

Fiat Group Human Capital Management Guidelines

Foreword

All Fiat Group employees contribute to company performance at different levels and are key to the achievement of business targets and results.

The conviction that people are the company's greatest asset is the baseline principle of the Human Capital Management Guidelines which aim to increase organizational effectiveness.

These guidelines, in fact, provide indications for all HR functions and managers worldwide in supporting and promoting the development of employees.

Core principles

Five core principles underpin the management and development of the Group's human capital, and the various levels of management at each Sector have been made responsible for ensuring they are applied globally and uniformly. Those principles are:

- **meritocracy** – recognition of the best people
- **leadership** - key to managing change and people
- **competition** - a factor to be embraced and relished
- best-in-class **performance** - a key objective
- **accountability** – delivering on promises

The Guidelines

To guarantee implementation of the five human resource management principles, Fiat Group Human Capital Management Guidelines are based on the following pillars:

Respecting and safeguarding individuals

Fiat Group is committed to promoting health and safety in the workplace and the respect of human rights among employees (also see *Fiat Group Health and Safety Guidelines* and *Fiat Group Human Rights Guidelines*).

Ensuring equal opportunities

Career opportunity and career progression are managed without discrimination, respecting and enhancing diversity (also see *Fiat Group Human Rights Guidelines*).

Considering skills as an asset to be developed and shared

Fiat Group is committed to helping people adapt in real time to change in an increasingly complex world.

As the development of employees and the continuous improvement in corporate performance are strictly interrelated, the Group's main objective is to increase the value of human resources through targeted programs. Training and knowledge management, in fact, guarantee continuous improvement by developing cultural competencies, reinforcing the Group's identity and spreading its values.

Developing leaders as the best guarantee for the future

To promote the value of leadership, the Fiat Group has developed a specific model based on two main dimensions: leading the change process and leading people. This means encouraging cultural change and enhancing leadership values to achieve outstanding results.

Focusing on Talent Management and Succession Planning

Talent Management is a key lever in achieving the Group's talent development goals and releasing the potential of people. Therefore attracting, retaining and developing leaders which can face future challenges, giving priority to the development of internal resources, is crucial to solid succession planning.

A consistent, global approach that encourages cross-functional and cross-sector mobility across geographies allows Group-wide capitalisation of the talent management process which constitutes an essential competitive advantage.

This process ensures that the leadership pipeline is continuously fed at all levels of the organization.

Enabling a stimulating working environment

Progress largely depends on the ability to construct a stimulating, dynamic and multicultural company. All of this requires an extremely open mindset. Accordingly, the Group promotes the development of people who cherish global competition and are willing to take risks and face challenges and it coaches people day-by-day to go beyond what they believed possible, giving them the freedom to act autonomously.

Ensuring global remuneration system

The Fiat Group compensation models are designed to be competitive with the market and encourage employees to deliver their maximum by ensuring that individual performance goals are aligned with business goals.

Encouraging internal communication

To keep employees constantly informed of the Group's activities and business development, a wide range of corporate communication activities is in place (intranet, internal corporate magazines, etc...).

Moreover, in order to promote an open and transparent organizational culture, Fiat Group encourages continuous dialogue between managers and employees both informally, using an approach of listening, and through structured feedback meetings, which are primarily focused on individual performance and professional growth.

Attention to the Work/Life Balance

In order to promote respect for all employees as individuals, Fiat Group promotes care and attention to people by supporting them in achieving a sustainable work/life balance.