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FCA US Tipton Transmission Plant Celebrates Silver Award in World Class Manufacturing

- Indiana facility's award brings total number of silver plants in North America to 10
- · Progress in WCM, accelerating with five plants achieving silver since January
- Tipton first transmission plant to receive silver designation
- Award recognizes continued progress toward becoming World Class

July 17, 2018, Auburn Hills, Mich. - The FCA US <u>Tipton Transmission Plant</u> becomes the latest plant to be designated silver in the Company's World Class Manufacturing (WCM) methodology. Recognized for its efforts in expanding the implementation of WCM principles, the Indiana facility is the Company's 10th North American manufacturing location overall and fifth plant since January to achieve the milestone award.

WCM is the structured and rigorous FCA production methodology designed to make plants more flexible and competitive by eliminating waste, increasing productivity, and improving quality and safety in a systematic and organized way. First implemented by Fiat in 2006 and introduced to Chrysler Group as part of the alliance between the two companies in June 2009, WCM principles are applied to all aspects of the plant organization, from quality to maintenance, cost control to logistics, with the goal of continuous improvement. WCM also engages the workforce to provide and implement suggestions on how to improve their jobs and their plants, promoting a sense of ownership.

Tipton Transmission was awarded silver following a two-day audit during which they earned a minimum of 60 points in 10 technical and 10 managerial pillars. Employees demonstrated clear WCM know-how and competence through employee-conducted pillar presentations and a review of projects that have been expanded across the shop floor.

"I want to applaud the team at Tipton for dedicating themselves to achieving silver just two years after receiving bronze," said Brian Harlow, Vice President – Manufacturing, FCA North America. "This award is not only significant for Tipton, but also for FCA US. With five plants earning silver since January, it demonstrates that the pace of WCM implementation is accelerating as our employees continue to develop a deeper understanding of the methodology and share their knowledge with others.

"WCM has changed the culture in our plants by recognizing that our employees are important to our success, which has also helped create a new spirit of cooperation, based on mutual respect and a focus on our shared future," said Harlow.

The achievement of WCM award levels, as confirmed through independent audits, recognizes the long-term commitment of the workforce to making significant changes that can secure the future of a facility. Awarded plants also have a role in accelerating the implementation of WCM throughout the organization as coaches and mentors.

During an audit, zero to five points are awarded for each of the 10 technical pillars, which include safety, workplace organization, logistics and the environment, and for each of the 10 managerial pillars, such as management commitment, clarity of objectives, allocation of people, motivation of operators and commitment of the organization. A score of 80 would indicate World Class.

In addition to Tipton, the nine other FCA North American facilities that have been designated silver are: Windsor (Ontario) Assembly Plant, Dundee (Michigan) Engine Plant, Toledo (Ohio) Assembly Complex, Saltillo (Mexico) South Engine Plant, Mack Avenue (Detroit) Engine Plant, Saltillo (Mexico) Van Assembly Plant, Warren (Michigan) Stamping, Toledo (Ohio) Machining and Sterling Stamping (Sterling Heights, Michigan). Windsor Assembly was the first plant to

reach silver status, an honor they received in March 2014. The four plants to achieve silver so far in 2018 are Saltillo Van, Warren Stamping, Toledo Machining and Sterling Stamping.

In addition to the 10 silver plants, there are an equal number of facilities that currently hold the WCM bronze designation:

- Saltillo (Mexico) Truck Assembly
- Trenton (Michigan) Engine Complex
- Indiana Transmission Plant II (Kokomo, Indiana)
- Kokomo (Indiana) Transmission Plant
- Kokomo (Indiana) Casting
- Toluca (Mexico) Assembly
- Brampton (Ontario) Assembly
- Belvidere (Illinois) Assembly
- Indiana Transmission Plant I (Kokomo, Indiana)
- Warren (Michigan) Truck Assembly

About Tipton Transmission

In February 2013, FCA US announced that it would acquire an existing facility in Tipton, Ind., and invest \$162 million to establish an additional assembly site for the nine-speed transmission, creating up to 850 new jobs. Production of the nine-speed transmission began in April 2014. The plant currently employs nearly 950 people. Tipton was the fastest plant to achieve bronze status, a recognition they received in July 2016.

About FCA US LLC

FCA US LLC is a North American automaker based in Auburn Hills, Michigan. It designs, manufactures, and sells or distributes vehicles under the Chrysler, Dodge, Jeep®, Ram, FIAT and Alfa Romeo brands, as well as the SRT performance designation. The Company also distributes Mopar and Alfa Romeo parts and accessories. FCA US is building upon the historic foundations of Chrysler Corp., established in 1925 by industry visionary Walter P. Chrysler and Fabbrica Italiana Automobili Torino (F.I.A.T.), founded in Italy in 1899 by pioneering entrepreneurs, including Giovanni Agnelli. FCA US is a member of the Fiat Chrysler Automobiles N.V. (FCA) family of companies. (NYSE: FCAU/ MTA: FCA).

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