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Profit Sharing Plan

The plan was first negotiated between Chrysler and the UAW in 1985. The parties agreed to \$500 payments in lieu of profit sharing for 1986 and 1987 and to negotiate a plan for 1988. The plan negotiated in 1988 was designed to share a portion of profits (referred to as Total Profit Share) with eligible participants based on Chrysler's Return on Sales (ROS). The plan allows employees to share in Chrysler's U.S. operations profits upon the generation of the "first dollar of profits."

Eligibility

Full-time and permanent part-time U.S. hourly and represented salaried employees are eligible upon first day of employment.

Total Profit Share

The calculation of the Total Profit Share is based on the sales and profits of U.S. operations including domestic subsidiaries that carry on business primarily in the United States. Earnings from unconsolidated U.S. operations are included on an after-tax basis. Profits for Profit Sharing are before the calculation of taxes, management incentive awards or bonuses, Profit Sharing and extraordinary items (as set forth by generally accepted accounting principles).

Chrysler Current Profit Sharing Plan

The current profit sharing plan provides for a Total Profit Share that is based on the following Return on Sales (ROS) formula:

$$\begin{array}{rcl}
 \text{Total Profit Share} & \times & \frac{\text{Number of Eligible Hourly Employees}}{\text{Total Number of Eligible Employees Covered Under the Plan}} = \frac{\text{Hourly and Represented Salaried Allocated Profit Share}}{\text{Profit Sharing Percentage Factor}} \\
 \text{Hourly and Represented Salaried Allocated Profit Share} & \div & \frac{\text{Total Eligible Pay of Hourly and Represented Salaried Employees}}{\text{Profit Sharing Percentage Factor}} = \text{Distribution to Individual Participant} \\
 \text{Profit Sharing Percentage Factor} & \times & \text{Employee's Eligible Pay} = \text{Distribution to Individual Participant}
 \end{array}$$

UAW-Chrysler Profit Sharing History

<u>Plan Year *</u>	<u>Avg. BU** Payment</u>	<u>Percentage Factor</u>
1986	\$500	Flat \$500
1987	\$500	Flat \$500
1988	\$720	2.3%

1989	\$0	0.0%
1990	\$0	0.0%
1991	\$0	0.0%
1992	\$429	1.1%
1993	\$4,300	10.5%
1994	\$8,000	17.9%
1995	\$3,200	7.0%
1996	\$7,900	17.3%
1997	\$4,600	10.2%
1998	\$7,400	14.9%
1999	\$8,100	15.9%
2000	\$375	0.7%
2001	\$0	0.0%
2002	\$460	0.8%
2003	\$0	0.0%
2004	\$1,500	2.5%
2005	\$650	1.1%
2006	\$0	0.0%
2007	\$0	0.0%
2008	\$0	0.0%
2009	\$0	0.0%
2010	\$0	0.0%

	1986-2010 25 Years	2001-2010 Recent 10 Years
Total Payments	\$49,384	\$2,610
Average Payments	\$1,975	\$261

* Amounts for each plan year are paid in the first quarter of the following year.

**Average payment amounts represent both hourly and salaried bargaining unit employees.

Notes:

1) In 1985 negotiations, Chrysler and the UAW agreed to \$500 payments for the 1986 and 1987 plan years and to negotiate a profit sharing agreement for the 1988 plan year.

2) In 2010 there was no profit sharing payment; however, Chrysler paid a \$750 discretionary bonus to its employees.

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