, net of intercompany and current financial receivables from jointly-controlled financial services companies** | **(30,232)** | **(19,638)** | **(10,594)** | **(3,434)** | **(33,666)** | **(26,887)** | **(17,350)** | **(9,537)** | **(3,369)** | **(30,256)** |
| Other financial assets/(liabilities) (net) [(6)] | (229) | (251) | 22 | (4) | (233) | 399 | 323 | 76 | (3) | 396 |
| Current securities | 180 | 180 | — | 30 | 210 | 219 | 219 | — | 28 | 247 |
| Cash and cash equivalents | 22,627 | 10,653 | 11,974 | 213 | 22,840 | 19,255 | 9,579 | 9,676 | 200 | 19,455 |
| **Net Debt** | **(7,654)** | **(9,056)** | **1,402** | **(3,195)** | **(10,849)** | **(7,014)** | **(7,229)** | **215** | **(3,144)** | **(10,158)** |

(1) Includes bonds (€15,742 million at September 30, 2015, €16,980 million at December 31, 2014 and €13,966 million at December 31, 2013), the financial liability component of the mandatory convertible securities (€404 million at September 30, 2015 and €373 million at December 31, 2014) and other securities (€384 million at September 30, 2015, €376 million at December 31, 2014 and €254 million at December 31, 2013) issued in financial markets, mainly from LATAM financial services companies.

(2) Includes Canadian HCT notes (€356 million at September 30, 2015, €620 million at December 31, 2014 and €664 million at December 31, 2013), asset-backed financing, i.e. sales of receivables for which de-recognition is not allowed under IFRS (€179 million at September 30, 2015, €469 million at December 31, 2014 and €756 million at December 31, 2013) and arrangements accounted for as a lease under IFRIC 4 – *Determining whether an arrangement contains a lease*, and other financial payables. Also includes the VEBA Trust Note of €3,419 million at December 31, 2013.All amounts outstanding under the VEBA Trust Note were prepaid on February 7, 2014.

(3) Includes adjustments for fair value accounting on debt (€50 million at September 30, 2015, €67 million at December 31, 2014 and €78 million at December 31, 2013) and (accrued)/deferred interest and other amortising cost adjustments (€329 million at September 30, 2015, €296 million at December 31, 2014 and €550 million at December 31, 2013).

(4) Net amount between Industrial Activities financial receivables due from Financial Services (€1,550 million at September 30, 2015, €1,595 million at December 31, 2014 and €1,465 million at December 31, 2013) and Industrial Activities financial payables due to Financial Services (€109 million at September 30, 2015, €142 million at December 31, 2014 and €129 million at December 31, 2013).

(5) Financial receivables due from FCA Bank (previously known as FGA Capital S.p.A. or FGAC).

(6) Fair value of derivative financial instruments (net positive €436 million at September 30, 2015, net negative €271 million at December 31, 2014 and net positive, €376 million at December 31, 2013) and collateral deposits (€37 million at September 30, 2015, €38 million at December 31,2014 and €20 million at December 31, 2013).

*Change in Net Industrial Debt*

The following section sets forth an explanation of the changes in our Net Industrial Debt for the nine months ended September 30, 2015 and for the years ended December 31, 2014 and 2013.

*Nine months ended September 30, 2015*

The increase of Net Industrial Debt during the nine months ended September 30, 2015 from €7,654 million at December 31, 2014 to €7,845 million at September 30, 2015 was primarily driven by:

- cash flow from industrial operating activities of €5,440 million which represents the majority of the consolidated cash flow from operating activities of €5,473 million, more than offset by
  - investments in industrial activities of €6,466 million representing investments in property, plant and equipment and intangible assets and
  - the positive translation exchange differences of €826 million, primarily reflecting the effect of the devaluation of Brazilian Real when converting the Brazilian companies' Net Industrial Debt to Euro.

*2014*

In 2014 Net Industrial Debt increased by €640 million, from €7,014 million at December 31, 2013 to €7,654 million at December 31, 2014. The movements in Net Industrial Debt were primarily driven by:

- payments for the acquisition of the remaining 41.5 percent interest in FCA US previously not owned, inclusive of approximately 10 percent of previously exercised options subject to on-going litigation, of €2,691 million (U.S.$ 3,650 million);
- investments in industrial activities of €8,119 million representing investments in property, plant and equipment and intangible assets;

The increases noted above were partially offset by the reductions in Net Industrial Debt primarily driven by:

- contribution of the mandatory convertible securities issuance due 2016 of €1,910 million (net proceeds of €2,245 million net of the liability component of €335 million) and the net proceeds from the offering of 100 million common shares of €849 million, net of the exercise of cash exit rights in connection with the Merger for a net aggregate cash disbursement of €417 million;
- cash flow from industrial operating activities of €8,017 million which represents the consolidated cash flow from operating activities of €8,169 million net of the cash flows from operating activities attributable to financial services of €152 million.

For an explanation of the drivers in consolidated cash flows from operating activities see the "*—Cash Flows*", above.

*2013*

In 2013 Net Industrial Debt increased by €64 million, from €6,950 million at December 31, 2012 to €7,014 million at December 31, 2013. The movements in Net Industrial Debt were primarily driven by:

- cash flow from industrial operating activities of €7,534 million which represents the consolidated cash flow from operating activities of €7,618 million net of the cash flows from operating activities attributable to financial services of €84 million. For an explanation of the drivers in consolidated cash flows from operating activities, see "*—Operating Activities—Year Ended December 31, 2013*";

- investments in industrial activities property, plant and equipment of €7,486 million, representing almost all of the Group's investments in property, plant and equipment of €7,492 million; and

- additional investments in RCS MediaGroup S.p.A. for an amount of €94 million.

***Capital Market***

At September 30, 2015, December 31, 2014 and December 31, 2013 capital market debt mainly related to notes issued under the GMTN Programme by the Group (excluding FCA US), the secured senior notes of FCA US and short and medium-term marketable financial instruments issued by various subsidiaries, principally in LATAM. At September 30, 2015 and December 31, 2014, capital market debt also included the financial liability component of the mandatory convertible securities. At September 30, 2015, capital market debt also included a total principal amount of U.S.$3.0 billion (€2.8 billion) of unsecured senior debt securities issued by FCA in April 2015, as described below.

On June 17, 2015, subject to the terms and conditions set forth in our prospectus, we commenced an offer to exchange up to $1.5 billion aggregate principal amount of new 4.500% unsecured senior debt securities due 2020 registered under the Securities Act of 1933 ("2020 Notes"), for any and all of our outstanding Initial 2020 Notes issued on April 14, 2015, and up to $1.5 billion aggregate principal amount of new 5.250% unsecured senior debt securities due 2023 registered under the Securities Act of 1933 ("2023 Notes"), for any and all of our outstanding Initial 2023 Notes issued on April 14, 2015. The 2020 Notes and the 2023 Notes, collectively referred to as "the Notes", were identical in all material respects to the Initial Notes, except that the Notes did not contain restrictions on transfer. The exchange offer expired on July 23, 2015. Substantially all of the Initial Notes were tendered for the Notes.

For further information on the unsecured senior debt securities issued by FCA in 2015, see "*Liquidity and Capital Resources—FCA Unsecured Senior Debt Securities*" above.

The following table sets forth our outstanding bonds at September 30, 2015, December 31, 2014 and December 31, 2013.

| | Currency | Face value of outstanding bonds (in million) | Coupon | Maturity | At September 30, 2015 | At December 31, 2014 | At December 31, 2013 |
|---|---|---|---|---|---|---|---|
| **Global Medium Term Notes:** | | | | | | (€ million) | |
| Fiat Chrysler Finance Europe S.A.[1] | EUR | 1,500 | 6.875% | February 13, 2015 | — | 1,500 | 1,500 |
| Fiat Chrysler Finance Europe S.A.[2] | CHF | 425 | 5.000% | September 7, 2015 | — | 353 | 346 |
| Fiat Chrysler Finance Europe S.A.[1] | EUR | 1,000 | 6.375% | April 1, 2016 | 1,000 | 1,000 | 1,000 |
| Fiat Chrysler Finance Europe S.A.[1] | EUR | 1,000 | 7.750% | October 17,2016 | 1,000 | 1,000 | 1,000 |
| Fiat Chrysler Finance Europe S.A.[2] | CHF | 400 | 5.250% | November 23, 2016 | 367 | 333 | 326 |
| Fiat Chrysler Finance Europe S.A.[1] | EUR | 850 | 7.000% | March 23,2017 | 850 | 850 | 850 |
| Fiat Chrysler Finance North America, Inc.[1] | EUR | 1,000 | 5.625% | June 12, 2017 | 1,000 | 1,000 | 1,000 |
| Fiat Chrysler Finance Europe S.A.[2] | CHF | 450 | 4.000% | November 22, 2017 | 412 | 374 | 367 |
| Fiat Chrysler Finance Europe S.A.[1] | EUR | 1,250 | 6.625% | March 15, 2018 | 1,250 | 1,250 | 1,250 |
| Fiat Chrysler Finance Europe S.A.[1] | EUR | 600 | 7.375% | July 9, 2018 | 600 | 600 | 600 |
| Fiat Chrysler Finance Europe S.A.[2] | CHF | 250 | 3.125% | September 30, 2019 | 229 | 208 | — |
| Fiat Chrysler Finance Europe S.A.[1] | EUR | 1,250 | 6.750% | October 14, 2019 | 1,250 | 1,250 | 1,250 |
| Fiat Chrysler Finance Europe S.A.[1] | EUR | 1,000 | 4.750% | March 22, 2021 | 1,000 | 1,000 | — |
| Fiat Chrysler Finance Europe S.A.[1] | EUR | 1,350 | 4.750% | July 15, 2022 | 1,350 | 1,350 | |
| Others | EUR | 7 | | | 7 | 7 | 7 |
| **Total Global Medium Term Notes** | | | | | **10,315** | **12,075** | **11,646** |
| **Other bonds:** | | | | | | | |
| FCA US (Secured Senior Notes)[3] | U.S.$ | 2,875 | 8.000% | June 15, 2019 | — | 2,368 | 1,088 |
| FCA US (Secured Senior Notes)[3] | U.S.$ | 3,080 | 8.250% | June 15, 2021 | 2,749 | 2,537 | 1,232 |
| FCA[4] | U.S.$ | 1,500 | 4.500% | April 15, 2020 | 1,339 | — | — |
| FCA[4] | U.S.$ | 1,500 | 5.250% | April 15, 2023 | 1,339 | — | — |
| **Total other bonds** | | | | | 5,427 | 4,905 | 2,320 |
| **Hedging effect and amortised cost valuation** | | | | | 606 | 668 | 500 |
| **Total bonds** | | | | | **16,348** | **17,648** | **14,466** |

(1) Bond for which a listing on the Irish Stock Exchange was obtained.

(2) Bond for which a listing on the SIX Swiss Exchange was obtained.

(3) The notes due 2019 and the notes due 2021 Notes are collectively referred to as "Secured Senior Notes."

(4) The 2020 Notes and 2023 Notes are collectively referred to as the "Notes"; listing on the Irish Stock Exchange was obtained.

*Notes Issued under the GMTN Programme*

Certain bonds issued by the Group, excluding FCA US, are currently governed by the terms and conditions of the GMTN Programme that is the subject of this Base Prospectus. A maximum of €20 billion may be used under the GMTN Programme, of which notes of approximately €10.3 billion have been issued and are outstanding at September 30, 2015 (€12.1 billion at December 31, 2014). The GMTN Programme is guaranteed by FCA. We may from time to time buy back bonds in the market that have been issued by the Group entities, including for purposes of their cancellation. Such buybacks, if any, are subject to market conditions, our financial situation and other factors which could affect such decisions.

The bonds issued by Fiat Finance and Trade Ltd. (since renamed Fiat Chrysler Finance Europe) and by Fiat Finance North America Inc. (since renamed Fiat Chrysler Finance North America, Inc.) impose covenants on the issuer and, in certain cases, on FCA as guarantor, as described under "*Terms and Conditions of the Notes*".

*FCA US Secured Senior Notes*

Prior to June 15, 2016, the 2021 Secured Senior Notes ("2021 Notes") will be redeemable at a price equal to the principal amount of the 2021 Notes being redeemed, plus accrued and unpaid interest to the date of redemption and a "make–whole" premium calculated under the indenture governing these notes. On and after June 15, 2016, the 2021 Notes are redeemable at redemption prices specified in the 2021 Notes, plus accrued and unpaid interest to the date of redemption. The redemption price is initially 104.125 percent of the principal amount of the 2021 Notes being redeemed for the twelve months beginning June 15, 2016, decreasing to 102.75 percent for the twelve months beginning June 15, 2017, to 101.375 percent for the twelve months beginning June 15, 2018 and to par on and after June 15, 2019. For information on the redemption of the 2021 Notes, see "*Financial Review of the FCA Group—Significant Recent Events*".

The indenture governing the Secured Senior Notes issued by FCA US includes affirmative covenants, including the reporting of financial results and other developments. The indenture also includes negative covenants which limit FCA US's ability and, in certain instances, the ability of certain of its subsidiaries to, (i) pay dividends or make distributions of FCA US's capital stock or repurchase FCA US's capital stock; (ii) make restricted payments; (iii) create certain liens to secure indebtedness; (iv) enter into sale and leaseback transactions; (v) engage in transactions with affiliates; (vi) merge or consolidate with certain companies and (vii) transfer and sell assets. The indenture provides for customary events of default, including but not limited to, (i) non-payment; (ii) breach of covenants in the indenture; (iii) payment defaults or acceleration of other indebtedness; (iv) a failure to pay certain judgments and (v) certain events of bankruptcy, insolvency and reorganisation. If certain events of default occur and are continuing, the trustee or the holders of at least 25 percent in aggregate of the principal amount of the Secured Senior Notes outstanding under one of the series may declare all of the notes of that series to be due and payable immediately, together with accrued interest, if any.

The Secured Senior Notes are secured by security interests junior to the Senior Credit Facilities (as defined below) in substantially all of FCA US's assets and the assets of its U.S. subsidiary guarantors, subject to certain exceptions. The collateral includes 100 percent of the equity interests in FCA US's U.S. subsidiaries and 65 percent of the equity interests in certain of its non-U.S. subsidiaries held directly by FCA US and its U.S. subsidiary guarantors.

***Bank Debt***

Bank debt was primarily comprised of amounts due under (i) the senior credit facilities of FCA US of €4.3 billion at September 30, 2015 (€4.0 billion at December 31, 2014 and 2.1 billion at December 31, 2013), (ii) financial liabilities of the Brazilian operating entity (€4.1 billion at September 30, 2015, €4.7 billion at December 31, 2014 and €2.9 billion at December 31, 2013) relating to a number of financing arrangements with certain Brazilian development banks, primarily used to support capital expenditures, including those in our Pernambuco plant as well as to fund the financial services business in that country, (iii) loans provided by EIB (€1.3 billion at September 30, 2015, €1.0 billion at December 31, 2014 and €1.1 billion at December 31, 2013) to fund our investments and research and development costs, (iv) amounts drawn down by FCA treasury companies (excluding FCA US) under short and medium term credit facilities (€0.8 billion at September 30, 2015, €1.4 billion at December 31, 2014 and €1.1 billion at December 31, 2013) and (v) amounts outstanding relating to financing arrangements of FCA Mexico amounting to €0.4 billion at September 30, 2015 (€0.4 billion was outstanding relating to financing arrangements of FCA Mexico with certain Mexican development banks at December 31, 2014 and December 31, 2013).

The main terms and conditions of the principal bank facilities are described as follows.

*FCA US Senior Credit Facilities*

The Tranche B Term Loan due 2017 of FCA US consists of the existing U.S.$3.0 billion (€2.7 billion at September 30, 2015) tranche B term loan) that matures on May 24, 2017, or the Original Tranche B Term Loan, and an additional U.S.$250 million (€223 million at September 30, 2015) term loan entered into on February 7, 2014 under the Original Tranche B Term Loan that also matures on May 24, 2017, collectively the Tranche B Term Loan due 2017. The Original Tranche B Term Loan was re-priced in June and in December 2013 and subsequently, all amounts outstanding under Tranche B Term Loan due 2017 will bear interest at FCA's option at either a base rate plus 1.75 percent per annum or at LIBOR plus 2.75 percent per annum, subject to a base rate floor of 1.75 percent per annum or a LIBOR floor of 0.75 percent per annum. For the year ended December 31, 2014 and for the nine months ended September 30, 2015, interest was accrued based on LIBOR. The outstanding principle amount and accrued interest of the Tranche B Term Loan due 2017 was €2,788 million at September 30, 2015 (€2,587 million at December 31, 2014).

On February 7, 2014, FCA US entered into a U.S.$1,750 million (€1.563 million at September 30, 2015) tranche B term loan issued under a new term loan credit facility, or the Tranche B Term Loan due 2018, that matures on December 31, 2018. The outstanding principal amount of the Tranche B Term Loan due 2018. The Tranche B Term Loan due 2018 bears interest, at FCA US's option, either at a base rate plus 1.50 percent per annum or at LIBOR plus 2.50 percent per annum, subject to a base rate floor of 1.75 percent per annum or a LIBOR floor of

0.75 percent per annum. At September 30, 2015, a total of €1,532 million (including accrued interest) was outstanding on the Tranche B Term Loan due 2018 (€1,421 million at December 31, 2014).

FCA US may pre-pay, refinance or re-price the Tranche B Term Loan due 2017 and the Tranche B Term Loan due 2018 without premium or penalty.

In addition, FCA US had a secured revolving credit facility amounting to U.S.$1.3 billion that FCA US elected to terminate effective November 25, 2015. The secured revolving credit facility was also re-priced in June 2013 and as a result, all amounts outstanding under the secured revolving credit facility bear interest, at the option of FCA US, either at a base rate plus 2.25 percent per annum or at LIBOR plus 3.25 percent per annum.

The Tranche B Term Loan due 2017, Tranche B Term Loan due 2018 and the U.S.$1.3 billion revolving credit facility of FCA US, are collectively referred to as the Senior Credit Facilities. Subject to the limitations in the credit agreements governing the Senior Credit Facilities, or the Senior Credit Agreements and the indenture governing the Secured Senior Notes, FCA US has the option to increase the amount of the FCA US revolving credit facility in an aggregate principal amount not to exceed U.S.$700 million (approximately €577 million) subject to certain conditions.

The Senior Credit Facilities are secured by a senior priority security interest in substantially all of FCA US's assets and the assets of its U.S. subsidiary guarantors, subject to certain exceptions. The collateral includes 100.0 percent of the equity interests in FCA US's U.S. subsidiaries and 65 percent of the equity interests in its non-U.S. subsidiaries held directly by FCA US and its U.S. subsidiary guarantors.

The Senior Credit Agreements include negative covenants, including but not limited to: (i) limitations on incurrence, repayment and prepayment of indebtedness; (ii) limitations on incurrence of liens; (iii) limitations on making certain payments; (iv) limitations on transactions with affiliates, swap agreements and sale and leaseback transactions; (v) limitations on fundamental changes, including certain asset sales and (vi) restrictions on certain subsidiary distributions. In addition, the Senior Credit Agreements require FCA US to maintain a minimum ratio of "borrowing base" to "covered debt" (as defined in the Senior Credit Agreements), as well as a minimum liquidity of U.S.$3.0 billion (€2.5 billion), which includes any undrawn amounts on the FCA US revolving credit facility.

The Senior Credit Agreements contain a number of events of default related to: (i) failure to make payments when due; (ii) failure to comply with covenants; (iii) breaches of representations and warranties; (iv) certain changes of control; (v) cross–default with certain other debt and hedging agreements and (vi) the failure to pay or post bond for certain material judgments. As of September 30, 2015, December 31, 2015 and December 31,2014 FCA US was in compliance with all covenants under the Senior Credit Agreements.

*Syndicated Credit Facility of the Group Excluding FCA US*

In June 2015, FCA entered into a new €5.0 billion syndicated revolving credit facility. The RCF, which is for general corporate purposes and working capital needs of the Group, replaces and expands the €2.1 billion three-year revolving credit facility entered into by FCA on June 21, 2013 and will replace the U.S.$1.3 billion five-year revolving credit facility that FCA US elected to terminate effective November 25, 2015. The RCF is available in two tranches. As of September 30, 2015, the first tranche of €2.5 billion was available and was undrawn. The first tranche matures in July 2018 and has two extension options (1-year and 11-month, respectively) which are exercisable on the first and second anniversary of signing. The second tranche, which consists of an additional €2.5 billion, matures in June 2020 and will be available upon the elimination of the restrictions under certain of FCA US's financing documentation on the provision of guarantees and payment of dividends by FCA US for the benefit of the rest of the Group (refer to Note 27 of the consolidated financial statements at December 31, 2014 for more detail on the restrictions). The covenants of the RCF include financial covenants (Net Debt/Adjusted EBITDA and Adjusted EBITDA/Net Interest ratios related to industrial activities) and negative pledge, *pari passu*, cross default and change of control clauses. The failure to comply with these covenants, in certain cases if not suitably remedied, can lead to the requirement of early repayment of the outstanding loans.

*European Investment Bank Borrowings*

As of December 31, 2014, we had financing agreements with the European Investment Bank, or EIB, for a total of €1.1 billion primarily to support investments and research and development projects. In particular, financing agreements included (i) two facilities of €400 million (maturing in 2018) and €250 million (repaid on maturity in

March 2015) for the purposes of supporting research and development programs in Italy to protect the environment by reducing emissions and improving energy efficiency and (ii) €500 million facility (maturing in 2021) for an investment program relating to the modernization and expansion of production capacity of an automotive plant in Serbia.

As of September 30, 2015 these facilities had been fully drawn.

In addition, on June 29, 2015, FCA, the European Investment Bank (the "EIB") and SACE finalized a €600 million loan earmarked to support the Group's automotive research, development and production plans for 2015 to 2017 which includes studies for efficient vehicle technologies for vehicle safety and new vehicle architectures. The three-year loan due July 2018 provided by the EIB, which is also 50 percent guaranteed by SACE, relates to FCA's production and research and development sites in both northern and southern Italy. The loan was fully drawn at September 30, 2015.

The covenants applicable to the EIB borrowings are similar to those applicable to the Syndicated Credit Facility explained above.

***Other Debt***

At September 30, 2015, Other debt includes the principal balance of the unsecured Canadian Health Care Trust Notes, or HCT Notes, totalling €356 million (€620 million at December 31, 2014; €703 million at December 31, 2013), which represents FCA US's Canadian subsidiary's financial liability to the Canadian Health Care Trust arising from the settlement of its obligations for postretirement health care benefits for National Automobile, Aerospace, Transportation and General Workers Union of Canada, or CAW (now part of Unifor), represented employees, retirees and dependents. During the nine months ended September 30, 2015, FCA US's Canadian subsidiary prepaid the remaining scheduled payments on the Canada HCT Tranche A Note.

The remaining components of Other debt mainly related to amounts outstanding under finance leases, amounts due to related parties and interest bearing deposits of dealers in Brazil.

At September 30, 2015, debt secured by assets of the Group, excluding FCA US, amounted to €746 million (€777 million at December 31, 2014; €432 million at December 31, 2013), of which €376 million (€379 million at December 31, 2014; €386 million at December 31, 2013) was due to creditors for assets acquired under finance leases and the remaining amount mainly related to subsidised financing in Latin America.

At September 30, 2015, debt secured by assets of FCA US amounted to €8,035 million (€9,881 million at December 31, 2014; €5,180 million at December 31, 2013), and included €7,229 million (€9,093 million at December 31, 2014; €4,448 million at December 31, 2013) relating to the Secured Senior Notes and the senior credit facilities of FCA US, €239 million (€251 million at December 31, 2014; €165 million at December 31, 2013) was due to creditors for assets acquired under finance leases and other debt and financial commitments for €567 million (€537 million at December 31, 2014; €567 million at December 31, 2013).

**Significant Recent Events**

*Ferrari N.V. initial public offering*

On October 26, 2015, Ferrari N.V. completed its initial public offering ("IPO") in which FCA sold 18,892,150 Ferrari N.V. common shares (or approximately 10 percent) and received net proceeds of approximately €0.9 billion. Immediately following this offering, FCA owned approximately 80 percent of Ferrari N.V. common shares, Piero Ferrari owned 10 percent of common shares and public shareholders owned the remaining approximately 10 percent of common shares.

In October 2015, in connection with the IPO and in preparation for the spin-off of Ferrari, FCA carried out an internal corporate restructuring of Ferrari. As part of this reorganisation, FCA transferred its shares of Ferrari S.p.A. to Ferrari N.V., a subsidiary of FCA, and provided a capital contribution to Ferrari N.V. while Ferrari N.V. issued a note payable to FCA in the amount of €2.8 billion (the "FCA Note")[3] . As a result and in connection with the transactions in which Piero Ferrari exchanged his Ferrari S.p.A. shares for Ferrari N.V. shares, FCA paid €280 million to Piero Ferrari.

[3] The FCA Note is eliminated in consolidation and does not have an effect on the Group's consolidated debt prior to the Ferrari spin-off.

On November 23, 2015, Ferrari N.V. and FE New N.V.[4] announced the filing of an application for the listing of the common shares of Ferrari on the MTA.

*Approval of the Separation of Ferrari by the EGM*

On December 3, 2015, FCA announced that the EGM approved a demerger pursuant to which FCA will transfer all of the shares held by it in Ferrari N.V. to FE Interim B.V., a newly-formed Dutch company, and FE Interim B.V. will issue shares to FCA's shareholders. The separation is part of a series of transactions intended to separate FCA's remaining ownership interest in Ferrari N.V. and to distribute that ownership interest to holders of FCA shares and mandatory convertible securities. Those transactions are expected to be consummated in early January 2016.

*Ferrari N.V. signs €2.5 billion syndicated credit facility*

On November 30, 2015, Ferrari N.V. announced that it has entered into a €2.5 billion syndicated loan facility with a group of ten bookrunner banks. The facility comprises a bridge loan and a term loan of €2 billion in aggregate and a revolving credit facility of €500 million. Proceeds of the bridge loan and term loan will be used to refinance indebtedness owing to FCA and other indebtedness and for other general corporate purposes. Proceeds of the revolving credit facility may be used from time to time for general corporate and working capital purposes of the Ferrari group. The bridge loan has a 12 month maturity with an option for Ferrari to extend once for a six-month period. Ferrari intends to refinance the bridge loan prior to its maturity with longer term debt, including through capital markets or other financing transactions. The term loan, which comprises a majority of the total facility, and the revolving credit facility each have a maturity of five years. The facility is limited in recourse to Ferrari and any Ferrari subsidiaries which borrow under the facility, and is without recourse to any other part of the FCA group.

*UAW Agreement*

On October 22, 2015, FCA US and the UAW signed a new four-year national collective bargaining agreement, which will expire in September 2019. The provisions of the new agreement continue certain opportunities for success-based compensation upon meeting certain quality and financial performance metrics. The agreement closes the pay gap between "Traditional" and "In-progression" employees over an eight year period and will continue to provide UAW-represented employees with a simplified adjusted profit sharing plan. The adjusted profit sharing plan will be effective for the 2016 plan year and is directly aligned with NAFTA profitability. The agreement includes lump-sum payments in lieu of further wage increases of primarily $4,000 for "Traditional" employees and $3,000 for "In-progression" employees totalling approximately $141 million (€126 million) that was paid to UAW members on November 6, 2015.

*GAC Group*

A total of RMB 700 million (€100 million) was contributed to our joint venture with the GAC Group on October 28, 2015. The Group's ownership percentage remained unchanged at 50 percent.

*Redemption of the 2021 Notes*

On November 20, 2015, FCA announced that its subsidiary FCA US issued a notice to redeem all of its outstanding 2021 Notes. In accordance with the terms of the indenture under which the 2021 Notes were issued, the 2021 Notes are expected to be redeemed in full on December 21, 2015 (the "Redemption Date") at a redemption price equal to the $3,080,000,000 aggregate principal amount, plus accrued and unpaid interest to the Redemption Date and the applicable "make-whole" premium to be determined pursuant to the Indenture. FCA US intends to use cash on hand to fund the redemption.

*Termination of the U.S.$1.3 billion Revolving Credit Facility*

On November 20, 2015, FCA announced that FCA US issued a notice to terminate its undrawn U.S.$1.3 billion revolving credit facility, effective November 25, 2015. The revolving credit facility would have matured in May 2016 and is being replaced by a tranche of the €5.0 billion RCF entered into by FCA in June 2015. The second of the RCF's two €2.5 billion tranches will become available upon the elimination of the contractual restrictions under the FCA US financing documentation on the provision of guarantees and payment of dividends by FCA US for the benefit of the rest of the Group, which is expected to occur in the first half of next year.

4 As part of the separation, Ferrari N.V. will be merged into FE New N.V. which immediately before the merger will hold the shares in Ferrari N.V. now held by FCA FE New N.V. will then be renamed Ferrari N.V., and its common shares will be listed on the MTA and the NYSE.

## CORPORATE GOVERNANCE

### Overview of Corporate Governance

FCA is a public company with limited liability, incorporated and organised under the laws of the Netherlands, which results from the cross-border merger of Fiat with and into Fiat Investments N.V., renamed Fiat Chrysler Automobiles N.V. upon effectiveness of the merger on October 12, 2014. The Company qualifies as a foreign private issuer under the NYSE listing standards and its common shares are listed on the NYSE and on the MTA. In accordance with the NYSE Listed Company Manual, FCA is permitted to follow home country practice with regard to certain corporate governance standards. The Company has adopted, except as discussed below, the best practice provisions of the Dutch corporate governance code issued by the Dutch Corporate Governance Code Committee, which entered into force on January 1, 2009 (the "Dutch Corporate Governance Code") and contains principles and best practice provisions that regulate relations between the board of directors of a company and its shareholders. Dutch companies whose shares are listed on a government-recognised stock exchange, such as FCA, are required under Dutch law to disclose in their annual reports whether or not they apply the provisions of the Dutch Corporate Governance Code and, in the event that they do not apply a certain provision, to explain the reasons why they have chosen to deviate. Therefore, FCA intends to comply with the relevant best practice provisions of the Dutch Corporate Governance Code except as may be noted from time to time in FCA's annual reports.

### Board of Directors

Pursuant to FCA's articles of association, the Board of Directors may have three or more directors. At the general meeting of the shareholders held on August 1, 2014, the number of the members of the Board of Directors upon completion of the merger was set at eleven and elected the board of directors. On April 16, 2015, at the annual general shareholders' meeting, FCA's shareholders re-elected all the directors initially appointed on August 1, 2014 for a one-year term. Each Director may be reappointed at any subsequent general meeting of shareholders.

The Board of Directors as a whole is responsible for the strategy of the Company. At the date of this Base Prospectus, the Board of Directors is composed of two executive directors (*i.e.*, the Chairman and the Chief Executive Officer), having responsibility for the day-to-day management of the company, and nine non-executive directors, who do not have such day-to-day responsibility within FCA or the Group. Unless otherwise indicated, the business address of each director listed below will be c/o FCA, 25 St. James' Street, London SW1A 1HA, United Kingdom.

At the date of this Base Prospectus, the members of the Board of Directors are as follows:

| Name | Position |
|---|---|
| John P. Elkann(3) | Chairman and Executive Director |
| Sergio Marchionne | Chief Executive Officer and Executive Director |
| Ronald L. Thompson(1) | Non-executive Director |
| Andrea Agnelli | Non-executive Director |
| Tiberto Brandolini d'Adda | Non-executive Director |
| Glenn Earle(1) | Non-executive Director |
| Valerie A. Mars(1) | Non-executive Director |
| Ruth J. Simmons(3) | Non-executive Director |
| Patience Wheatcroft(1) (3) | Non-executive Director |
| Stephen M. Wolf(2) | Non-executive Director |
| Ermenegildo Zegna(2) | Non-executive Director |

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) Member of the Governance and Sustainability Committee.

The Chairman is an executive director. He also serves on the board of FCA's principal subsidiaries, but has no operational powers with regard to those companies.

Some Directors also hold positions at other companies. Excluding the positions held by the executive directors within the FCA Group, the most significant are as follows:

(i) John Elkann: Giovanni Agnelli & C. S.a.p.az., Chairman; Exor S.p.A., Chairman and Chief Executive Officer; Editrice La Stampa S.p.A., Chairman; News Corporation, Director; The Economist Group, Director; Banca Leonardo, Director; Cushman&Wakefield, Chairman; The World Post, Member of the Editorial Board; CNH Industrial N.Y., Director;

(ii) Sergio Marchionne: Exor S.p.A., Director; Ferrari S.p.A., Chairman; CNH Industrial N.Y., Chairman; FCA US, Chairman and CEO Iveco S.p.A., Chairman, CNH Industrial International S.A., Chairman; FPT Industrial S.p.A., Chairman; FCA Italy S.p.A., Chairman and CEO; SGS S.A., Chairman; ACEA – European Automobile Manufacturers Association, Director; Philip Morris International Inc., Director;

(iii) Ronald L. Thompson: Teachers Insurance and Annuity Association, Chairman of the Board of Trustees; Plymouth Venture Partners II Fund 201, Member of the Advisory Board; Medical University of South Carolina Foundation, Member of the Board;

(iv) Andrea Agnelli: Juventus Football Club S.p.A., Chairman; Fiat Chrysler Automobiles N.V., Director; Exor S.p.A., Director, BlueGem Capital Partners LLP, Member of the Advisory Board; European Club Association, Director;

(v) Tiberto Brandolini d'Adda: Yafa S.p.A., Director; Giovanni Agnelli & C. S.a.p.az., General Partner;

(vi) Glenn Earle: Royal National Theatre, Director; Teach First, Director; Inside Track I, LLP, Partner; Inside Track 2, LLP, Partner;

(vii) Valerie A. Mars: Mars, Incorporated, Senior Vice President & Head of Corporate Development and Member of the Remuneration Committee; Rabobank North American, Member of the Advisory Board; Hellostage, Director; Royal Canin, Director; KKM, Founding Partner; Conservation International, Director; The Open Space Institute, Director;

(viii) Ruth J. Simmons: FCA US, Director; Mondelez International, Director; Texas Instruments, Director;

(ix) Patience Wheatcroft: Bell Pottinger LLP, Member of the Advisory Board, St. James's Place PLC, Director; British Museum, Member of Board of Trustees; Financial Times, Chairman of the Active Appointment and Oversight Committee;

(x) Stephen M. Wolf: Philip Morris International, Director; Trilantic Capital Partners, Director;

(xi) Ermenegildo Zegna: Monterubello S.S., Vice President; Zegna Holditalia S.p.A., CEO; Ermenegildo Zegna Corp., Director; Consitex S.A., CEO; Coti Service S.A., CEO; CNMI Camera Nazionale della Moda Italiana, Director; lese Business School (*Instituto de estudios superiores de la impresa*), Member of the International Advisory Board; University of Navarra – Council for the United States and Italy, Member.

Summary biographies for each of our directors are included below.

**John Elkann** – John Elkann is the chairman of FCA. He was appointed chairman of Fiat on April 21, 2010 where he has served as vice chairman since 2004 and as a board member since December 1997. Mr. Elkann is also chairman and chief executive officer of Exor and chairman of Giovanni Agnelli & C. S.a.p.az. Born in New York in 1976, Mr. Elkann obtained a scientific baccalaureate from the Lycée Victor Duruy in Paris, and graduated in Engineering and Management from Politecnico, the Engineering University of Turin. While at university, he gained work experience in various companies of the Fiat Group in the UK and Poland (manufacturing) as well as in France (sales and marketing). He started his professional career in 2001 at General Electric as a member of the Corporate Audit Staff, with assignments in Asia, the USA and Europe. Mr. Elkann is chairman of Cushman & Wakefield and Italiana Editrice and a board member of CNH Industrial, The Economist Group, News Corporation and Banca Leonardo. Mr. Elkann is a member of the IAC of the Brookings Institution and of MoMA. He also serves as vice chairman of the Italian Aspen Institute and of the Giovanni Agnelli Foundation.

**Sergio Marchionne** – Mr. Marchionne currently serves as Chief Executive Officer of FCA and Chairman, and Chief Executive Officer of both FCA US and FCA Italy S.p.A. Since October 2014, Mr. Marchionne has served as Chariman of Ferrari S.p.A. Mr. Marchionne leads FCA's Group Executive Council, and has been Chief Operating Officer of its NAFTA region since September 2011. He also serves as Chairman of CNH Industrial. He was the chairman of Fiat Industrial and CNH Global N.V. until the integration of these companies into CNH Industrial.

Prior to joining FCA's predecessor company, Fiat, Mr. Marchionne served as Chief Executive Officer of SGS SA, Chief Executive Officer first and then Chairman of the Lonza Group Ltd., and Chief Executive Officer of Alusuisse Lonza (Algroup). He also served as Vice President of Legal and Corporate Development and Chief Financial Officer of the Lawson Mardon Group after serving as Chief Financial Officer of Acklands Ltd. and Executive Vice President of Glenex Industries. Mr. Marchionne holds a Bachelor of Laws from Osgoode Hall Law School at York University in Toronto, Canada and a Master of Business Administration and a Bachelor of Commerce from the University of Windsor, Canada. Mr. Marchionne also holds a Bachelor of Arts with a major in Philosophy and minor in Economics from the University of Toronto.

Mr. Marchionne serves on the Board of Directors of Philip Morris International Inc. and as Chairman of SGS SA headquartered in Geneva. Additionally, Mr. Marchionne serves as Chairman of CNH Industrial, and as a director of Exor, a shareholder of FCA and CNH Industrial. Mr. Marchionne is on the Board of Directors of ACEA (European Automobile Manufacturers Association). He previously served as appointed non-executive Vice Chairman and Senior Independent Director of UBS AG as well as a director of Fiat Industrial.

**Ronald L. Thompson** – Ronald L. Thompson is the senior non-executive director of FCA. He was appointed to the board of directors of FCA US on July 6, 2009. Thompson is currently chairman of the board of trustees for Teachers Insurance and Annuity Association (TIAA), a for-profit life insurance company that serves the retirement and financial needs of faculty and employees of colleges and universities, hospitals, cultural institutions and other non-profit organisations. He also serves on the board of trustees for Washington University in St. Louis, Mo., on the Board of Directors of the Medical University of South Carolina Foundation and as a member of the advisory board of Plymouth Venture Partners Fund. Thompson was the chief executive officer and chairman of Midwest Stamping Company of Maumee, Ohio, a manufacturer of medium and heavy gauge metal components for the automotive market. Under Thompson's ownership, the company experienced rapid growth as a Tier One automotive supplier and became one of the largest minority-owned companies in the U.S. He sold the company in late 2005. Thompson has served on the boards of many different companies including Commerce Bank of St. Louis, GR Group (U.S.) , Illinova Corporation, Interstate Bakeries Corporation, McDonnell Douglas Corporation, Midwest Stamping Company, Ralston Purina Company and Ryerson Tull, Inc. He was also a member of the Board of Directors of the National Association of Manufacturers. He was General Manager at Puget Sound Pet Supply Company and Chairman and Chief Executive Officer at Evaluation Technologies. Thompson has served on the faculties of Old Dominion University, Virginia State University and the University of Michigan. Thompson holds a Ph.D. and Master of Science in Agricultural Economics from Michigan State University and a Bachelor of Business Administration from the University of Michigan.

**Andrea Agnelli** – Andrea Agnelli is chairman of Juventus Football Club S.p.A. and Lamse S.p.A., a holding company of which he is a founding shareholder. Born in Turin in 1975, he studied at Oxford (St. Clare's International College) and Milan (Università Commerciale Luigi Bocconi). While at university, he gained professional experience both in Italy and abroad, including positions at: Iveco-Ford in London; Piaggio in Milan; Auchan Hypermarché in Lille; Schroder Salomon Smith Barney in London; and, finally, Juventus Football Club S.p.A. in Turin. He began his career in 1999 at Ferrari Idea in Lugano, where he was responsible for promoting and developing the Ferrari brand in non-automotive areas. In November 2000, he moved to Paris and assumed responsibility for marketing at Uni Invest SA, a Banque San Paolo company specialised in managed investment products. From 2001 to 2004, Mr. Agnelli worked at Philip Morris International in Lausanne, where he initially had responsibility for marketing and sponsorships and, subsequently, corporate communication. In 2005, he returned to Turin to work in strategic development for IFIL Investments S.p.A. (now Exor). Mr. Agnelli is a general partner of Giovanni Agnelli & C. S.a.p.az., a member of the board of directors of Exor, a member of the advisory board of BlueGem Capital Partners LLP, in addition to serving on the board of the European Club Association. Mr. Agnelli has been a member of the board of directors of Fiat since May 30, 2004.

**Tiberto Brandolini d'Adda** – Born in Lausanne (Switzerland) in 1948 and a graduate in commercial law from the University of Parma. From 1972 to 1974, Mr. Brandolini d'Adda gained his initial work experience in the international department of Fiat and then at Lazard Bank in London. In 1975, he was appointed assistant to the Director General for Enterprise Policy at the European Economic Commission in Brussels. In 1976 he joined Ifint, as general manager for France. In 1985, he was appointed general manager for Europe and then in 1993 managing director of Exor group (formerly Ifint), where he also served as vice chairman from 2003 until 2007. He has extensive international experience as a main board director of several companies, including: Le Continent, Bolloré Investissement, Société Foncière Lyonnaise, Safic-Alcan and Chateau Margaux. Mr. Brandolini d'Adda served as director and then, from 1997 to 2003, as chairman of the conseil de surveillance of Club Mediterranée. In May 2004, he was appointed chairman of the conseil de surveillance of Worms & Cie, where he had served as deputy chairman since 2000. In May 2005, he became chairman and chief executive officer of Sequana Capital (formerly Worms & Cie). Mr. Brandolini d'Adda is a member of the board of directors of YAFA S.p.A. He is general partner of Giovanni Agnelli & C. S.a.p.az. and vice chairman of Exor, formed through the merger between IFI and IFIL Investments. Brandolini d'Adda is Officier de la Légion d'Honneur. He has been a member of the board of directors of Fiat since May 30, 2004.

**Glenn Earle** – Glenn Earle is a senior advisor at Affiliated Managers Group Limited (AMG) and a board member and trustee of the Royal National Theatre and of Teach First, where he is a member of the finance committee. He is also a Director of Rothesay Holdco UK and chairman of the advisory board of Cambridge University Judge Business School. Mr. Earle retired in December 2011 from Goldman Sachs International, where he was most recently a partner managing director and the chief operating officer. He previously worked at Goldman Sachs in various roles in New York, Frankfurt and London from 1987, becoming a Partner in 1996. From 1979 to 1985 he worked in the Latin America Department at Grindlays Bank/ANZ in London and New York, leaving as a vice president. He is a graduate of Emmanuel College, Cambridge and of Harvard Business School, where he earned an MBA with High Distinction and was a Baker Scholar and Loeb, Rhoades Fellow. His other activities include membership of the The Higher Education Commission and The William Pitt Group at Chatham House. His previous responsibilities include membership of the board of trustees of the Goldman Sachs Foundation and of the Ministerial Task Force for Gifted and Talented Youth and the Development Advisory Forum of Emmanuel College, Cambridge. Mr. Earle has been an independent member of the board of directors of Fiat since June 23, 2014.

**Valerie A. Mars** – Valerie Mars serves as senior vice president & head of corporate development for Mars, Incorporated, a $32 billion diversified food business, operating in over 120 countries and one of the largest privately held companies in the world. In this position, she focuses on acquisitions, joint ventures and divestitures for the company. She served on the Mars, Incorporated audit committee, currently serves on its remuneration committee and is a member of the board of Royal Canin. Additionally, Mars is a member of the Rabobank North American Advisory Board and is on the Board of Hello Stage. Mars is also a founding partner of KKM, a consulting partnership dedicated to advising family businesses that are planning the transition from the owner-manager to the next generation. Mars served on the board of Celebrity Inc. a NASDAQ listed company from 1994 to September 2000. Previously, Mars was the director of corporate development for Masterfoods Europe. Her European work experience began in 1996 when she became general manager of Masterfoods Czech and Slovak Republics. Mars joined M&M/Mars on a part time basis in 1992 and began working on special projects. She worked on the due diligence for an acquisition and was part of the company's Innovation Team and VO2Max Team. Prior to joining Mars, Incorporated, Mars was a controller with Whitman Heffernan Rhein, a boutique investment company. She began her career with Manufacturers Hanover Trust Company as a training programme participant and rose to Assistant Secretary supporting U.S. clients and then companies with global operations like General Motors and Dow Chemical. Mars was involved in a number of community and educational organisations and currently serves on the Board of Conservation International. She is a director emeritus of The Open Space Institute. Previously she served on the Hotchkiss School Alumni Nominating Committee and the Prague American Chamber of Commerce Board. Mars holds a Bachelor of Arts degree from Yale University and a MBA from the Columbia Business School.

**Ruth J. Simmons** – Ruth J. Simmons was appointed to the board of directors of FCA US in June 2012. Simmons, President of Brown University from 2001 until June 30, 2012, remains with the university as president emerita. Prior to joining Brown University, she was president of Smith College, where she started the first engineering programme at a U.S. women's college. She also was vice provost at Princeton University and provost at Spelman College and she held various positions of increasing responsibility until becoming associate dean of the faculty at Princeton University; she previously was assistant dean and then associate dean at the University of Southern California, she held various positions including acting director of international programs at the California State University (Northridge), she was assistant dean at the College of Liberal Arts, assistant professor of French at the University of New Orleans, admissions officer at the Radcliffe College, instructor in French at the George Washington University and interpreter – Language Services Division at the U.S. Department of State. Simmons serves on several boards, including those of Princeton University and Texas Instruments. Simmons is a graduate of Dillard University in New Orleans (1967), and received her Ph.D. in Romance languages and literatures from Harvard University (1973). Simmons is a Fellow of the American Academy of Arts and Sciences and a member of the Council on Foreign Relations.

**Patience Wheatcroft** – Patience Wheatcroft is a British national and graduate in law from the University of Birmingham. She is also a member of the House of Lords and a financial commentator and journalist. Ms.

Wheatcroft currently serves on the advisory board of the public relations company Bell Pottinger LLP. She also serves as non-executive director of the wealth management company St. James's Place PLC. Ms. Wheatcroft has a broad range of experience in the media and corporate world with past positions at the Wall Street Journal Europe, where she was editor-in-chief, The Sunday Telegraph, The Times, Mail on Sunday, as well as serving as non-executive director of Barclays Group PLC and Shaftesbury PLC. Since 2011, she has been a member of the House of Lords. Finally, Ms. Wheatcroft is also on the board of trustees of the British Museum. Ms. Wheatcroft has been an independent member of the board of directors of Fiat since April 4, 2012.

**Stephen M. Wolf** – Stephen M. Wolf was appointed to the board of directors of FCA US on July 6, 2009. Wolf became chairman of R. R. Donnelley & Sons Company, a full service provider of print and related services, in 2004. He has served as the managing partner of Alpilles LLC since 2003. Previously, he was chairman of US Airways Group Inc. and US Airways Inc. Wolf was chairman and CEO of US Airways from 1996 until 1998. Prior to joining US Airways, Wolf had served since 1994 as senior advisor to the investment banking firm, Lazard Frères & Co. From 1987 to 1994, he served as chairman and chief executive officer of UAL Corporation and United Airlines Inc. Wolf's career in the aviation industry began in 1966 with American Airlines, where he rose to the position of vice president. He joined Pan American World Airways as a senior vice president in 1981 and became president and COO of Continental Airlines in 1982. In 1984, he became president and CEO of Republic Airlines, where he served until 1986 at which time he orchestrated the Company's merger with Northwest Airlines. Thereafter, he served as chairman and CEO of Tiger International, Inc. and The Flying Tiger Line, Inc. where he oversaw the sale of the company to Federal Express. Wolf also serves as a member of the board of directors of Philip Morris International and as Chairman of the Advisory Board of Trilantic Capital Partners, previously Lehman Brothers Merchant Banking. Wolf had also served as chairman of Lehman Brothers Private Equity Advisory Board. Wolf is an honorary trustee of The Brookings Institution. Wolf holds a Bachelor of Arts degree in Sociology from San Francisco State University.

**Ermenegildo Zegna** – Ermenegildo Zegna has been chief executive officer of the Ermenegildo Zegna Group since 1997, having served on the board since 1989. Previously, he held senior executive positions within the Zegna Group including the United States, after a retail experience at Bloomingdale's, New York. Zegna, the standard of excellence for the entire luxury fashion industry, is a vertically integrated company that covers sourcing wool at the markets of origin, manufacturing, marketing right through directly operated stores. Under the guidance of the fourth generation, the Group expanded its network to 545 stores, of which 310 are fully owned, in over 100 countries. In 2013, Zegna reached consolidated sales of €1.27 billion, achieving global leadership in men's luxury wear. The company's success is based on an increasingly wide-reaching portfolio of products and styles – formal, casual and sports apparel, avant-garde lines, shoes, leather accessories, and under license fragrances, eyewear, underwear and watches.

He is also a member of the international advisory board of IESE Business School of Navarra; he is board member of the Camera Nazionale della Moda Italiana and of the Council for the United States and Italy. In 2011 he was nominated Cavaliere del Lavouro by the President of the Italian Republic. A graduate in economics from the University of London, Ermenegildo Zegna also studied at the Harvard Business School.

On certain key industrial matters the Board of Directors is advised by the Group Executive Council (the "GEC"): the GEC is an operational decision-making body of the Company's group (the "Group"), which is responsible for reviewing the operating performance of the businesses, and making decisions on certain operational matters as further discussed below under "*The Group Executive Council*".

Seven Directors qualified as independent (representing a majority) for purposes of NYSE rules, Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the Dutch Corporate Governance Code.

The Board of Directors has also appointed Mr. Ronald L. Thompson as Senior Non-Executive Director in accordance with Section III.8.1 of the Dutch Corporate Governance Code.

Save as disclosed in this subsection entitled "*—Board of Directors*", "*Financial Review of the FCA Group*" and in Note 24 to the audited consolidated financial statements of the FCA Group as of and for the year ended December 31, 2014, incorporated by reference in this Base Prospectus, at the date of this Base Prospectus, as far as FCA is aware, neither the Directors nor the senior managers of FCA have any potential conflicts of interest between any duties to FCA and private interests or other duties.

Pursuant to Article 17 of the Articles of Association, the general authority to represent the Company shall be vested in the Board of Directors and the Chief Executive Officer.

***Board Regulations***

On October 29, 2014 the Board of Directors adopted its regulations. Such regulations deal with matters that concern the Board of Directors and its committees internally.

The regulations contain provisions concerning the manner in which meetings of the Board of Directors are called and held, including the decision-making process. The regulations provide that meetings may be held by telephone conference or video-conference, provided that all participating Directors can follow the proceedings and participate in real time discussion of the items on the agenda.

The Board of Directors can only adopt valid resolutions when the majority of the Directors in office shall be present at the meeting or be represented thereat.

A Director may only be represented by another Director authorised in writing. A Director may not act as a proxy for more than one other Director.

All resolutions shall be adopted by the favourable vote of the majority of the Directors present or represented at the meeting, provided that the regulations may contain specific provisions in this respect. Each Director shall have one vote.

The Board of Directors shall be authorised to adopt resolutions without convening a meeting if all Directors shall have expressed their opinions in writing, unless one or more Directors shall object in writing to the resolution being adopted in this way prior to the adoption of the resolution.

The regulations are available on the Company’s website.

***The Audit Committee***

The Audit Committee is responsible for assisting and advising the Board of Directors’ oversight of: (i) the integrity of the Company’s financial statements, (ii) the Company’s policy on tax planning, (iii) the Company’s financing, (iv) the Company’s applications of information and communication technology, (v) the systems of internal controls that management and the Board of Directors have established, (vi) the Company’s compliance with legal and regulatory requirements, (vii) the Company’s compliance with recommendations and observations of internal and independent auditors, (viii) the Company’s policies and procedures for addressing certain actual or perceived conflicts of interest, (ix) the independent auditors’ qualifications, independence, remuneration and any non-audit services for the Company, (x) the performance of the Company’s internal auditors and of the independent auditors, (xi) risk management guidelines and policies, and (xii) the implementation and effectiveness of the Company’s ethics and compliance programme.

The Audit Committee currently consists of Mr. Glenn Earle (Chairman), Mr. Thompson, Ms. Wheatcroft and Ms. Mars. The Audit Committee is elected by the Board of Directors and is comprised of at least three non-executive Directors.

Audit Committee members are also required (i) not to have any material relationship with the Company or to serve as auditors or accountants for the Company, (ii) to be “independent”, for purposes of NYSE rules, Rule 10A-3 of the Exchange Act and the Dutch Corporate Governance Code, and (iii) to be “financially literate” and have “accounting or selected financial management expertise” (as determined by the Board of Directors). At least one member of the Audit Committee shall be a “financial expert” as defined by the Sarbanes-Oxley Act and the rules of the U.S. Securities and Exchange Commission and best practice provision III.5.7 of the Dutch Corporate Governance Code. No Audit Committee member may serve on more than four audit committees for other public companies, absent a waiver from the Board of Directors, which must be disclosed in the annual report on Form 20-F. Unless decided otherwise by the Audit Committee, the independent auditors of the Company attend its meetings while the Chief Executive Officer and Chief Financial Officer are free to attend the meetings.

***The Governance and Sustainability Committee***

The Governance and Sustainability Committee is responsible for, among other things, assisting and advising the Board of Directors with: (i) the identification of the criteria, professional and personal qualifications for candidates to serve as Directors, (ii) periodical assessment of the size and composition of the Board of Directors, (iii) periodical assessment of the performance of individual Directors and reporting on this to the Board of Directors, (iv) proposals for appointment of executive and non-executive Directors, (v) supervision of the selection criteria and appointment procedure for senior management, (vi) monitoring and evaluating reports on the Group's sustainable development policies and practices, management standards, strategy, performance and governance globally, and (vii) reviewing, assessing and making recommendations as to strategic guidelines for sustainability-related issues, and reviewing the annual Sustainability Report.

The Governance and Sustainability Committee currently consists of Mr. Elkann (Chairman), Ms. Wheatcroft and Ms. Simmons. The Governance and Sustainability Committee is elected by the Board of Directors and is comprised of at least three Directors. No more than two members may be non-independent, and at most one of the members may be an executive Director.

In addition, as described above, the charters of the Audit Committee, Compensation Committee and Governance and Sustainability Committee set forth independence requirements for their members for purposes of the Dutch Corporate Governance Code. Audit Committee members are also required to qualify as independent for purposes of NYSE rules and Rule 10A-3 of the Exchange Act.

***The Compensation Committee***

The Compensation Committee is responsible for, among other things, assisting and advising the Board of Directors in: (i) determining executive compensation consistent with the Company's remuneration policy, (ii) reviewing and approving the remuneration structure for the executive Directors, (iii) administering equity incentive plans and deferred compensation benefit plans, and (iv) discussing with management the Company's policies and practices related to compensation and issuing recommendations thereon.

The Compensation Committee currently consists of Mr. Wolf (Chairman), Ms. Mars and Mr. Zegna. The Compensation Committee is elected by the Board of Directors and is comprised of at least three non-executive directors. Unless decided otherwise by the Compensation Committee, the Head of Human Resources of the Company attends its meetings.

***The Group Executive Council***

The GEC is an operational decision-making body of the FCA Group, which is responsible for reviewing the operating performance of the businesses, making decisions on certain operational matters and providing advice to the Board of Directors on certain key industrial matters.

For this purpose, the GEC is composed of 4 main groupings: regional operations, brands, industrial processes, and support/corporate functions.

The first consists of 4 Regional Operations Groups for car manufacturing and sales, plus Automotive Components (mainly Magneti Marelli) and Castings (Teksid). A Chief Operating Officer (COO) is responsible for driving each organisation via a regional Management Team. The COOs are accountable for the profit/loss of their region/business and management of regional resources, including manufacturing and commercial activities.

The second grouping reflects the Group's focus and emphasis on its brands. Each of the global or potentially global brands is represented within GEC through Brand Leaders who are responsible for continuous improvement and development of appropriate brand portfolios, as well as implementation of adequate commercial and marketing strategies in each operating region.

The third grouping is composed of Industrial Process Leaders, who are responsible for managing industrial processes across operating regions, as well as optimising the Group's capital allocation.

The final grouping is composed of Support Process Leaders.

The members of the GEC are:

- Sergio Marchionne as Chief Executive Officer, FCA, Chairman and Chief Executive Officer of FCA US and FCA Italy and Chief Operating Officer of NAFTA;
- Alfredo Altavilla as Chief Operating Officer Europe, Africa and Middle East (EMEA) and Head of Business Development;

- Stefan Ketter as Chief Manufacturing Officer and Chief Operating Officer Latin America (LATAM);
- Michael Manley as Chief Operating Officer APAC and Head of Jeep/Ram Brand;
- Riccardo Tarantini as Chief Operating Officer Castings (Teksid);
- Pietro Gorlier as Head of Parts & Service (MOPAR); and Chief Operating Officer of Components (Magneti Marelli);
- Olivier François as Chief Marketing Officer and Head of Fiat Brand;
- Harald Wester as Chief Technology Officer and Head of Alfa Romeo and Maserati;
- Reid Bigland as Head of NAFTA Sales, Head of Alfa Romeo and Head of NAFTA Fleet;
- Timothy Kuniskis as Head of NAFTA Passenger Car Brands;
- Ralph V. Gilles as Head of Design;
- Scott Garberding as Head of Group Purchasing;
- Mark Chernoby as Head of Quality, Head of Product Portfolio Management and Chief Operating Officer Product Development;
- Bob Lee as Head of Powertrain Coordination;
- Richard Palmer as Chief Financial Officer;
- Linda Knoll as Chief Human Resources Officer;
- Alessandro Baldi as Chief Audit Officer and Sustainability; and
- Michael J. Keegan as GEC Coordinator.

**Major Shareholders**

On the basis of the information published on the website of the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten* or AFM) on December 4, 2015 FCA is indirectly controlled by Giovanni Agnelli & C. S.a.p.az through Exor S.p.A. – which owns 751,607,740 FCA shares (*i.e.*, 46.65% of the issued shares including both common and special voting shares). Exor also purchased U.S.$886 million (€730 million) in aggregate notional amount of mandatory convertible securities that were issued in December 4, 2014 (see Note 23 of the annual audited consolidated financial statements of the FCA Group for the year ended December 31, 2014 for further information).

As a result of the loyalty voting mechanism, Exor's voting power is approximately 46.65%. In addition to Giovanni Agnelli & C. S.a.p.az, the other major shareholder who holds more than 3% of the voting rights in FCA is Baillie Gifford & Co, which indirectly holds 3.88% of the issued shares.

The above percentages reflect the percentages calculated on the basis of the aggregate number of issued shares in the capital of FCA (including any treasury shares) on October 12, 2014, the date that the relevant shareholder was obliged to file a notification with the AFM.

Consequently, Exor could strongly influence all matters submitted to a vote of FCA shareholders, including approval of annual dividends, election and removal of directors and approval of extraordinary business combinations. FCA has in place certain measures to prevent the abuse of control of majority shareholders.

On April 16, 2015, FCA's shareholders elected seven out of 11 directors who qualify as independent for purposes of NYSE rules, Rule 10A-3 of the Exchange Act and the Dutch Corporate Governance Code. Independent directors therefore represent a majority of the members of the Board of Directors.

In addition, as described above, the charters of the Audit Committee, Compensation Committee and Governance and Sustainability Committee set forth independence requirements for their members for purposes of the Dutch Corporate Governance Code. Audit Committee members are also required to qualify as independent for purposes of NYSE rules and Rule 10A-3 of the Exchange Act.

**Loyalty Voting Structure**

The Company implemented a loyalty voting structure, pursuant to which the former shareholders of Fiat were able to elect to receive one special voting share with a nominal value of €0.01 per share for each common share they were entitled to receive in the Merger, provided that they fulfilled the requirements described in the terms and conditions of the special voting shares. Such shareholders had their common shares registered in a separate register (the "Loyalty Register") of the Company's shareholders register. Following this registration, a corresponding number of special voting shares were allocated to the above-mentioned Shareholders. By signing an election form, whose execution was necessary to elect to receive special voting shares, shareholders also agreed to be bound by the terms and conditions thereof, including the transfer restrictions described below.

Following the completion of the Merger, new shareholders may at any time elect to participate in the loyalty voting structure by requesting that the Company registers all or some of their common shares in the Loyalty Register. If these common shares have been registered in the Loyalty Register (and thus blocked from trading in the regular trading system) for an uninterrupted period of three years in the name of the same shareholder, such shares become eligible to receive special voting shares (the "Qualifying Common Shares") and the relevant shareholder will be entitled to receive one special voting share for each such Qualifying Common Share. If at any time such common shares are de-registered from the Loyalty Register for whatever reason, the relevant shareholder shall lose its entitlement to hold a corresponding number of special voting shares.

A holder of Qualifying Common Shares may at any time request the de-registration of some or all such shares from the Loyalty Register, which will allow such shareholder to freely trade its common shares. From the moment of such request, the holder of Qualifying Common Shares shall be considered to have waived her or his rights to cast any votes associated with such Qualifying Common Shares. Upon the de-registration from the Loyalty Register, the relevant shares will therefore cease to be Qualifying Common Shares. Any de-registration request would automatically trigger a mandatory transfer requirement pursuant to which the special voting shares will be acquired by the Company for no consideration (om niet) in accordance with the terms and conditions of the special voting shares.

The Company's common shares are freely transferable. However, any transfer or disposal of the Company's common shares with which special voting shares are associated would trigger the de-registration of such common shares from the Loyalty Register and the transfer of all relevant special voting shares to the Company. Special voting shares are not admitted to listing and are transferable only in very limited circumstances. In particular, no shareholder shall, directly or indirectly: (a) sell, dispose of or transfer any special voting share or otherwise grant any right or interest therein; or (b) create or permit to exist any pledge, lien, fixed or floating charge or other encumbrance over any special voting share or any interest in any special voting share.

The purpose of the loyalty voting structure is to grant long-term shareholders an extra voting right by means of granting a special voting share (shareholders holding special voting shares are entitled to exercise one vote for each special voting share held and one vote for each common share held), without entitling such shareholders to any economic rights, other than those pertaining to the common shares. However, under Dutch law, the special voting shares cannot be excluded from economic entitlements. As a result, pursuant to the Articles of Association, holders of special voting shares are entitled to a minimum dividend, which is allocated to a separate special dividend reserve (the "Special Dividend Reserve"). A distribution from the Special Dividend Reserve or the (partial) release of the Special Dividend Reserve, will require a prior proposal from the board of directors and a subsequent resolution of the meeting of holders of special voting shares. The power to vote upon the distribution from the Special Dividend Reserve is the only power that is granted to that meeting, which can only be convened by the Board of Directors as it deems necessary. The special voting shares do not have any other economic entitlement.

Section 10 of the terms and conditions of the special voting shares include liquidated damages provisions intended to discourage any attempt by holders to violate the terms thereof. These liquidated damages provisions may be enforced by the Company by means of a legal action brought by the Company in the courts of the Netherlands. In particular, a violation of the provisions of the above-mentioned terms and condition concerning the transfer of special voting shares may lead to the imposition of liquidated damages.

Pursuant to Section 12 of the terms and conditions of the special voting shares, any amendment to the terms and conditions (other than merely technical, non-material amendments) may only be made with the approval of the general meeting of shareholders of the Company.

A Shareholder must promptly notify the Company upon the occurrence of a change of control, which is defined in Article 1.1. of the Articles of Association as including any direct or indirect transfer, carried out through one or a series of related transactions, by a shareholder that is not an individual (*natuurlijk persoon*) as a result of which (i) a majority of the voting rights of such shareholder, (ii) the de facto ability to direct the casting of a majority of the votes exercisable at general meetings of shareholders of such shareholder and/or (iii) the ability to appoint or remove a majority of the directors, executive directors or board members or executive officers of such shareholder or to direct the casting of a majority or more of the voting rights at meetings of the board of directors, governing body or executive committee of such shareholder has been transferred to a new owner. No change of control shall be deemed to have occurred if (a) the transfer of ownership and/or control is an intragroup transfer under the same parent company, (b) the transfer of ownership and/or control is the result of the succession or the liquidation of assets between spouses or the inheritance, inter vivo donation or other transfer to a spouse or a relative up to and including the fourth degree or (c) the fair market value of the Qualifying Common Shares held by such shareholder represents less than twenty percent (20%) of the total assets of the Transferred Group at the time of the transfer and the Qualifying Common Shares held by such shareholder, in the sole judgment of the Company, are not otherwise material to the Transferred Group or the change of control transaction.

Article 1.1. of the Articles of Association defines "Transferred Group" as comprising the relevant shareholder together with its affiliates, if any, over which control was transferred as part of the same change of control transaction, as such term is defined in the above mentioned Article of the Articles of Association. A change of control will trigger the de- registration of the relevant Qualifying Common Shares from the Loyalty Register and the suspension of the special voting rights attached to the Qualifying Common Shares.

If the Company was to be dissolved and liquidated, after all the debts of the Company have been paid, any remaining balances would be distributed in the following order of priority: (i) first, to satisfy the aggregate balance of share premium reserves and other reserves than the Special Dividend Reserve to the holders of common shares in proportion to the aggregate nominal value of the common shares held by each of them; (ii) second, an amount equal to the aggregate amount of the nominal value of the common shares to the holders thereof in proportion to the aggregate nominal value of the common shares held by each of them; (iii) third, an amount equal to the aggregate amount of the special voting shares dividend reserve to the holders of special voting shares in proportion to the aggregate nominal value of the special voting shares held by each of them; and (iv) fourth, the aggregate amount of the nominal value of the special voting shares to the holders thereof in proportion to the aggregate nominal value of the special voting shares held by each of them.

**Internal Control System**

The Group has in place an internal control system (the "System"), based on the model provided by the COSO Framework (Committee of Sponsoring Organisations of the Treadway Commission Report – Enterprise Risk Management model) and the principles of the Dutch Corporate Governance Code, which consists of a set of policies, procedures and organisational structures aimed at identifying, measuring, managing and monitoring the principal risks to which FCA is exposed. The System is integrated within the organisational and corporate governance framework adopted by FCA and contributes to the protection of corporate assets, as well as to ensuring the efficiency and effectiveness of business processes, reliability of financial information and compliance with laws, regulations, the articles of association and internal procedures.

The System, which has been developed on the basis of international best practices, consists of the following three levels of control:

- Level 1: operating areas, which identify and assess risk and establish specific actions for management of such risk;
- Level 2: departments responsible for risk control, which define methodologies and instruments for managing risk and monitoring such risk;
- Level 3: internal audit, which conducts independent evaluations of the System in its entirety.

***Principal Characteristics of the Internal Control System and Internal Control over Financial Reporting***

FCA has in place a system of risk management and internal control over financial reporting based on the model provided in the COSO Framework, according to which the internal control system is defined as a set of rules, procedures and tools designed to provide reasonable assurance of the achievement of corporate objectives. In relation to the financial reporting process, reliability, accuracy, completeness and timeliness of the information contribute to the achievement of such corporate objectives. Risk management is an integral part of the internal control system. A periodic evaluation of the system of internal control over financial reporting is designed to ensure the overall effectiveness of the components of the COSO Framework (control environment, risk assessment, control activities, information and communication, and monitoring) in achieving those objectives.

The Company has a system of administrative and accounting procedures in place that ensure a high degree of reliability in the system of internal control over financial reporting.

The approach adopted by FCA for the evaluation, monitoring and continuous updating of the system of internal control over financial reporting, is based on a 'top-down, risk-based' process consistent with the COSO Framework. This enables focus on areas of higher risk and/or materiality, where there is risk of significant errors, including those attributable to fraud, in the elements of the financial statements and related documents. The key components of the process are:

- identification and evaluation of the source and probability of material errors in elements of financial reporting;
- assessment of the adequacy of key controls in enabling ex-ante or ex-post identification of potential misstatements in elements of financial reporting; and
- verification of the operating effectiveness of controls based on the assessment of the risk of misstatement in financial reporting, with testing focused on areas of higher risk.

Identification and evaluation of the risk of misstatements which could have material effects on financial reporting is carried out through a risk assessment process that uses a top-down approach to identify the organisational entities, processes and the related accounts, in addition to specific activities, which could potentially generate significant errors. Under the methodology adopted by FCA, risks and related controls are associated with the accounting and business processes upon which accounting information is based.

Significant risks identified through the assessment process require definition and evaluation of key controls that address those risks, thereby mitigating the possibility that financial reporting will contain any material misstatements.

In accordance with international best practices, the Group has two principal types of control in place:

- controls that operate at Group or subsidiary level, such as delegation of authorities and responsibilities, separation of duties, and assignment of access rights for IT systems; and
- controls that operate at process level, such as authorisations, reconciliations, verification of consistencies, etc. This category includes controls for operating processes, controls for closing processes and cross-sector controls carried out by captive service providers. These controls can be preventive (*i.e.*, designed to prevent errors or fraud that could result in misstatements in financial reporting) or detective (*i.e.*, designed to reveal errors or fraud that have already occurred). They may also be defined as manual or automatic, such as application-based controls relating to the technical characteristics and configuration of IT systems supporting business activities.

An assessment of the design and operating effectiveness of key controls is carried out through tests performed by internal audit functions, both at group and subsidiary level using sampling techniques recognised as best practices internationally. The internal audit function also conducts a qualitative review of the tests performed by subsidiary companies.

The assessment of the controls may require the definition of compensating controls and plans for remediation and improvement. The results of monitoring are subject to periodic review by the manager responsible for FCA's financial reporting and communicated by him to senior management and to the Audit Committee (which in turn reports to the Board of Directors).

**Code of Conduct**

The Company and all its subsidiaries refer to the principles contained in the FCA code of conduct (the "Code of Conduct") approved by the Board of Directors of Fiat Chrysler Automobiles N.V. last April 29, 2015.The Code applies to all board members and officers of Fiat Chrysler Automobiles N.V. and its subsidiaries, as well as full-time and part-time employees of the FCA Group and any of its subsidiaries. The Code also applies to all temporary, contract and all other individuals and companies that act on behalf of the FCA Group, wherever they are located in the world.

The Code of Conduct represents a set of values recognised, adhered to and promoted by the Group which understands that conduct based on the principles of diligence, integrity and fairness is an important driver of social and economic development.

The Code of Conduct is a pillar of the integrity system which regulates the decision-making processes and operating approach of the Group and its employees in the interests of stakeholders. The Code of Conduct amplifies aspects of conduct related to the economic, social and environmental dimensions, underscoring the importance of dialog with stakeholders. Explicit reference is made to the UN's Universal Declaration on Human Rights, the principal Conventions of the International Labor Organisation (ILO), the OECD Guidelines for Multinational Enterprises, the U.S. Foreign Corrupt Practices Act (FCPA) and United Kingdom Bribery Act (UKBA). The FCA Group has specific Guidelines relating to: the Environment, Health and Safety, Business Ethics and Anti-corruption, Suppliers, Human Resource Management, Respect of Human Rights, Conflicts of Interest, Community Investment, Data Privacy, Use of IT and Communications Equipment, Antitrust and Export controls.

The FCA Group shall use its best efforts to ensure that the Code is regarded as a best practice of business conduct and observed by those third parties with whom it maintains business relationships of a lasting nature such as suppliers, dealers, advisors and agents. In fact, Group contracts worldwide include specific clauses relating to recognition and adherence to the principles underlying the Code of Conduct, as well as compliance with local regulations, particularly those related to corruption, money-laundering, terrorism and other crimes constituting liability for legal persons.

The Code of Conduct is available on the Governance section of the Group's website.

**Insider Trading Policy**

On October 10, 2014, the Board of Directors adopted an insider trading policy setting forth guidelines and recommendations to all directors, officers and employees of the Group with respect to transactions in FCA's securities. This policy, which also applies to immediate family members and members of the households of persons covered by the policy, is designed to prevent insider trading or allegations of insider trading, and to protect FCA's for integrity and ethical conduct.

## FINANCIAL INFORMATION RELATING TO FCA

The following financial information has been extracted from the audited annual statutory financial statements of FCA as of and for the year ended December 31, 2014.

The audited annual statutory financial statements of FCA as of and for the year ended December 31, 2014 have been prepared in accordance with the legal requirements set forth in Title 9, Book 2 of the Dutch Civil Code. Section 362(8), Book 2 of the Dutch Civil Code allows companies that apply IFRS as adopted by the European Union in their consolidated financial statements to use the same measurement principles in their statutory financial statements. However, as allowed by applicable law, subsidiaries are accounted for using the net equity value in the statutory financial statements. For additional information on such accounting policies, please see section "*Significant accounting policies*" set forth in the audited annual statutory financial statements of FCA as of and for the year ended December 31, 2014, incorporated by reference in this Base Prospectus.

The Merger was accounted for using the "pooling of interest method." Therefore, comparative figures for the year ended December 31, 2013 have been adjusted as if the companies have always been merged.

These financial statements are incorporated by reference herein.

**INCOME STATEMENT**

| | **For the years ended ear ended December 31,** | |
|---|---|---|
| | **2014** | **2013** |
| | (in Euro million) | |
| Result from investments | 1,131 | 1,127 |
| Other operating income | 63 | 83 |
| Personnel costs | (28) | (39) |
| Other operating costs | (132) | (72) |
| Financial income/(expense) | (475) | (210) |
| **PROFIT BEFORE TAXES** | **559** | **889** |
| Income taxes | 9 | 15 |
| **PROFIT FROM CONTINUING OPERATIONS** | **568** | **904** |
| Profit from discontinued operations | — | — |
| **PROFIT** | **568** | **904** |

**STATEMENT OF FINANCIAL POSITION**

| | As of December 31, 2014 | 2013 |
|---|---|---|
| | (in Euro million) | |
| **ASSETS** | | |
| Property, plant and equipment | 29 | 30 |
| Equity investments | 22,227 | 12,695 |
| Other financial assets | 1,329 | 14 |
| Total fixed assets | **23,585** | **12,739** |
| Trade receivables | 14 | 7 |
| Other current receivables | 326 | 191 |
| Cash and cash equivalents | 11 | 1 |
| **Total current assets** | **351** | **199** |
| **TOTAL ASSETS** | **23,936** | **12,938** |
| **EQUITY AND LIABILITIES** | | |
| **Equity** | | |
| Share capital | 17 | 4,477 |
| Capital reserve | 3,742 | – |
| Legal Reserves | 10,556 | 6,081 |
| Retained profit/(loss) | (1,468) | (3,136) |
| Profit/(loss) for the year | 568 | 904 |
| **Total equity** | **13,425** | **8,326** |
| Provisions for employee benefits and other provisions | 27 | 143 |
| Non-current debt | 197 | 414 |
| Other non-current liabilities | 15 | 16 |
| Deferred tax liabilities | 8 | 12 |
| **Total non-current liabilities** | **247** | **585** |
| Provisions for employee benefits and other current provisions | **2** | **11** |
| Trade payables | 19 | 19 |
| Current debt | 9,714 | 3,780 |
| Other financial liabilities | 135 | - |
| Other debt | 394 | 217 |
| **Total current liabilities** | **10,264** | **4,027** |
| **TOTAL EQUITY AND LIABILITIES** | **23,936** | **12,938** |

# FINANCIAL INFORMATION RELATING TO THE FCA GROUP

The financial information presented below has been extracted from the annual audited consolidated financial statements of the FCA Group for the year ended December 31, 2014, and the unaudited interim condensed consolidated financial statements of the FCA Group, as of and for the nine months ended September 30, 2015.

Both sets of financial statements have been prepared in accordance with IFRS issued by IASB and adopted by the European Union and are incorporated by reference herein.

The unaudited interim condensed consolidated financial statements of the FCA Group as of and for the nine months ended September 30, 2015 have been prepared on the same basis as the annual audited consolidated financial statements of the FCA Group for the year ended December 31, 2014 and include all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the unaudited interim condensed consolidated financial statements. Interim results are not necessarily indicative of results that may be expected for a full year or any future interim period.

The Group adopted IFRS 11—*Joint arrangements*, as amended as of January 1, 2014 and retrospectively applied those amendments from January 1, 2013. For the impacts of the adoption of IFRS 11 on the December 31, 2013 comparative amounts, see "*New Standards and amendments effective from January 1, 2014*" in the annual audited consolidated financial statements of the FCA Group for the year ended December 31, 2014 incorporated by reference herein. For further information, see "*Presentation of financial information*".

Investors are advised to review the full financial statements before making any investment decision.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

| | At September 30, 2015 |
|---|---|
| | (€ million) |
| **Assets** | |
| Intangible assets: | 25,023 |
| *Goodwill and intangible assets with indefinite useful lives* | *15,166* |
| *Other intangible assets* | *9,857* |
| Property, plant and equipment | 27,271 |
| Investments and other financial assets | 2,017 |
| Deferred tax assets | 3,307 |
| Other assets | 129 |
| **Total Non-current assets** | **57,747** |
| Inventories | 12,162 |
| Assets sold with a buy-back commitment | 2,415 |
| Trade receivables | 3,387 |
| Receivables from financing activities | 3,117 |
| Current tax receivables | 308 |
| Other current assets | 2,813 |
| Current financial assets: | 1,417 |
| Cash and cash equivalents | 20,177 |
| **Total Current assets** | **45,796** |
| Assets held for sale | 8 |
| **Total Assets** | **103,551** |
| **Equity and liabilities** | |
| Equity: | 14,554 |
| *Equity attributable to owners of the parent* | *14,197* |
| *Non-controlling interest* | *357* |
| Provisions: | 23,275 |
| Deferred tax liabilities | 211 |
| Debt | 31,175 |
| Other financial liabilities | 669 |
| Other current liabilities | 11,877 |
| Current tax payables | 224 |
| Trade payables | 21,566 |
| **Total Equity and liabilities** | **103,551** |

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (AUDITED)

| | At December 31, 2014 | 2013 |
|---|---|---|
| | (€ million) | |
| **Assets** | | |
| Intangible assets: | 22,847 | 19,514 |
| *Goodwill and intangible assets with indefinite useful lives* | *14,012* | *12,440* |
| *Other intangible assets* | *8,835* | *7,074* |
| Property, plant and equipment | 26,408 | 23,233 |
| Investments and other financial assets: | 2,020 | 2,052 |
| *Investments accounted for using the equity method* | *1,471* | *1,388* |
| *Other investments and financial assets* | *549* | *664* |
| Defined benefit plan assets | 114 | 105 |
| Deferred tax assets | 3,547 | 2,903 |
| **Total Non-current assets** | **54,936** | **47,807** |
| Inventories | 12,467 | 10,278 |
| Trade receivables | 2,564 | 2,544 |
| Receivables from financing activities | 3,843 | 3,671 |
| Current tax receivables | 328 | 312 |
| Other current assets | 2,761 | 2,323 |
| Current financial assets: | 761 | 815 |
| *Current investments* | *36* | *35* |
| *Current securities* | *210* | *247* |
| *Other financial assets* | *515* | *533* |
| Cash and cash equivalents | 22,840 | 19,455 |
| **Total Current assets** | **45,564** | **39,398** |
| Assets held for sale | 10 | 9 |
| **Total Assets** | **100,510** | **87,214** |
| **Equity and liabilities** | | |
| Equity: | 13,738 | 12,584 |
| *Equity attributable to owners of the parent* | *13,425* | *8,326* |
| *Non-controlling interest* | *313* | *4,258* |
| Provisions: | 20,372 | 17,427 |
| Deferred tax liabilities | 233 | 278 |
| Debt | 33,724 | 30,283 |
| Other financial liabilities | 748 | 137 |
| Other current liabilities | 11,495 | 8,963 |
| Current tax payables | 346 | 314 |
| Trade payables | 19,854 | 17,207 |
| Liabilities held for sale | – | 21 |
| **Total Equity and liabilities** | **100,510** | **87,214** |

## INTERIM CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)

| | Nine months to September 30, 2015 | Nine months to September 30, 2014 |
|---|---|---|
| | (€ million) | |
| Net revenues | 83,092 | 69,006 |
| Cost of sales | 72,551 | 59,790 |
| Selling, general and administrative costs | 5,879 | 5,184 |
| Research and development costs | 2,208 | 1,825 |
| Result from investments | 120 | 105 |
| Gains on the disposal of investments | – | 11 |
| Restructuring costs | 25 | 23 |
| Other income/(expenses) | (49) | (143) |
| **EBIT** | **2,500** | **2,157** |
| Net financial expenses | 1,853 | 1,510 |
| **Profit/(loss) before taxes** | **647** | **647** |
| Tax expenses | 521 | 435 |
| **Net profit/(loss)** | **126** | **212** |
| **Net profit/(loss) attributable to:** | | |
| *Owners of the parent* | *92* | *160* |
| *Non-controlling interests* | *34* | *52* |
| Basic earnings/(loss) per ordinary share (in €) | 0.061 | 0.132 |
| Diluted earnings/(loss) per ordinary share (in €) | 0.061 | 0.130 |

## CONSOLIDATED INCOME STATEMENTS (AUDITED)

| | For the years ended December 31, | |
|---|---|---|
| | 2014 | 2013 |
| | (audited) (€ million) | |
| Net revenues | 96,090 | 86,624 |
| Cost of sales | 83,146 | 74,326 |
| Selling, general and administrative costs | 7,084 | 6,702 |
| Research and development costs | 2,537 | 2,236 |
| Other income/(expenses) | 197 | 77 |
| Result from investments: | 131 | 84 |
| *Share of the profit of equity method investees* | *117* | *74* |
| *Other income from investments* | *14* | *10* |
| Gains and (losses) on the disposal of investments | 12 | 8 |
| Restructuring costs | 50 | 28 |
| Other unusual income/(expenses) | (390) | (499) |
| **EBIT** | **3,223** | **3,002** |
| Net financial expenses | 2,047 | 1,987 |
| **Profit before taxes** | **1,176** | **1,015** |
| Tax expenses (income) | 544 | (936) |
| **Profit from continuing operations** | **632** | **1,951** |
| **Net profit** | **632** | **1,951** |
| **Net profit attributable to:** | | |
| *Owners of the parent* | *568* | *904* |
| *Non-controlling interests* | *64* | *1,047* |
| Basic earnings per ordinary share (in €) | **0.465** | **0.744** |
| Diluted earnings per ordinary share (in €) | **0.460** | **0.736** |

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS) (UNAUDITED)

| | For the nine months ended September 30, | |
|---|---|---|
| | **2015** | **2014** |
| | (€ million) | |
| **Net Profit/(loss) (A)** | 126 | 212 |
| Items that will not be reclassified to the Consolidated Income Statements in subsequent periods: | | |
| Gains/(losses) on remeasurement of defined benefit plans | (64) | (19) |
| Related tax impact | 32 | (12) |
| **Total items that will not be reclassified to the Consolidated Income Statements in subsequent periods (B1)** | (32) | (31) |
| Items that may be reclassified to the Consolidated Income Statements in subsequent periods: | | |
| Gains/(losses) on cash flow hedging instruments | 293 | (378) |
| (Losses) on available-for-sale financial assets | (14) | (31) |
| Exchange differences on translating foreign operations | 604 | 952 |
| Share of Other comprehensive (loss)/income for equity method investees | (47) | 40 |
| Related tax impact | (87) | 110 |
| **Total items that may be reclassified to the Consolidated Income Statements in subsequent periods (B2)** | **749** | **693** |
| **Total other comprehensive income/(loss), net of tax (B1)+(B2)=(B)** | **717** | **662** |
| **Total comprehensive income/(loss) (A)+(B)** | **843** | **874** |
| **Total comprehensive income/(loss) attributable to:** | | |
| Owners of the parent | *805* | *750* |
| Non-controlling interests | *38* | *124* |

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSSES) (AUDITED)

| | For the years ended December 31, | |
|---|---|---|
| | 2014 | 2013 |
| | (€ million) | |
| **Net Profit (A)** | **632** | **1,951** |
| **Items that will not be reclassified to the consolidated income statement in subsequent periods:** | | |
| Losses/(gains) on remeasurements of defined benefit plans | (333) | 2,676 |
| Shares of losses/(gains) on remeasurements of defined benefit plans for equity method investees | (4) | (7) |
| Related tax impact | 29 | 239 |
| **Total items that will not be reclassified to the consolidated income statement in subsequent periods (B1)** | (308) | 2,908 |
| **Items that may be reclassified to the consolidated income statement in subsequent periods:** | | |
| Losses/(gains) on cash flow hedging instruments | (292) | 162 |
| Losses/(gains) on available-for-sale financial assets | (24) | 4 |
| Exchange differences on translating foreign operations | 1,282 | (720) |
| Share of other comprehensive income/(loss) for equity method investees | 51 | (88) |
| Related tax impact | 73 | (27) |
| **Total items that may be reclassified to the consolidated income statement in subsequent periods (B2)** | **1,090** | **(669)** |
| **Total other comprehensive income /(loss), net of tax (B1)+(B2)=(B)** | **782** | **2,239** |
| **Total comprehensive income /(loss) (A)+(B)** | **1,414** | **4,190** |
| **Total comprehensive income/(loss) attributable to:** | | |
| Owners of the parent | *1,282* | *2,117* |
| Non-controlling interests | *132* | *2,073* |

# BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of, the rules, regulations and procedures of DTC, Euroclear, Clearstream and the CMU Service (together, the "Clearing Systems") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuers and the Guarantor believe to be reliable, but none of the Issuers, the Guarantor or any Dealer takes any responsibility for the accuracy thereof. Each Issuer and the Guarantor confirms that this information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuers, the Guarantor or any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

**Book-Entry Systems**

***DTC***

DTC has advised the Issuers that it is a limited purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by certain U.S. stock exchanges and other self-regulatory organisations. Access to the DTC system is also available to others such as securities brokers, dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with Direct Participants, "Participants").

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "Rules"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("DTC Notes") as described below and receives and transmits distributions of principal and interest on DTC Notes. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("Owners") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interests in the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC

Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participant and not of DTC or the relevant Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the relevant Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale, and Selling and Transfer Restrictions*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

### *Euroclear and Clearstream*

Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships.

Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

### *CMU Service*

The CMU is a central depositary service provided by the HKMA for the custody and electronic clearing and settlement between the members of this service ("CMU Members") of capital markets instruments ("CMU Instruments") which are specified in the CMU Service Reference Manual as capable of being held within the CMU Service. The CMU Service is only available for CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons.

Membership of the CMU Service is open to all members of the Hong Kong Capital Markets Association, "authorised institutions" under the Banking Ordinance (Cap. 155) of Hong Kong and other domestic and overseas financial institutions at the discretion of the HKMA.

Compared to clearing services provided by Euroclear and Clearstream, the standard custody and clearing service provided by the CMU Service is limited. In particular (and unlike the European clearing systems), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, CMU Instruments. Instead, the HKMA advises the CMU Lodging and Paying Agent (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Instruments are credited, whereupon the CMU Lodging and Paying Agent (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members.

Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging and Paying Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest through an account with either Euroclear or Clearstream in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream have with the CMU.

**Book-Entry Ownership of and Payments in Respect of DTC Notes**

The Issuers will apply to DTC in order to have each Tranche of Notes represented by Rule 144A Global Notes accepted in its book-entry settlement system. Upon the issue of any Rule 144A Global Notes, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Rule 144A Global Notes to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in a Rule 144A Global Note will be limited to Direct Participants or Indirect Participants. Ownership of beneficial interests in a Rule 144A Global Note will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Rule 144A Global Note registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC's nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Notes in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuers expect DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuers also expect that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payments of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

**Transfers of Notes Represented by Registered Global Notes**

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear, Clearstream and the CMU Service will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some states within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form.

Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note to pledge such Notes to persons or entities that do not participate in the DTC system or to otherwise take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Subscription and Sale, and Selling and Transfer Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream or Euroclear or the CMU Service accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian ("Custodian") with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Euroclear and the CMU Service have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Euroclear and the CMU Service. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Guarantor, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Euroclear or the CMU Service or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

# TAXATION

The following is a general summary of certain tax consequences of acquiring, holding and disposing of the Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to the decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of the Notes, some of which may be subject to special rules, nor with Notes that are not held and accounted for as financial assets.

This summary is based upon the tax laws and/or practice at the date of this offering, subject to any changes in law and/or practice occurring after such date, which could be made on a retroactive basis. This summary will not be updated to reflect changes in law or practice and, if any such change occurs, the information in this summary could be superseded.

Prospective purchasers of the Notes should consult their tax advisers as to the overall tax consequences of acquiring, holding and disposing of the Notes.

**United Kingdom**

The following comments are of a general nature, based on current UK tax law (as applied in England and Wales) and published practice of Her Majesty's Revenue & Customs ("HMRC") as at the date of this Base Prospectus, all of which are subject to change, possibly with retrospective effect. The following is a general summary only of the UK withholding tax treatment of payments of and in respect of interest on the Notes together with some general statements about certain information reporting requirements and stamp duty and stamp duty reserve tax. The comments are not exhaustive, and do not deal with other UK tax aspects of acquiring, holding, disposing of or dealing in the Notes. The comments below only apply to persons who are beneficial owners of the Notes and do not necessarily apply where any payment on the Notes is deemed for tax purposes to be the income of any other person. Any prospective purchasers of any Notes who are in doubt as to their own tax position, or who may be subject to tax in a jurisdiction other than the UK, should consult their own professional adviser.

***Withholding or deduction of UK tax on payments of interest by the Issuer or under the Guarantee***

References to "interest" under this heading "*Taxation—United Kingdom*" mean interest as understood under UK tax law. For example, any redemption premium may be "interest" for UK withholding tax purposes, depending upon the particular terms and conditions of the relevant Notes.

**(i) Payments of interest by the Issuer**

If the interest on the Notes does not have a UK source, interest on the Notes may be paid by the relevant Issuer without withholding or deduction for or on account of UK income tax. The source of a payment is a complex matter. It is necessary to have regard to case law and HMRC practice. Case law has established that in determining the source of interest, all relevant factors must be taken into account. Where the Issuer is FCA, payments of interest made in respect of Notes issued by it should generally be expected to be regarded by HMRC as having a UK source. Where the Issuer is FCFE, FCFC or FCFNA, the source of the interest payment would need to be analysed in light of the particular facts and circumstances of the relevant issuance.

If the interest on the Notes is regarded as having a UK source, it may be paid by the relevant Issuer without withholding or deduction for or on account of UK tax if the Notes are and continue to be "quoted Eurobonds" as defined in section 987 of the Income Tax Act 2007. The Notes will constitute "quoted Eurobonds" if they carry a right to interest and are listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The Irish Stock Exchange is a recognised stock exchange for these purposes. The Notes will be treated as listed on the Irish Stock Exchange if they are both officially listed in Ireland in accordance with provisions corresponding to those generally applicable in EEA states and admitted to trading on the Main Securities Market of the Irish Stock Exchange.

If the Notes are not or cease to be so listed, interest on the Notes regarded as having a UK source will generally be paid by the relevant Issuer under deduction of UK income tax at the basic rate (currently 20%) unless (i) any other relief applies, or (ii) the relevant Issuer has received a direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty. However this withholding will not apply if the relevant interest is paid on Notes with a maturity date of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing intended to be capable of remaining outstanding for a year or more. If interest on the Notes regarded as having a UK source were paid under deduction of UK income tax, holders of Notes who are not resident in the UK may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

If a payment in respect of interest on the Notes has a UK source, it may accordingly be chargeable to UK tax by direct assessment, even where paid without withholding or deduction. Where interest on the Notes regarded as having a UK source is paid without withholding or deduction, such interest will generally not be assessed to UK tax in the hands of holders of the Notes (other than certain trustees) who are not resident in the UK, except where the holder of Notes carries on a trade, profession or vocation through a branch or agency in the UK, or, in the case of a corporate holder, carries on a trade through a permanent establishment in the UK, in connection with which the interest is received or to which the Notes are attributable, in which case (subject to exemptions for interest received by certain categories of agent) tax may be levied on the UK branch or agency, or permanent establishment. Holders of Notes should note that, if HMRC sought to assess UK tax directly against the person entitled to the relevant interest, the provisions relating to additional amounts referred to in "*Terms and Condition of the Notes—Taxation*" above would not apply. However, exemption from, or reduction of, such UK tax liability might be available under an applicable double tax treaty.

**(ii) Payments under the guarantee**

If FCA, as Guarantor, makes any payments in respect of interest on Notes issued by FCFE, FCFC or FCFNA, it is possible that such payments may be subject to UK withholding tax at the basic rate (currently 20%). Any such withholding would be subject to any relief that may be available and claimed under any applicable double tax treaty, or to any other exemption which may apply. Such payments by a guarantor may not be eligible for the exemption described above in respect of the Notes being listed on a recognised stock exchange.

***UK Provision of information requirements***

HMRC has powers to obtain information and documents relating to securities in certain circumstances. This may include details of the beneficial owners of the Notes (or the persons for whom the Notes are held), details of the persons to whom payments derived from the Notes are or may be paid and information and documents in connection with transactions relating to the Notes. Information may be required to be provided by, amongst others, the holders of the Notes, persons by or through whom payments derived from the Notes are made or credited or who receive such payments (or who would be entitled to receive such payments if they were made), persons who effect or are a party to transactions relating to the Notes on behalf of others and certain registrars or administrators. In certain circumstances, the information obtained by HMRC may be exchanged with tax authorities in other countries.

***Stamp duty and stamp duty reserve tax ("SDRT")***

If no register of the Notes is maintained in the UK, no stamp duty or SDRT will be payable in the United Kingdom on (i) the issue and delivery into Euroclear, Clearstream, DTC or CMU (as applicable) of Registered Notes or Bearer Notes that constitute loan capital for UK stamp duty purposes, or (ii) an electronic book-entry transfer of Notes in accordance with the normal rules and procedures of Euroclear, Clearstream, DTC or the CMU Services (as applicable) in circumstances where there is no (a) written instrument transferring the Notes or any estate or interest in the Notes, and (b) no written contract or written agreement for the sale of any equitable estate or interest in the Notes.

***The Netherlands***

This summary solely addresses the principal Dutch tax consequences of the acquisition, ownership and disposal of Notes issued on or after the date of this Base Prospectus. It does not purport to describe every aspect of taxation that may be relevant to a particular Holder of Notes (as defined below). Any potential investor should consult his tax adviser for more information about the tax consequences of acquiring, owning and disposing of Notes in his particular circumstances.

Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. When "the Netherlands" and "Dutch" are used in this summary, these terms refer solely to the European part of the Kingdom of the Netherlands.

This summary is based on the tax law of the Netherlands (unpublished case law not included) as it stands at the date of this Base Prospectus. The tax law upon which this summary is based is subject to changes, perhaps with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change.

This summary assumes that each transaction with respect to Notes is at arm's length.

Where in this Netherlands taxation paragraph reference is made to a "Holder of Notes", that concept includes, without limitation:

1. an owner of one or more Notes who in addition to the title to such Notes has an economic interest in such Notes;

2. a person who or an entity that holds the entire economic interest in one or more Notes;

3. a person who or an entity that holds an interest in an entity, such as a partnership or a mutual fund, that is transparent for Dutch tax purposes, the assets of which comprise one or more Notes, within the meaning of 1. or 2. above; or

4. a person who is deemed to hold an interest in Notes, as referred to under 1. to 3., pursuant to the attribution rules of article 2.14a, of the Dutch Income Tax Act 2001, with respect to property that has been segregated, for instance in a trust or a foundation.

***Withholding tax***

All payments under the Notes may be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority of or in the Netherlands, except where Notes are issued under such terms and conditions that such Notes are capable of being classified as equity of FCA for Dutch tax purposes or actually function as equity of FCA within the meaning of article 10, paragraph 1, letter d, of the Dutch Corporation Tax Act 1969 and where Notes are issued that are redeemable in exchange for, convertible into or linked to shares or other equity instruments issued or to be issued by FCA or by any entity related to FCA.

***Taxes on income and capital gains***

The summary set out in this section "Taxes on income and capital gains" applies only to a Holder of Notes who is neither resident nor deemed to be resident in the Netherlands for the purposes of Dutch income tax or corporation tax, as the case may be (a "Non-Resident Holder of Notes").

*Individuals*

A Non-Resident Holder of Notes who is an individual will not be subject to any Dutch taxes on income or capital gains in respect of any benefits derived or deemed to be derived from Notes, including any payment under Notes and any gain realised on the disposal of Notes, except if

(i) he derives profits from an enterprise directly, or pursuant to a co-entitlement to the net value of such enterprise, other than as a holder of securities, which enterprise either is managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative which is taxable in the Netherlands, and his Notes are attributable to such enterprise; or

(ii) he derives benefits or is deemed to derive benefits from Notes that are taxable as benefits from miscellaneous activities in the Netherlands.

If a Holder of Notes is an individual who does not fall under exception (i) above, and if he derives or is deemed to derive benefits from Notes, including any payment under such Notes and any gain realised on the disposal thereof, such benefits are taxable as benefits from miscellaneous activities in the Netherlands if he, or an individual who is a connected person in relation to him as meant by article 3.91, paragraph 2, letter b, or c, of the Dutch Income Tax Act 2001, has a substantial interest in FCA.

Generally, a person has a substantial interest in FCA if such person – either alone or, in the case of an individual, together with his partner, if any – owns or is deemed to own, directly or indirectly, either a number of shares representing five percent or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of FCA, or rights to acquire, directly or indirectly, shares, whether or not already issued, representing five percent or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of FCA, or profit participating certificates relating to five percent or more of the annual profit of FCA or to five percent. or more of the liquidation proceeds of FCA.

A person who is entitled to the benefits from shares or profit participating certificates (for instance a holder of a right of usufruct) is deemed to be a holder of shares or profit participating certificates, as the case may be, and such person's entitlement to such benefits is considered a share or a profit participating certificate, as the case may be.

Furthermore, a Holder of Notes who is an individual and who does not come under exception 1. above may, *inter alia*, derive, or be deemed to derive, benefits from Notes that are taxable as benefits from miscellaneous activities in the following circumstances, if such activities are performed or deemed to be performed in the Netherlands:

a) if his investment activities go beyond the activities of an active portfolio investor, for instance in the case of use of insider knowledge or comparable forms of special knowledge;

b) if he makes Notes available or is deemed to make Notes available, legally or in fact, directly or indirectly, to certain parties as meant by articles 3.91 and 3.92 of the Dutch Income Tax Act 2001 under circumstances described there; or

c) if he holds Notes, whether directly or indirectly, and any benefits to be derived from such Notes are intended, in whole or in part, as remuneration for activities performed or deemed to be performed in the Netherlands by him or by a person who is a connected person in relation to him as meant by article 3.92b, paragraph 5, of the Dutch Income Tax Act 2001.

*Attribution rule*

Benefits derived or deemed to be derived from certain miscellaneous activities by a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or the parents who exercise, authority over the child, irrespective of the country of residence of the child.

*Entities*

A Non-Resident Holder of Notes other than an individual will not be subject to any Dutch taxes on income or capital gains in respect of benefits derived or deemed to be derived from Notes, including any payment under Notes and any gain realised on the disposal of Notes, except if:

a) such Non-Resident Holder of Notes derives profits from an enterprise directly, or pursuant to a co-entitlement to the net value of such enterprise, other than as a holder of securities, which enterprise either is managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative which is taxable in the Netherlands, and its Notes are attributable to such enterprise; or

(b) such Non-Resident Holder of Notes has a substantial interest (as described above under Individuals) or a deemed substantial interest in FCA.

A deemed substantial interest may be present if shares, profit participating certificates or rights to acquire shares in FCA are held or deemed to be held following the application of a non-recognition provision.

*General*

Subject to the above, a Non-Resident Holder of Notes will not be subject to income taxation in the Netherlands by reason only of the execution and/or enforcement of the documents relating to the issue of Notes or the performance by FCA of its obligations under such documents or under the Notes.

**Gift and inheritance taxes**

If a Holder of Notes by way of a gift, in form or in substance, or if a Holder of the Notes who is an individual dies, no Dutch gift tax or Dutch inheritance tax, as applicable, will be due, unless:

(i) the donor is, or the deceased was resident or deemed to be resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, as applicable; or

(ii) the donor made a gift of Notes, then became a resident or deemed resident of the Netherlands, and died as a resident or deemed resident of the Netherlands within 180 days of the date of the gift.

For purposes of the above, a gift of Notes made under a condition precedent is deemed to be made at the time the condition precedent is satisfied. If the condition precedent is fulfilled after the death of the donor, the gift is deemed to be made upon the death of the donor.

***Registration taxes and duties***

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable in the Netherlands in respect of or in connection with the (i) the execution and/or enforcement by legal proceedings (including the enforcement of any foreign judgment in the courts of the Netherlands) of the documents relating to the issue of the Notes or (ii) the performance by FCA of its obligations under such documents or under the Notes, or (iii) the transfer of Notes, except that Dutch real property transfer tax may be due upon an acquisition in connection with the Notes of (a) real property situated in the Netherlands, (b) (an interest in) an asset that qualifies as real property situated in the Netherlands or (c) (an interest in) a right over real property situated in the Netherlands, for the purposes of Dutch real property transfer tax or, where Notes are issued under such terms and conditions that they represent (an interest in) an asset that qualifies as real property situated in the Netherlands, or (an interest in) a right over real property situated in the Netherlands, for the purposes of Dutch real property transfer tax.

***Tax Residency***

No holder of the Notes will be deemed to be resident in the Netherlands for Dutch tax purposes by reason only of the acquisition, holding and disposal of the Notes.

**Luxembourg**

The following discussion addresses certain Luxembourg tax consequences for potential purchasers or holders of Notes, based on current law and practice in Luxembourg. This discussion is for general information purposes only and does not purport to be a comprehensive description of all possible tax consequences that may be relevant. Potential purchasers of Notes should consult their own professional advisers as to the consequences of making an investment in, holding or disposing of the Notes and the receipt of any amount in connection with the Notes and Coupons.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), a temporary tax to balance the state budget (*impôt d'équilibrage budgétaire temporaire*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax, the solidarity surcharge as well as the temporary tax to balance the state budget. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well under the Notes.

***Withholding Tax***

Under Luxembourg tax laws currently in effect and subject to certain exceptions (as described below), no Luxembourg withholding tax is due on payments of interest (including accrued but unpaid interest) or repayments of principal.

In accordance with the law of 25 November 2014, Luxembourg elected out of the withholding tax system in favour of an automatic exchange of information under the Savings Directive as from 1 January 2015. Payments of interest by Luxembourg paying agents to non-resident individual Noteholders and to certain residual entities are thus no longer subject to any Luxembourg withholding tax.

In accordance with the law of December 23, 2005, as amended, interest payments made by Luxembourg paying agents to Luxembourg individual residents and to certain residual entities (within the meaning of the laws of June 21, 2005 implementing the Savings Directive and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "Territories"), as amended) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner are subject to a 10 per cent. withholding tax (the "10 per cent. Luxembourg Withholding Tax") Responsibility for withholding the 10 per cent. Luxembourg Withholding Tax will be assumed by the Luxembourg paying agent.

***Taxes on Income and Capital Gains***

Holders of Notes will not become residents, or be deemed to be residents, in Luxembourg by reason only of the holding of the Notes.

Holders of Notes who are non-residents of Luxembourg and who do not hold the Notes through a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Notes is connected, are not liable for Luxembourg income tax on payments of principal or interest (including accrued but unpaid interest), payments received upon redemption, repurchase or exchange of the Notes or the realisation of capital gains on the sale or exchange of any Notes.

Interest received by Luxembourg resident individuals is, in principle, reportable and taxable at the progressive rate unless the interest has been subject to withholding tax or to the self-applied tax, if applicable. Indeed, pursuant to the Law, Luxembourg resident individuals, acting in the framework of their private wealth, can opt to self-declare and pay a 10 percent tax (the "10 percent Tax") on interest payments made after December 31, 2007 by paying agents (defined in the same way as in the Savings Directive) located in an EU member state other than Luxembourg, a member state of the European Economic Area or in a state or territory which has concluded an international agreement directly related to the Savings Directive.

The 10 percent Luxembourg Withholding Tax or the 10 percent Tax represents the final tax liability on interest received for the Luxembourg resident individuals receiving the interest payment in the framework of their private wealth and can be reduced in consideration of foreign withholding tax, based on double tax treaties concluded by Luxembourg.

Individual holders of Notes resident in Luxembourg and receiving the interest as business income must for income tax purposes include any interest received (or accrued) in their taxable income; if applicable, the 10 percent Luxembourg Withholding Tax levied will be credited against their final income tax liability. Holders of Notes will not be liable to any Luxembourg taxation on income on repayment of principal of the Notes.

Individual Luxembourg resident holders of Notes are not subject to taxation on capital gains upon the disposal of the Notes owned in the framework of their private wealth, unless the disposal of the Notes precedes their acquisition or the Notes are disposed of within six months of their acquisition. The portion of the sale, repurchase, redemption or exchange price corresponding to capitalised or accrued but unpaid interest will, however, be subject to the 10 percent Luxembourg Withholding Tax or, upon option by the Luxembourg resident holder of Notes, to the 10 percent Tax. Individual Luxembourg resident holders of Notes receiving the interest as business income must include the portion of the sale, repurchase, redemption or exchange price corresponding to accrued but unpaid interest in their taxable income. The 10 percent Luxembourg Withholding Tax levied will be credited against their final income tax liability, if applicable.

A corporate entity ("*société de capitaux*"), which is a Luxembourg resident holder of Notes and which is subject to corporate taxes in Luxembourg without the benefit of a special tax regime in Luxembourg or a foreign entity of the same type which has a Luxembourg permanent establishment or a permanent representative in Luxembourg with which the holding of Notes is connected, will need to include in its taxable income any interest (including accrued but unpaid interest) and in case of sale, repurchase, redemption or exchange, the difference between the sale, repurchase, redemption or exchange price (including accrued but unpaid interest) and the lower of cost or book value of the Notes sold, repurchased, redeemed or exchanged. These holders of Notes should not be liable for any Luxembourg income tax on repayment of principal upon repurchase, redemption or exchange of the Notes.

Luxembourg resident corporate holders of Notes which are benefiting from a special tax regime (such as family wealth management companies subject to the law of May 11, 2007, as amended, undertakings for collective investment subject to the law of December 17, 2010, as amended or specialised investment funds subject to the law of February 13, 2007, as amended) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (*i.e.*, corporate income tax, municipal business tax and net wealth tax) other than the annual subscription tax calculated on their (paid up) share capital (and share premium) or net asset value.

***Other Taxes***

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by a holder of Notes as a consequence of the issuance of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer, exchange or redemption or repurchase of the Notes unless the Notes are voluntarily registered.

Luxembourg net wealth tax will not be levied on a corporate holder of Notes, unless (a) such holder of Notes is a Luxembourg resident other than a holder of Notes governed by (i) the law of December 17, 2010 on undertakings for collective investment, as amended, (ii) the law of February 13, 2007 specialised investment funds, as amended; (iii) the law of March 22, 2004 on securitisation, as amended; (iv) the law of June 15, 2004 on the investment company in risk capital, as amended; or (v) the law of May 11, 2007 on family wealth management companies, as amended; or (b) the Notes are attributable to an enterprise or part thereof which is carried on in Luxembourg through a permanent establishment or a permanent representative.

No Luxembourg estate or inheritance taxes are levied on the transfer of the Notes upon the death of a holder of Notes in cases where the deceased was not a resident of Luxembourg for inheritance law purposes.

No Luxembourg gift tax will be levied on the transfer of the Notes by way of gift unless the gift is registered in Luxembourg.

***Taxation of FCFE***

FCFE is a company subject to corporate income tax and municipal business tax in Luxembourg at the standard rate, with a minimal corporate income tax liability of €3,210 (including the solidarity surcharge) if the sum of its financial assets, the amounts owed by affiliated undertakings and undertakings linked by virtue of a participating interest, the transferable securities, the cash in postal cheque accounts, the cheques for collection, the bills for collection, the cash in hand and the cash at bank exceeds 90 percent of its total balance sheet.

FCFE will not be subject to VAT in Luxembourg in respect of payments in consideration for the issue of the Notes or in respect of payments of interest or principal under the Notes or the transfer of the Notes.

Luxembourg VAT may however be payable in respect of fees charged for certain services rendered to FCFE if, for Luxembourg VAT purposes, such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg VAT does not apply with respect to such services.

**Italy**

*Law Decree No. 66 of April 24, 2014 ("Decree No. 66"), as converted, with amendments, into law with Law No. 89 of June 23, 2014, partially amended the tax regime applicable to income earned in connection with financial instruments, including, but not limited to, the Notes, as illustrated, where applicable, below. Such new rules are effective as of July 1, 2014.*

*Prospective investors are urged to consult their own tax advisors as to the consequences arising thereto in connection with the purchase, holding and/or disposal of the Notes as a result of the changes introduced by Decree No. 66.*

***Interest Income***

Legislative Decree No. 239 of April 1, 1996, as amended ("Legislative Decree 239") provides for the tax treatment applicable to interest, premium and other income (including the difference between the redemption amount and the issue price; such interest, premium and other income collectively referred to as the "Notes Income") arising from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by foreign companies, such as the Notes, provided that these securities are deposited with banks, qualified financial intermediaries (SIMs), fiduciary companies, asset management companies (SGRs), stockbrokers and other entities identified by a decree of the Ministry of Economy and Finance (each, an "Intermediary"). An Intermediary must (i) be resident in Italy or be the Italian permanent establishment of a non-Italian resident financial intermediary and (ii) intervene, in any way, in the collection of interest accrued on, or in the transfer of, the notes. For the purpose of Legislative Decree 239, a transfer of notes includes any assignment or transfer, made either with or without consideration, which results in a change of the ownership of the relevant notes or in a change of the Intermediary with which the notes are deposited.

**Italian Resident Holders**

Where an Italian resident holder of the Notes is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the discretionary investment portfolio regime — see under section "*Capital Gains*" below), (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income tax, any Notes Income accrued by such holder during the relevant holding period is subject to a final withholding tax referred to as "*imposta sostitutiva*", levied at the rate of 26%, when the Notes Income is cashed or deemed to be cashed upon the disposal for a consideration of the Notes.

In case the holders falling under (i) or (iii), above, are engaged in an entrepreneurial activity to which the Notes are connected, the Notes Income is currently included in their overall year-end taxable income on an accrual basis and taxed at progressive rates of personal income tax (IRPEF) with respect to individuals doing business either directly or through a partnership (currently, the marginal rate equals 43%, plus an additional surcharge of up to 3.2% depending on the municipality of residence and an extraordinary surcharge — called "*contributo di solidarietà*" — of 3% on any income in excess of €300,000, such extraordinary surcharge being deductible from taxable income and currently applicable for the 2014-2016 tax periods) or corporate income tax (IRES), with respect to private and public institutions, currently levied at a rate of 27.5%. In such cases, the imposta sostitutiva is levied as a provisional tax creditable against the overall income tax due.

Where an Italian resident holder is a company or similar commercial entity, the Notes Income would not be subject to the *imposta sostitutiva*, but currently included in the holder's overall year-end income as accrued and is therefore subject to corporate income tax and, in addition, in certain circumstances, depending on the "status" of the holder (*i.e.*, generally, in the case of banks or financial institutions), to a regional quasi-income tax (IRAP), generally levied at a rate that may vary between 3.90% and 6.82%, depending on the holder's actual "status" and region of residence.

The Notes Income received by (i) Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of January 25, 1994 or pursuant to Article 14-*bis* of Law No. 86 of January 25, 1994, or Italian real estate investment companies with fixed capital ("Real Estate SICAFs"), or (ii) pursuant to Law Decree No. 225 of December 29, 2010, an Italian resident open-ended or a closed-ended investment fund, a SICAF or a SICAV, is exempt from taxation at the level of such entities.

Where an Italian resident holder is a pension fund subject to the regime provided for by Article 17 of Legislative Decree No. 252 of December 5, 2005, the Notes Income accrued during the holding period is not subject to the *imposta sostitutiva* but is included in the year-end result of the fund's relevant portfolio, which is subject to a substitute tax currently levied at a rate of 20%.

The *imposta sostitutiva* is levied by the Intermediary with which the Notes are deposited that intervenes in the collection of the Notes Income.

Where the Notes are not deposited with an Intermediary, the imposta sostitutiva is applied and withheld by any entity paying the Notes Income to a Notes' holder.

**Non-Italian Resident Holders**

No Italian tax is applicable to payments of Notes Income made to a non-Italian resident holder that does not have a permanent establishment in Italy through which the Notes are held, provided that such holder makes a statement to that effect, if and when required according to the applicable Italian tax regulations.

*Capital Gains*

**Italian Resident Holders**

Capital gains realised upon the sale or redemption of the Notes is currently included in the overall taxable income of an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected. As such, it is subject to corporate or personal income tax, as the case may be, at the rates illustrated above. In addition, in certain circumstances, depending on the "status" of the holder, it may also be subject to IRAP.

Capital gains arising from the sale or redemption of the Notes realised by an Italian resident holder who is an individual not engaged in an entrepreneurial activity to which the Notes are connected, are subject to a capital gains tax (*imposta sostitutiva sulle plusvalenze azionarie*), levied at the rate of 26%, pursuant to one of the following regimes:

(i) under the tax return regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the capital gains tax is chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by any such holder on all sales or redemptions of the Notes occurring in any given tax year. Capital losses in excess of capital gains may be carried forward and offset against capital gains realised in any of the four succeeding years. Pursuant to Decree No. 66, carried-forward capital losses may be offset against gains realised as of July 1, 2014 for an amount equal to (i) 48.08%, if realised up to December 31, 2011, and (ii) 76.92%, if realised between January 1, 2012 and June 30, 2014. Capital gains, net of any relevant incurred deductible capital loss, must be reported in the year-end tax return and the tax must be paid on the capital gain together with any income tax due for the relevant tax year; or

(ii) under the non-discretionary portfolio regime (*regime del risparmio amministrato*), the holder may elect to pay the tax separately on capital gains realised on each sale or redemption of the Notes. This separate taxation of capital gains is allowed subject to (x) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (y) the holder making a timely election in writing for the *regime del risparmio amministrato*, addressed to any such intermediary. The depositary is then responsible for accounting for the tax in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, withholding and remitting it to the Treasury the tax due. Capital losses in excess of capital gains realised within the depository relationship may be carried forward and offset against capital gains realised in any of the four succeeding years. Pursuant to Decree No. 66, carried-forward capital losses may be offset against gains realised as of July 1, 2014 for an amount equal to (i) 48.08%, if realised up to December 31, 2011, and (ii) 76.92%, if realised between January 1, 2012 and June 30, 2014; or

(iii) under the discretionary portfolio regime (*regime del risparmio gestito*), eligible when the Notes are included in a portfolio discretionarily managed by an authorised intermediary, the capital gains tax is paid on the appreciation of the overall investment portfolio of the holder managed by such intermediary accrued in any given year (including the gains realised on the sale or redemption of the Notes). The tax is paid by the authorised intermediary. Any depreciation of the investment portfolio accrued at year-end may be carried forward and netted against the appreciation accrued in any of the four succeeding tax years. Pursuant to Decree No. 66, carried-forward depreciations may be offset against increases in value accrued as of July 1, 2014 for an amount equal to (i) 48.08%, if accrued up to December 31, 2011, and (ii) 76.92%, if accrued between January 1, 2012 and June 30, 2014.

Capital gains realised by (i) Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 1994 or pursuant to Article 14-*bis* of Law No. 86 of 1994, or Real Estate SICAFs, or (ii) pursuant to Law Decree No. 225 of 2010, an Italian resident open-ended or a closed-ended investment fund, a SICAF or a SICAV, is exempt from taxation at the level of such entities.

Any capital gains realised by a holder that is an Italian pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 2005) is included in the balance of the fund's relevant portfolio accrued at the end of the tax period, to be subject to the 20% substitute tax.

**Non-Italian Resident Holders**

Capital gains realised by non-Italian resident holders from the sale or redemption of the Notes are not subject to Italian taxation, provided that the Notes are held outside Italy.

***Inheritance and Gift Taxes***

Pursuant to Law Decree No. 262 of October 3, 2006, as converted in law, with amendments, pursuant to Law No. 286 of November 24, 2006, a transfer of the Notes by reason of death or gift is subject to an inheritance and gift tax levied on the value of the inheritance or gift, as follows:

- Transfers to a spouse or direct descendants or ancestors up to €1,000,000 to each beneficiary are exempt from inheritance and gift tax. Transfers in excess of such threshold will be taxed at a 4% rate on the value of the Notes exceeding such threshold;

- Transfers between relatives up to the fourth degree other than siblings, and direct or indirect relatives by affinity up to the third degree are taxed at a rate of 6% on the value of the Notes (where transfers between siblings up to a maximum value of €100,000 for each beneficiary are exempt from inheritance and gift tax); and

- Transfers by reason of gift or death of Notes to persons other than those described above will be taxed at a rate of 8% on the value of the Notes.

If the beneficiary of any such transfer is a disabled individual, whose handicap is recognised pursuant to Law No. 104 of February 5, 1992, the tax is applied only on the value of the assets (including the Notes) received in excess of €1,500,000 at the rates illustrated above, depending on the type of relationship existing between the deceased or donor and the beneficiary.

***Stamp Duty on the Notes***

Pursuant to Article 13(2-*ter*) of the Tariff (*tariffa*) attached to Presidential Decree No. 642 of October 26, 1972 (as amended with Law Decree No. 201 of December 6, 2011, converted into law with Law No. 214 of December 22, 2011, and subsequently with Law Decree No. 16 of March 2, 2012, converted into law with Law No. 44 of April 26, 2012, with Law No. 228 of December 24, 2012 and with Law No. 147 of December 27, 2013), regulating the Italian stamp duty, a proportional stamp duty applies on the periodic reporting communications sent by Italian-based financial intermediaries to their clients with respect to any financial instruments (including bonds, such as the Notes). The stamp duty does not apply to the communications sent or received by pension funds and health funds.

Such stamp duty is generally levied by the above-mentioned financial intermediaries, and computed on the fair market value of the financial instruments or, in case the fair market value cannot be determined, on their face or redemption values (or purchase cost) at a rate of, as of 2014, 0.2% with a cap of €14,000 for clients other than individuals. The stamp duty is levied on an annual basis. In case of reporting periods of less than 12 months, the stamp duty is pro-rated.

Moreover, pursuant to Article 19(18-23) of Law Decree No. 201 of December 6, 2011 (as amended with Law No. 228 of December 24, 2012 and with Law No. 147 of December 27, 2013), a similar duty applies on the fair market value (or, in case the fair market value cannot be determined, on their face or redemption values, or purchase cost) of any financial asset (including bonds such as the Notes) held abroad by Italian resident individuals. Such duty will apply at a rate of 0.2% as of 2014. A tax credit is granted for any foreign property tax levied abroad on such financial assets.

*Prospective investors are urged to consult their own tax advisors as to the tax consequences of the application of the new stamp duty on their investment in Notes.*

***Payments made by the Guarantor***

There is no authority directly addressing the Italian tax regime of payments made by the Guarantor under the Guarantee.

According to one interpretation of Italian tax law, payments in lieu of interest made by the Guarantor under the Guarantee may be subject to the same regime described above in "*Interest Income*".

According to another interpretation of Italian tax law, any payments made by the Guarantor under the Guarantee to such holders may be subject to a 26% tax levied by means of a final or provisional withholding, depending on "status" of the relevant holder of the Notes.

No Italian taxation would apply with respect to payments made to a non-Italian resident holder that does not have a permanent establishment in Italy through which the Notes are held.

**Prospective investors are urged to consult their own tax advisors as to the tax consequences of any such withholding, including the potential availability of foreign tax credits or deductions for such withholding.**

**Implementation in Italy of the Savings Directive**

Italy has implemented the Savings Directive through Legislative Decree No. 84 of April 18, 2005 ("Decree 84"). Under Decree 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another member state, Italian qualified paying agents shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner and shall not apply the withholding tax. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

**Canada**

Subject to the following, in the case of a Note issued by FCFC (a "Canadian Issuer Note"), interest paid or credited by FCFC or the Guarantor or deemed to be paid or credited by FCFC or the Guarantor on such Note (including accrued interest on such Note in certain cases involving the assignment or transfer of such Note to FCFC) to a Non-Resident of Canada (as defined below) who is the beneficial owner of such Note, will not be subject to Canadian non-resident withholding tax for the purposes of the Canadian federal income tax laws provided such interest is not "participating debt interest" for purposes of the Canadian federal income tax laws. Interest paid or deemed to be paid on the Canadian Issuer Notes will be participating debt interest for these purposes if all or any portion of such interest on the Canadian Issuer Notes is contingent or dependent upon the use of, or production from, property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable on any class of shares of the capital stock of a corporation. The Canadian non-resident withholding tax is at the rate of 25 percent, or such lower rate as may be provided for under the terms of any applicable bilateral tax treaty.

For the purposes of this summary a "Non-Resident of Canada" means a person who, at all relevant times and for the purposes of the Canadian federal income tax laws, deals at arm's length with FCFC and the Guarantor, is not a "specified shareholder" (as defined in subsection 18(5) of the Act) of FCFC and deals at arm's length with any such "specified shareholder" of FCFC (within the meaning of the Act), is the beneficial owner of the Note and is neither a resident nor deemed to be a resident of Canada (and to whom the Canadian Issuer Note is not a "designated insurance property" within the meaning of the Act), who does not use or hold and is not deemed to use or hold the Canadian Issuer Note in or in the course of carrying on a business in Canada and is not otherwise required by or for the purposes of such laws to include an amount in respect of the Canadian Issuer Note in computing income from a business carried on in Canada.

In the event that a Canadian Issuer Note is redeemed, cancelled, repurchased or purchased by FCFC from a Non-Resident of Canada or assigned or otherwise transferred by a Non-Resident of Canada to a resident or deemed resident of Canada at a time when there is accrued interest on the Canadian Issuer Note, or for an amount which exceeds, generally, the issue price thereof (as calculated in Canadian dollars at the time of issue), the accrued interest or the difference between the price for which such Note is redeemed, cancelled, repurchased or purchased or otherwise assigned or transferred (as calculated in Canadian dollars at such time) and the issue price (as calculated in Canadian dollars at the time of issue) may, in certain circumstances, be deemed to be interest on such Note. Such deemed interest on such Note will be subject to Canadian non-resident withholding tax if such interest is not otherwise exempt from Canadian non-resident withholding tax (as described above) or if the Non-Resident of Canada does not deal at arm's length, within the meaning of the Canadian federal income tax laws, with the resident or deemed resident of Canada to which the Canadian Issuer Note is assigned or otherwise transferred. An exception to this deemed interest rule (except in the case of accrued interest) may apply if the Canadian Issuer

Note was issued for at least 97 percent of its principal amount and its annual yield is not more than four-thirds of the interest stipulated to be payable on such Note. Depending upon the terms set forth in the applicable Final Terms, Canadian Issuer Notes issued at a discount or redeemable at a premium may be subject to these deemed interest rules, and accordingly may be subjected to Canadian non-resident withholding tax.

Under the existing federal laws of Canada, generally, there are no other taxes on income (including taxable capital gains) payable in respect of a Canadian Issuer Note or interest, discount, or premium thereon by a Non-Resident of Canada.

**The foregoing is general information with respect to certain Canadian federal income tax considerations applicable under current law to Non-Residents of Canada. It is not exhaustive. Holders of Notes should consult their own tax advisers for advice with respect to their particular situations. In particular, this summary only considers Notes contemplated by terms and conditions set out herein.**

**United States**

The following is a summary of certain United States federal tax considerations that may be relevant to a holder which is a beneficial owner of Notes issued by FCFNA and is a non-resident alien individual, a foreign corporation, or any other person, other than a partnership or a partner therein, that is not subject to U.S. federal income tax on a net income basis in respect of such Notes (any such holder, a "United States Alien Holder"). This summary is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change. The information provided below does not purport to be a complete summary of United States tax law and practice currently applicable.

Under current United States federal income and estate tax law:

(i) payment on a Note by FCFNA, the Guarantor, or any Paying Agent to a holder that is a United States Alien Holder will not be subject to withholding of United States federal income tax, *provided* that, with respect to payments of interest or original issue discount, (a) the holder does not actually or constructively own 10 percent or more of the combined voting power of all classes of stock and is not a controlled foreign corporation related to FCFNA through stock ownership, (b) the interest is not contingent interest described in section 871(h)(4) of the Code (very generally, interest based on or determined by reference to income, profits, cash flow or other comparable attributes of FCFNA or a related person), (c) the beneficial owner provides a statement signed under penalties of perjury that includes its name and address and certifies that it is a United States Alien Holder in compliance with applicable requirements (or satisfies certain documentary evidence requirements for establishing that it is a United States Alien Holder), and (d) the holder has provided any required information with respect to its direct and indirect U.S. owners and, if the Notes are held through (or any payment is made through) a foreign financial institution, the institution has entered into and is in compliance with an agreement, described in Section 1471(b)(1) of the Code and the regulations promulgated thereunder, with the U.S. government to collect and provide to the U.S. tax authorities information about its direct and indirect United States accounts (or is entitled to the benefits of an intergovernmental agreement between a jurisdiction and the United States and is in compliance with relevant implementing legislation);

(ii) a holder of a Note that is a United States Alien Holder will not be subject to United States federal income tax on gain realised on the sale, exchange or redemption of the Note unless, in the case of gain realised by an individual holder, the holder is present in the United States for 183 days or more in the taxable year of the sale and either (A) such gain or income is attributable to an office or other fixed place of business maintained in the United States by such holder or (B) such holder has a tax home in the United States; and provided further that, in the case of a sale, exchange, redemption or other taxable disposition effected after December 31, 2018, such holder has provided any required information with respect to its direct and indirect U.S. owners, if any, and, if the Notes are held through (or any payment is made through) a foreign financial institution, the institution has entered into and is in compliance with an agreement, described in Section 1471(b)(1) of the Code and the regulations promulgated thereunder, with the U.S. government to collect and provide to the U.S. tax authorities information about its direct and indirect United States accounts (or is entitled to the benefits of an intergovernmental agreement between a jurisdiction and the United States and is in compliance with relevant implementing legislation); and

(iii) a Note will not be subject to United States federal estate tax as a result of the death of a holder who is not a citizen or resident of the United States at the time of death, provided that such holder did not at the time of death actually or constructively own 10 percent or more of the combined voting power of all classes of stock of FCFNA and, at the time of such holder's death, payments of interest on such Note (A) would not have been effectively connected with the conduct by such holder of a trade or business in the United States and (B) are not contingent interest described in section 871(h)(4) of the Code.

Pursuant to Sections 1471 through 1474 of the Code, the regulations promulgated thereunder, and any agreements thereunder, official interpretations thereof, or law implementing an intergovernmental approach thereto ("FATCA"), FCFNA may be required to withhold U.S. tax at a rate of 30% on payments of (i) interest on the Notes or (ii) the gross proceeds from the sale, exchange, redemption or other taxable disposition of the Notes effected after December 31, 2018, made to United States Alien Holders or non-U.S. financial institutions (including financial institutions through which payments on the Notes are made) that fail to comply with certain requirements and information-reporting obligations (as set out in more detail above). If an amount is so withheld pursuant to FATCA, neither FCFNA nor any other person would, pursuant to the Conditions of the Notes, be required to pay additional amounts as a result of such withholding. United States Alien Holders should consult their own tax advisors regarding FATCA and its relevance to their investment.

Information returns may be required to be filed and backup withholding may apply with respect to payments on a Note. The beneficial owners of a Note may be required to comply with applicable certification procedures to establish, under penalties of perjury, their non-U.S. status (or an otherwise applicable exemption) in order to avoid the application of such information reporting requirements and backup withholding.

**European Union Directive on Taxation of Savings Income**

Under the Savings Directive, each Member State of the European Union is required to provide to the tax authorities of another such Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or secured by such a person for, an individual beneficial owner resident in, or certain limited types of entity established in, that other Member State. On 10 November 2015, The Council of the European Union adopted a Council Directive repealing the Savings Directive with effect from 1 January 2016 in the case of Member States other than Austria and from 1 January 2017 in the case of Austria.

Austria will, until 1 January 2017 (unless during such period it elects otherwise), operate a withholding system in relation to such payments instead of an information reporting system. The rate of withholding is 35 percent. However, the beneficial owner of the interest (or similar income) payment may elect that certain provision of information procedures should be applied instead of withholding, provided that certain conditions are met.

The repeal of the Savings Directive is to prevent overlap with the DAC. The repeal will also be subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before the effective dates of the repeal.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures to the Savings Directive. Those measures in some or all of those countries and territories may be revised to be aligned with the DAC.

Investors who are in any doubt as to their position should consult their professional advisers.

**The proposed Financial Transactions Tax**

The European Commission has published a proposal (the "Commission's Proposal") for a Directive for a common financial transactions tax ("FTT") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "Participating Member States").

The Commission's Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of the Notes should, however, be exempt.

Under the Commission's Proposal, the FFT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State, or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The FFT proposal remains subject to negotiation between the Participating Member States and the legality of the proposal is uncertain. It may therefore be altered prior to any implementation. Additional European member states may decide to participate and/or certain of the Participating Member States may decide to withdraw.

Joint Statements issued by several Participating Member States indicate an intention to implement the FTT by January 1, 2016.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

**Hong Kong**

The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretations thereof in effect as at the date of this Base Prospectus, all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective holders of Notes who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction are advised to consult their own professional advisers.

***Withholding tax***

Under the existing Hong Kong law, no withholding tax in Hong Kong is payable on payments of principal or interest with respect to the Notes.

***Profits tax***

Profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession or business.

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) of Hong Kong (the "Inland Revenue Ordinance") as it is currently applied, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(i) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a company (other than a financial institution) carrying on a trade, profession or business in Hong Kong; or

(iii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person (other than a company) carrying on a trade, profession or business in Hong Kong and is in respect of the funds of the trade, profession or business.

Sums derived from the sale, disposal or redemption of the Notes will be subject to Hong Kong profits tax where received by or accrued to a person who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source.

***Stamp duty***

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Note.

**People's Republic of China**

The following summary describes the principal PRC tax consequences of ownership of the Notes by beneficial owners who, or which, are residents of mainland China for PRC tax purposes or who may be otherwise subject to PRC income tax if the interests on other gains are regarded as income derived from sources within the PRC. Holders of Notes should consult their own tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

If the holder of the Notes is a PRC entity or individual who, or which, is a resident of the PRC, for PRC tax purposes, pursuant to the PRC Enterprise Income Tax Law and the PRC Individual Income Tax Law and their implementation rules, an income tax shall be levied on both capital gains and payment of interest gained by a PRC resident in respect of the Notes. The current rates of such income tax are twenty percent (20%) for individual PRC resident and twenty five percent (25%) for any enterprise incorporated in the PRC.

In addition, pursuant to the PRC Enterprise Income Tax Law, if an enterprise incorporated outside the PRC has its "de facto management body" located within the PRC, such enterprise may be regarded as a "PRC resident enterprise" and thus may be subject to the enterprise income tax at the rate of twenty five percent (25%) on its worldwide income. Under the Implementation Rules on the PRC Enterprise Income Tax Law, "de facto management body" is defined as the bodies that substantially exert comprehensive management and control on the business, personnel, accounts and assets of an enterprise. If any holder of the Notes is determined as a "PRC resident enterprise" because its "de facto management body" is located in the territory of the PRC, any interest and capital gains paid to such holders may be subject to PRC enterprise income tax at a rate of twenty five percent (25%).

PRC income tax are generally applicable at the rate of 10% to interest and other gains payable to holders that are non-resident enterprises of the PRC, or at the rate of 20% to interest and other gains payable to holders that are non-resident individuals of the PRC, to the extent such interest or gains are regarded as income derived from sources within the PRC. Such 10% or 20% tax rate could be reduced by applicable treaties between PRC and the jurisdiction of the holder.

The holders of Notes who are not resident in the PRC for PRC tax purposes are generally not subject to withholding tax, income tax or any other taxes or duties imposed by any governmental authority in the PRC in respect of their Notes or any repayment of principal and payment of interest made thereon. However, if any of the Issuers or the Guarantor is deemed as a PRC tax resident enterprise for PRC tax purposes, such payment of interest or other gains may be deemed to be derived from sources within PRC and subject to PRC income tax.

# SUBSCRIPTION AND SALE, AND SELLING AND TRANSFER RESTRICTIONS

The Dealers have, in an amended and restated programme agreement (the "Programme Agreement") dated December 14, 2015 agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes and resell such Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, each of the Issuers (failing which the Guarantor) has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

In order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the relevant Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time. Under U.K. laws and regulations stabilising activities may only be carried on by the Stabilising Manager named in the applicable Final Terms and only for a period of 30 days following the Issue Date of the relevant Tranche of Notes. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes.

**Transfer Restrictions**

*As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.*

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or vice versa, will be deemed to have acknowledged, represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(i) that it is not an affiliate of the Issuer or acting on behalf of the Issuer and either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (b) it is not a U.S. person purchasing the Registered Notes outside the United States in an offshore transaction in accordance with Regulation S;

(ii) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(iii) that, unless it holds an interest in a Regulation S Global Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is one year after the later of the last Issue Date for the Series and the last date on which the relevant Issuer or an affiliate of the relevant Issuer was the owner of such Notes, only (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller reasonably believes is a

QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States in offshore transactions in compliance with Rule 903 or Rule 904 of Regulation S, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;

(iv) that it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iii) above, if then applicable;

(v) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;

(vi) neither the Issuer nor the Agents will be required to accept for registration of transfer any Notes acquired by it except upon presentation of evidence satisfactory to the Issuer that the restrictions on transfer set forth herein have been complied with.

(vii) that the Notes, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT REFERRED TO HEREIN AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF

WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).";

(viii) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the Tranche of which such Registered Notes form part), it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART."; and

(ix) that the relevant Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the relevant Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.$250,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.$250,000 (or its foreign currency equivalent) of Registered Notes.

***Selling Restrictions***

***United States***

The Notes have not been and will not be registered under the Securities Act, or any state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only (1) in the United States to QIBs in reliance on an exemption from the registration requirements of the Securities Act, and (2) outside the United States in "offshore transactions" in compliance with Regulation S. Unless otherwise indicated herein, terms used in this section that are defined in Rule 144A or in Regulation S are used herein as defined therein.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations; provided, however, that FCFNA may not issue Notes in bearer form. Terms used in this paragraph and the following two paragraphs have the meanings given to them by the Code and regulations thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules (each as defined under "*Form of the Notes—Bearer Notes*") apply or whether TEFRA is not applicable.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S ("Regulation S Notes"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Regulation S Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Regulation S Notes are a part or (iii) in the event of a distribution of a Tranche that is fungible therewith, until 40 days after the completion of the distribution of such fungible Tranche, as determined by the parties described in clause (ii), within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. To the extent that the relevant Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the relevant Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

***Public Offer Selling Restriction under the Prospectus Directive***

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State (the "Securities"), except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

*provided* that no such offer of Securities referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

The European Economic Area selling restriction is in addition to any other selling restriction set out below.

***Canada***

The Notes have not been, and will not be, qualified for sale under the securities laws of any province or territory of Canada. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, solicited an offer to purchase, or delivered, and that it will not offer, sell, solicit an offer to purchase or deliver, any Notes, directly or indirectly, in Canada or to, or for the benefit of, any resident thereof in contravention of the securities laws of any province or territory of Canada and also, in the case of Notes issued by FCFC (the "FCFC Notes"), without the consent of FCFC. Each Dealer has also agreed not to distribute the Base Prospectus or any other offering material relating to the Notes, in Canada without the written permission of FCFC. Each Dealer has further agreed that it will deliver to any purchaser who purchases from it any FCFC Notes a notice stating in substance that, by purchasing such FCFC Notes, such purchaser represents and agrees that it has not offered or sold, and until 40 days after any closing date, will not offer or sell, directly or indirectly, any of such FCFC Notes in Canada or to, or for the benefit of, any resident thereof, except pursuant to available exemptions from applicable Canadian provincial or territorial securities laws and will deliver to any other purchaser to whom it sells any of such FCFC Notes a notice containing substantially the same statement as in this sentence.

If the applicable Final Terms or any other offering materials relating to the Notes provides that the Notes may be offered, sold or distributed in Canada, the issue of the Notes will be subject to such additional selling restrictions as the Issuer and the relevant Dealer may agree. Each Dealer will be required to agree that it will offer, sell and distribute such Notes only in compliance with such additional Canadian selling restrictions.

***Italy***

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of February 24, 1998, as amended (the "Financial Services Act") and Article 34-*ter*, first paragraph, letter b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended from time to time ("Regulation No. 11971"); or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of October 29, 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended (the "Banking Act");

(b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

(c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

***United Kingdom***

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their business where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 ( "FSMA") by the relevant Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and

(iii) it has complied and will comply with all applicable provisions of the FSMA, with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

***The Netherlands***

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that unless the applicable Final Terms specify that Article 5:20(5) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) is not applicable, it will not make an offer of Notes (including rights representing an interest in the Notes in global form) to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive (as defined under "*Public Offer Selling Restriction under the Prospectus Directive*" above) unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Dutch Financial Supervision Act or (ii) standard logo and exemption wording are incorporated in the applicable Final Terms, advertisements and documents in which the offer is announced, as required by Article 5:20(5) of the Dutch Financial Supervision Act, provided that no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Notes that qualify as savings certificates as defined in the Savings Certificates Act (*Wet inzake Spaarbewijzen*) in definitive form may only be transferred and accepted through the mediation of the relevant Issuer or a member of Euronext Amsterdam N.V. in accordance with the Savings Certificates Act. Such restrictions do not apple (a) to a transfer and acceptance of Notes in definitive form between individuals not acting in the conduct of a business or profession, (b) to the transfer and acceptance of Instruments in definitive form within the Netherlands if all Notes (either in definitive form or as rights representing an interest in the Notes in global form) are issues outside the Netherlands and are not distributed within the Netherlands in the course of primary trading or immediately thereafter, or (c) to the initial issue of such Notes to the first holders thereof. If the Savings Certificates Act is applicable, certain identification requirements in relation to the issue, transfer of or payment on the Notes will have to be complied with. For the purposes of this paragraph, Notes that qualify as savings certificates as defined in the Savings Certificates Act (*Wet inzake Spaarbewijzen*) are Notes that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due prior to maturity or on which no interest is due whatsoever.

***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended (the "FIEA")) and each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan, or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time. As used in this paragraph, "resident of Japan" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

***Hong Kong***

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that: (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("SFO") and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

***People's Republic of China***

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau or Taiwan), except as permitted by the securities laws of the PRC.

***Singapore***

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore, and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "Securities and Futures Act"). Accordingly, the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Base Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person under Section 275(1) of the Securities and Futures Act or to any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the Securities and Futures Act except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the Securities and Futures Act or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act; or

(ii) where no consideration is or will be given for the transfer; or

(iii) where the transfer is by operation of law; or

(iv) pursuant to Section 276(7) of the Securities and Futures Act or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

***General***

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of

Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuers, the Guarantor nor any of the other Dealers shall have any responsibility therefor.

None of the Issuers, the Guarantor or the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the relevant Issuer and the relevant Dealer shall agree.

# GENERAL INFORMATION

**Authorisation**

The renewal of the Programme and the issue and guarantee of Notes, as the case may be, have been duly authorised by the resolutions of the board of directors of FCA dated October 28 and 29, 2014, of FCFE dated December 2, 2015 and of FCFNA dated December 4, 2015, and by the resolutions of the sole shareholder of FCFC dated December 2, 2015. The Guarantee has been given pursuant to Article 3 of the Guarantor's articles of association.

**Listing of Notes on the Irish Stock Exchange**

The Base Prospectus has been approved by the Central Bank of Ireland (the "Central Bank"), as competent authority under the Prospectus Directive. The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC, as amended and/or which are to be offered to the public in any member state of the European Economic Area. Application has been made to the Irish Stock Exchange for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list (the "Official List") and trading on its regulated market.

However, Notes may be issued pursuant to the Programme which will not be listed on the Irish Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the relevant Issuer and the relevant Dealer(s) may agree.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuers in relation to the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the regulated market of the Irish Stock Exchange for the purposes of the Prospectus Directive.

**Documents Available**

Copies of the following documents may be physically inspected at the offices of the Paying Agent in Ireland for the life of the Base Prospectus:

(i) the constitutional documents (in the case of FCFE, with an English translation thereof) of each Issuer and the articles of association (with an English translation thereof) of FCA;

(ii) the audited non-consolidated financial statements of each of FCFE, FCFNA and FCFC in respect of the financial years ended December 31, 2014 and 2013 (in the case of FCFE, with an English translation thereof), the audited consolidated financial statements of the FCFE Group in respect of the financial years ended December 31, 2014 and 2013 (with an English translation thereof), and the audited consolidated financial statements of the FCA Group in respect of the financial years ended December 31, 2014 and 2013 (each of FCFNA and FCFC currently prepares audited non-consolidated accounts on an annual basis, and each of FCFE and the Guarantor prepares audited consolidated accounts on an annual basis);

(iii) the most recently published audited annual financial statements of each Issuer (on an non-consolidated basis only in the case of FCFNA, FCFC, and on a non-consolidated and consolidated basis in the case of the Guarantor and FCFE) and the most recently published unaudited interim financial statements (if any) of each Issuer and the Guarantor (in the case of FCFE, with an English translation thereof);

(iv) the Agency Agreement, the Guarantee, the Deed of Covenant, the Deed Poll and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;

(v) a copy of the Base Prospectus;

(vi) any future prospectuses, information memoranda and supplements to the Base Prospectus and any other documents incorporated herein or therein by reference, including Final Terms (save for Final Terms relating to unlisted Notes, which will only be available for inspection by holders of the relevant Notes upon the production of evidence satisfactory to the relevant Issuer and the Paying Agent as to its holding of such Notes and identity); and

(vii) in the case of each issue of listed Notes subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

**Clearing Systems**

Notes, other than CMU Notes, in bearer form have been accepted for clearance through Euroclear and Clearstream. The appropriate Common Code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream will be specified in the applicable Final Terms.

CMU Notes have been accepted for clearance through the CMU Service. The appropriate CMU instrument number for each Tranche of CMU Notes will be specified in the applicable Final Terms.

In addition, the relevant Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and Common Code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream is Clearstream Banking, 42, Avenue John F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg. The address of CMU Service is 55th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

**Conditions for Determining Price**

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

**Significant or Material Change**

Except as disclosed under “*Financial Review of the FCA Group*” herein, there has been no significant change in the financial or trading position of any of (i) FCFE, FCFNA or FCFC since December 31, 2014, or (ii) FCA or the Group since September 30, 2015, and there has been no material adverse change in the prospects of the Issuers or the Guarantor since December 31, 2014.

**Litigation**

Except as disclosed under “*The FCA Group—Legal Proceedings*” herein, none of the Issuers nor the Guarantor nor any other member of the Group is or has been involved in any legal, governmental or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuers or the Guarantor are aware) which is reasonably likely to have or have had in the 12 months preceding the date of this document a significant effect on the financial position or profitability of the Issuers, the Guarantor or the Group.

**Material Contracts**

Except for those contracts entered into in the ordinary course of business of the Group (including those instrumental to said activities, such as financial contracts, joint venture contracts, supply contracts and acquisition agreements) none of the Issuers nor the Guarantor nor any other member of the Group has, in the last two years up to the date of this Base Prospectus, entered into any material contract outside to the context of the main business of the Group that may have a material impact to the ability of Group to meet its obligations in respect of the Notes.

**Auditors**

The independent auditors of FCFE are Ernst &Young S.A., of 7, rue Gabriel Lippmann, Parc d’Activité Syrdall 2, L-5365 Munsbach, Luxembourg, Grand-Duchy of Luxembourg. Ernst & Young S.A. audited (i) the stand-alone accounts of FCFE as of and for the years ended on December 31, 2013 and December 31, 2014, which are presented in accordance with Luxembourg GAAP, and issued a report thereon without qualification, in accordance with auditing standards generally accepted in Luxembourg, and (ii) the consolidated accounts of the FCFE Group as of and for the years ended on December 31, 2013 and December 31, 2014, which are presented in accordance with IFRS as adopted by the European Union, and issued a report thereon without qualification, in accordance with auditing standards generally accepted in Luxembourg.

Ernst & Young S.A. is a member of the institute of registered auditors (*Institut des Réviseurs d'Entreprises*) which is the Luxembourg member of the International Federation of Accountants and is registered in the public register of approved audit firms held by the CSSF as competent authority for public oversight of approved statutory auditors and audit firms.

The independent auditors of FCFNA and FCFC are Ernst &Young LLP, of 5 Times Square, New York, NY, 10036, United States of America. Ernst &Young LLP audited the accounts of each of FCFNA and FCFC as of and for the years ended December 31, 2013 and December 31, 2014, which are each presented in accordance with IFRS, and issued a report on each without qualification, in accordance with auditing standards generally accepted in the United States of America.

Ernst & Young LLP, members of the AICPA, are independent certified public accountants with respect to FCFNA and FCFC under Rule 101 of the AICPA's Code of Professional Conduct, and its interpretations and rulings.

From September 26, 2014, the independent auditors of the FCA Group, with respect to the consolidated and the statutory financial statements of FCA of and for the financial year ended December 31, 2014 prepared in accordance with, respectively, (x) IFRS as adopted by the European Union, and (y) the legal requirements set forth in Title 9, Book 2 of the Dutch Civil Code, are Ernst & Young Accountants LLP, with its registered office at Boompjes 258, 3011 XZ Rotterdam, the Netherlands.

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The independent auditors of the Fiat Group, the predecessor to the FCA Group, as of and for the year ended December 31, 2013 were Reconta Ernst & Young S.p.A., Via Meucci 5, 10121 Turin, Italy.

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