



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

March 12, 2010

Ms. Nancy A. Rae
Executive Vice President–Human Resources
Chrysler Group LLC
1000 Chrysler Drive
CIMS 485-08-96
Auburn Hills, Michigan 48326-2766

***Re: Supplemental Determination Regarding 2009 Compensation
Payments and Structures for Senior Executive Officers and
Most Highly Compensated Employees***

Dear Ms. Rae:

This letter addresses certain matters related to determinations of the Special Master for TARP Executive Compensation under the Department of the Treasury's Interim Final Rule on TARP Standards for Compensation and Corporate Governance (the "Rule"), regarding the compensation of the senior executive officers and certain most highly compensated employees of Chrysler Group LLC ("Chrysler").

Pursuant to the Rule, on October 22, 2009, the Special Master issued an initial determination (the "Initial Determination") with respect to 2009 compensation structures and payments for the senior executive officers and the next 20 most highly compensated employees ("Top 25 Employees") of Chrysler. Under the Rule, an initial determination of the Special Master shall be treated as final unless the TARP recipient requests a reconsideration within 30 days. Because Chrysler did not request such a reconsideration, the Initial Determination became final effective November 21, 2009.

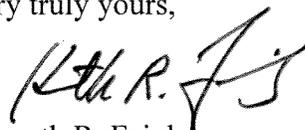
Following the Initial Determination, on January 15, 2010, Chrysler requested approval to alter the 2009 compensation structures for several of the Top 25 Employees. In particular, Chrysler sought to supplement the long-term restricted stock grants approved by the Special Master in the Initial Determination based on a comprehensive review of employee performance during the six-month period following the company's emergence from bankruptcy in June 2009. Chrysler completed this review in early 2010 before granting long-term restricted stock for 2009, which the company intends to do on or before March 15, 2010. In no event would the aggregate grant of long-term restricted stock for a Top 25 Employee exceed one-third of that employee's 2009 annual compensation.

The Rule requires that the Special Master determine whether the 2009 compensation structures for Top 25 Employees “will or may result in payments that are inconsistent with the purposes of Section 111 of EESA or TARP, or are otherwise contrary to the public interest.” 31 C.F.R. § 30.16(a)(3)(ii) (the “Public Interest Standard”). The Rule also requires that the Special Master consider six principles when making these compensation determinations. In particular, the compensation structures and the amounts payable thereunder should reflect “the current or prospective contributions of an employee to the value of the TARP recipient” and “the need for the TARP recipient to remain a competitive enterprise, to retain ... talented employees who will contribute to the TARP recipient’s future success, and ultimately to be able to repay TARP obligations.” *Id.* at § 30.16(b)(1).

The Special Master has determined that the compensation changes proposed by Chrysler will not, by virtue of their structural design or the amounts potentially payable under them, result in payments inconsistent with the Public Interest Standard. All long-term restricted stock granted pursuant to this determination must adhere to the applicable terms and conditions set forth in Exhibit II to the Initial Determination, including the requirement that long-term restricted stock may be granted only upon the achievement of specified, objective performance criteria that have been developed and reviewed in consultation with the Office of the Special Master and certified by Chrysler’s compensation committee.

The conclusions reached herein are limited to the authority vested in me by Section 30.16(a)(3) of the Rule, and shall not constitute, or be construed to constitute, the judgment of the Office of the Special Master or the Department of the Treasury with respect to the compliance of the proposed compensation structure or any other compensation structure for the subject employee with any other provision of the Rule. Moreover, my evaluation and conclusion have relied upon, and are qualified in their entirety by, the accuracy of the materials submitted by Chrysler to the Office of the Special Master, and the absence of any material misstatement or omission in such materials.

Very truly yours,



Kenneth R. Feinberg
Office of the Special Master
for TARP Executive Compensation

cc: Holly E. Leese, Esquire
Lawrence Cagney, Esquire