

EXHIBIT J

[Terms of UAW Active Labor Modifications]

APRIL 2009 UAW-CHRYSLER

SETTLEMENT AGREEMENT

APRIL 2009 UAW-CHRYSLER

SETTLEMENT AGREEMENT

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April xx, 2009

UAW-Chrysler LLC
2007 National Agreement Modifications
April 2009 Settlement Agreement

International Union, UAW

Attention: Mr. General Holiefield

Dear Sir:

The proposed alliance between Chrysler and Fiat provides significant opportunities through adoption of Fiat's World Class Manufacturing processes and acceleration of the full implementation of the Chrysler Workplace Organization Model (WOM) (team-based infrastructure). The Company and the UAW understand that this manufacturing model is a key element in the development of a robust and profitable automotive manufacturing company.

This approach will enable us to achieve, with speed and precision, the following objectives:

- a) World class operational efficiencies in all North American facilities;
- b) World class leading edge work practices that will result in further efficiencies, including team-based overtime equalization;
- c) Future capital investment in North American manufacturing based on a sound business case;
- d) Targeted training and investment that improves skills and capability in the manufacturing workforce;
- e) A profitable enterprise with aligned goals among all stakeholders

The Parties recognize the fragile state of the current business model, especially in light of the global struggles created by overwhelming competition. This Settlement Agreement incorporates all of the provisions contained as part of the February 17, 2009 Federal Loan and Security Agreement (LSA), our recent understandings agreed to on April 10, 2009, and the requirements set forth by the US Treasury on April 24, 2009 and the understandings contained within the attachments to this memorandum.

We understand the need to effectively modify our current labor agreements to meet the terms of the LSA while achieving a competitive labor cost structure that positions the Company to respond appropriately to industrial and competitive pressures. Thus, in order to lead to job security for all Chrysler employees and establish a foundation for the Company's ongoing viability, the Parties must commit to full implementation of the following key measures by year end 2009:

- **Agreement Expiration** – The 2007 National Agreements between the UAW and Chrysler along with the understandings contained or referenced herein shall continue in full force and effect until 11:59 P.M., September 14, 2011;

①

Signature
4/25/09

- **Binding Arbitration** – Upon expiration of the 2007 Agreement, the parties will enter into a new National Collective Bargaining Agreement which will continue in full force and effect until September 14, 2015. Unresolved issues remaining at the end of negotiations on the 2011 renewal of the 2007 Agreement shall be resolved through binding arbitration with wage and benefit improvements to be based upon Chrysler maintaining an all-in hourly labor cost comparable to its U.S. competitors, including transplant automotive manufacturers;
- **Retirement and Separation Initiatives** – Additional cost savings should be realized through jointly designed and supported special attrition programs designed to achieve an additional 3,500 voluntary separations;
- **Non-Skilled Indirect Labor Classifications** – Consistent with existing WOM provisions, non-skilled direct and indirect labor classifications should be consolidated, as appropriate, and moved to a strict team based structure, through utilization of team members / leaders. Consistent with this environment, full team rotation will be implemented and future open positions will be bid to a team and not to a specific job station;
- **UAW/Chrysler Attendance Procedure** – The UAW/Chrysler Attendance Procedure shall serve as an addendum to the existing Memorandum of Understanding – Absenteeism, and be instituted throughout Chrysler in order to reduce casual absences and tardies. Upon implementation of this Attendance Procedure previous occurrences will not be considered under the new procedure;
- **Entry Level Employment** – All new hire production employees, through the September 14, 2015 expiration of the National Collective Bargaining Agreement, will be hired as Entry Level employees and governed by the terms of the UAW-Chrysler Entry Level Wage and Benefit Agreement M-13;
- **Entry Level Ratio** – There shall be no cap on the number of Entry Level employees hired through September 14, 2015. Upon the expiration of the 2011 Agreement, the cap shall be the lesser of 25% or the Entry Level percentage as of September 14, 2015;
- **Entry Level Wages** – All Entry Level wage formula increases currently provided in the 2007 National Production, Maintenance and Parts Agreement will be frozen for the duration of the 2007 UAW-Chrysler National Agreement.

As part of this Agreement, Chrysler and the UAW agree to the following, which are attached as Exhibits:

- | | |
|--|---|
| <ul style="list-style-type: none"> • Agreement Between Chrysler LLC and the UAW dated February 17, 2009 • Memorandum of Understanding – Economic Matters • PM&P Unpublished Letter – Product Loading Review • PM&P Unpublished Letter – 2007 Current and Future Product Commitment and Future Insourcing Opportunities Letter • PM&P Unpublished Letter – Sourcing Addendum • PM&P Unpublished Letter – Supplier Relations | <ul style="list-style-type: none"> • New Letter – Salaried Bargaining Unit Utilization • New Letter – Alternative Work Schedules • New Letter – Debt Restructuring • New Letter – UAW-Chrysler Entry Level Wage & Benefit Agreement • New Letter – Equity of Sacrifice • Memorandum of Understanding – Job Security / Supplemental Unemployment Benefits / Transitional Assistance • New Letter – Direct Deposit • PM&P Unpublished Letter – Twinsburg Stamping Plant |
|--|---|

Handwritten signature and date:
 4/25/09

- New Letter – Union Involvement and Supplier Relations
- New Letter – Vacation Replacements
- ~~Memorandum of Understanding – Competitive Work Rules~~
- Memorandum of Understanding – Miscellaneous Matters
- PM&P Unpublished Letter – Distressed Supplier Meetings
- Letter of Understanding – February 17, 2009 Addendum to the 2007 Chrysler LLC-UAW National Agreement
- PM&P Unpublished Letter - Elected and Appointed Representation
- PM&P Unpublished Letter - Temporary Part-Time Employees
- PM&P Unpublished Letter - Skilled Trades Rationalization (Replaces February 17, 2009 Memorandum of Understanding – Competitive Work Rules)
- UAW/Chrysler Attendance Procedure
- Proposal from UST to Resolve Chrysler/Fiat-UAW CBA

It is further agreed that to the extent there are any provisions, language, or conditions contained in the 2007 Collective Bargaining Agreements, including any unpublished letters, past practices, or any other written and local agreements, or VEBA Settlement Agreement that are inconsistent with anything contained in the Amended Agreements (Addendums) referenced in this letter, the terms of the Amended Agreements shall control. In the event of any inconsistency or conflict between the provisions of the February 17, 2009 agreement between Chrysler and the UAW which is attached to and incorporated herein, and those provisions of this Agreement agreed to since that time, the later provisions shall supersede any contrary or inconsistent provisions contained in the February 17, 2009 agreement.

Very truly yours,

CHRYSLER LLC

By: A.A. Iacobelli

Accepted and Approved:

INTERNATIONAL UNION, UAW

By: General Holliefield

hark
4/25/09
[Signature]

Proposal from UST to Resolve Chrysler/Fiat – UAW CBA

- 1. Incorporate all items from 2-17 Agreement.**
- 2. Incorporate items agreed to on 4-10.**
- 3. Additional Items:**
 - A. Parties to craft language to give reasonable assurance that the savings targeted in #1 and #2 above can be realized.**
 - B. Parties to design early retirement/separation incentive program designed to cause 3,500 voluntary separations.**
 - C. Parties to resolve any unresolved issues in 2011 bargaining through binding arbitration, with wage and benefit improvements based on Chrysler maintaining all-in hourly labor costs comparable to its US competitors, including the transplants.**
 - D. 2011 Agreement to expire on traditional date in 2015.**
 - E. All production employees hired during the term of current and 2011 Agreements to be hired as Tier II.**
 - F. Cap on Tier II set as lesser of 25% and Tier II percent at expiration of 2011 Agreement.**

4.27.09 2:00 pm.

Agreement Between Chrysler LLC and the UAW

February 17, 2009


The UAW and Chrysler LLC have agreed to the terms set forth in this Agreement (including its attachments). This Agreement shall constitute an Addendum to the 2007 Chrysler LLC-UAW National Agreement.

With respect to the terms of the attached Memorandums of Understanding calling for suspensions of compensation or benefits, or other amendments to existing contractual provisions, the amendments and/or suspensions will last until the expiration of the 2007 Chrysler LLC-UAW National Agreement unless other expiration dates are specifically required by the Loan and Security Agreement between Chrysler LLC and the UST or, unless otherwise modified or terminated by the mutual agreement of the parties.

The provisions of this document and its attachments are subject to the terms of ratification by the membership of the UAW.

For the International Union, UAW:

For Chrysler LLC:



**MEMORANDUM OF UNDERSTANDING
ECONOMIC MATTERS**

Chrysler LLC and the UAW have discussed at length the significant business challenges that are threatening the automotive industry and the viability of our Company. In response to these challenges, the parties have agreed to the following changes:

- COLA -- The Cost-of-Living Allowance (P, M & P Section (109), Letters (92), (93), and (94), M-6) is suspended for all employees for the term of this agreement.
- Performance Bonus -- Performance Bonus payments are suspended. P, M & P Section (110) and references to Performance Bonus payments in M-13 are suspended, in recognition of the need to help offset health care costs.
- Christmas Bonus -- Christmas Bonuses are suspended. Letter (155) - Christmas Bonus is suspended, in recognition of the need to help offset health care costs.
- Designated Holidays -- P, M & P Section (95) - Designated Holidays will be modified to reflect that April 13, 2009, April 5, 2010, and April 25, 2011 will no longer be recognized as Holidays under Designated Holidays.
- Overtime -- P, M & P Sections (86), (87), and (90) and Letters (73) and (240) will be modified as follows: Time and one-half will be paid after 40 compensated hours in the work week. Credit towards the 40 compensated hours will be provided for verified hours on an approved Union Leave of Absence. Premium payments in accordance with Sections (86) and (87) will be paid for time worked on Saturday or Sunday provided the employee has otherwise worked at least 40 compensated hours during the work week in which the Saturday and/or Sunday occurs.
- Standardized Vacation Shutdown - P, M & P Sections (104) and (105) and Letters (69), (85), (213), and (214). Application of employees' vacation entitlement to annual two-week shutdown period (no state Unemployment Compensation or Supplemental Unemployment Benefits (SUB)).
- Relief Time -- P, M & P Letter (14) will be modified as indicated below:
Letter (14) - Relief Time - Cont. Oprs - Auto Mfg. of the 2007 Collective Bargaining Agreement will be modified to provide a total of 5 minutes relief time per hour for direct labor employees on continuous operations in assembly plants and 3 minutes per hour for indirect labor on a standard eight (8) hour shift. For each additional hour worked in excess of eight (8) hours, five (5) minutes and three (3) minutes respectively of relief will be provided. Paragraph 3 will be modified to include new implementation dates. NOTE: Forty (40) minutes relief also applies to the assembly areas within the Powertrain Division.

This Agreement supersedes all local agreement provisions that provide relief other than listed above, including wash up time.

PM&P
UNPUBLISHED LETTER
Product Loading Review

Attention: Mr. General Holiefield

Dear Sir:

As part of the Parties' agreement in M-1, Memorandum of Understanding Sourcing, the Company and Union meet to review vehicle plans for assembly, stamping, powertrain, and components in the United States, Canada, and Mexico. The Company is committed to this process as it affords both Parties the opportunity to discuss the long term plans for the Company.

Sincerely,

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COCOA
Wm up Sp
B.H.
A.H.

February XX, 2009

PM&P

UNPUBLISHED LETTER

2007 Current and Future Product Commitment and Future Insourcing
Opportunities Letter

International Union, UAW

Attention: Mr. General Holicfield

Dear Sir:

The Parties' 2007 Product Commitment & Investment Letter reflected the Company's base plan of record. It is understood that additional confidential dialogue has been exchanged with respect to favorable effect of a potential alliance partner on Chrysler's operations. The effect could result in incremental product loading in the Company's assembly and powertrain operations.

Sincerely,

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PP

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CUCM
ifw PB

February XX, 2009

PM&P
UNPUBLISHED LETTER
Sourcing Addendum

International Union, UAW

Attention: Mr. General Holiefield

Dear Sir:

The Parties have discussed our current future product sourcing obligations. As such, the Company is committed to the provisions of M-1, Memorandum of Understanding Sourcing detailing the Roundtable and Powertrain meetings. These meetings are one of several ways the Union continues to be involved in the product decision-making process.

- **Roundtable Meeting**

The UAW-Chrysler Roundtable Meeting will continue on an annual basis including comprehensive vehicle plans for United States, Canada, and Mexico assembly, stamping, powertrain, and components.

- **Powertrain Meeting**

The UAW-Chrysler Powertrain Meeting will continue on an annual basis including a comprehensive review of the United States, Canada, and Mexico Powertrain Long Range Plan and Powertrain plant product loading.

We continue to be committed to the UAW's involvement and attendance at the Product Team Sourcing, Pre-Program Start, and Program Start meetings and the sharing of information provided throughout the Chrysler Development System process and Supplier Selection Period. It is noted that the National and Local Job Security, Operational Effectiveness and Sourcing Committees provide yet another avenue by which sourcing opportunities are to be discussed.

Sincerely,

February XX, 2009

PM&P
UNPUBLISHED LETTER
Supplier Relations

International Union, UAW

Attention: Mr. General Holiefield

Dear Sir:

During these negotiations the parties discussed the importance of the joint approach to Supplier Relations. This approach is important to help continue to foster a long-term relationship with the UAW and closer collaboration with suppliers in order to drive mutual profitability and technology advancement. Consistent with this collaborative Supplier Relations approach is improved commonality, early supplier involvement in the product development process, competitive cost structures, and leading-edge technologies, the Company intends to partner with the Union to leverage these same advantages.

To further align our mutual interests of ensuring the Company's long term viability, the Parties have agreed to continue the quarterly Supplier Relations meetings, involving the Vice President and Director of UAW, Chrysler Department, Vice President of Employee Relations, and necessary Procurement and Supply executives.

The intent of these meetings will be to strengthen further the partnership between the Union, Company, and key suppliers.

Sincerely,

February xx, 2009

(N-xx) Salaried Bargaining Unit Utilization

International Union, UAW

Attention: Mr. General Holiefield

Dear Sir:

During these negotiations, the Company and Union had extensive discussions regarding the traditional use of Salaried Bargaining Unit (SBU) employees and the need for their respective work units to develop competitive work practices as new innovative technologies are introduced.

The Union advised the Company of its intent to propose a comprehensive plan that will detail innovative, competitive, flexible work practices. Coincident with this proposal, the Company will discuss the potential use of Salaried Bargaining Unit employees in areas such as advanced technology vehicles in order to maximize the utilization of SBU employees, make them a true partner within our organization, and involve them in new technologies.

The Company looks forward to working with the Union in exploring these alternatives and their potential applications.

Very truly yours,

CHRYSLER LLC

By A. Iacobelli

Accepted and Approved:

INTERNATIONAL UNION, UAW

By General Holiefield

11



PM & P/LMA

Alternative Work Schedules

February xx, 2009

(N-xx) Alternative Work Schedules

International Union, UAW

Attention: Mr. General Holiefield

Dear Sir:

The parties discussed that the implementation of Alternative Work Schedule (AWS) arrangements are needed to respond to market fluctuations, which require the ability to quickly adapt and change operating patterns to be competitive. Notwithstanding, Letter 240, Flexible Operating Patterns, when considering an AWS work schedule change, local Management will notify the Vice President of Employee Relations and the Vice President and Director of the National Chrysler Department and will meet with Local Union leadership to discuss the business rationale for the change and develop implementation plans. Following those discussions, the Company may, with a minimum of fourteen (14) days notice, transition between a traditional work schedule, and a flexible operating pattern.

The parties may develop alternative plans to address unique operating issues. However, approval in writing is required from both the Vice President of Employee Relations and the Vice President and Director of the National Chrysler Department.

Very truly yours,

CHRYSLER LLC

By A. Iacobelli

Accepted and Approved:

INTERNATIONAL UNION, UAW

By General Holiefield

February xx, 2009

N-xx
Debt Restructuring

International Union, UAW

Attention: Mr. General Holiefield

Dear Sir:

The parties have been focused on the need to improve the overall competitiveness of the Company in order to preserve its long term viability. As part of that increased viability, quarterly submissions must be made in accordance with the U.S. Department of Treasury Loan and Security Agreement (LSA) terms. In an effort to ensure that the UAW is fully apprised of our progress toward our restructuring task, the Company will share a copy of the initial and subsequent quarterly submissions with the Union. Included in this submission is a status of our progress with all stakeholders.

Any questions or concerns shall be raised with the Vice President of Employee Relations for discussion.

Very truly yours,

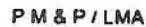
CHRYSLER LLC

By A. Iacobelli

Accepted and Approved:

INTERNATIONAL UNION, UAW

By General Holiefield



February xx, 2009

(N-xx) UAW-Chrysler Entry Level Wage & Benefit Agreement

International Union, UAW

Attention: Mr. General Holiefield

Dear Sir:

As part of these discussions, the parties held conversations regarding the need to improve the overall competitiveness of the Company in order to achieve and sustain its long-term viability.

The Performance Bonus payments provided for in M-13 Memorandum of Understanding - UAW-Chrysler Entry Level Wage & Benefit Agreement, Section IV are suspended.

Very truly yours,

CHRYSLER LLC

By A. Iacobelli

Accepted and Approved:

INTERNATIONAL UNION, UAW

By General Holliefield

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11/11
J.H.J.
P.O.P.

15.

By General Holiefield

Memorandum of Understanding

Job Security / Supplemental Unemployment Benefits / Transitional Assistance

Elimination of Protected Status

The provisions of Memorandum of Understanding – Employment Security System (ESS) Program (M-7) of the 2007 National Agreement, Sections I, II, and III as well as any provisions of related contract language that limit or prohibits the Company's right to layoff employees, are hereby suspended for the duration of the 2007 Agreement.

Employees in Protected Status have been placed on indefinite layoff in accordance with the provisions below for the duration of this Agreement.

Administration of Employees on Layoff

An employee on a qualifying layoff shall be eligible for benefits under the Supplemental Unemployment Benefit (SUB) Plan and the plan covering Transitional Assistance (TA). A qualifying layoff is defined as one of the following:

- Indefinite layoff or
- Temporary layoff.

Supplemental Unemployment Benefits

The provision of the National Agreement regarding the Supplemental Unemployment Benefit (SUB) Plan shall be modified as follows:

- Employees with less than ten (10) years of seniority shall be eligible to receive regular SUB Benefits for qualifying layoffs for a maximum of 26 weeks during the term of the National Agreement subsequent to the effective date of this Memorandum.
- Employees with at least ten (10) but less than twenty (20) years of seniority shall be eligible to receive regular SUB Benefits for qualifying layoffs for a maximum of 39 weeks during the term of the National Agreement subsequent to the effective date of this Memorandum.
- Employees with at least twenty (20) years of seniority shall be eligible to receive regular SUB Benefits for qualifying layoffs for a maximum of 52 weeks during the term of the National Agreement subsequent to the effective date of this Memorandum.
- In calculating the weekly regular SUB Benefit for an employee on a qualifying layoff, the offsets for State Unemployment Compensation benefits received for that week shall apply, however, no offsets for wages from another employer shall apply, unless such wages are treated as earnings by the State Unemployment Agency.

The Plan Covering Transitional Assistance

An employee on a qualifying layoff who exhausts his or her maximum eligibility for regular SUB Benefits payments (ie, 26, 39, or 52 weeks, depending on years of seniority) shall be eligible for subsequent benefits under the plan covering Transitional Assistance. TA shall provide a weekly benefit payment calculated as 50% of the employee's gross weekly base earnings, based on a 40-hour week, with the duration of TA entitlement based on seniority in accordance with the following:

- Employees with less than ten (10) years of seniority as of the date of the qualifying layoff shall, upon exhaustion of their regular SUB Benefit maximum eligibility, be eligible to receive TA Benefit payments for a maximum of 26 weeks during the life of the 2007 National Agreement subsequent to the effective date of the Memorandum.