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FCA's New Global Product Development Organization Will Unleash Speed-to-Market and Technological Innovation

- Establishes unified product development organization sustained by three strategic activities core engineering competencies responsible for addressing key technology opportunities; transversal program management and execution; and support for program delivery and management of decoupled activities
- Streamlined organization to enable optimal workload balancing
- Better positions FCA to continue its rollout of electrified propulsion, connectivity and autonomous driving technologies
- New working environment to benefit product quality while preserving brand identities and differentiation required to satisfy regional markets
- Organization led by FCA Chief Technical Officer Harald Wester; structure to be fully operational in 2020

December 12, 2019, Auburn Hills, Mich. - FCA is leveraging its technological, engineering and management talent by establishing a streamlined product development organization with central leadership and a global footprint.

The new organization will be led by FCA's Chief Technical Officer Harald Wester.

"The industry has never experienced technological change at the pace we are now seeing," says FCA Chief Executive Officer Mike Manley. "So, we're unleashing the creative energy of our engineers and technical experts for the benefit of our customers and stakeholders worldwide."

This organization structure will reduce complexity and improve delivery effectiveness. The resulting efficiency gains will generate quality improvements while reducing product development timelines – a critical capability in a market defined by accelerating technological transformation.

The new organization consolidates three core activities: engineering; program execution and management; and program support. Until now, product development had been served by multiple organizations that operated as regional sub-groups or stand-alone units.

"Our current structure has produced the most compelling and diverse product lineup in the industry, from Alfa Romeo to Ram and everything in between," Wester says. "The level of consolidation and integration we are now implementing will further enrich our product offerings – in all markets. And the big winners will be our customers."

Engineering activities will be supported by five new centers of technical competence:

- Body, Chassis, Interior and Wiring Integration with the mission to develop the core vehicle component sets
- Electrical/Electronics and Software, which will develop electronic architectures
- Propulsion Systems, including electrified as well as conventional systems
- Total Vehicle Integration
- Advanced Technology and Pre-Development Programs

The new transversal program and execution management functions will matrix across all the engineering functions, businesses and brands. These will include a global Vehicle Programs team that will implement all-new product programs, as well as an Architecture and Vehicle Concepts unit focused on customer and performance targets, long-range architecture planning and developing new product proposals.

These changes afford greater product development agility at a time when FCA is positioning itself in hypercompetitive spheres, such as autonomous driving,connectivity and electrified propulsion.

The Company has already committed €9 billion toward a five-year plan to launch 30 new electrified nameplates worldwide. Among the first will be plug-in hybrid versions of the Jeep® Compass, Jeep Renegade and Jeep Wrangler SUVs and a pair of all-electric vehicles – a Fiat brand car and a commercial van from Fiat Professional.

Meanwhile, Maserati is racing toward an electrified future on the heels of a €1.6 billion investment that will accommodate the integration of hybrid and all-electric propulsion systems, and Level 3 autonomous driving technology – all infused with the brand's distinctive sportiness.

The most significant change in today's announcement is the integration of FCA's powertrain and vehicle engineering organizations.

Previously, powertrain engineering was decoupled from the vehicle product development process. Now, it is embedded in a unified, global organization that promises improved cross-regional collaboration and more effective resource deployment. The new, flatter product development organization will also enable speed in decision making and best use of technical competencies around the globe.

"Our engineering resources will be concentrated and integrated, not diluted," Wester adds.

The organization is expected to be fully operational next year.

## FCA

Fiat Chrysler Automobiles (FCA) is a global automaker that designs, engineers, manufactures and sells vehicles in a portfolio of exciting brands, including Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep®, Lancia, Ram and Maserati. It also sells parts and services under the Mopar name and operates in the components and production systems sectors under the Comau and Teksid brands. FCA employs nearly 200,000 people around the globe. For more details regarding FCA (NYSE: FCAU/ MTA: FCA), please visit <u>www.fcagroup.com</u>.

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