

Statement on West Virginia University Emissions Testing

June 13, 2017, Auburn Hills, Mich. - FCA US has recently been made aware of on-road emissions testing conducted on two of the Company's diesel-powered vehicles by West Virginia University's Center for Alternative Fuels Engines and Emissions (CAFEE). Based upon court filings and discussions with CAFEE, this testing appears to have been commissioned by a plaintiffs' law firm for purposes of litigation.

FCA US has asked CAFEE to discuss its testing methodology and share the resulting data for the Company's understanding, and to determine which on-road test results could conceivably be compared with results from U.S. Environmental Protection Agency (EPA) laboratory procedures. CAFEE has been unwilling to discuss the report.

The CAFEE report implies it would be appropriate to compare its on-road test results with those of one of five required EPA test procedures – each of which is conducted off-road, under laboratory conditions. However, CAFEE's reported on-road results fail to consider that its tests were conducted:

- at average speeds more than 50% greater than those in the EPA test procedure
- with 600-700 lbs. more payload than is used in the EPA test procedure
- under road conditions (e.g., grades) that are not representative of those in the EPA test procedure

Each of the above may increase emissions readings, therefore rendering invalid a comparison of on-road and off-road test results. Further, the aggregation of these variations makes any comparison misleading.

Despite the report, there is no regulatory protocol for conducting on-road emissions testing. The report also indicates that the vehicles were modified by CAFEE prior to testing ostensibly in an effort to replicate a prior recall.

FCA US has formally filed an application for diesel vehicle emissions certification with the EPA and the California Air Resources Board (CARB) for its 2017 model year (MY) Jeep Grand Cherokee and Ram 1500 diesel vehicles, the latest model year of the same vehicles apparently tested by CAFEE. FCA US has updated the emissions software calibrations in this MY 2017 certification proposal.

The updated calibrations are the result of many months of close collaboration between FCA US and EPA and CARB, including extensive testing of the vehicles, to clarify issues related to the Company's emissions control technology. FCA US continues to discuss improved software calibrations with the agencies. Subject to the permission of EPA and CARB, FCA US intends to install the same modified emissions software in 2014-2016 MY Jeep Grand Cherokee and Ram 1500 diesel vehicles. FCA US believes this will address the agencies' concerns regarding the emissions software calibrations in those vehicles.

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