



FIAT CHRYSLER AUTOMOBILES

James J. Bante
Director

Retirement & Savings

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Dear Pension Recipient,

The purpose of this letter is to share important information regarding payment of your FCA pension benefit. FCA US LLC (FCA) has purchased a group annuity contract from Athene Annuity and Life Company (Athene), an insurance company, with respect to certain pension benefits paid from the FCA US LLC Pension Plan (FCAPP) and FCA US LLC Consolidated Plan (FCON) (Plans). Accordingly, **beginning March 1, 2018**, you will receive your monthly FCAPP payment from Athene.

FCAPP benefits were earned under one or more of the following plans:

- FCA US LLC Pension Plan (f/k/a Chrysler Pension Plan (CPP))
- American Motors Corporation Salaried Employees Retirement Plan (AMC Sal)
- Jeep Corporation Salaried Employees' Retirement Plan (Jeep Sal)
- Salaried Employees' Retirement Plan (SERP)
- Executive Salaried Employees' Retirement Plan (ESERP)
- New Venture Gear, Inc. Retirement Program for Salaried Colleagues (RPSC)
- Chrysler Group LLC Subsidiaries' Pension Plan (SUBS)

Generally, FCON benefits were earned under the following plans:

- IUE Pension Agreement
- SPFPA Pension Agreement

What You Need to Know

- **There will be no change to the gross amount of your monthly pension payment.**
- **There will be no change to the timing of your monthly pension payment.**
- There is no immediate action you need to take as a result of this change.
- In general, benefits eligible for transfer to Athene are monthly pension benefits of less than \$1,000 (FCAPP) or \$500 (FCON), which commenced before January 1, 2017.
- You can find more details in the enclosed "Pension Payment Transfer Highlights" document which covers:
 - What Is Happening
 - What You Can Expect
 - Why FCA Is Taking This Action
 - About Athene

More Information

Frequently Asked Questions (FAQs) regarding the transfer of your benefit to Athene are included in this packet, in addition to a *Notice of State Guaranty Association Coverage of Annuities*. Athene will mail a Welcome Kit to you in mid-February 2018. The kit will include additional information about the group annuity contract and how to view your transferred benefit amounts.

If you have any questions, please call Benefit Connect at 1-888-409-3300. For international callers, call 1-858-314-5172. Representatives are available Monday through Friday, 8 a.m. until 4 p.m. Eastern Time, excluding holidays.

Sincerely,



James J. Bante
Director Retirement & Savings
FCA US LLC

SUMMARY OF MATERIAL MODIFICATIONS

The information contained in this letter and the accompanying Frequently Asked Questions is a Summary of Material Modification (the “SMM”) for the FCA US LLC Pension Plan and the FCA US LLC Consolidated Plan (the “Plans”). This SMM is being distributed to all affected Plans’ participants to reflect a recent amendment to the Plans relating to the purchase of the group annuity contract. Please keep this SMM with your summary plan description and other important Plans’ documents.

If any conflict should arise between this SMM and the legal Plans’ documents, or if any point is not discussed in this SMM or is only partially discussed, the terms of the legal Plans’ documents (as interpreted by the Plans’ administrators) will govern in all cases. As always, FCA reserves the right to amend and/or terminate the Plans in its sole discretion.

Pension Payment Transfer Highlights

What Is Happening

FCA purchased a group annuity contract from Athene Annuity and Life Company (Athene), which will make future payments to you and certain other individuals receiving pension benefit payments under FCAPP (less than \$1,000) beginning March 1, 2018. FCAPP will have no further responsibility for payment of this pension benefit after that date.

Athene is assuming full and complete responsibility for the payment of your pension benefit under FCAPP. This includes an irrevocable commitment by Athene to make annuity benefit payments to affected participants and beneficiaries covered under the group annuity contract going forward.

What You Can Expect

- Beginning March 1, 2018, your monthly FCAPP pension benefit payment will be paid by Athene via check or direct deposit based on your current election with Benefit Connect.
- Your monthly benefit payment dates will not change.
- If you currently have deductions for retiree medical and/or other FCA benefit programs, those deductions will continue.
- Your gross monthly pension benefit amount will not change.
- Your transferred monthly benefit will continue to be protected. Before your benefit was transferred to Athene, it was protected by the Pension Benefit Guaranty Corporation. With the transfer to Athene, your benefit will be protected by the state guaranty association in the state where you live. Please see the enclosed *Notice of State Guaranty Association Coverage of Annuities*, which provides more information about this coverage.
- Athene will mail you a Welcome Kit in mid-February 2018, which will provide information on how to contact Athene:
 - If you have questions about your monthly benefit payment; or
 - If you would like to make a change to your address, federal or state tax withholding, personal or banking information.

You will need to contact Athene for all information related to your transferred benefit. Athene's contact information will be included in the Welcome Kit.

- Later this year, Athene will send you an annuity certificate. This certificate will describe your benefit and Athene's obligations under the group annuity contract.

Why FCA Is Taking This Action

FCA continually seeks to streamline costs and manage financial risk throughout the enterprise, including its employee benefit programs. This action entrusts certain monthly pension benefits to a secure institution whose core business is managing retirement assets and administering retirement benefits. After a thorough review, FCA selected Athene.

About Athene

Athene is backed by its parent company, Athene Holding Ltd., a retirement services company that issues and reinsurance retirement savings products designed for individuals and institutions seeking to fund retirement needs. As of September 30, 2017, Athene Holding Ltd. had \$96 billion in total assets¹, \$87 billion in total liabilities, and over 1 million policyholders. Athene Holding Ltd. is a publicly-traded company (NYSE: ATH), with a market capitalization of approximately \$9.3 billion as of December 4, 2017.

FCA will be working with Athene over the next several weeks to ensure a smooth transition of your benefit payment.

Please be sure to review any correspondence you receive from Athene. Once you receive your Welcome Kit, you can contact Athene if you have questions or need to make changes to your address, tax withholding, personal or banking information.

¹ GAAP total assets and liabilities as of September 30, 2017.

Frequently Asked Questions (FAQs)

1. Who is affected by the group annuity contract purchase?

This action generally affects pension recipients:

- in the FCA US LLC Pension Plan (FCAPP) and the FCA US LLC Consolidated Plan (FCON),
- who commenced monthly pension payments before January 1, 2017, and
- whose monthly gross payment is less than \$1,000 and \$500 under FCAPP and FCON respectively.

This action generally does not impact:

- Pension recipients who commenced pension payments from FCAPP and/or FCON on or after January 1, 2017.
- Terminated vested participants who have not commenced pension payments.
- Active FCA employees, whether or not pension-eligible.
- Pension recipients with monthly gross payments of more than \$1,000 and \$500 under FCAPP and FCON respectively.
- Pension recipients receiving only a UAW pension benefit.
- Pre-age 65 permanent and total disability (PTD) retirees, pre-age 62 retirees, and pre-age 65 retirees in Jeep Sal and AMC Sal.
- Pension recipients with qualified domestic relations orders (QDROs), alternate payees and other individuals with data complexities.

2. Why is the group annuity contract being purchased to pay our pension benefits?

This change allows FCA to streamline cost and manage financial risk while maintaining the security of ongoing benefits for our pension recipients. FCA is transferring responsibility for payments to an insurance company that specializes in paying annuities.

3. Why is FCA doing this now?

FCA is continuously reviewing ways to support its business strategy, which includes streamlining cost and managing financial risk across the Company.

4. How was Athene chosen?

FCA received bids from insurance companies that provide group annuity contracts to pension plan sponsors. To make the selection, FCA considered many factors, including the financial strength and rating of the insurance company, their ability to administer plan payments and their customer service capabilities. Based on a thorough process, FCA determined that Athene is best suited to meet the needs of affected pension recipients under the Plans.

5. How can I be sure that my pension benefit is secure?

When making the insurance company selection, FCA followed a diligent process to evaluate and select a financially strong insurance company to provide continued benefits to you in the future.

This process seeks to ensure that your pension benefit will be placed with a secure insurance company, which will be able to pay your benefit as prescribed under FCAPP.

With Athene taking over payment of your monthly benefit, the Pension Benefit Guaranty Corporation's (PBGC) insurance coverage of your benefit will end. Instead, your benefit will be backed by the state guaranty association in the state where you live. You can learn more about this on the website of the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) at www.nolhga.com. A *Notice of State Guaranty Association Coverage of Annuities* with more information on State Guaranty Associations is enclosed in this packet.

6. Is there anything that I need to do right away to prepare for this change?

No. You do not have to take any action. In mid-February 2018, Athene will mail you a Welcome Kit with more information.

7. When will the administrative transfer happen?

Athene will be responsible for making monthly payments beginning on March 1, 2018.

8. How is the transition to Athene being managed?

FCA will continue to work with Athene to ensure a smooth transition of your pension benefit.

- In mid-February, Athene will send you a Welcome Kit via U.S. mail with more information, including a new customer support phone number for questions.
- Athene will take over responsibility for making your benefit payment beginning March 1, 2018.
- After the transition is complete, you will receive an individual annuity certificate describing your benefit and Athene's obligations under the group annuity contract. The annuity certificate will be sent in late 2018.

9. Can I transfer my pension benefit to a different insurance company that provides annuities?

No. Your pension benefit is transferring to Athene because it is part of a group annuity contract that FCA has purchased on behalf of certain pension recipients.

10. Can I get a lump sum payment of my pension benefit instead of having my benefit administered by an insurance company?

No. The form of payment you chose when you commenced your pension benefit is the form of payment that will continue with Athene. The IRS prohibits lump sum payments to individuals who currently are receiving monthly pension payments.

11. If Athene took over my monthly payments starting March 1, 2018, will my annuity certificate have the same date?

No. Your annuity certificate will be effective January 1, 2018, the date Athene assumed financial responsibility for benefit payments. However, Athene will begin administering payments on March 1, 2018.

12. Will there be any change to my federal or state tax withholdings on my monthly benefits?

There could be a minor difference in the amount of your federal tax withholding due to calculation variances once your benefit is paid by Athene. In most cases, any differences should be minor and primarily due to rounding. Consult your tax advisor to determine the appropriate tax withholding election.

13. What if I want to change state or federal tax withholding, or have the check from Athene sent to a different address or have my payment deposited to a different bank account?

In mid-February 2018, Athene will mail you a Welcome Kit that will provide details regarding whom to call if changes are needed to your address, banking or tax withholding information.

14. How will the transfer of my monthly pension payment to Athene affect my IRS Form 1099-R?

You will receive two IRS Forms 1099-R for calendar year 2018. One will be from State Street Bank for January and February 2018, and one from Athene for March through December 2018. Athene will provide your IRS Form 1099-R for payments each year thereafter.

15. What if I have deductions taken from my monthly pension benefit?

Deductions from your pension benefit payments will now be taken from your annuity paid by Athene.

16. Whom should I contact if I have FCA retiree medical and have a question about my healthcare benefits?

Benefit Connect will remain the administrator for your FCA healthcare benefits. You can contact them at 1-888-409-3300.

17. I am receiving benefits as both a retiree and a beneficiary of another participant. How does this impact me?

Any benefit that you are receiving (either as a retiree or a beneficiary of another participant) that meets the applicable conditions will be transferred to Athene. You will receive a copy of this letter for each benefit being transferred. Athene will send a Welcome Kit regarding your transferred benefits in mid-February 2018. If you have questions, please call Benefit Connect at 1-888-409-3300. Representatives are available Monday through Friday, 8 a.m. until 4 p.m. Eastern Time, excluding holidays.

18. Am I still eligible for car discounts and other programs?

Your current eligibility for FCA programs will not change because of the transfer of your benefit payment to Athene.

19. How will the transfer of my monthly pension payment to Athene affect the Annual Funding Notice I receive each year?

Once Athene takes over your monthly pension payments, your benefit will not be paid from FCAPP, so you will no longer receive Annual Funding Notices for FCAPP.

20. Where can I get more information about the amount of coverage provided by state guaranty associations?

You can go to the website of the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) at www.nolhga.com. NOLHGA's members include the 52 life and health insurance guaranty associations representing the 50 states, Washington, D.C. and Puerto Rico. The website provides information on how state guaranty associations work and the coverage provided by each state. Keep in mind that rules are complex and may vary by state. In addition, the overall benefit cap will vary by state. See the attached *Notice of State Guaranty Association Coverage of Annuities* for more information on State Guaranty Associations.

21. Whom should I notify if I have personal changes such as marriage, divorce or death?

For any pension related changes, you should contact Athene. If you have a pension benefit that did not transfer to Athene, you will additionally need to contact Benefit Connect.

If you are eligible for FCA healthcare benefits, Benefit Connect remains the administrator for your FCA healthcare benefits and should be notified of changes. You can contact Benefit Connect at 1-888-409-3300.

NOTICE OF STATE GUARANTY ASSOCIATION COVERAGE OF ANNUITIES

Your pension plan may pay you your pension benefit in the form of an annuity purchased from a licensed insurance company. Once the plan purchases an annuity for you, the insurance company will be responsible for paying your benefit.

All states, Puerto Rico and the District of Columbia have “guaranty associations.” The purpose of a guaranty association is to protect policyholders, up to specified limits, in the event the insurance company is financially unable to meet its obligations.

If you receive your pension benefits in the form of an annuity and the insurance company becomes unable to pay, a guaranty association may be responsible for all, part or none of your annuity. Generally, where you live at the time the insurance company is unable to pay determines which guaranty association is responsible. In certain circumstances, other factors, such as where the insurance company is licensed to do business, determine which guaranty association may be responsible.

Each guaranty association has dollar limits on the extent of its coverage. In most states, guaranty association coverage limits are \$250,000 for individual annuities with an overall benefit “cap” for an individual life of \$300,000, though some states have maximums that are higher. However, state laws vary and can change over time, and different states may calculate the value of annuities differently.

This notice is to help you understand the general nature of the guaranty association protection of the annuity you may receive. It is only a summary. If you need information now or in the event the insurance company fails, a list of the addresses and telephone numbers of guaranty association offices is available by contacting PBGC’s Customer Contact Center, PO Box 151750, Alexandria, VA 22315-1750, telephone: 1-800-400-7242 or go to PBGC’s Web site at www.pbgc.gov (at the “Workers & Retirees” page, click on “Benefits” in the middle of the page and select “State Life and Health Insurance Guaranty Association Offices” under “Benefits”).