



Frequently Asked Questions for U.S., Non-bargaining Unit Employees

General

1. What's the status of plans for salaried employees taking a two-week unpaid leave?

Message from Nancy Rae:

By now you're aware that Chrysler has received interim approval for \$4.1 billion of Debtor-In-Possession (DIP) financing to enable the Company to meet its working capital, payroll and general business needs.

Conditions of the DIP financing require sacrifices beyond those already made by many of Chrysler's stakeholders, including our employees represented by the UAW and CAW, our dealers and our suppliers. We realize that you, too, have already made significant sacrifices to help Chrysler move toward its goal of long-term viability.

You may have read that the conditions of our DIP financing include a mandatory two-week, unpaid leave for NBU employees to achieve a cost reduction equivalent to two weeks of salary. While this two-week leave may need to be implemented, we are working hard to assess our progress toward the budget savings that were described in our court filings and hope to achieve sufficient savings to delay any unpaid leave or to render it unnecessary. In addition, the demands being placed on many of you to close the sale transaction as quickly as possible and take other steps necessary to launch a new Chrysler may make it difficult to implement unpaid leave for many employees. In the meantime, we appreciate your continued focus on cost savings and cost reduction at this critical time.

We appreciate your continued support as we navigate through this restructuring period that will enable us to emerge as a vibrant company with bright, long-term prospects.

2. Which plants will be closing?

While most manufacturing operations have been temporarily idled in order to reduce dealer inventory and as part of the restructuring process, this idling was not the result of the bankruptcy filing, and we expect that most workers will be back on the job following the bankruptcy proceedings and the formation of the new company. The plants currently scheduled for closing are as follows:

Sterling Heights (Mich.) Assembly Plant: A severe decline in the market has resulted in reduction of volumes, and thus made operation of this plant not possible. The plant is expected to continue operation through December 2010.

Kenosha (Wis.) Engine: Unprecedented reduction in volume and demand for products has resulted in the decision to idle the plant in December 2010.

Detroit Axle: All required work will be moved to a new facility that is being developed in nearby Marysville, Mich. The plant will be idled in December 2010.

Twinsburg (Ohio) Stamping: Due to deteriorating volumes, and in order to optimize capacity, existing volume will be transferred to Warren Stamping and Sterling Stamping plants effective March 2010.

Conner Avenue Assembly Plant (Detroit): The facility and vehicle platform has been for sale since 2008. The site is scheduled to idle December 2009.

St. Louis Assembly Plant North (Fenton, Mo.): Due to volume reduction in the truck segment, capacity will be optimized by moving RamBox™ production to Warren Truck Assembly Plant effective third quarter of 2009.

Newark (Del.) Assembly Plant (closed December 2008)

St. Louis Assembly Plant South (Fenton, Mo.) (closed October 2008)

3. Should Employees come to work tomorrow?

Yes, employees and contractors should continue to report to work, as scheduled, unless they have been specifically notified not to do so by the Company. As part of the restructuring, all manufacturing operations will be temporarily idled effective Monday, May 4, 2009. Normal production schedules are expected to resume when the transaction is completed.

4. How will the recent announcement impact me?

All employees will transition to the new company. Your salary will be, at least initially, equal to your current base salary.

Under the proposed transaction with Fiat, employee benefits will initially be provided on terms no less favorable in the aggregate than the benefits provided under the current benefit plans.

5. What happens during the period after filing and before we transition to the new company?

Normal payroll practices will continue after the filing date. Benefits will generally continue for active employees without interruption, though the Company reserves the same right to amend or terminate benefit plans at any time that it had prior to the filing date.

6. Can I continue to charge my business expenses?

Yes. The approval process, guidelines and procedures regarding business expenses have not changed. You may continue to submit any qualified business expenses in accordance with Company policy.

7. Where should employees go to get more information about the restructuring process?

Chrysler will provide regular updates via scoop.chrysler.com, www.chryslerrestructuring.com, or by calling our restructuring information line at 1-877-271-1568 (United States and Canada) or +1-503-597-7708 (International).

8. How long do you anticipate plants to be idled?

Most manufacturing operations will be temporarily idled effective May 4. Normal production schedules will resume when the transaction is complete, which is anticipated within the next 30 to 60 days.

Compensation/Healthcare

9. What happens to my Retiree Health Care Account (RHCA)?

The RHCA is a qualified Voluntary Employees' Beneficiary Association (VEBA), and your account assets are not subject to creditor claims. Your account balance will be available for reimbursement of qualified health care expenses in retirement.

10. Will severance and benefits be provided to those who lose their jobs going forward?

Under the proposed transaction with Fiat, severance benefits will initially be provided on terms that are no less than the severance benefits employees would have received under the current severance benefit plans.

11. Will paychecks still be delivered in the same way?

Orders were entered on May 1 authorizing financial institutions to honor EFTs and paychecks for wages earned before the bankruptcy filing. Employees who have previously elected EFT via Dashboard should call their financial institutions directly to confirm availability of their funds. Banking inquiry systems (on-line and 1-800 hotlines) update throughout the day, If you receive paper checks there could be a one or two day period in which check-clearing is delayed. In addition, employees that have credit union deductions from their payroll payments may also experience a one or two day period in which these deductions may not be posted to their accounts.

For future pay elections, employees can continue to elect EFT via Dashboard to avoid any delays in pay, however, an EFT election today cannot take effect until at least 7 to 10 business days.

First-day motions were filed to support Chrysler's employees, dealers, vendors and suppliers, together with its customers and other stakeholders. The Court granted approval for the company's request to continue payment of wages and health and welfare benefits to employees and contractors, and continue its customer warranty programs.

12. What do I do if my May 1 pay check was returned?

Employees should return these checks to their bank/financial institution to reprocess the checks. The HOLD that was placed on these accounts during the initial days of the bankruptcy filing has been lifted and the bank will now honor these checks.

Accounts affected:

JP Morgan: Account 811103167

Account 811103175

Comerica: Account 2176970578

(If unsure, this account number is the third set of numbers in the MICR line)

For future pay elections, employees can continue to elect EFT via DASHBOARD to avoid any delays in pay, however, an EFT election today cannot take effect until at least 7 to 10 business days.

13. What if my bank assessed fees against my account?

If employees have fees leveraged against their account for a returned check, they should return to their bank and indicate that it is related to the Chrysler Bankruptcy filing and request that this fee be waived.

14. If I'm laid off after the filing will I get a check for the period from my last paycheck immediately before filing through the time I was let go?

Court approval will be sought to pay for this time worked.

15. Will my Workers Compensation benefits be paid?

By decision of the bankruptcy court Chrysler has authority to pay pre-petition workers compensation claims. (Added May 7)

16. What is the status of our money in dependent care and health care savings programs – is it safe?

The funds in these plans are not subject to creditor claims and remain available for you under the terms of the applicable plans.

Retirement/401(k)

17. What about Daimler's commitment to provide a \$1 billion guarantee if the pension plans are terminated?

As announced on April 27, Daimler reached an agreement on its separation from Chrysler where it has agreed to pay \$200 million into Chrysler's pension plans on the date of the execution of a definitive agreement, and in each of the next two years, for a total contribution of \$600 million. The existing pension guarantee of \$1 billion to the PBGC will be reduced to an amount of \$200 million and remain in place until August 2012.

18. Are Chrysler's pension plans protected from creditor claims in Bankruptcy proceedings?

Yes. Federal law protects the funds in qualified pension plans from creditor claims.

19. Will the Chrysler qualified pension plans be assumed by the new company?

Under the proposed transaction with Fiat, Chrysler's qualified pension plans will be assumed by the new company.

20. What happens if the defined benefit pension plans are terminated?

In the event a plan is terminated it will be administered by the Pension Benefit Guaranty Corporation, which is an independent agency chartered under federal law. For more information about the PBGC insurance protection and its limitations, you may visit www.pbgc.gov.

21. What will happen to the accounts of employees in the 401(k) plan?

The assets in all 401(k) plans are completely separate from Chrysler and are held in a trust administered by Merrill Lynch. These funds are protected from the claims of the Company's creditors.

22. Now that Chrysler has filed for bankruptcy can I withdraw my 401(k) assets in a lump sum?

Regular plan terms and IRS regulations still apply to all 401(k) distributions. Please contact a financial advisor for more information regarding your particular situation.

23. Are employees still responsible for any loan payments they have related to their 401(k) plans?

Yes. At present, the normal terms of the plan remain in place.

24. May I continue to make deferral contributions and “catch-up” contributions (pre-tax contributions if age 50 or more), if applicable, to my 401(k) plan?

Yes. If you continue in the employ of Chrysler, you will be allowed to continue to contribute to the 401(k) savings plan to the extent allowed by the plan and IRS regulations.

25. Will I still be eligible to receive my 401(k) Company Match allocation?

Amounts previously deposited into your 401(k) savings account under the Company match program are vested and available for distribution in accordance with regular plan terms and IRS regulations. Please contact a financial advisor for more information regarding your particular situation.

26. Are there any non-vested assets in the 401(k)? How are they affected?

No, all 401(k) funds vest immediately.

27. Am I still entitled to amounts contributed to the “New Hire” Employee Managed Retirement Plan)?

Yes, the Employee Managed Retirement Plan is a qualified pension plan whose assets are protected from creditor claims. Vested amounts are available to plan participants in accordance with plan provisions. For further information please contact Merrill Lynch at 1-800-483-7283 or via web at <http://www.benefits.ml.com/>

Supplemental Workers

28. How are contract workers affected? Do they come to work?

Contract workers should come to work unless instructed to do otherwise. For specific questions, contract workers should contact their contract firm.

Locations outside of the U.S.

29. How are expatriate employees impacted?

Expatriate employees should continue to report to work, as scheduled, unless they have been specifically notified not to do so by the Company.

30. Will plants in Canada/Mexico/outside U.S. be impacted?

All plants will be idled, however our Canadian and Mexican subsidiaries did not file for bankruptcy today.

Company Cars

31. What should I do with my Chrysler Employee/Retiree Lease vehicle?

Regarding the Employee Lease (EL) program, your lease arrangement will continue for now.

As you may know, Chrysler has an agreement with a third party that owns certain vehicles that Chrysler employees and retirees drive as lease vehicles. For now, Chrysler will continue to collect amounts owed under your lease from your pay, pension check or other method. In the near future, Chrysler or its representatives will work with the outside entities to craft an on-going

solution. As soon as possible, we will determine and communicate to you the appropriate next steps. Remember that, as has been previously communicated, the lease program had already been scheduled to end later this year. In the meantime, you should be aware that Chrysler continues to offer very favorable terms for purchase of new vehicles under the Employee Advantage Plan (Dashboard Anywhere/Cars & Trucks channel). Also, in cooperation with Chrysler, Met Life and the Sterling Insurance Agency offer competitive group insurance rates for auto and other coverage (Dashboard Anywhere/Pay & Benefits channel/Optional Insurance).

32. Are any reductions to base pay anticipated as a result of the bankruptcy proceedings or restructuring with Fiat?

It is premature to speculate on the impact that the restructuring will have on base pay. (Added 5/8)

33. Can outstanding vouchers for vehicle purchase be used toward the purchase of an employee's company lease vehicle?

As previously communicated, the vehicle certificates are only good towards the purchase of a new vehicle, it does not apply to used vehicles. (Added 5/8)

32. Will Chrysler Financial continue to service current customers?

Yes. Chrysler Financial will service and manage the retail installment loans and leases written with Chrysler Financial. (Added 5/8)

33. What is the official date of filing for bankruptcy?

On April 30th, 2009, Chrysler LLC and twenty-four (24) of its affiliates filed petitions in the United States Bankruptcy Court. (Added 5/8)

34. What happens to NBU employees on personal LOA ?

Employees on approved personal LOA are expected to continue to follow policies applicable to their leave.

35. What happens to NBU employees on FMLA?

In accordance to the Family Medical Leave Act, eligible employees may request to take up to 12 weeks of unpaid, job-protected leave in a 12-month period for specified family and medical reasons.

36. What happens to NBU employees on Military LOA?

Employees on an approved Military leave of absence will be expected to follow reinstatement policies upon completion of military duty.

37. Will the restructuring result in further personnel reductions?

It is premature to speculate on the impact that the restructuring will have on personnel staffing levels.

38. Please list the benefits that are considered qualified vs non-qualified (subject to the claims of creditors). (Added 5/8)

Qualified Salaried Retirement & Savings Plans

Plan	Acronym	QP / NQP	Benefit Elements
Chrysler LLC Pension Plan	CPP	DB QP	Basic Temporary Early Retirement Supplement Interim Supplement
Chrysler LLC Salaried Employees' Retirement Plan	SERP	DB QP	FAS Contributory
Chrysler LLC Executive Salaried Employees' Retirement Plan	ESERP	DB QP	FAS Contributory
Chrysler LLC Supplemental Executive Retirement Plan	SRP	DB NQP	ERISA Excess - benefits not payable under the qualified plan. IC – benefits accrued on IC awards.
Chrysler LLC Salaried Employees' Savings Plan	SESP	DC QP	401(k) deferrals
Chrysler LLC Executive Employees' Supplemental Savings Plan	ESSP	DC NQP	Income deferrals in addition to those permitted under the 401(k) plan.
Chrysler LLC Salaried Employees' Income Deferral Plan	SEIDP	DC NQP	Income deferrals in addition to those permitted under the 401(k) plan.

Nonqualified plan (NQP) – a plan that does not meet the requirements of Section 401(a) of the Internal Revenue Code.

- Subject to general creditors in the event of a bankruptcy.
- There is no requirement that assets be set aside.
- Not protected by the PBGC.

Qualified Plan (QP) – a plan that the IRS approves as meeting the requirements of Section 401(a) of the Internal Revenue Code. A qualified plan receives favorable tax treatment.

- Plan fiduciaries must comply with ERISA requirements including funding, reporting, and disclosure.
- Assets are separate from business assets.
- Defined benefit (DB) QPs are protected by the PBGC.