

9 – GUIDELINES FOR SIGNIFICANT TRANSACTIONS AND TRANSACTIONS WITH RELATED PARTIES

This document has been translated into English for the convenience of readers outside Italy. The original Italian document should be considered the authoritative version.

1. INTRODUCTION

In conformity with the Corporate Governance Code of Borsa Italiana (Italian Stock Exchange), the Board of Directors reserves the right to examine and approve in advance any transaction of significance in the balance sheet, economic and financial figures, including the most significant transactions with related parties, and subject all transactions with related parties to special criteria of substantial and procedural fairness.

2. SIGNIFICANT TRANSACTIONS

Decisions regarding Significant Transactions are excluded from the mandate granted to the executive directors.

The term “**Significant Transactions**” refers to those transactions that in and of themselves require the company to inform the market thereof, furnishing an accounting statement prepared ad-hoc in accordance with the rules established by market supervisory and regulatory authorities¹.

When the Company needs to execute significant transactions, the executive directors shall provide the Board of Directors reasonably in advance with a summary analysis of the strategic consistency, economic feasibility, and the expected return for the Company.

3. TRANSACTIONS WITH RELATED PARTIES

Certain decisions regarding Transactions with Related Parties are excluded from the mandate granted to executive directors, while all Transactions with Related Parties shall comply with special criteria of substantial and procedural fairness.

The “**Related Parties**” are those indicated in Schedule A, except as otherwise defined pursuant to amendments to the relative norms.

3.1 TRANSACTIONS WITH RELATED PARTIES THAT ARE SUBJECT TO PRIOR APPROVAL BY THE BOARD OF DIRECTORS

In addition to Significant Transactions, Transactions with Related Parties must be submitted for prior approval by the Board of Directors (with the exception of infragroup transactions that are not atypical or unusual) if:

- (i) in any single fiscal year, they are worth more than 10,000,000 (ten million) euros; or greater than 30% of the total value of the transactions of the same nature that the Company expects to carry out; or greater than 5% of the total value of the expected turnover of the Related Party in question;
- (ii) they involve the FIAT trademark or other assets of equal company interest; or
- (iii) their expected duration exceeds the fiscal year referred to.

1. These are currently represented by Consob Memorandum No. DIS/98081334 of October 19, 1998

The Board of Directors must be adequately informed of the nature of the relationship, the procedures for execution of the transaction, the terms and economic conditions for its consummation, the assessment procedure used, the underlying interest and reasons, and possible risks to the Group.

Every Director who has an interest in the transaction, even if this be of a potential or indirect nature, shall promptly and exhaustively inform the Board of Directors thereof and shall leave the board meeting room when the relative resolution is brought up for vote.

Indirect interest refers, among other things, to an interest regarding the Director's immediate family members and cohabitants who could potentially influence the Director or be influenced in their relationships with the Group. In any event, immediate family members shall be construed as referring to spouses who are not legally separated, relatives, and persons related by affinity to the second degree.

To prevent a Transaction with Related Parties from being concluded on terms other than those that would have presumably been agreed between unrelated parties, the Board may require that the transaction be concluded with the assistance of one or more experts who will express an opinion on the economic conditions and/or execution and technical procedures and/or the legitimacy of the transaction. These experts shall be of recognized professionalism and competence (banks, external auditors, law firms, and other experts with specific technical skills), independent, and have no conflicts of interest with the transaction in question.

3.2 TRANSACTIONS WITH RELATED PARTIES NOT SUBJECT TO PRIOR APPROVAL BY THE BOARD OF DIRECTORS

The Transactions with Related Parties other than those envisaged at point 3.1 do not require the prior approval of the Board of Directors and shall be periodically reported to the Board of Directors by executive directors.

In their periodic reports to the Board of Directors, the executive directors must furnish information on the nature of the relationship, the procedures for execution of the transaction, the terms and economic conditions for its consummation, the assessment procedure used, the underlying interest and reasons, and possible risks to the Group.

4. ENFORCEMENT OF THE GUIDELINES

The executive directors must take those measures such as to ensure that Fiat SpA and its subsidiaries conform with the principles of conduct described in these Guidelines.

Every Director must provide the Company with the information necessary for it to discharge its duties under the Guidelines.

Approved: Board of Directors Meeting of 31 October 2002

In force: From 1 January 2003

SCHEDULE A

The "**Related Parties**" are defined as follows:

- a) parties that control, are controlled by, or are subject to common control with the issuer;
- b) the parties, including indirect parties, to the shareholders agreements envisaged in Art. 122, subsection 1 of Legislative Decree No. 58/98, concerning exercise of the voting right, if a controlling equity interest is granted to these agreements;
- c) the parties connected with the issuer and those that exert a significant influence on the issuer itself;
- d) the individuals vested with powers and responsibilities for the exercise of administration, management, and control of the issuer;
- e) the close relatives of the physical persons envisaged in letters a), b), c), and d);
- f) the parties controlled by the physical persons envisaged in letters b), c), d), and e), or over which the physical persons envisaged in letters a), b), c), d), and e) exert a significant influence;
- g) the parties that share a majority of directors with the issuer.