

		SECTION	PAGE
1	<p>Provide a forthright, documented assessment of the auto companies' current operating cash position, short-term liquidity needs to continue operations as a going-concern, and how they will meet the financing needs associated with the plan to ensure the companies' long-term viability as they retool for the future.</p> <p><u>RESPONSE:</u></p> <ul style="list-style-type: none"> • <i>Estimated cash balance of \$2.5 Billion as of 12/31/08.</i> • <i>Cash infusion of \$7.0 Billion distributed by 12/31/08.</i> • <i>Forecasted cash flow demonstrates sufficient levels of funding for all ordinary course payments from 2009 -2012.</i> 	Testimony section 2 section 3	Page 4 Page 8
2	<p>Provide varying estimates of the terms of the loan requested with varying assumptions including that of automobile sales at current rates, at slightly improved rates, and at worse rates.</p> <p><u>RESPONSE:</u></p> <ul style="list-style-type: none"> • <i>Estimated terms of loan request accepted as proposed.</i> • <i>Our base case is premised upon SAAR levels of 11.1 million, 12.1 million, 13.7 million, and 13.7 million in 2009, 2010, 2011 and 2012 respectively.</i> • <i>We have forecasted volume levels 1 million higher and 1million lower than our base case levels.</i> • <i>All scenarios show a financially viable company.</i> 	Testimony Section 4 Section 5	Page 8 Page 9
3	<p>Provide for specific measures designed to ensure transparency and accountability, including regular reporting to, and information-sharing with, any federal government oversight mechanisms established to safeguard taxpayer investments.</p> <p><u>RESPONSE:</u></p> <ul style="list-style-type: none"> • <i>Agree as proposed.</i> • <i>We will offer financial reporting as well as access to the company as requested.</i> • <i>We will provide the quarterly financial statement currently provided to our lenders.</i> • <i>We will offer board participation.</i> 	Testimony Section 5	Page 9
4	<p>Protect taxpayers by granting the most senior status for any government loans provided, ensuring that taxpayers get paid back first.</p> <p><u>RESPONSE:</u></p> <ul style="list-style-type: none"> • <i>Will require significant negotiations to obtain seniority and first priority status for the government loans over current secured lenders.</i> 	Testimony Section 1	Page 3
5	<p>Assure that taxpayers benefit as corporate conditions improve and shareholder value increases through the provision.</p> <p><u>RESPONSE:</u></p> <ul style="list-style-type: none"> • <i>Agree.</i> • <i>Chrysler accepts the government's request for equity participation in a form and terms satisfactory to the Government and the Company.</i> • <i>Management believes the company will be well positioned to begin repayment of the federal loan with interest in 2012.</i> 	Testimony Section 5 Section 4 Section 5 Section 7	Page 8,9 Page 8 Page 9 Page 4

		SECTION	PAGE
6	Bar the payment of dividends and excessive executive compensation, including bonuses and golden parachutes by companies receiving taxpayer assistance. <u>RESPONSE:</u> <ul style="list-style-type: none"> • <i>Mr Nardelli will receive an annual salary of \$1 during the plan period</i> • <i>Mr. Nardelli has no employment contract, no change of control agreement, no "golden parachute", and receives no health care or life insurance benefits from the Company.</i> • <i>We will fully comply with the restrictions established under Section 111 of EESA.</i> 	Testimony Section 3	Page 6
		Section 5	Page 9
7	Include proposals to address the payment of health care and pension obligations. <u>RESPONSE:</u> <ul style="list-style-type: none"> • <i>We will comply with all ERISA regulations.</i> • <i>We will address funding of the UAW retiree healthcare through negotiations with the UAW.</i> 	Testimony Section 4	Page 8
8	Demonstrate the auto companies' ability to achieve the fuel efficiency requirements set forth in the Energy Independence and Security Act of 2007, and become a long term global leader in the production of energy – efficient advanced technology vehicle. <u>RESPONSE:</u> <ul style="list-style-type: none"> • <i>Assuming receipt of 136 funding, we have plans to achieve the established CAFE fuel efficiency standards.</i> • <i>Chrysler has made substantial progress in its product line to improve fuel efficiency, quality, technology and consumer appeal.</i> • <i>For the 2009 model year 73 percent of our product line will offer improved fuel economy compared to previous models.</i> 	Testimony Section 3	Page 6, 7
		Section 5	Page 10
9	Require that government loans be immediately callable if long-term plan benchmarks are not met. <u>RESPONSE:</u> <ul style="list-style-type: none"> • <i>Agree.</i> • <i>Obtain concessions assumed in the viability plan</i> • <i>Other benchmarks to be mutually agreed upon.</i> 	Testimony Section 4 Section 5	Page 10 Page 8