



Ally Financial Inc. Board of Directors Governance Policy

May 2010



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The Ally Financial Inc. Board of Directors (“Board”), directly or through oversight of Ally Financial Inc. (“Ally”) management, is responsible for managing the property, affairs, and business of Ally. To discharge this responsibility effectively and efficiently, the Board adopts this “Ally Board of Directors Governance Policy”, which describes the Board’s duties and responsibilities, membership, and other Board-related governance matters (“Governance Policy”). This Governance Policy is subject to, and supplements, the Bylaws of Ally, dated December 30, 2009 (“Bylaws”) and the Amended and Restated Governance Agreement, dated May 21, 2009 (“Governance Agreement”), in each case as amended from time to time.

I. Definitions

The following terms have the following meanings:

- A Treasury Ownership Percentage:** the percentage of common stock held by the United States Department of the Treasury (“Treasury”).
- B Treasury Designated Directors:** directors designated by Treasury.
- C Cerberus Designated Directors:** for so long as the Cerberus Parties hold at least 5% of the then outstanding common stock of Ally, one director designated by FIM or, if FIM has transferred more than fifty percent of its common stock held as of May 21, 2009 to its members or otherwise liquidated, then Cerberus Capital Management, L.P. or its certain of its affiliates.
- D Management Designated Directors:** the Ally Chief Executive Officer (CEO).
- E Director-Designated Directors:** directors designated by a majority of the Treasury Designated Directors; Cerberus Designated Directors; and Management Designated Directors.
- F Cerberus Parties:** collectively, FIM Holdings LLC (FIM), Cerberus Capital Management, L.P., and certain of its affiliates.
- G Independent director:** a director who the Board has determined is independent within the meaning of rules and regulations issued by the United States Securities and Exchange Commission and by the New York Stock Exchange, as in effect from time to time.

II. Role and Responsibilities of the Board

Ally’s business is managed and conducted by its management and employees under the Board’s direction and oversight.

A Board Responsibilities

In its oversight role, the Board’s primary responsibilities include:



1. **Strategic Direction and Guidance.** Providing general direction and guidance on Ally's strategy, including reviewing strategic, business, and financial objectives, plans, and actions and monitoring performance against all of them.
2. **Ally Management.** Selecting the CEO; setting goals for Ally's senior executives, including the CEO; setting and evaluating their compensation; overseeing compensation policies relative to risks and applicable legal requirements; and making changes to any of the above where appropriate.
3. **Succession Plans.** Developing, approving, and implementing succession plans for the CEO and top senior executives.
4. **Risk.** Understanding Ally's risk profile and reviewing and overseeing risk management programs.
5. **Financial Statements.** Understanding Ally's financial statements and monitoring the integrity of its financial statements and financial reporting process and the adequacy of its financial and other internal controls, including disclosure controls and procedures.
6. **Compliance Systems.** Requiring and reviewing effective compliance systems and policies for ethical and legal conduct, including procedures for confidential, anonymous, non-retaliatory reporting of unethical or illegal behavior.
7. **"Tone at the Top".** Establishing the proper "tone at the top" by setting clear expectations for Ally's ethical behavior and the conduct of its business in compliance with the law, including monitoring management's operating style regarding promoting integrity, honesty, and ethical and legal conduct throughout Ally.
8. **Legal.** Other responsibilities required by law.

B Standards of Conduct

In discharging its responsibilities, the Board will, on an individual director and collective basis:

1. **Integrity.** Demonstrate objectivity and the highest degree of integrity.
2. **Fiduciary Duties.** Inform itself of all available, material facts and make independent, disinterested decisions, consistent with the proper discharge of fiduciary duties owed to Ally and its stockholders and based on active and thoughtful deliberations and, where necessary or appropriate, discussions with Ally management and others.
3. **Compliance.** Promote Ally's policies regarding compliance with applicable laws and regulations.



4. **Accounting and Financial Records.** Require that controls and procedures be in place to assure maintenance and integrity of Ally's accounting and financial records and statements and compliance with all legal and regulatory requirements.
5. **Risk.** Inform itself about Ally's business and significant credit, operations, market, finance, legal, and other risks that Ally faces.
6. **Ally's Best Interest.** Be guided by its reasonable judgment as to the best interests of Ally and its subsidiaries, as to any conflict of interest not addressed in the Bylaws.

III. Board Size and Composition

Consistent with the Bylaws and Governance Agreement's provisions on Board size, composition, and removal and resignation of directors:

A Size and Members

The Board size and membership are indicated in the table below:

Treasury Ownership Percentage	9.9% - 19.9%	20.0% - 35.5%	35.6% - 49.9%	50.0% - 70.8%	> 70.8%
Board Size	9	9	9	9	11
Treasury Designated Directors	1	2	3	4	6
Cerberus Designated Directors	1	1	1	1	1
Management Designated Directors	1	1	1	1	1
Director-Designated Directors	6	5	4	3	3

In any case where the number of independent directors on the Board is to be reduced, the Chairman, following discussion with the other independent directors and with the concurrence of a majority of the full Board, will determine which independent director will be asked to resign from the Board.

B Chairman

A majority of the full Board will designate the Chairman of the Board from among the independent directors, and the Chairman will serve in this capacity until removed by a majority of the full Board.

C Removal of Directors

A director may be removed from the Board:



1. With or without cause by the individual(s) or entity that had the right to elect such director to the Board.
2. With cause by the vote of a majority of Ally's common stockholders.

D Resignation of Directors

Any director may resign at any time by giving written notice to the Board and CEO, or to the Secretary of Ally, and:

1. **Effective Date.** Such resignation is effective upon receipt or any other date specified in the resignation notice.
2. **Acceptance Generally Not Required.** Acceptance of the resignation is not required for the resignation to be effective, unless the resignation notice specifies otherwise.

E Term

Each director will hold office until a successor is duly elected and qualified, or until his earlier death, resignation, or removal.

F Vacancies

Director vacancies will be filled by the individual(s) or entity that had the right to appoint the departed director, but if the Cerberus Parties are no longer entitled to designate any director, then any such vacancy left by the Cerberus Designated Director will be filled in the same manner as an independent director vacancy is filled.

G Retirement Age

To maximize the availability and contributions of directors who are capable and valuable members of the Board, the Board declines to adopt a mandatory retirement age for directors.

H Board Observers

Subject to applicable law and stock exchange regulations:

1. **FIM Observer.** For so long as FIM and certain of its affiliates directly or indirectly hold at least 2.5% of the outstanding common stock of Ally, they are entitled to appoint one non-voting observer to the Board.
2. **GM Observer.** For so long as GM or certain of its affiliates directly or indirectly hold at least 2.5% of the outstanding common stock of Ally, they are entitled to appoint one non-voting observer to the Board.
3. **Attendance of Board Meetings.** Each non-voting observer has the right to attend all meetings of the Board and its committees, so long as the observers first sign a customary confidentiality agreement as to the use and treatment of confidential information.
4. **Notice of Board Meetings and Meeting Materials.** Each non-voting observer will receive notice of all meetings of the Board and its committees



and all written materials and other information (including minutes of meetings) given to directors in connection with such meetings at the same time these materials and information are given to directors, so long as the observers first sign a customary confidentiality agreement as to the use and treatment of confidential information.

Notwithstanding the foregoing, Ally is permitted to exclude any non-voting observer from meetings and from receiving certain information if, based on the advice of counsel, exclusion is necessary to preserve the attorney-client privilege of Ally. To the extent practicable, Ally will provide the non-voting observer(s) advance written notice of any exclusion. In its discretion, the Board may excuse either or both of the non-voting observers from any segment of a Board meeting during which competitive or otherwise sensitive information or issues will be presented or discussed.

IV. Directorships

A Director Selection

The Compensation, Nominating, and Governance Committee of the Board is responsible for selecting candidates to serve as Director-Designated Directors and recommending them for appointment to the Board.

B Director Qualifications

The Compensation, Nominating, and Governance Committee of the Board will select and recommend these candidates considering the following criteria:

1. **Integrity.** High personal and professional integrity, honesty, ethics, and values.
2. **Background.** Education, business acumen, accounting and financial expertise, risk management experience, experience with other organizations, and any other background characteristics deemed necessary or appropriate by the Board or the Compensation, Nominating, and Governance Committee.
3. **Independence.** Satisfaction of the criteria for independence established by the United States Securities and Exchange Commission and the New York Stock Exchange, in the case of independent director candidates:
 - a) Under the United States Securities and Exchange Commission rule, and independent director:
 - i) Directly or indirectly accept any consulting, advisory, or other compensatory fees from Ally or any of its subsidiaries.
 - ii) Be an “affiliated person” of Ally or any of its subsidiaries.



- (a) Being an “affiliated person” of Ally means that the person controls Ally, is controlled by Ally, or is under common control with Ally.
 - (b) A person who holds less than 10% of Ally’s equity securities and is not an executive officer of Ally is not an affiliated person of Ally.
- iii) Under the New York Stock Exchange rule, and independent director:
- (a) Must have no material relationship with Ally (including, without limitation, commercial, industrial, banking, consulting, legal, accounting, charitable, and familial relationships), either directly or as a partner, shareholder, or officer of an organization that has a relationship with Ally, and
 - (b) Must not otherwise be disqualified as a result of certain professional relationships involving the director or any of his immediate family members and Ally or its internal and external auditor.
- 4. Availability.** Ability and willingness to devote the necessary time and attention to Ally for an extended period of time.
- 5. Candidate’s Fit Within Whole Board.** Current mix of director skills and personal and professional attributes, including differences among them, and needs of the Board, including, without limitation:
- a) Interplay of the candidate’s foregoing qualities with those of the other directors;
 - b) What the candidate’s skills and background contribute to the Board’s ability to perform its oversight function effectively; and
 - c) The extent to which the candidate would otherwise be a desirable addition to the Board.
- 6. Other.** Any other criteria that the Board deems appropriate.

C Candidate Selection Process

The Compensation, Nominating, and Governance Committee of the Board will seek out, identify, and screen candidates to serve as Director-Designated Directors and prepare a list of recommendations of candidates to pursue (“Candidate Report”).

- 1. Candidate Recommendations.** The Board may receive recommendations for director candidates from stockholders, Ally management, and others.



2. **Recommendation to Owners.** Upon completing its review of the candidates and identifying the director candidate(s) of choice, the Board will advise individual(s) or entities that have the right to appoint directors of the Board's recommendation about the new director candidate(s).

D Director Orientation

The Compensation, Nominating, and Governance Committee of the Board will provide a comprehensive orientation process for new directors to educate them about Ally's core business activities, strategic direction, and key policies and procedures through presentations, reading materials, meetings with management and other employees, visits to Ally's facilities, and/or other means, as appropriate.

E Director Continuing Education

In recognition of the evolving nature and importance of governance issues and practices, each director is responsible for participating in continuing education programs to obtain and/or maintain the necessary level of expertise to perform his responsibilities as a director and as a member of any Board committee.

F Limits on Outside Board Memberships

Non-management directors may not serve on more than 3 boards of other companies, and no more than 3 audit committees of other companies.

G Compensation

Compensation for directors will be designed to attract and retain directors capable of fulfilling all duties and responsibilities of a director and perpetuating Ally's success and to fairly compensate them for work required in a company of Ally's size and scope.

1. **Employee-Directors.** Directors who are also officers or employees of Ally, its owners, or the owners' affiliates will not receive any compensation for their services in their capacity as directors.
2. **Non-Officer/Employee Directors.** Directors, who are not also officers or employees of Ally, its owners, or the owners' affiliates, may receive a stated compensation for their services as directors, subject to Ally's expense policies, including the Excessive and Luxury Expenditures Policy.

H Loans and Credit Accommodations

Ally does not make personal loans or provide credit accommodations to directors, except for vehicle leasing and financing and mortgage loans in the ordinary course of Ally's and its subsidiaries' businesses, in each case on the same terms as are generally available to the public and subject to Ally's Code of Conduct and Ethics and compliance with applicable laws and regulations.

I Changes in Director Employment

Any director who changes or retires from employment during his or her service on the Board will notify the Board's Compensation, Nominating, and Governance Committee of this change.



1. **Assessment for Continued Service.** The Compensation, Nominating, and Governance Committee will assess whether such a director's continued service on the Board is appropriate in light of the change in employment or retirement.
2. **Recommendation for Continued Service.** The Compensation, Nominating, and Governance Committee will report its assessment to the stockholder or directors who have the right to appoint that director and recommend whether that director's continued service on the Board is appropriate.

V. Meetings and Materials

The Board will meet at least 4 times per year, including at least once during any three month period, and as frequently as necessary appropriate in the Board's discretion.

A Special Meetings

Ally's Chief Executive Officer may call special Board meetings, upon his or her own initiation or the written request of any director and any director may call a special Board meeting upon his or her own initiation.

B Executive Sessions

The non-management directors will meet in executive session without the other directors at least 2 times per year, and the independent directors will meet in executive session without the other directors at least 2 times per year, in each case to discuss such matters as the non-management and independent directors, respectively, consider appropriate.

1. **Non-Director Participants.** The non-management directors or independent directors, as applicable, may invite Ally's outside auditor, management and other employees, general counsel, and others in their discretion, to participate in executive sessions.
2. **Presiding Director.** The Chairman, or his or her designee, will preside over meetings held in executive session.

C Presentations and Reports

The Board may require presentations and reports by Ally management and other employees and professional advisors to inform the Board in its deliberations on matters brought before it.

D Access to Management

The Board has full access to Ally's management, employees, contractors, professional advisors, and any other representatives of Ally.

E Advance Review of Meeting Materials

Meeting conduct will assume directors have reviewed written materials and other information in sufficient depth to participate in meaningful dialogue.



F Attendance at and Participation in Board Meetings

The Board strongly encourages all directors to attend every Board meeting in its entirety and to actively participate in discussions and otherwise be fully engaged during each meeting.

1. Attendance by Non-Directors. Non-directors may attend Board meetings as follows:

- a) The Ally Chief Financial Officer, Chief Risk Officer, and General Counsel may regularly attend each Board meeting, unless the Chairman instructs otherwise;
- b) All others may attend a Board meeting with the approval of the Chairman.

2. Telephonic Meetings. Directors and permitted non-directors may participate in Board meetings via telephone or similar communications equipment that allows all persons participating in the meeting to hear each other, and telephonic participation constitutes presence at a meeting and waiver of any deficiency of notice of the meeting.

G Agenda and Materials

The Chairman of the Board, directly or through his delegate, will establish the agenda for each Board meeting and include any items requested by any director for placement on the agenda.

- 1. Distribution of Agenda.** The Chief Executive Officer will provide the agenda, along with appropriate written information and background materials, to Ally's Secretary for distribution to all directors before, or simultaneously with, the notice of the Board meeting.
- 2. Materials.** Board meeting materials must be sent at least 5 days in advance of the Board meeting to allow sufficient time to review them and so that the meeting discussions can focus on the directors' questions and concerns, unless the Chairman approves a shorter time period.
- 3. Annual Agenda Topics.** At the beginning of each year, the Chairman of the Board, in consultation with Ally's Chief Executive Officer, will issue a schedule of agenda topics to be discussed during the year, which will be distributed to the other directors, and any director may suggest including additional items on the agenda.

H Location

Board meetings will be held in Detroit, Michigan, New York, New York, or such other place as the Board determines from time to time.

I Notice

Ally's Secretary will send written notice of regular and special Board meetings and all



materials to all directors at their respective notice addresses maintained in Ally's records by the Secretary.

1. **Advance Notice Period.** Ally's Secretary will send the meeting notices at least 5, but no more than 30, days before the meeting, or at least 3 business days before the meeting if the notice is sent by facsimile or e-mail.
2. **Notice Contents.** The notice must state the place, day, and time of the meeting, and purpose(s) of any special meeting.
3. **Meeting Without Notice.** Board meetings may be held without notice if all directors entitled to vote at the meeting are present physically or telephonically or represented by proxy, or if the absent director waives notice in writing either before or after the meeting.
4. **Waiver of Notice.** Any director who is present physically or telephonically at a meeting is conclusively presumed to have waived notice of the meeting, except where the director attends for the sole purpose of objecting or abstaining at the beginning of the meeting with respect to the Board's transaction of its business on the basis that the meeting is not lawfully called or convened.
 - a) Such director will be conclusively presumed to have consented to the action unless his dissent or abstention has been recorded in the meeting minutes or filed with the secretary of the meeting before the meeting adjourns, or is sent to Ally's Secretary by registered mail immediately after the meeting.
 - b) The right to dissent or abstain does not apply to any director who voted in favor of the action at issue.

J Quorum

A quorum of the Board is required for transacting the Board's business.

1. **Quorum Requirements.** A quorum exists when enough directors are present physically or telephonically to represent a majority of the voting authority of the Board, and in all cases requires at least two independent directors.
2. **Quorum Failure.** The Board will reschedule meetings when a quorum is not reached within 60 minutes of the meeting starting time.
3. **Rescheduled Meeting Upon Quorum Failure.** Such rescheduled meetings must occur between 2 and 10 business days after the original meeting date with at least two business days' notice to all directors of the rescheduled meeting.

K Voting

Each director has one vote to cast for each matter brought before the Board and a



majority of directors present at a meeting in which a quorum exists must approve all matters brought before the Board, unless the Bylaws, Ally's certificate of incorporation, or applicable law require otherwise.

L Action Without a Meeting

The directors may take action on matters requiring Board approval without a formal Board meeting through unanimous written consent signed by the directors that describes the action taken.

M Meeting Minutes

Ally's Corporate Secretary will record and maintain minutes of the Board meetings.

N Reimbursement of Expenses

Ally will reimburse directors for any reasonable out-of-pocket expenses related to attendance at regular and special Board meetings, subject to Ally's requirements for reporting and documenting such expenses.

VI. Board Committees

The current standing Board committees required under the Bylaws are the Audit Committee and Compensation, Nominating, and Governance Committee, and the Board has established the Risk Compliance Committee as a standing Board committee.

A Responsibilities of Standing Committees

As described more fully in their charters, the general responsibilities of the Board's standing committees include the following:

1. **Audit Committee.** The Audit Committee has oversight responsibility for Ally's accounting and financial reporting; independent public accounting firm; internal audit function, including the performance and compensation of Ally's General Auditor; effectiveness of risk management and internal controls; and Ally's compliance with legal requirements and company policies.
2. **Compensation, Nominating, and Governance Committee.** The Compensation, Nominating, and Governance Committee has oversight responsibility for Ally's compensation programs for employees under its purview, as defined in its charter; consulting with the Audit Committee and Risk Compliance Committee in reviewing: the CEO's compensation; the CEO's performance evaluations for the top 25 most highly compensated employees; performance scorecards for all business units and global functions; and the compensation of Ally's General Auditor, Chief Risk Officer, and Loan Review Officer; leadership development and succession planning programs; identifying, screening, and recommending qualified candidates to serve as Director-Designated Directors on the Board; developing, recommending, and overseeing implementation of the self-evaluation



processes of the Board and its committees; and overseeing and recommending to the Board policies and procedures for Board governance.

- 3. Risk Compliance Committee.** The Risk Compliance Committee has oversight responsibility for risk management programs developed and implemented by management, with emphasis on credit, operational, reputational, compliance, and market risks from both an enterprise and line of business perspective.

B Establishing and Disbanding Committees

Other than the standing committees required under the Bylaws, the Board may establish or disband Board committees as it deems necessary or appropriate to assist the Board in the discharge of its duties.

C Committee Member Designation

The Board will designate the committee members, and at least one member of each committee must be an independent director.

D Committee Functions

The purpose, duties, responsibilities, and authority will be determined by the Board, consistent with applicable legal requirements.

E Committee Charters

The Board expects its committees to adopt charters, where appropriate, reflecting their purposes, duties, and responsibilities; reporting to the Board; and committee performance evaluation.

F Voting

Committee decisions require approval of a majority of the committee members.

G Committee Authority and Powers

The Board will delegate authority to each committee as the Board deems appropriate, and each committee has and may exercise the full authority of the Board to the extent provided in resolutions of the Board, subject to limitations described in the Bylaws and any limits imposed in the establishment of the committee.

H Removal of Committee Members

A majority of the Board may remove committee members at any time for any reason, subject to Paragraph VI.B above.

I Committee Governance

Each committee will establish its own rules of procedure and hold meetings as provided by such rules, except as otherwise provided in the Bylaws or the Board resolution designating such committee.

J Reporting to the Board

Each committee will report to the Board on at least a quarterly basis and provide updates on activities for which the committee is responsible.



VII. Leadership Development

To ensure Ally management continuity and optimize performance of Ally's Chief Executive Officer:

A Chief Executive Officer Evaluation

The Compensation, Nominating, and Governance Committee of the Board will annually evaluate the performance of Ally's Chief Executive Officer, based on objective criteria, and communicate the evaluation to the Chief Executive Officer.

B Succession Planning

The Compensation, Nominating, and Governance Committee of the Board will require and receive from Ally's Chief Executive Officer an annual report on succession planning for his position and key officer positions.

VIII. Outside Advisors

In its discretion, and at Ally's expense, the Board, and any committee of the Board, may retain outside counsel, accountants, experts, and other professional advisors as it determines appropriate to assist in the discharge of its responsibilities.

IX. Confidentiality

During and after their service on the Board, directors must maintain confidentiality of all nonpublic information related to Ally and entrusted to them in their capacity as directors by Ally and its owners, except to the extent disclosure is legally required or otherwise permitted under the Bylaws.

A Board Meetings

Directors will maintain confidentiality of all discussions at Board meeting and Board committee meetings.

B Use of Information

Directors may not use confidential information of Ally, and/or its direct and indirect subsidiaries, for their own personal benefit or for the benefit of others.

X. Communications To Third Parties

Ally's management and employees speak for Ally in all communications to third parties (e.g., press releases, earnings reports, etc.), and to the extent comments from the Board are appropriate, the Chairman or another director he designates will speak for the Board.



XI. Communications By Third Parties

Third parties (including stockholders) may communicate with the full Board, the non-management directors as a group, the independent directors as a group, any director, or any Board committee by sending correspondence to Ally's Corporate Secretary at the following address:

Ally Corporate Secretary

200 Renaissance Center

Mail Code 482-B09-C24

Attn: [insert name, title, or position of recipient, e.g., Chairman of the Board]

Detroit, MI 48265

XII. Reporting Concerns About Ally

Any person who has a concern about Ally's governance, conduct, business ethics, financial practices, or otherwise may communicate such concern(s) to the Board, either anonymously or with attribution

A Reporting Options

Concerns may be submitted as follows:

- 1. Audit Committee and/or Risk Compliance Committee.** In writing to the Chair of Ally's Audit Committee and/or the Chair of Ally's Risk Compliance Committee, in each case in care of Ally's general counsel to the following address:

Ally Financial Inc.

Ally Audit Committee Chair

c/o Ally General Counsel

200 Renaissance Center

Mail Code 482-B09-B11

Detroit, MI 48265

Ally Financial Inc.

Ally Risk Compliance Committee Chair

c/o Ally General Counsel

200 Renaissance Center

Mail Code 482-B09-B11

Detroit, MI 48265

- 2. Ethics Hotline.** Through Ally's Ethics Hotline:

United States: 1-800-971-6037

www.tnwinc.com/report

International: 1-866-251-9940

www.tnwinc.com/reportline/international

B Ally Response

Ally will address such concerns through its normal procedures, including, without limitation, referral to Ally's Audit Committee, General Auditor, Compliance Officer,



Legal Staff, Human Resources department, or other appropriate department for investigation and follow-up action.

C Non-retaliation

Ally's Code of Conduct and Ethics requires employees to report compliance concerns and prohibits retaliation against anyone who honestly raises a concern, and Ally will take appropriate action against anyone who engages in retaliatory conduct.

XIII. Ethics and Conflicts of Interest

All directors must act in accordance with Ally's Codes of Conduct and Ethics.

XIV. Self-Assessment

Annually, each of the Board and its committees will evaluate its respective performance and review the results in executive session.

XV. Publication

Ally will publish this Governance Policy, including any modifications, on its internal and external websites.