

LEASE RATES AND BILLING INFORMATION

Rates and Billing

The lease rates used for calculating monthly lease amounts are reviewed, approved and published periodically by the Company Car Committee. The lease payment will commence on the day the participant takes delivery of the vehicle. The charges will be prorated during the first and last months of the lease.

A Lease Vehicle Receipt & Disclosure Form (LVR) activates and/or deactivates the monthly lease vehicle deduction. The monthly deduction is based on a thirty-day month. Deductions are taken on a monthly basis from an available payroll/pension check or checking account. Any LVR processed after the payroll cut off date will not be reflected in the monthly deduction until the following month.

Whenever deductions cannot be made from the payroll or pension check, the Participant may make arrangements with his/her financial institution (bank, credit union, etc.) for an electronic funds transfer (EFT) of the monthly lease vehicle payment. The deduction taken from your bank account is for the usage of the vehicle in the prior month.

If a lease payment is not taken from a payroll or pension check, it will be deducted from the following month's payroll/pension check in addition to the regular monthly payments. If an additional deduction is not possible, the Participant is responsible for paying any invoice that is issued. Payment is due immediately upon receipt of the invoice.

Active Participants will sign a Payroll Deduction Form permitting Chrysler to deduct from the Participant's salary the amount of the monthly rental charges payable for the lease of vehicle(s) and equipment and any other charges assessed under the term of the Program. Such payroll deduction authorization is incorporated in the Lease Vehicle Program and the Participant signs a direction to Chrysler authorizing such deduction.

Retired Participants will have monthly rental charges deducted from their pension check. Deductions taken from a retired Participant's pension check are for the prior month's lease charge.

Example: Pension check is dated June 1st. The deduction taken from that check is for the May lease charge.

Rates and Billing (Continued)

For a pension deduction to be taken, the pension check must be sufficient to cover the entire lease charge plus \$10.00. "Special Benefits" or "SRP" (not SERP) benefits are not considered available funds for purposes of car lease payment deduction.

Billing Lease Vehicles Out of Service

Monthly lease charges will continue for vehicles out of service for repairs, regardless of the length of time.

Monthly lease charges will continue for stolen or totaled vehicles until the Participant takes delivery of a replacement vehicle, or notifies his or her Car Coordinator there will be no replacement vehicle. Residents outside Southeastern Michigan should submit a completed copy of the LVR to have vehicle(s) removed from service if the vehicle is totaled or stolen and not recovered after 10 days.

Example Calculations of Lease Payment Adjustments

Lease Vehicle Receipt & Disclosure Forms (LVR) are processed by the payroll "cut off date" (usually the second Tuesday of the month).

Note: Calculations are based upon a 30-day month regardless of the number of actual days in the month.

Example I

Vehicle exchange occurring on May 5 (before cut-off date):

- Turn in vehicle lease rate is \$300
- Replacement vehicle lease rate is \$325

Turn-in vehicle usage was for 5 days in May.

$$\text{\$300} / 30 \text{ days} = \text{\$10 per day} \times 5 \text{ days} = \text{\$50 cost to lessee}$$

Replacement vehicle usage was 25 days in May.

$$\text{\$325} / 30 \text{ days} = \text{\$10.83 per day} \times 25 \text{ days} = \text{\$270.83 cost to lessee}$$

Lease Deduction for May 31 paycheck is $\text{\$50} + \text{\$270.83} = \text{\$320.83}$.

Example II

Vehicle exchange occurring May 22 (after cut-off date):

- Monthly lease rate of vehicle turned in is \$270
- Monthly lease rate of replacement vehicle is \$330

Rates and Billing (Continued)

Because paperwork was received after the payroll cut off date, the May lease deduction is \$270.

In June, the deduction will take into account the transaction as follows:

Vehicle turned in will be adjusted for eight days in May.

$\$270/30 \text{ days} = \$9/\text{day} \times 8 \text{ days usage} = \72 *credit to the lessee*

Replacement lease charge is calculated for part of May and all of June, as follows:

Example II

Vehicle turned in will be adjusted for eight days in May.

$\$270/30 \text{ days} = \$9/\text{day} \times 8 \text{ days usage} = \72 *credit to the lessee*

Replacement lease charge is calculated for part of May and all of June, as follows:

Replacement vehicle usage was 8 days in May (May 22 – May 30).

$\$330 / 30 \text{ days} = \$11 \text{ per day} \times 8 \text{ days} = \88 *cost to lessee*

Replacement vehicle usage was 30 days in June= $\$330$ *cost to lessee*

Lease Deduction for June 30th paycheck is as follows:

Total deduction for June = $\$88 + \$330 = \$418$

Total credit for May in June = $\$72$