

**Recovery Valuation Package Transmittal Form**

**Sponsor/Controlled Group:** DELPHI CORPORATION

**I. Overview**

<b>Total Claims</b>	<b>\$7,610,242,683.67</b>	<b>Total Recoveries</b>	<b>\$661,515,928.81</b>	<b>Recovery Percentage</b>	<b>8.69%</b>
---------------------	---------------------------	-------------------------	-------------------------	----------------------------	--------------

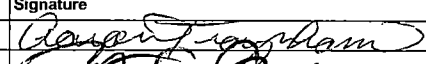
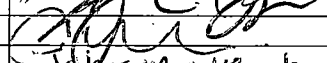
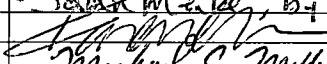
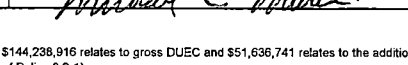
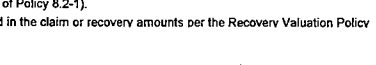

**II. Claims<sup>1</sup>**

Plan Name	CMS #	TID	DOPT	DOTR	DU EC	General Unsecured UBL	Unpaid FOD Premiums	Termination Premiums <sup>2</sup>
Delphi Hourly-Rate Employees Pension Plan	20637100	07/20/2009	07/31/2009	08/10/2009	\$194,188,867.00	\$4,479,700,000.00	\$0.00	N/A
Delphi Retirement Program for Salaried Employees	20637000	07/20/2009	07/31/2009	08/10/2009	\$144,238,916.00	\$2,711,000,000.00	\$0.00	N/A
ASEC Manufacturing Retirement Program	21102100	07/20/2009	07/31/2009	08/10/2009	\$2,973,233.00	\$14,700,000.00	\$0.00	N/A
Delphi Mechatronic Systems Retirement Program	20700700	07/20/2009	07/31/2009	08/10/2009	\$1,414,237.00	\$6,300,000.00	\$3,252.67	N/A
Packard-Hughes Interconnect Bargaining Retirement Plan	20700900	07/20/2009	07/31/2009	08/10/2009	\$3,537,852.00	\$13,800,000.00	\$0.00	N/A
Packard-Hughes Interconnect Non-Bargaining Retirement Plan	21102700	07/20/2009	07/31/2009	08/10/2009	\$7,886,326.00	\$30,500,000.00	\$0.00	N/A
<b>TOTAL</b>					<b>\$354,239,431.00</b>	<b>\$7,256,000,000.00</b>	<b>\$3,252.67</b>	<b>\$0.00</b>

**III. Allocation<sup>2</sup>**

Plan Name	CMS #	TID	DOPT	DOTR	DU EC <sup>3</sup>	General Unsecured UBL	FOD Unpaid Premiums	Termination Premiums <sup>4</sup>
Delphi Hourly-Rate Employees Pension Plan	20637100	07/20/2009	07/31/2009	08/10/2009	\$21,317,493.41	\$275,285,848.05	\$0.00	N/A
Delphi Retirement Program for Salaried Employees	20637000	07/20/2009	07/31/2009	08/10/2009	\$195,875,657.00	\$155,298,056.34	\$0.00	N/A
ASEC Manufacturing Retirement Program	21102100	07/20/2009	07/31/2009	08/10/2009	\$1,863,127.08	\$792,621.41	\$0.00	N/A
Delphi Mechatronic Systems Retirement Program	20700700	07/20/2009	07/31/2009	08/10/2009	\$804,605.32	\$339,316.87	\$200.84	N/A
Packard-Hughes Interconnect Bargaining Retirement Plan	20700900	07/20/2009	07/31/2009	08/10/2009	\$2,301,922.42	\$709,956.59	\$0.00	N/A
Packard-Hughes Interconnect Non-Bargaining Retirement Plan	21102700	07/20/2009	07/31/2009	08/10/2009	\$5,375,813.58	\$1,551,309.91	\$0.00	N/A
<b>TOTAL</b>					<b>\$227,538,618.80</b>	<b>\$433,977,109.17</b>	<b>\$200.84</b>	<b>\$0.00</b>

**IV. Concurrence & Approval**

Division	Approver	Signature	Date/Time
RVT Analyst, CFRD	Aaron Traynham		11-06-14
RVT Lead, CFRD	Taylor Jones		11-06-14
Attorney, OCC	Wayne Owen		11-07-14
Assistant Chief Counsel, OCC	John Menke		11/07/14
Deputy Chief Counsel, OCC	Karen Morris		11/07/14
Acting Chairperson, RVG	Michael Miller		11/07/2014

<sup>1</sup> Information is at DoPT  
<sup>2</sup> Information is at Allocation Date  
<sup>3</sup> Of the \$195,875,657 allocated to the DU EC category for Delphi Retirement Program for Salaried Employees, \$144,238,916 relates to gross DU EC and \$51,636,741 relates to the additional secured plan claim due to the tax lien (which PBGG included in DU EC for allocation purposes per section E.4 of Policy 8.2-1).  
<sup>4</sup> Termination Premium claims that have not been compromised as part of a global settlement are not included in the claim or recovery amounts per the Recovery Valuation Policy



**Pension Benefit Guaranty Corporation**  
1200 K Street, N.W., Washington, D.C. 20005-4026

DATE: November 6, 2014

RVG MEMBERS PRESENT: Marie Scott (IAB/FOD)  
Mike Krentzman (ASD)  
Taylor Jones (CFRD)  
Wayne Stefurak (CFRD)  
Mark Shelton (for Chris Gran) (CFRD)  
Michael Miller (OCC Acting RVT Chairman)  
Han Truong (BAPD)

SUBJECT: Recovery Valuation Group meeting for Delphi Corp

All voted for the recommended recovery allocation.

Other attendees included:

- 1) Case Team Members: Cindy Travia (CFRD)  
John Menke (OCC)  
Dana Cann (CFRD)
  
- 2) Observers: Michael Hutchins (AED-BAPD)  
Jennifer Walker (BAPD)  
Aaron Traynham (CFRD)  
Armando Saavedra (CFRD)



**Pension Benefit Guaranty Corporation**  
1200 K Street, N.W., Washington, D.C. 20005-4026

DATE: November 6, 2014

TO: RVG Cases: Michael Miller, Acting Chairperson, Recovery Valuation Group

CC: Wayne Owen, OCC Attorney  
John Menke, OCC Assistant Chief Counsel  
Adrian Ifill, FOD  
Pamela Giuliani, FOD

FROM: Aaron Traynham, Recovery Valuation Team (RVT) Analyst  
Taylor Jones, RVT Lead

SUBJECT: Recovery Valuation and Allocation Memorandum for Delphi Corp ("Delphi")

- Delphi Hourly-Rate Employees Pension Plan, CMS #20637100 ("Hourly Plan")
- Delphi Retirement Program for Salaried Employees, CMS #20637000 ("Salaried Plan")
- Packard-Hughes Interconnect Bargaining Retirement Plan, CMS # 20700900 ("Interconnect Bargaining Plan")
- Packard-Hughes Interconnect Non-Bargaining Retirement Plan, CMS #21102700 ("Interconnect Non-Bargaining Plan")
- ASEC Manufacturing Retirement Program, CMS #21102100 ("ASEC Plan")
- Delphi Mechatronic Systems Retirement Program, CMS #20700700 ("Mechatronic Plan") (collectively, the "Plans")

## **1. Introduction**

This memorandum sets forth the valuation and allocation of recoveries on PBGC's and the Plans' claims in the plans identified above. The Recovery Valuation Group must review this case because the total UBL, as of DOPT, is more than \$25 million for all terminated plans sponsored by the same controlled group. This recovery valuation is an estimate for determining benefits and preparing financial statements. It in no way limits the amount of liability owed to PBGC pursuant to applicable law.

## **2. Background**

For the background of the case, refer to the final TWG Package in Attachment B.1 of this document.

### 3. Controlled Group

For the controlled group analysis, refer to final TWG Package in Attachment B.1.

### 4. Allocation Date

PBGC values and allocates recoveries as of the Allocation Date. *PBGC Operating Policy 8.2-1, Valuation and Allocation of Recoveries (6<sup>th</sup> Edition)* defines the Allocation Date as the Date of Plan Termination (DOPT) if there is a single DOPT. If there are multiple DOPTs, the Allocation Date should be the DOPT of whichever plan terminated the latest. Because all six Delphi pension plans have the same DOPT – July 31, 2009 – that is the Allocation Date for purposes of valuing and allocating the Delphi recoveries.

### 5. PBGC Plan Information

According to the best available information (see Attachment A.1), PBGC's claims as of DOPT are noted in the table below:

Plan Information as of DOPT	Delphi Hourly-Rate Employees Pension Plan	Delphi Retirement Program for Salaried Employees	ASEC Manufacturing Retirement Program	Delphi Mechatronic Systems Retirement Program	Packard-Hughes Interconnect Bargaining Retirement Plan	Packard-Hughes Interconnect Non-Bargaining Retirement Plan	PIP As Of Date
<b>DUEC Amount</b>							
Net DUEC Claim – line 7 of Recovery Valuation and Allocation Model	\$194,188,867.00	\$144,238,916.00	\$2,973,233.00	\$1,414,237.00	\$3,537,852.00	\$7,886,326.00	11/16/2009
Unsecured Administrative Priority (Code § 507(a)(2))* – line 9 of Recovery Valuation and Allocation Model	\$9,940,983.00	\$0.00	\$0.00	\$764,486.00	\$0.00	\$0.00	11/16/2009
Unsecured 180 Day DUEC Claim – line 10 of Recovery Valuation and Allocation Model	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	11/16/2009
<b>Secured Portion of DUEC Amount</b>							
Secured DUEC Claim ((perfected 430(k) or 412(n) liens) – line 8 of Recovery Valuation and Allocation Model	\$0.00	\$144,238,916.00	\$1,790,072.00	\$0.00	\$2,220,587.00	\$5,210,599.00	11/16/2009
<b>UBL and Premium Claims</b>							
General Unsecured UBL Claim as of DOPT – line 11 of Recovery Valuation and Allocation Model	\$4,479,700,000.00	\$2,711,000,000.00	\$14,700,000.00	\$6,300,000.00	\$13,800,000.00	\$30,500,000.00	11/16/2009
Unpaid FOD Premium Claim as of DOPT** – line 12a of Recovery Allocation Model	\$0.00	\$0.00	\$0.00	\$3,252.67	\$0.00	\$0.00	11/16/2009
Termination Premium Claim as of DOPT** (if applicable) – line 12b of Recovery Allocation Model	N/A	N/A	N/A	N/A	N/A	N/A	11/16/2009

\* Note: For all Delphi plans, the PIP reflects an (a)(2) Administrative Normal Cost Claim. For the purpose of identifying an Unsecured Administrative (a)(2) claim, this line item was adjusted to zero for the following plans because it was secured in their individual cases: the ASEC Manufacturing Retirement Program, the Packard-Hughes Interconnect Bargaining Retirement Plan, and the Packard-Hughes Interconnect Non-Bargaining Retirement Plan.

\*\* Note: Termination premiums were not applicable in this case because Delphi filed for protection under Chapter 11 of the Bankruptcy Code before the effective date of the law containing termination premiums.

PBGC perfected 412(n) and/or 430(k) liens against Delphi's foreign, non-bankrupt assets on behalf of the Salaried Plan, the ASEC Plan, the Interconnect Bargaining Plan, and the Interconnect Non-Bargaining Plan, totaling \$205,096,915. The secured claim amount used in this allocation reflects the full value of all liens perfected against the total controlled group, given that the controlled group's net worth exceeded the lien amount. The value of the secured claim (i.e., the perfected lien amount) was brought forward with interest as prescribed under IRC §6621 to the Allocation Date, as noted in the Table. OCC indicated that, per the October 23, 2009 "Valuation Materials" prepared by Greenhill & Co., Inc. ("Greenhill") (see Attachment B.2), the value of the collateral underlying PBGC's liens is sufficient to satisfy those liens and PBGC's secured claim amounts. Therefore, the fully secured claim from CFRD's PIP was used for recovery allocation purposes.



Note that Greenhill prepared a report titled "Discussion Materials" on April 16, 2009 ("April 16, 2009 Discussion Materials"), which was issued in draft form and is included in the TWG Package. The April 16, 2009 Discussion Materials report was prepared solely to estimate the long run loss associated with the liquidation of Delphi.

**6. Recovery Amount - (see Attachment A.1 for additional detail) (Recovery Valuation and Allocation Model)**

Please refer to the following documents for details on the settlement agreement:

- Attachment B.3: Copy of General Settlement Agreement with PBGC;
- Attachment B.4: Copy of Waiver and Release Agreement;
- Attachment B.5: Copy of LLP Agreement;
- Attachment B.6: Copy of JP Morgan's Memo Recommending Sale of Unsecured Claims;
- Attachment B.7: Copy of JP Morgan's Memo Recommending Sale of Class C Interests; and
- Attachment B.8: Copy of Greenhill's May 21, 2010 Discussion Materials

On July 21, 2009, PBGC executed two settlement agreements with Delphi Corporation and General Motors Company resolving all of PBGC's claims and 412(n) and/or 430(k) liens with respect to the Plans. The recovery that PBGC received pursuant to the settlement agreements was comprised of three components:

1. \$70 million cash payment
2. \$3 billion general unsecured claim in Delphi's bankruptcy proceedings ("Unsecured Claim"); and
3. Direct, non-voting equity membership interest ("Class C Interest") in the purchaser of Delphi's foreign assets in the bankruptcy proceedings, later named Delphi Automotive, LLP ("New Delphi"), a limited liability partnership.

Note that for purposes of valuing and allocating the recoveries described above, *PBGC Operating Policy 8.2-1, Valuation and Allocation of Recoveries (6<sup>th</sup> Edition)* (the "Policy") states:

*PBGC determines a recovery's "starting value" using the fair market value of the recovery (or PBGC's best estimate of such value) as of the date on which PBGC receives or expects to receive payment or on a date soon thereafter (the "Starting Value Date"). In cases in which portions of PBGC's recovery are received on multiple, separate dates, PBGC will determine the starting value for each component of the recovery as of the date it is (or is expected to be) received. (E.g., if the recovery includes two separate cash distributions, a stock distribution, and a note payable in installments over ten years, PBGC would determine a starting value for each of these four components.)*

Accordingly, the recovery valuation team identified the point in time that PBGC received payment or could effectively transact for payment for each component of the settlement. Furthermore, the Policy requires that the value of the recovery be "discounted from the Starting Value Date to DOPT in order to arrive at a starting value (the "Starting Value"), using the PBGC Select Rate in effect as of DOPT." This was completed for each of the components of the recovery, which are described in further detail as follows:

### \$70 Million Cash Payment

On October 6, 2009, PBGC received a cash payment of \$70 million. When discounted to DOPT, this \$70.0 million yields a value at DOPT of \$69.3 million.

### Unsecured Claim

Due to the lack of a readily available and active market for general unsecured claims against Delphi, PBGC representatives sought potential buyers of the Unsecured Claim.

JP Morgan Investment Management (“JPMIM”), manager for the Unsecured Claim, identified Wall Street firms that actively traded Delphi prepetition unsecured bonds (which were in the general unsecured creditors class) as the most likely pool of potential buyers of the Unsecured Claim.

After conducting initial investigations into possible counterparties, JPMIM received two offers, 1.78% of face value and 1.76% of face value, to buy the Unsecured Claim. Ultimately, JPMIM concluded that the highest offer of 1.78% of face value was an attractive offer for the Unsecured Claim and assisted in effecting the related transaction. On April 12, 2011, JPMIM issued a memo recommending the sale of the Unsecured Claim (see Attachment B.6).

Therefore, on April 15, 2011, the Unsecured Claim was sold for \$53.4 million in cash, which was 1.78% of face value of the Unsecured Claim. After deducting \$217,350 in commission costs, PBGC received \$53.2 million in cash proceeds from the sale. When discounted to DOPT, this \$53.2 million yields a value at DOPT of \$48.7 million. Accordingly, the date of the monetization event and the related proceeds were identified as the Unsecured Claim’s Starting Value Date and Starting Value, respectively.

### Class C Interest

On October 6, 2009, the date that the LLP Agreement was finalized, PBGC was granted the rights and privileges needed to manage and effect ownership decisions regarding the Class C Interest. However, a valuation of the Class C Interest was not prepared as of that specific date. Greenhill, PBGC’s financial advisor for this case, issued its Valuation Materials presentation (which provided high, mid, and low indications of value of the Class C Interest) shortly thereafter, as of October 23, 2009, under two scenarios:

- “Scenario 1” - a monetization event assumed to occur on the October 23, 2009 date of valuation, with a midpoint indication of value of \$641 million; and
- “Scenario 2” - a present value estimate, as of October 23, 2009, of 2011 fiscal year-end value, based on hypothetical future proceeds related to the Class C Interest in New Delphi, with a midpoint indication of value \$459 million.

Greenhill’s Valuation Materials provided indications of value of the Class C Interest sufficiently close to the October 6, 2009 date when the LLP Agreement was finalized. Greenhill stated that it was not likely that a monetization event would occur before 2011, and accordingly, that Scenario 1 was less likely. Thus, it is logical to conclude that Scenario 2 represented the most likely scenario under which PBGC would realize value from the Class C Interest. However, despite its estimated lower probability, the possibility did exist that a monetization event could occur at some point before year-end 2011. Accordingly, we determined it was appropriate to consider both potential outcomes in arriving at the Starting Value of the Class C Interest.

To do so, the midpoint value indications (\$641 million and \$459 million) under the two scenarios were averaged in order to take a balanced view in estimating the value of the Class C Interest. The resulting Starting Value of the Class C Interest was \$550 million as of October 23, 2009. This amount, when discounted to DOPT, was \$543.5 million.

In March 2011, JPMIM issued a memo recommending the sale of the Class C Interest (see Attachment B.7). That sale was consummated and on March 31, 2011, PBGC received \$594 million in actual cash proceeds from the sale of the Class C Interest. When discounted to DOPT, the \$594 million in proceeds yields a value at DOPT of \$545.0 million. We note that this value very closely approximates the aforementioned discounted value at DOPT of \$543.5 million, based on Greenhill's Valuation Materials presentation. While the Policy dictates that Starting Values be determined based upon fair market value as of the date PBGC receives payment, it should be noted that actual transactions are strong indicators of fair market value, and on a discounted basis, the transaction that ultimately occurred strongly supports the midpoint-based value indication from Greenhill's Valuation Materials.

On May 21, 2010 Greenhill issued a second presentation titled "Discussion Materials" (the "May 21, 2010 Discussion Materials"), which was issued only in draft form (see Attachment B.8). The May 21, 2010 Discussion Materials presentation was issued as an update to the Valuation Materials and subsequently provided indications of value for the Class C Interest as of May 21, 2010, approximately seven months after the Starting Value Date. PBGC's Financial Operations Department ("FOD") relied on the May 21, 2010 Discussion Materials as a value indicator for the Class C Interest for the purposes of internal accounting and commingling the Class C Interest with PBGC's assets on June 30, 2010 (as indicated on Attachment A.3). That presentation valued the Class C Interest at \$702 million as of May 21, 2010. It should be noted that the May 21, 2010 Discussion Materials were not appropriate for use in valuing the Class C Interest for the purpose of this recovery valuation and allocation because the analysis was not as of the Starting Value Date.

#### Final Recovery

As previously noted, the three components of the settlement were consideration for the release of all liens and claims against the Delphi bankruptcy estate and against all of the foreign non-debtor controlled group members. In summary, the present values of the three components of the recovery, as of DOPT, are as follows:

1. \$69.3 million – for the \$70 million cash payment received on October 6, 2009
2. \$48.7 million – for the \$53.2 million payment received on April 15, 2011 in exchange for the Unsecured Claim; and
3. \$543.5 million – for the \$550 million estimated value of the Class C Interest as of October 23, 2009.

Accordingly, the total discounted value of the Recovery as of the July 31, 2009 Allocation Date (also the DOPT) is \$661.5 million.

## 7. Allocation

The recovery was allocated to PBGC's claims using the Recovery Valuation and Allocation Model (see Attachment A.1). The following table provides the value of the recovery for each claim as of the DOPT:

<b>Plan Name</b>	<b>Total DUEC Recoveries at Allocation Date* – line 40 of Recovery Valuation and Allocation Model</b>	<b>General Unsecured UBL Recovery at Allocation Date – line 43 of Recovery Valuation and Allocation Model</b>	<b>Unpaid FOD Premium Recoveries at Allocation Date – line 46a of Recovery Valuation and Allocation Model</b>	<b>Termination Premium Recoveries at Allocation Date (if applicable) – line 46b of Recovery Valuation and Allocation Model</b>
<b>Delphi Hourly-Rate Employees Pension Plan</b>	\$21,317,493.41	\$275,285,848.05	\$0.00	N/A
<b>Delphi Retirement Program for Salaried Employees</b>	\$195,875,657.00	\$155,298,056.34	\$0.00	N/A
<b>ASEC Manufacturing Retirement Program</b>	\$1,863,127.08	\$792,621.41	\$0.00	N/A
<b>Delphi Mechatronic Systems Retirement Program</b>	\$804,605.32	\$339,316.87	\$200.84	N/A
<b>Packard-Hughes Interconnect Bargaining Retirement Plan</b>	\$2,301,922.42	\$709,956.59	\$0.00	N/A
<b>Packard-Hughes Interconnect Non-Bargaining Retirement Plan</b>	\$5,375,813.58	\$1,551,309.91	\$0.00	N/A

\* Note: Of the \$195,875,657 allocated to the DUEC category for Delphi Retirement Program for Salaried Employees, \$144,238,916 relates to gross DUEC and \$51,636,741 relates to the additional secured plan claim due to the tax lien (which PBGC included in DUEC for allocation purposes per section E.4 of Policy 8.2-1).

**Attachments:**

The following documents associated with this case are located in TeamConnect with the associated TeamConnect Document ID:

Attachment	Name of Document	TeamConnect Document ID
A.1	Recovery Valuation and Allocation Model <i>Contains the total recoveries as of allocation date and the results of the allocation across each plan by claim</i>	#5988355 Attached
A.2	Final PIP if controlled group analysis in TWG Package is not final (if applicable)	#5300477 Attached
A.3	FOD Report on Recoveries <i>Includes information from FOD to confirm that no assets or monies have been received</i>	#5988406 Attached
A.4	OCC Best Estimate <i>Includes information from OCC on the likelihood of receiving future recoveries as well as supporting comments</i>	#5986046 Attached
A.5	FOD Premium Data <i>Includes breakout of items and their corresponding amounts that result in the FOD Premium</i>	#5988032 Attached
B.1	Final TWG Package <i>Contains the final controlled group analysis</i>	#5075168 Attached
B.2	October 23, 2009 "Valuation Materials" prepared by Greenhill & Co., Inc. <i>Contains valuation of the Class C Interests</i>	#5988048 Attached
B.3	Copy of Executed General Settlement Agreement with PBGC <i>Includes full details of the settlement agreement</i>	#5389570 Attached
B.4	Copy of Waiver and Release Agreement <i>Agreement between General Motors and PBGC</i>	#5389558 Attached
B.5	Copy of Executed LLP Agreement <i>Contains information about rights of holders of interest in New Delphi</i>	#5988049 Attached
B.6	Copy of JP Morgan's Memo Recommending Sale of Unsecured Claims <i>Contains recommendation for sale of Unsecured Claims</i>	#5988052 Attached
B.7	Copy of JP Morgan's Memo Recommending Sale of Class C Interests <i>Contains recommendation for sale of Class C Interests</i>	#5988049 Attached
B.8	Copy of Greenhill's May 21, 2010 Discussion Materials <i>Contains valuation information for New Delphi</i>	#5988051 Attached

# Attachment A.1

## Recovery Valuation and Allocation Model

General Information Dashboard			
Plan Sponsor	DELPHI CORPORATION	Bankruptcy	Yes
Corporate Parent	Delphi Corporation	Bankruptcy Date	10/08/2005
UBL	\$7,256,000,000.00	Select Rate	5.31%
RVG or Non-RVG	RVG	PIP "as of" date (CFRD Calc. Date):	11/16/2009
Zero or Non-Zero Recovery	Non-Zero	Total Termination Premiums	N/A
Allocation Date (Latest DoPT)	07/31/2009	Total Claims	\$7,610,242,683.67
TID Fiscal Year	2009	Total Recoveries	\$661,515,928.81
TID Calendar Year	2009	Estimated Recovery %	8.69%

Plan Information							
PP	Plan Name	Delphi Hourly-Rate Employees Pension Plan	Delphi Retirement Program for Salaried Employees	ASEC Manufacturing Retirement Program	Delphi Mechatronic Systems Retirement Program	Packard-Hughes Interconnect Bargaining Retirement Plan	Packard-Hughes Interconnect Non-Bargaining Retirement Plan
PP	Estimated SPARR or Non-SPARR	SPARR	SPARR	SPARR	SPARR	SPARR	SPARR
PP	EIN/PN	383430473/003	383430473/001	731474201/002	383589834/001	330595219/002	330595219/001
PP	CMS #	20637100	20637000	21102100	20700700	20700900	21102700
PP	Termination Initiation Date (TID)	07/20/2009	07/20/2009	07/20/2009	07/20/2009	07/20/2009	07/20/2009
PP	DoPT	07/31/2009	07/31/2009	07/31/2009	07/31/2009	07/31/2009	07/31/2009
PP	DoTR	08/10/2009	08/10/2009	08/10/2009	08/10/2009	08/10/2009	08/10/2009

Claims Data							
PP	General Unsecured UBL Claim as of DoPT	\$4,479,700,000.00	\$2,711,000,000.00	\$14,700,000.00	\$6,300,000.00	\$13,800,000.00	\$30,500,000.00
PP	Gross DUEC Claim <sup>1</sup>	\$194,188,867.00	\$144,238,916.00	\$2,973,233.00	\$1,414,237.00	\$3,537,852.00	\$7,886,326.00
PP	Unsecured 180 Day DUEC Claim <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PP	Unsecured Administrative Priority (Code § 507(a)(2)) <sup>3</sup>	\$9,940,983.00	\$0.00	\$0.00	\$764,486.00	\$0.00	\$0.00
PP	Secured DUEC Claim (perfected 430(n) or 412(n))		\$144,238,916.00	\$1,790,072.00		\$2,220,587.00	\$5,210,599.00
Post DoPT Contributions							
Enter the general unsecured UBL as of DoPT:							
	Premium	\$0.00	\$0.00	\$0.00	\$3,252.67	\$10,543.17	\$0.00
	Interest - excluded if bankruptcy case	\$12,009.65	\$4,343.82	\$97.24	\$0.00	\$1,324.31	\$3,153.86
	Penalties - always excluded	\$152,825.56	\$93,654.76	\$547.74	\$0.00	\$18,247.45	\$9,670.18
	Auto Write Offs	\$0.00	\$88.43	\$34.79	\$0.00	\$0.16	\$34.44
	Payments/(Overpayments)	-\$13,028,901.38	-\$8,678,028.45	-\$8,696.52	\$0.00	-\$7,428.54	-\$22,234.19
	Refunds	\$12,864,056.17	\$8,610,118.30	\$0.00	\$0.00	-\$12,145.04	\$0.00
	Credit to/(from)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Unpaid FOD Premium	\$0.00	\$0.00	-\$8,086.33	\$3,252.67	\$10,543.17	-\$9,404.58
	Adjusted Unpaid FOD Premium	\$0.00	\$0.00	\$0.00	\$0.00	\$3,252.67	\$0.00
PP	Termination Premium	N/A	N/A	N/A	N/A	N/A	N/A
	Total Unpaid Premium Claim as of DoPT <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$3,252.67	\$0.00	\$0.00

Recovery & Expense Data			
Recovery	Payment 1	Payment 2	Payment 3
Starting Value	\$70,000,000.00	\$50,000,000.00	\$53,182,630.00
Starting Value Date	1/06/2009	10/23/2009	04/15/2011
Expense			
Amount Incurred/To Be Incurred			
Date Incurred/Date to be Incurred			

Manual Checks and Alerts				Initial
Secured DUEC and Bankruptcy	Yes	Multiple DoPTs	No	AT
180 Day Claim Starting Date	04/11/2005	Retrospective DoPT	No	AT
Recoveries Exceed Claims	No	Post-DoPT Contributions?	No	AT
Select Rate Matches PIP	Yes	Secured DUEC?	Yes	AT
SPDRR DUEC on the PIP	No	Termination Premiums Apply?	No	AT
Transmittals Match	Yes	FOD Premiums Thru	07/31/2009	AT

**Footnotes**

- In general, where the plan has claims other than DUEC claims - e.g., a fiduciary breach claim - these are included as DUEC for purposes of the valuation and allocation process. See Section E.4 of policy. The pro rata allocation to each type of claim should, however, be separately identified.
- The secured DUEC claim reflects the amount (up to the value of the collateral) perfected against total controlled group, including non-debtor controlled group members. For cases in which PBGC has secured claims and PBGC's liens include those filed against non-bankrupt controlled group members, interest on the secured claim will continue to apply post-bankruptcy petition date of the plan sponsor. If there are secured claims other than DUEC, they also should be included here and in allocation step C.5. In order for the recovery methodology to work, however, RVG staff must keep track of the pro rata allocation to each type of claim, because recoveries allocated to non-DUEC are not used for reducing DUEC claims of lower priority or for adjusting the general unsecured UBL claim in step C.7. References are to the Procedures Section of the PBGC Operating Policy 8 2-1 Sixth Edition.
- If there are priority claims other than DUEC, (e.g., a priority claim for post-petition date premiums), they also would be included here and in allocation step C.6. In order for the recovery methodology to work, however, RVG staff must keep track of the pro rata allocation to each type of claim, because recoveries allocated to non-DUEC are not used for reducing DUEC claims of lower priority or for adjusting the general unsecured UBL claim in step C.7. References are to the Procedures Section of the PBGC Operating Policy 8 2-1 Sixth Edition.
- For cases in which PBGC has secured claim, the RVG will consult with OCC on whether that claim supersedes any 180-day DUEC priority claim that PBGC may have.
- Post-DoPT Contributions are not used to reduce UBL any further, as UBL is already reduced to account for the expected DUEC recovery, which included Post-DoPT Contributions.
- Include termination premiums claims for cases involving a global settlement and when either of the following apply: 1) a sponsor and controlled group members liquidated, but outside of any bankruptcy or insolvency proceeding; or 2) a sponsor or one or more of its controlled group members is continuing in business after a distress test 3 or distress test 4 termination or a termination that occurred during a reorganization under Chapter 11 of the Bankruptcy Code or under any similar state or other law. In cases where termination premiums are included, the model adds the termination premiums amount with the regular premiums amount and allocates to the contained claim; however, PBGC will keep track of the pro-rata allocations to each claim for purposes of completing the Recovery Valuation and Allocation Memorandum and presenting to the RVG.
- The estimated SPARR or Non-SPARR determination is made on a plan-by-plan basis where a UNGB equal to or less than \$25 million is a SPARR plan. The RVG determination is made at the corporate parent level based on the UBL being greater than \$25 million.
- Note that for all Delphi plans, the PIP reflects an (a)(2) Administrative Normal Cost Claim. For the purpose of identifying an Unsecured Administrative (a)(2) claim, this line item was adjusted to zero for the following plans because it was secured in their individual cases: the ASEC Manufacturing Retirement Program, the Packard-Hughes Interconnect Bargaining Retirement Plan, and the Packard-Hughes Interconnect Non-Bargaining Retirement Plan.

Corporate Parent Name  
Delphi Corporation

Recovery Calculation

PART ONE: DESCRIPTION OF PAYMENTS RECEIVED

Recovery

1 Starting Value

2 Starting Value Date

3 Allocation Date  
*If single DOPT, Allocation Date = DOPT. If multiple DOPTs, this reflects the latest of the DOPTs Line 1 of Recovery Allocation Sheet*

4 Select Rate as Allocation Date  
*Input as decimal.*

5 Discount Rate  
*DSCTRT = 1 + (1 + PBGC Rate in Line 4)<sup>n</sup> where "n" is the period of time in years between the Starting Value Date and Allocation Date, Line 2 and Line 3.*

6 Recovery as of Allocation Date  
*Line 1 \* Line 5*

7 Total Recoveries Amount at Allocation Date<sup>1</sup>  
*Sum of Line 6*

	Payment 1	Payment 2	Payment 3	Payment 4	Payment 5	Payment 6	Payment 7	Payment 8	Payment 9	Payment 10
1 Starting Value	\$ 70,000,000.00	\$ 550,000,000.00	\$ 53,182,650.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Starting Value Date	10/06/2008	10/23/2008	04/15/2011							
3 Allocation Date	07/31/2009	07/31/2009	07/31/2009							
4 Select Rate as Allocation Date	0.0531	0.0531	0.0531							
5 Discount Rate	0.9905	0.9882	0.9155							
6 Recovery as of Allocation Date	\$69,338,346.51	\$543,490,053.66	\$48,687,528.64							
7 Total Recoveries Amount at Allocation Date <sup>1</sup>	\$661,515,928.81									
PART TWO: DESCRIPTION OF EXPENSES INCURRED										
	Expense 1	Expense 2	Expense 3	Expense 4	Expense 5	Expense 6	Expense 7	Expense 8	Expense 9	Expense 10
8 Amount Incurred/To be Incurred	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9 Date Incurred/Date to be Incurred	01/00/1900	01/00/1900	01/00/1900							
10 Allocation Date	07/31/2009	07/31/2009	07/31/2009							
11 Select Rate as of Allocation Date	0.0531	0.0531	0.0531							
12 Discount Rate	0.0034	0.0034	0.0034							
13 Expenses as of Allocation Date	\$0.00	\$0.00	\$0.00							
14 Total Expense Amount at Allocation Date	\$0.00									
15 Total Net Recovery Amount at Allocation Date	\$661,515,928.81									

<sup>1</sup> Does not include Post - DOPT Contributions (if applicable)



Corporate Parent Name  
Delphi Corporation

Recovery Allocation

Plan Name: Plan Number:	Combined All Plans	Delphi Hourly-Rate Employees Pension Plan 383430473/003	Delphi Retirement Program for Salaried Employees 383430473/001	ASEC Manufacturing Retirement Program 731474201/002	Delphi Mechatronic Systems Retirement Program 383589834/001	Packard- Hughes Interconnect Bargaining Retirement Plan 330595219/002	Packard- Hughes Interconnect Non-Bargaining Retirement Plan 330595219/001
<b>PART ONE: ASSUMPTIONS AND CLAIMS INPUTS</b>							
<b>Assumptions</b>							
1 Allocation Date <i>If single DOPT, allocation date = DOPT. If multiple DOPTs, this reflects the latest of the DOPTs</i>	07/31/2009						
2 Total Net Recovery Amount at Allocation Date <i>Line 15 of Recovery Calculation Tab</i>	\$661,515,928.81						
3 Date of Plan Termination (DOPT) <i>If multiple plans, list the DOPT for each respective terminated plan</i>	07/31/2009	07/31/2009	07/31/2009	07/31/2009	07/31/2009	07/31/2009	07/31/2009
4 PBGC select rate for § 4044 as of DOPT (Input as decimal)	0.053100	0.053100	0.053100	0.053100	0.053100	0.053100	0.053100
<b>DUEC Claims</b>							
<b>DUEC Claims as of DOPT</b>							
5 Gross DUEC Claim <sup>1</sup>	\$194,188,867.00	\$144,238,916.00	\$2,973,233.00	\$1,414,237.00	\$3,537,852.00	\$7,886,326.00	
6 Post DOPT Contributions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7 Net DUEC Claim	\$194,188,867.00	\$144,238,916.00	\$2,973,233.00	\$1,414,237.00	\$3,537,852.00	\$7,886,326.00	
8 Secured DUEC Claim (perfected 430(k) or 412(n) liens) <sup>2,3</sup>	\$0.00	\$144,238,916.00	\$1,790,072.00	\$0.00	\$2,220,587.00	\$5,210,599.00	
8a Additional secured claim due to tax lien		\$51,636,741.00					
9 Unsecured Administrative Priority (Code § 507(a)(2)) <sup>4</sup>	\$9,940,983.00	\$0.00	\$0.00	\$764,488.00	\$0.00	\$0.00	
10 Unsecured 180 Day DUEC Claim <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
<b>UBL and Premium Claims</b>							
11 General Unsecured UBL Claim as of DOPT <sup>6</sup> <i>Enter the general unsecured UBL as of DOPT.</i>	\$4,479,700,000.00	\$2,711,000,000.00	\$14,700,000.00	\$6,300,000.00	\$13,800,000.00	\$30,500,000.00	
12 Unpaid Premium Claim as of DOPT <sup>7</sup> <i>For bankruptcy cases, enter the bankruptcy claim. For nonbankruptcy cases, enter unpaid premiums as of DOPT. Do not include penalties. The "unpaid premium claim as of DOPT" should be the sum of 12a &amp; 12b.</i>	\$0.00	\$0.00	\$0.00	\$3,252.67	\$0.00	\$0.00	
12a. Unpaid FOD Premium	\$0.00	\$0.00	\$0.00	\$3,252.67	\$0.00	\$0.00	
12b. Termination Premium <i>If Termination Premiums are not applicable, please put N/A in field.</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Calculated Data Items</b>							
13 Discount Rate (DSCRT) <i>DSCRT = 1 - (1 + PBGC Rate in Line 4)<sup>n</sup> where "n" is the period of time in years between the Starting Dates in Line 1 through Line 3.</i>	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Plan Name: Plan Number:	Combined All Plans	Delphi Hourly-Rate Employees Pension Plan 383430473/003	Delphi Retirement Program for Salaried Employees 383430473/001	ASEC Manufacturing Retirement Program 731474201/002	Delphi Mechatronic Systems Retirement Program 383589834/001	Packard- Hughes Interconnect Bargaining Retirement Plan 330595219/002	Packard- Hughes Interconnect Non-Bargaining Retirement Plan 330595219/001
<b>PART TWO: ALLOCATION TO PRIORITY CLAIMS</b>							
<b>A. Secured DUEC Claims</b>							
14 Combined Secured DUEC Claim <i>Sum of claims in Line 8</i>	\$153,460,174.00						
15 Secured DUEC Claim remaining after reduction of Post DOPT Contributions Greater of (Line 8 - Line 6) or 0		\$0.00	\$144,238,916.00	\$1,790,072.00	\$0.00	\$2,220,587.00	\$5,210,599.00
16 Total Secured DUEC Claim Remaining after reduction of Post DOPT Contributions in aggregate <i>Sum of Line 15</i>	\$153,460,174.00						
17 Recovery for Combined Secured DUEC Claim <i>Lesser of the Recovery Amount in Line 2 or Line 16</i>	\$153,460,174.00						
18 Allocate Secured DUEC Recovery to each plan <i>(Plan A Recovery = (Recovery Amount in Line 17) x (Plan A Secured DUEC Claim in Line 15) / (Total Secured DUEC Claim Remaining after Reduction of Post DOPT Contributions in Aggregate in Line 16); Plan B Recovery = etc.)</i>		\$0.00	\$144,238,916.00	\$1,790,072.00	\$0.00	\$2,220,587.00	\$5,210,599.00
19 Remaining Recovery Amount <i>(Line 2 - Line 17)</i>	\$508,055,754.81						
<b>B. Priority DUEC Claims that are Not Secured</b>							
20 Unsecured Priority DUECs <i>Line 9 + Line 10</i>		\$9,940,983.00	\$0.00	\$0.00	\$764,486.00	\$0.00	\$0.00
21 Post DOPT Contributions Allocated to Unsecured Priority DUECs Greater of (Line 6 - Line 8) or 0		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
22 Unsecured Priority DUEC Claim remaining after reduction of Post DOPT Contributions <i>Line 20 - Line 21</i>		\$9,940,983.00	\$0.00	\$0.00	\$764,486.00	\$0.00	\$0.00
23 Combined Unsecured Priority DUECs <i>Sum of claims in Line 22</i>	\$10,705,469.00						
24 Recovery for Unsecured Priority DUECs <i>Lesser of Remaining Recovery Amount in Line 19 or Combined Unsecured Priority DUEC Claim in 23</i>	\$10,705,469.00						
25 Allocate Unsecured Priority DUEC Recovery to each plan <i>(Plan A Recovery = (Recovery Amount in Line 24) x (Plan A Unsecured Priority DUEC Claim in Line 22) / (Combined Unsecured Priority DUEC Claim in Line 23); Plan B Recovery = etc.)</i>		\$9,940,983.00	\$0.00	\$0.00	\$764,486.00	\$0.00	\$0.00
26 Remaining Recovery Amount <i>(Line 19 - Line 24 - Line 8a)</i>	\$445,713,544.81						
<b>C. Adjust General Unsecured UBL Claims</b>							
27 Reduce General Unsecured UBL Claims at DOPT by DUEC Recoveries at DOPT <i>Line 11 - Line 18 - Line 25 - Line 8a</i>		\$4,459,759,017.00	\$2,515,124,343.00	\$12,909,928.00	\$5,535,514.00	\$11,579,413.00	\$25,289,401.00
28 Total Reduced General Unsecured UBL Claims at DOPT <i>Sum Line 27</i>	\$7,040,197,616.00						

Plan Name:	Combined All Plans	Delphi Hourly-Rate Employees Pension Plan 383430473/003	Delphi Retirement Program for Salaried Employees 383430473/001	ASEC Manufacturing Retirement Program 731474201/002	Delphi Mechatronic Systems Retirement Program 383589534/001	Packard-Hughes Interconnect Bargaining Retirement Plan 330595219/002	Packard-Hughes Interconnect Non-Bargaining Retirement Plan 330595219/001
<b>PART THREE: PRO-RATA ALLOCATION TO UNSECURED DUEC, UBL, AND PREMIUM CLAIMS</b>							
<b>A. General Unsecured DUEC Claims</b>							
29 Combined General Unsecured DUEC Claim <i>Sum of Gross DUEC(Line 5) - Sum of Post DOPT contributions(Line 6) - Sum of secured DUEC claim recovery(Line 18) - Sum of priority DUEC claim recovery(Line 25)</i>	\$190,073,788.00	\$184,247,894.00	\$0.00	\$1,183,161.00	\$649,751.00	\$1,317,265.00	\$2,675,727.00
30 Recovery for Combined Gen. Unsecured DUEC Claim $ITC - \frac{N(TC)^2 - 4 * TR * DUEC}{2}$ <i>TC = Total Remaining Claims for all Plans at Allocation Date * Line 12 + Line 28 + Line 29</i> <i>TR = Remaining Recovery Amount in Line 26</i>	\$11,735,234.80						
31 Allocate General Unsecured DUEC Recovery to each plan <i>Plan A General Unsecured DUEC Recovery = (Recovery for Combined General Unsecured DUEC Claim in Line 30) x (Plan A General Unsecured DUEC Claim in Line 29) / (Total Combined General Unsecured DUEC Claim in Line 29)</i>		11376510.41	0	73055.07744	40119.31565	81335.41676	165214.5762
32 Remaining Recovery Amount (Line 26 - Line 30)	\$433,977,310.01						
33 Adjusted General Unsecured UBL Claim <i>Reduce General Unsecured UBL Claim at DOPT by DUEC Recovery at DOPT (Line 27 - Line 31)</i>		\$4,458,382,506.59	\$2,515,124,343.00	\$12,835,872.92	\$5,495,394.68	\$11,468,077.58	\$25,124,186.42
<b>B. General Unsecured UBL and Premium Claims</b>							
34 Combined Remaining UBL and Premium Claims <i>Sum of General Unsecured UBL Claims in Line 33 and Premium Claims in Line 12 for all plans</i>	\$7,028,454,633.87						
35 Allocate Recovery to General Unsecured UBL Claims <i>(Plan A UBL Recovery = Remaining Recovery Amount in Line 32 x (Plan A UBL Claim in Line 33) / (Combined UBL and Premium Claims in Line 34); Plan B UBL Recovery = etc.)</i>		\$275,285,848.05	\$155,298,055.34	\$792,621.41	\$339,316.87	\$709,956.59	\$1,551,309.91
36 Allocate Recovery to Premium Claims <i>(Plan A Premium Recovery = Remaining Recovery Amount in Line 32 x (Plan A Premium Claim in Line 12) / (Combined UBL and Premium Claims in Line 34); Plan B Premium Claim = etc.)</i>		\$0.00	\$0.00	\$0.00	\$200.84	\$0.00	\$0.00

Plan Name:	Combined All Plans	Delphi Hourly-Rate Employees Pension Plan 383430473/003	Delphi Retirement Program for Salaried Employees 383430473/001	ASEC Manufacturing Retirement Program 731474201/002	Delphi Mechatronic Systems Retirement Program 383589834/001	Packard-Hughes Interconnect Bargaining Retirement Plan 330595219/002	Packard-Hughes Interconnect Non-Bargaining Retirement Plan 330595219/001
<b>PART FOUR: SUMMARY OF CLAIMS AND RECOVERIES</b>							
<b>A. Recovery for DUEC Claims</b>							
37 Total DUEC Claims at DOPT Line 5		\$194,188,867.00	\$144,238,916.00	\$2,973,233.00	\$1,414,237.00	\$3,537,852.00	\$7,688,326.00
38 Total Allocated DUEC Recoveries at Allocation Date <sup>1</sup> Line 18 + Line 25 + Line 31 + Line 3a		\$21,317,493.41	\$195,875,657.00	\$1,863,127.08	\$804,605.32	\$2,301,922.42	\$5,375,813.58
39 Discount DUEC Recoveries to DOPT Line 38 * Line 13		\$21,317,493.41	\$195,875,657.00	\$1,863,127.08	\$804,605.32	\$2,301,922.42	\$5,375,813.58
40 Total Discounted DUEC Recoveries to DOPT plus post-DOPT Contribution DUEC Recoveries Line 6 + Line 39		\$21,317,493.41	\$195,875,657.00	\$1,863,127.08	\$804,605.32	\$2,301,922.42	\$5,375,813.58
<b>B. Recovery for UBL Claims</b>							
41 Adjusted General Unsecured UBL Claims at DOPT After reductions for DUEC recoveries; (Line 33)		\$4,458,382,506.59	\$2,515,124,343.00	\$12,835,872.92	\$5,495,394.68	\$11,498,077.58	\$25,124,186.42
42 Allocated General Unsecured UBL Recoveries at Allocation Date (Line 35)		\$275,285,848.05	\$155,298,056.34	\$792,621.41	\$339,316.87	\$709,956.59	\$1,551,309.91
43 Discount Allocated General Unsecured UBL Recoveries to DOPT Line 42 * Line 13		\$275,285,848.05	\$155,298,056.34	\$792,621.41	\$339,316.87	\$709,956.59	\$1,551,309.91
<b>C. Recovery for Unpaid Premium Claims</b>							
44 Unpaid Premium Claims at DOPT (Line 12)		\$0.00	\$0.00	\$0.00	\$3,252.67	\$0.00	\$0.00
45 Allocated Premium Claim Recoveries at Allocation Date (Line 36)		\$0.00	\$0.00	\$0.00	\$200.84	\$0.00	\$0.00
46 Discount Premium Recoveries to DOPT The "Discount Premium Recoveries to DOPT" should be the sum of 46a & 46b. Line 45 * Line 13		\$0.00	\$0.00	\$0.00	\$200.84	\$0.00	\$0.00
46a. Unpaid FOD Premium Recoveries		\$0.00	\$0.00	\$0.00	\$200.84	\$0.00	\$0.00
46b. Unpaid Termination Premium Recoveries If Termination Premiums are not applicable, please put N/A in field.		N/A	N/A	N/A	N/A	N/A	N/A

**Footnotes**

- In general, where the plan has claims other than DUEC claims - e.g., a fiduciary-breach claim - these are included as DUEC for purposes of the valuation and allocation process. See Section E.4 of policy. The pro rata allocation to each type of claim should, however, be separately identified.
- The secured DUEC claim reflects the amount (up to the value of the collateral) perfected against total controlled group, including non-debtor controlled group members. For cases in which PBGC has secured claims and PBGC's liens include those filed against non-bankrupt controlled group members, interest on the secured claim will continue to apply post-bankruptcy petition date of the plan sponsor.
- If there are secured claims other than DUEC, they also would be included here and in allocation step C.5. In order for the recovery methodology to work, however, RVG staff must keep track of the pro rata allocation to each type of claim, because recoveries allocated to non-DUEC are not used for reducing DUEC claims of lower priority or for adjusting the general unsecured UBL claim in step C.7. References are to the Procedures Section of the PBGC Operating Policy 8 2-1 Sixth Edition.
- If there are priority claims other than DUEC, (e.g., a priority claim for post-petition date premiums), they also would be included here and in allocation step C.5. In order for the recovery methodology to work, however, RVG staff must keep track of the pro rata allocation to each type of claim, because recoveries allocated to non-DUEC are not used for reducing DUEC claims of lower priority or for adjusting the general unsecured UBL claim in step C.7. References are to the Procedures Section of the PBGC Operating Policy 8 2-1 Sixth Edition.
- For cases in which PBGC has secured claim, the RVG will consult with OCC on whether that claim supersedes any 180-day DUEC priority claim that PBGC may have.
- Post-DOPT Contributions are not used to reduce UBL any further, as UBL is already reduced to account for the expected DUEC recovery, which included Post-DOPT Contributions.
- Include termination premiums claims for cases involving a global settlement and when either of the following apply: 1) a sponsor and controlled group members liquidated, but outside of any bankruptcy or insolvency proceeding; or 2) a sponsor or one or more of its controlled group members is continuing in business after a distress test 3 or distress test 4 termination or a termination that occurred during a reorganization under Chapter 11 of the Bankruptcy Code or under any similar state or other law. In cases where termination premiums are included, the model adds the termination premiums amount with the regular premiums amount and allocates to the combined claim; however, PBGC will keep track of the pro-rata allocations to each claim for purposes of completing the Recovery Valuation and Allocation Memorandum and presenting to the RVG.

Note: Termination Premiums are excluded from the valuation and allocation process in all other cases, except for (1) cases in which the total recovery exceeds 100% of all claims combined, in which case only the recovery amount above the UBL shall be allocated to the termination premium claim, or (2) other unusual cases in which the Chief of Negotiations and Restructuring determines that they should be included.

# Attachment A.2

## Final PIP

- The selected PIP has not changed and is located in the Final TWG Package (see attachment B.1).
- The selected PIP has been updated since the Final TWG Package and follows this cover page.

**Delphi Corporation**

Pension Information Profile

	Delphi Hourly-Rate Employees Pension Plan	Delphi Retirement Program for Salaried Employees	ASEC Manufacturing Retirement Program	Delphi Mechatronic Systems Retirement Program	Packard-Hughes Interconnect Bargaining Retirement Plan	Packard-Hughes Interconnect Non-Bargaining Retirement Plan	Total of Underfunded Plans
EIN/PN	383430473/003	383430473/001	731474201/002	383589834/001	330595219/002	330595219/001	
Plan Frozen?	Partial	30-Sep-08	01-Oct-07	30-Sep-08	No	30-Sep-08	
Plan Terminated?	31-Jul-09	31-Jul-09	31-Jul-09	31-Jul-09	31-Jul-09	31-Jul-09	
Cash Balance Plan?	Partial	Partial	No	No	No	No	
<b>Part I -- Actuarial Information</b>							
Date of Bankruptcy Filing	8-Oct-05	8-Oct-05	8-Oct-05	8-Oct-05	8-Oct-05	8-Oct-05	8-Oct-05
PBGC Valuation Date	31-Jul-09	31-Jul-09	31-Jul-09	31-Jul-09	31-Jul-09	31-Jul-09	31-Jul-09
PBGC Interest Factors							
First 20 Years	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%
Thereafter	5.04%	5.04%	5.04%	5.04%	5.04%	5.04%	5.04%
Date Calculation Completed by DISC Actuarial	16-Nov-09	16-Nov-09	16-Nov-09	16-Nov-09	16-Nov-09	16-Nov-09	16-Nov-09
<b>Part II -- Underfunding Details (in millions)</b>							
Assets as of July 31, 2009	\$3,661.9	\$2,469.0	\$18.4	\$6.3	\$3.4	\$15.3	\$6,174.3
Estimated Unfunded Guaranteed Liability - UGL							
Retired	\$6,854.2	\$2,568.6	\$16.8	\$0.7	\$12.2	\$18.7	\$9,471.2
Terminated Vested	\$206.3	\$257.5	\$16.0	\$2.8	\$2.6	\$17.0	\$502.2
Active	\$334.7	\$1,857.6	\$0.0	\$8.4	\$0.9	\$6.6	\$2,208.2
Expenses	\$66.3	\$40.2	\$0.3	\$0.0	\$0.2	\$0.6	\$107.6
Total	\$7,451.5	\$4,723.9	\$33.1	\$11.9	\$15.9	\$42.9	\$12,289.2
UGL	\$3,799.6	\$2,254.9	\$14.7	\$5.6	\$12.5	\$27.6	\$6,114.9
Funded GL Ratio [Assets/Guaranteed Liabilities]	49%	52%	56%	53%	21%	36%	50%
Estimated Unfunded Benefit Liability - UBL							
Retired	\$7,278.5	\$2,619.9	\$16.8	\$0.7	\$12.2	\$18.7	\$9,946.8
Terminated Vested	\$220.2	\$270.9	\$16.0	\$2.8	\$2.6	\$17.0	\$529.5
Active	\$570.5	\$2,245.1	\$0.0	\$9.1	\$2.2	\$9.5	\$2,836.4
Expenses	\$72.4	\$44.1	\$0.3	\$0.0	\$0.2	\$0.6	\$117.6
Total	\$8,141.6	\$5,180.0	\$33.1	\$12.6	\$17.2	\$45.8	\$13,430.3
UBL	\$4,479.7	\$2,711.0	\$14.7	\$6.3	\$13.8	\$30.5	\$7,256.0
Funded BL Ratio [Assets/Benefit Liabilities]	45%	48%	56%	50%	20%	33%	46%
<b>Part III -- Number of Participants at Plan Valuation Date</b> (at 10/1/08 for 2 large plans; at 1/1/08 for 4 small plans)							
Retired	27,573	7,412	108	5	80	231	35,409
Terminated Vested	5,315	2,585	425	62	70	1,007	9,464
Active	14,288	10,206	0	81	15	145	24,735
Total	47,176	20,203	533	148	165	1,383	69,608
<b>Part IV -- Unpaid Minimum Required Contributions (in dollars)</b>							
§1362(c) Amount	\$1,415,854,384	\$609,774,678	\$10,152,687	\$3,860,472	\$8,200,114	\$18,324,304	\$2,065,966,639
Total Unpaid Minimum Required Contributions (DUEC)	\$194,188,867	\$144,238,916	\$2,973,233	\$1,414,237	\$3,537,852	\$7,886,326	\$354,239,431
Date of Cessation of Business	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bankruptcy Claims							
- General Unsecured Claim	\$184,247,884	\$56,605,219	\$2,370,218	\$649,751	\$2,766,203	\$8,204,780	\$252,844,115
- 180 Day Normal Cost Claim	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- (a)(2) Administrative Normal Cost Claim	\$9,940,983	\$87,633,697	\$603,015	\$764,486	\$771,689	\$1,681,546	\$101,395,316

**Delphi Corporation**  
Pension Information Profile

PBGC Valuation Date	31-Jul-09	31-Jul-09	31-Jul-09	31-Jul-09	31-Jul-09	31-Jul-09
Date Calculation Completed by DISC Actuaries	16-Nov-09	16-Nov-09	16-Nov-09	16-Nov-09	16-Nov-09	16-Nov-09
<b>Part V -- Funding Information (in millions)</b>						
EIN/PN	383430473/003	383430473/001	731474201/002	383589834/001	330595219/002	330595219/001
Plan Year Beginning (PYB)	1-Oct-07	1-Oct-07	1-Jan-08	1-Jan-08	1-Jan-08	1-Jan-08
Plan Valuation Date (PVD)	1-Oct-07	1-Oct-07	1-Jan-08	1-Jan-08	1-Jan-08	1-Jan-08
Is the Plan At-Risk (for PYB)	N/A	N/A	No	No	No	No
Annual Expected Benefit Payments (for PYB)	\$687.2	\$200.3	\$1.4	\$0.1	\$3.0	\$3.8
Funding Target Attainment Percentage (FTAP) on PVD	N/A	N/A	93.80%	91.09%	69.10%	75.62%
Adjusted FTAP (AFTAP) on PVD	N/A	N/A	93.80%	91.09%	69.10%	75.62%
Carry-Over Balance (COB) as of PYB	(\$4.8)	(\$82.2)	\$0.0	\$0.0	\$0.0	\$0.0
Pre-Funding Balance (PFB) as of PYB	N/A	N/A	\$0.0	\$0.0	\$0.0	\$0.0
Minimum Required Contribution (MRC) as of PVD	\$0.0	\$56.3	\$0.3	\$0.6	\$2.2	\$5.1
Can COB and PFB be used to reduce MRC?	N/A	N/A	No	Yes	No	No
Maximum Deductible Contribution as of PVD	\$4,354.2	\$2,720.8	\$15.2	\$7.0	\$12.8	\$27.5
Actual Contribution for PY before PYB	\$225.7	\$230.1	\$1.3	\$1.1	\$0.3	\$0.8
Participant Notification Percentage [AVA/Current Liability]	70%	.89%	N/A	N/A	N/A	N/A

**Part VI -- Comments**

There are user programming notes and comments in the UBL programs' Scratch Pads. Please reference this source for important detailed documentation of programming methods and assumptions.

The 10/8/05 Bankruptcy Filing Data has no direct impact on the GL since the filing date is pre-PPA (i.e. before 9/16/06).

The Hourly and Salaried plans are frozen to new participants. The Salaried Plan is totally frozen as of 9/30/08 (except for accrual of eligibility service which enables grow-in to subsidized benefits). The Hourly Plan's traditional formula was frozen 11/30/08 and accruals continue for participants eligible for the cash balance formula. The Hourly results reflect the 9/29/08 Section 414(i) spinoff to GM of certain liabilities.

ASEC Manufacturing was sold to Umicore effective 10/1/07. As part of the transaction, Delphi Corp. retained the ASEC Manufacturing Retirement Program and as of 10/1/07 all active employees either retired or became terminated vested participants.

The Mechatronics plan and the PHI Non-Bargaining plan had plan freezes effective 9/30/08.

Please note that the information shown for Part V funding information is based on the 2007 plan year for Hourly and Salaried plans and 2008 for 4 small plans. The Annual Expected Benefit Payments for the Hourly and Salaried plans are the total retiree benefits from the 10/1/08 demographic information.

**Part VII -- Sources & Methods**

For Hourly and Salaried plans - 10/1/07 AVR, 10/1/08 liability information (Watson Wyatt emails dated 7/9/09 and 7/31/09), 10/1/08 demographic information prepared by Watson Wyatt Worldwide, 10/1/08 AFTAP Certifications, 2006 and 2007 Form 5500s.

For 4 small plans - 1/1/08 AVRs prepared by Watson Wyatt Worldwide, 2007 Form 5500s.

Assets provided by the July 2009 State Street Trust Statement (as of 7/31/2009) attached to Promark Global Advisors email dated 10/29/09 (and using the amount before adjusting for net payables).

Calculations assume the employer continues after plans terminated.

Liabilities provided by the plan actuary have been converted to estimated Benefit Liabilities. Adjustments were made for interest, mortality, benefit accruals, benefit payments, and retirement age to reflect PBGC assumptions.

Estimated Guaranteed Liability is derived from vested liability and reflects PBGC assumptions. This estimate does not take into account benefits in excess of guaranteed benefits which may be payable as a result of \$4044 asset allocation.

Completed by Bolton Partners - Richard K. Dietrich, EA

Date

Reviewed by PBGC DISC - Cynthia Travia, ASA, EA

Date

The signatures above attest to the validity of all calculations on the PIP, the UBL spreadsheet, and the DUEC spreadsheet.

## Attachment A.3

# FOD Report on Recoveries



FOD Report Template  
 Amounts Received for Plan Recoveries

Case Information

Plan Name: Delphi Mechatronic Systems  
 Corporate Parent: \_\_\_\_\_

CMS Case #: 20700700

DOPT: 07/31/09

Collection Information

Is this a suspected zero recovery (if known)?

Yes  No  Unknown

Monies Received:

Amount (\$): \_\_\_\_\_  
 Amount (\$): \_\_\_\_\_  
 Amount (\$): \_\_\_\_\_  
 Amount (\$): \_\_\_\_\_  
 Amount (\$): \_\_\_\_\_  
 Total Amount (\$): \$0.00

Date Received: \_\_\_\_\_  
 Date Received: \_\_\_\_\_  
 Date Received: \_\_\_\_\_  
 Date Received: \_\_\_\_\_  
 Date Received: \_\_\_\_\_

Payor: \_\_\_\_\_  
 Payor: \_\_\_\_\_  
 Payor: \_\_\_\_\_  
 Payor: \_\_\_\_\_  
 Payor: \_\_\_\_\_

Other Consideration Received:

Amount (\$): \_\_\_\_\_  
 Amount (\$): \_\_\_\_\_  
 Amount (\$): \_\_\_\_\_  
 Amount (\$): \_\_\_\_\_  
 Amount (\$): \_\_\_\_\_  
 Total Amount (\$): \$0.00

Date Received: \_\_\_\_\_  
 Date Received: \_\_\_\_\_  
 Date Received: \_\_\_\_\_  
 Date Received: \_\_\_\_\_  
 Date Received: \_\_\_\_\_

Date Filed: \_\_\_\_\_  
 Date Filed: \_\_\_\_\_  
 Date Filed: \_\_\_\_\_  
 Date Filed: \_\_\_\_\_  
 Date Filed: \_\_\_\_\_

Description: \_\_\_\_\_  
 Description: \_\_\_\_\_  
 Description: \_\_\_\_\_  
 Description: \_\_\_\_\_  
 Description: \_\_\_\_\_

Are you aware of any changes made to the initial note/settlement?

Yes  No

If yes, please explain the changes below in the comments section.

Comments

Signature and Date

Printed Name: Gideon Borena Signature: \_\_\_\_\_

Gideon Borena

Date: 11/22/13

ALZ

**FOD Report Template  
Amounts Received for Plan Recoveries**

**Case Information**

CMS Case #:	20700700	Plan Name:	DELPHI MECHATRONIC SYSTEMS RETIREMENT PROGRAM
EIN/PN:	383589834/001	Trusteeship Initiation Date:	07/20/2009
TeamConnect Document ID #:	5075169	DOPT:	07/31/2009
RVT Analyst:	Ed Withrow	DISC Manager:	Kristina Archeval
DISC Analyst:	Dana Cann	OCC ACC:	Karen Morris
OCC Attorney:	Wayne Owen	Plan Sponsor:	Delphi Corporation
Corporate Parent:	Delphi Corporation		

**Collection Information**

**Monies Received:**

Amount (\$): _____	Date Received: _____	Payor: _____
Amount (\$): _____	Date Received: _____	Payor: _____
Amount (\$): _____	Date Received: _____	Payor: _____
Amount (\$): _____	Date Received: _____	Payor: _____
Amount (\$): _____	Date Received: _____	Payor: _____

**Other Consideration Received:**

Date Received: _____	Description: _____	Date Filed: _____	Amount (\$): _____
Date Received: _____	Description: _____	Date Filed: _____	Amount (\$): _____
Date Received: _____	Description: _____	Date Filed: _____	Amount (\$): _____
Date Received: _____	Description: _____	Date Filed: _____	Amount (\$): _____
Date Received: _____	Description: _____	Date Filed: _____	Amount (\$): _____

Are you aware of any changes made to the initial note/settlement?

Yes

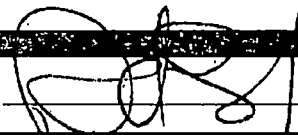
No

If yes, please explain the changes below in the comments section.

**Comments**

**Concurrence for RVG Cases Only**

Signature: \_\_\_\_\_



Date \_\_\_\_\_

11/22/10

FOD Report Template  
Amounts Received for Plan Recoveries

**Case Information**

CMS Case #:	20637000	Plan Name:	DELPHI RETIREMENT PROGRAM FOR SALARIED EMPLOYEES
EIN/PN:	383430473/001	Trusteeship Initiation Date:	07/22/2009
TeamConnect Document ID #:	5075168	DOPT:	07/31/2009
RVT Analyst:	Ed Withrow	DISC Manager:	Kristina Archeval
DISC Analyst:	Dana Cann	OCC ACC:	Karen Morris
OCC Attorney:	Wayne Owen	Plan Sponsor:	Delphi Corporation
Corporate Parent:	Delphi Corporation		

**Collection Information**

**Monies Received:**

Amount (\$): _____	Date Received: _____	Payor: _____
Amount (\$): _____	Date Received: _____	Payor: _____
Amount (\$): _____	Date Received: _____	Payor: _____
Amount (\$): _____	Date Received: _____	Payor: _____
Amount (\$): _____	Date Received: _____	Payor: _____

**Other Consideration Received:**

Date Received: _____	Description: _____	Date Filed: _____	Amount (\$): _____
Date Received: _____	Description: _____	Date Filed: _____	Amount (\$): _____
Date Received: _____	Description: _____	Date Filed: _____	Amount (\$): _____
Date Received: _____	Description: _____	Date Filed: _____	Amount (\$): _____
Date Received: _____	Description: _____	Date Filed: _____	Amount (\$): _____

Are you aware of any changes made to the initial note/settlement?  Yes  No  
If yes, please explain the changes below in the comments section.

**Comments**

**Concurrence for RVG Cases Only**

Signature:  Date: 11/22/13

*ALP*

FOD Report Template  
Amounts Received for Plan Recoveries

**Case Information**

CMS Case #:	21102100	Plan Name:	ASEC Manufacturing Retirement Program
EIN/PN:	731474201/002	Trusteeship Initiation Date:	07/20/2009
TeamConnect Document ID #:	5075180	DOPT:	07/22/2009
RVF Analyst:	Ed Withrow	DISC Manager:	Kristina Archeval
DISC Analyst:	Dana Cann	OCC ACC:	Karen Morris
OCC Attorney:	Wayne Owen	Plan Sponsor:	Delphi Corporation
Corporate Parent:	Delphi Corporation		

**Collection Information**

**Monies Received:**

Amount (\$):	Date Received:	Payor:
Amount (\$):	Date Received:	Payor:
Amount (\$):	Date Received:	Payor:
Amount (\$):	Date Received:	Payor:
Amount (\$):	Date Received:	Payor:

**Other Consideration Received:**

Date Received:	Description:	Date Filed:	Amount (\$):
Date Received:	Description:	Date Filed:	Amount (\$):
Date Received:	Description:	Date Filed:	Amount (\$):
Date Received:	Description:	Date Filed:	Amount (\$):
Date Received:	Description:	Date Filed:	Amount (\$):

Are you aware of any changes made to the initial note/settlement?

Yes  No

If yes, please explain the changes below in the comments section.

**Comments**

**Concurrence for RVG Cases Only**

Signature:  Date: 11/22/13

FOD Report Template  
Amounts Received for Plan Recoveries

Case Information

Plan Name: Delphi Packard-Hughes Bargaining  
Corporate Parent: \_\_\_\_\_

CMS Case #: 20700900

DOPT: 07/31/09

Collection Information

Is this a suspected zero recovery (if known)?

Yes  No  Unknown

Monies Received:

Amount (\$): \_\_\_\_\_  
Amount (\$): \_\_\_\_\_  
Amount (\$): \_\_\_\_\_  
Amount (\$): \_\_\_\_\_  
Amount (\$): \_\_\_\_\_  
Total Amount (\$): \$0.00

Date Received: \_\_\_\_\_  
Date Received: \_\_\_\_\_  
Date Received: \_\_\_\_\_  
Date Received: \_\_\_\_\_  
Date Received: \_\_\_\_\_

Payor: \_\_\_\_\_  
Payor: \_\_\_\_\_  
Payor: \_\_\_\_\_  
Payor: \_\_\_\_\_

Other Consideration Received:

Amount (\$): \_\_\_\_\_  
Amount (\$): \_\_\_\_\_  
Amount (\$): \_\_\_\_\_  
Amount (\$): \_\_\_\_\_  
Amount (\$): \_\_\_\_\_  
Total Amount (\$): \$0.00

Date Received: \_\_\_\_\_  
Date Received: \_\_\_\_\_  
Date Received: \_\_\_\_\_  
Date Received: \_\_\_\_\_  
Date Received: \_\_\_\_\_

Date Filed: \_\_\_\_\_  
Date Filed: \_\_\_\_\_  
Date Filed: \_\_\_\_\_  
Date Filed: \_\_\_\_\_  
Date Filed: \_\_\_\_\_

Description: \_\_\_\_\_  
Description: \_\_\_\_\_  
Description: \_\_\_\_\_  
Description: \_\_\_\_\_  
Description: \_\_\_\_\_

Are you aware of any changes made to the initial note/settlement?

Yes  No

If yes, please explain the changes below in the comments section.

Comments

Signature and Date

Printed Name: Gideon Borena

Signature:

Gideon Borena

Date:

11/22/13

ALC

**FOD Report Template  
Amounts Received for Plan Recoveries**

**Case Information**

CMS Case #:	<u>20637100</u>	Plan Name:	<u>DELPHI HOURLY RATE EMPLOYEES</u>
EIN/PN:	<u>383430473/003</u>	DOPT:	<u>07/22/09</u>
Corporate Parent:	<u>DELPHI CORP</u>	Plan Sponsor:	<u>DELPHI CORPORATION</u>

**Collection Information**

Is this a suspected zero recovery?  Yes  No

**Monies Received:**

Amount (\$):	<u>\$70,000,000.00</u>	Date Received:	<u>10/06/2009</u>	Payor:	<u>GENERAL MOTORS COMPANY</u>
Amount (\$):	<u>\$702,000,000.00</u>	Date Received:	<u>06/30/2010</u>	Payor:	<u>DELPHI AUTOMOTIVE LLP</u>
Amount (\$):	<u>\$53,182,650.00</u>	Date Received:	<u>04/15/2011</u>	Payor:	<u>CS LOAN FUNDING LLC</u>
Amount (\$):	<u>                    </u>	Date Received:	<u>                    </u>	Payor:	<u>                    </u>
Amount (\$):	<u>                    </u>	Date Received:	<u>                    </u>	Payor:	<u>                    </u>
Total Amount (\$):	<u>\$825,182,650.00</u>				

**Other Consideration Received:**

Amount (\$):	<u>                    </u>	Date Received:	<u>                    </u>	Date Filed:	<u>                    </u>	Description:	<u>                    </u>
Amount (\$):	<u>                    </u>	Date Received:	<u>                    </u>	Date Filed:	<u>                    </u>	Description:	<u>                    </u>
Amount (\$):	<u>                    </u>	Date Received:	<u>                    </u>	Date Filed:	<u>                    </u>	Description:	<u>                    </u>
Amount (\$):	<u>                    </u>	Date Received:	<u>                    </u>	Date Filed:	<u>                    </u>	Description:	<u>                    </u>
Amount (\$):	<u>                    </u>	Date Received:	<u>                    </u>	Date Filed:	<u>                    </u>	Description:	<u>                    </u>
Total Amount (\$):	<u>\$0.00</u>						

Are you aware of any changes made to the initial note/settlement?  Yes  No

If yes, please explain the changes below in the comments section.

**Comments**

Please note that on June 30, 2010 FOD recorded a value of \$702M for the interest in Delphi Automotive LLP. This acquisition was not a receipt but rather an asset-in-kind transfer indicating that the interest transitioned from a non-commingled asset to a commingled asset. FOD relied upon Greenhill's May 21, 2010 valuation report to estimate the value of the interest.

**Signature and Date**

Print Name: Adrian Zilli      Signature: [Handwritten Signature]      Date: 10/7/14

Attachment A.4  
OCC Best Estimate

OCC Best Estimate Template

Office of Chief Counsel

Case Information

Case Information

CMS Case #: 20700700, et al Corporate Parent Name: DPH Holdings (Delphi Corporation)  
 Pension Plan Name(s): 6 pension plans, see below and attached

OCC Estimate of Future Recoveries

Below, please provide your best estimate of the timing and amount(s) of future recoveries, taking into consideration the following necessary criteria:

1. A list of all claims settled (specify claim types and explicitly state whether termination premium claim is included). *Note: Amounts of claims are not needed.*
2. An estimate of dates on which future recoveries are expected and the estimated amount to be received on each date (e.g. \$500,000 on 3/15/14 and \$750,000 on 6/15/14). Also, please describe any security associated with the expected recoveries. *Note: The RV Team is requesting recoveries to-date from FOD. Additionally, the RV Team will adjust recoveries for creditworthiness, where applicable.*
3. For the estimated amounts and dates, briefly describe the supporting rationale for the estimate or the source document(s) and related terms.
4. Please state the 430(k) cumulative lien amount filed as of DOPT and whether the underlying collateral value equals or exceeds that lien amount. *Note: Please indicate the estimated value of the collateral as of DoPT if it is less than the lien amount filed.*

*In the rare event that you believe an estimate of future recoveries cannot be given by providing all of the above information, do not partially fill out this template. Instead, call RV Liaison Gennice Brickhouse or RVT Lead Taylor Jones to discuss the situation.*

Please see "Delphi Best Estimate" and "Delphi - allocation recommendation", both prepared by OCC.

Determination of Termination Premium Applicability

Please check "yes" or "no" regarding the following:

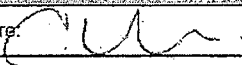
- |                              |  |   |
|------------------------------|--|---|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 1) PBGC has settled its termination premium claims as part of a global settlement.  |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 2) The sponsor and any controlled group members have liquidated, but outside of any bankruptcy or insolvency proceeding (whether under Chapter 7 or Chapter 11 of the Bankruptcy Code, or under a similar state or other law).  |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 3) The sponsor or one or more of its controlled group members is continuing in business after a distress test 3 or distress test 4 termination, or after a termination that occurred during a reorganization under Chapter 11 of the Bankruptcy Code (or under any similar state or other law). |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 4) Recoveries exceed 100% of all claims combined.   |

If you answered "Yes" to number 2, 3, or 4, please provide a brief background on the related circumstances:

Signature and Date

ACC Printed: C. Wayne Owen  
 Name:

ACC Signature:



Date: 10-16-2014



**OCC Best Estimate  
Delphi Plans**

Plans:

Delphi Hourly-Rate Employees Pension Plan  
Delphi Retirement Program for Salaried Employees  
Packard-Hughes Interconnect Bargaining Retirement Plan  
Packard-Hughes Interconnect Non-Bargaining Retirement Plan  
ASEC Manufacturing Retirement Program  
Delphi Mechatronic Systems Retirement Program

DOPT:

July 31, 2009

Bankruptcy Claims:

PBGC filed claims in Delphi Corporation's bankruptcy proceedings for unfunded benefit liabilities ("UBL"), due and unpaid employer contributions ("DUEC"), and variable and flat-rate premiums ("Premiums"). PBGC had no termination premium claims because the termination premium does not apply to plan terminations that occurred during a bankruptcy that was filed before October 18, 2005. Delphi entered bankruptcy on October 8, 2005.

At DOPT, the combined UBL claim for all six plans was \$7,256,000,000, and the combined DUEC claim, including the claim for secured DUEC (see below), for all six plans was \$354,239,431. No Premiums were owed.

IRC Section 430(k) Liens:

At DOPT, the cumulative 430(k) lien amount filed was \$205,096,915, allocated by plan below:

• Delphi Retirement Program for Salaried Employees:	\$195,875,657
• Packard-Hughes Interconnect Bargaining Retirement Plan	\$2,220,587
• Packard-Hughes Interconnect Non-Bargaining Retirement Plan	\$5,210,599
• ASEC Manufacturing Retirement Program	\$1,790,072

Because Delphi's assets in its bankruptcy estate were protected by the automatic stay, PBGC could only perfect liens upon Delphi's foreign, non-bankrupt assets. On October 23, 2009, Greenhill (PBGC's financial analyst) valued Delphi at that time and concluded that although the domestic assets were likely worthless, the equity value of the foreign assets was between \$5.0 and \$7.0 billion. OCC believes that Greenhill's valuation, although post-DOPT, supports its conclusion that the liens were fully secured by adequate collateral as of the date of the settlement (described below). Please refer to email dated October 10, 2014, for OCC's recommendation regarding treatment of PBGC's 430(k) liens for recovery valuation and allocation purposes.

Settlement:

On July 21, 2009, PBGC executed two settlement agreements with Delphi Corporation and General Motors Company resolving all of PBGC's claims and 430(k) liens with respect to the Delphi Plans. The recoveries that PBGC received pursuant to the settlement agreements had three components:

1. \$70 million cash payment;
2. \$3 billion general unsecured claim in Delphi's bankruptcy proceedings; and
3. A direct, non-voting equity membership interest in the purchaser of Delphi's assets in the bankruptcy proceedings (later named Delphi Automotive, LLP – a limited liability partnership).

On October 23, 2009, Greenhill (PBGC's financial analyst) estimated the value of PBGC's membership interest in Delphi Automotive, LLP. See attached valuation.

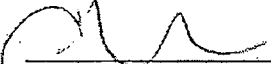
Receipt of Recoveries pursuant to Settlement:

On October 6, 2009, PBGC received the cash payment of \$70 million.

On March 31, 2011, PBGC received \$594 million in cash proceeds when Delphi Automotive, LLP redeemed the entirety of PBGC's membership interests.

On April 15, 2011, PBGC received \$53.2 million in cash for the sale of its \$3 billion general unsecured bankruptcy claim. The total purchase price for the \$3 billion general unsecured bankruptcy claim was \$53.4 million. However, JP Morgan Investment Management was paid a commission of \$217,350.

No further recoveries are expected.

  
\_\_\_\_\_  
C. Wayne Owen, Jr.  
Assistant Chief Counsel

10-15-2014  
Date

**Morris Karen**

---

**From:** Morris Karen  
**Sent:** Friday, October 10, 2014 6:42 PM  
**To:** Jones Taylor; Traynham Aaron; Travia Cynthia  
**Cc:** Menke John; Owen Wayne; Finke Charles; Krettek Joseph; Miller Michael  
**Subject:** Delphi - allocation recommendation

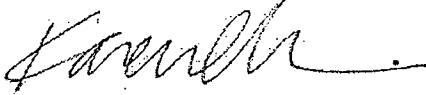
Here is our statement on treatment of PBGC's liens.

**Treatment of PBGC's 430(k) Liens in the Recovery Valuation and Allocation of Delphi Recoveries**

PBGC filed 430(k) liens on behalf of the Delphi Retirement Program for Salaried Employees (Salaried Plan) in the total amount of \$195,875,657 million. PBGC asserted the liens during Delphi's bankruptcy. On the date of plan termination, July 31, 2009, the total amount of DUEC for that plan was calculated at \$144,238,916.

PBGC's Operating Policy 8.2-1, Valuation and Allocation of Recoveries (issued 10/01/2012), does not address a circumstance in which there is a 430(k) lien in an amount that is greater than PBGC's claim for missed contributions under ERISA §§ 4042 and 4062(c). Section E2 of the policy provides that "[t]he value of a secured claim depends upon the facts and circumstances."

In this case, recovery of the full amount of PBGC's 430(k) liens was a critical component of the settlement with Delphi. Accordingly, based on the facts of this case, we recommend that the RVG treat the Salaried Plan as having a secured plan claim in the full amount of PBGC's 430(k) lien (\$195,875,657), rather than limiting it to the total amount of DUEC.

 10/10/14  
**Karen L. Morris | Deputy Chief Counsel**  
Pension Benefit Guaranty Corporation | Office of the Chief Counsel  
1200 K Street, N.W., Suite 340 | Washington, D.C. 20005  
TEL: (202) 326-4020, ext. 3074 | FAX: (202) 326-4112  
morris.karen@pbgc.gov

# Attachment A.5

## FOD Premium Data

- The FOD Premium Data as of DoPT has not changed and is located in the Final TWG Package (see attachment B.1).
- The FOD Premium Data as of DoPT has been updated since the Final TWG Package and follows this cover page.

EIN/PN: 731474201/002  
 PLAN OR SPONSOR NAME: Asec Manufacturing Retirement Program  
 REQUESTED BY: Traynham, Aaron  
 DATE REQUESTED: 02-May-14  
 CALCULATED THROUGH: DOPT 7/31/2009

ANALYST: Pyper Harvey  
 ANALYST EXTENSION: 5665  
 PROCESSING DATE: 29-May-14  
 CCD TRACKING: 212140A

PYC	73147201/001					731474201/002				TOTAL
	01/01/2002	01/01/2003	01/01/2004	01/01/2005	01/01/2006	01/01/2007	01/01/2008	01/01/2009		
Final Participant Count	516	533	525	505	507	506	533	506		
Flat Premium Rate	19.00	19.00	19.00	19.00	30.00	31.00	33.00	34.00		
Flat Premium Due	9,804.00	10,127.00	9,975.00	9,595.00	15,210.00	15,686.00	17,589.00	10,035.67	7/12 months proration	
SAFE HARBOR COMPLIANCE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No		
# Of Months Late	0	0	0	0	0	0	0	0		
Flat Premium \$ Paid Late	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
% Penalty	0%	0%	0%	0%	0%	0%	0%	0%		
Flat Rate Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Flat Rate Penalty	
Flat Rate Interest	0.00	9.91	0.00	0.00	2.88	0.00	31.91	0.00	44.70 Flat Rate Interest	
Unpaid Flat Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Unpaid Flat Premium	
# Of Months Unpaid	0	0	0	0	0	0	0	0		
% Penalty on Unpaid Premium	0%	0%	0%	0%	0%	0%	0%	0%		
Penalty On Unpaid Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Penalty On Unpaid Premium	
Interest On Unpaid Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Interest On Unpaid Premium	
Total Flat Rate Charges Due	0.00	9.91	0.00	0.00	2.88	0.00	31.91	0.00	44.70 Total Flat Rate Charges Due	
Variable Rate (V/R)	0.00	0.00	72.50	109.84	107.59	0.00	14.42	0.00		
V/R Due	0.00	0.00	38,061.00	55,467.00	54,549.00	0.00	7,686.00	0.00		
V/R Paid By Form 1 Due Date?	Yes	Yes	Yes	No	Yes	Yes	Yes	No		
# Of Months Late	0	0	0	1	0	0	0	0		
V/R \$ Paid Late	0.00	0.00	0.00	54,773.91	0.00	0.00	0.00	0.00		
% Penalty	0%	0%	0%	1%	0%	0%	0%	0%		
V/R Penalty	0.00	0.00	0.00	547.74	0.00	0.00	0.00	0.00	547.74 V/R Penalty	
V/R Interest	0.00	0.00	0.00	52.54	0.00	0.00	0.00	0.00	52.54 V/R Interest	
Unpaid V/R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Unpaid V/R	
# Of Months Unpaid	0	0	0	0	0	0	0	0		
% Penalty On Unpaid V/R	0%	0%	0%	0%	0%	0%	0%	0%		
Penalty On Unpaid V/R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Penalty On Unpaid V/R	
Interest On Unpaid V/R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Interest On Unpaid V/R	
Total V/R Charges Due	0.00	0.00	0.00	600.28	0.00	0.00	0.00	0.00	600.28 Total V/R Charges Due	
Auto Write Offs	0.00	0.00	0.00	0.00	(2.88)	0.00	(31.91)	0.00	-34.79 Auto Write Offs	
Payments/(Overpayments)	0.00	(9.91)	0.00	(600.28)	0.00	0.00	0.00	(8,086.33)	-8,696.52 Payments/(Overpayments)	
Refunds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Refunds	
Credit to/(from)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Credit to/(from)	
<b>ANNUAL AMOUNT DUE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(8,086.33)</b>	<b>(8,086.33)</b>	

COMMENTS

1. Prior year p count in non-filing year(s): Participant count used for plan year 2009 obtained from EFAST.
2. Cap Rate charge in non-filing year(s): Variable rate used for plan year 2009 obtained from EFAST.
3. EIN/PN Change from 382594097/001 to EIN/PN 382594097/002 effective 01/01/2007.
4. A payment was received in the amount of \$18,122 for plan year 2009.
5. Plan year 2009 calculated through DOPT of 7/31/2009 per requester.

Premium	0.00
Interests	97.24
Penalties	547.74
Auto Write Offs	-34.79
Payments/(Overpayments)	-8,696.52
Refunds	0.00
Credit to/(from)	0.00
<b>Total Amount Due (Overpaid)</b>	<b>(8,086.33)</b>

Note: Unpaid premium, penalty, and interest were calculated through 7/31/2009.  
 :Final Filing not sent in for plan year 2009.

EIN/IDN: 330595219/001  
 PLAN OR SPONSOR NAME: Packard-Hughes Interconnect Non-Bargaining Retirement Plan  
 REQUESTED BY: Traynham, Aaron  
 DATE REQUESTED: 02-May-14  
 CALCULATED THROUGH: 07/31/2009 DOPT

ANALYST: Pypier Harvey  
 ANALYST EXTENSION: 5665  
 PROCESSING DATE: 19-May-14  
 CCD TRACKING: 27127C

PYC	01/01/2003	01/01/2004	01/01/2005	01/01/2006	01/01/2007	01/01/2008	01/01/2009	TOTAL
Final Participant Count	651	648	635	1384	1385	1383	1385	
Flat Premium Rate	19.00	19.00	19.00	30.00	31.00	33.00	34.00	
Flat Premium Due	12,369.00	12,312.00	12,065.00	41,520.00	42,935.00	45,639.00	27,469.17	7/12 months prorated
SAFE HARBOR COMPLIANCE	No	No	Yes	Yes	Yes	Yes	No Final Filing	
# Of Months Late	1	1	0	0	0	0	0	
Flat Premium \$ Paid Late	12,369.00	12,141.00	0.00	0.00	0.00	0.00	0.00	
% Penalty	1%	1%	0%	0%	0%	0%	0%	
Flat Rate Penalty	123.70	135.09	0.00	0.00	0.00	0.00	0.00	258.79 Flat Rate Penalty
Flat Rate Interest	8.30	44.29	0.00	0.00	1.60	0.00	0.00	54.19 Flat Rate Interest
Unpaid Flat Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Unpaid Flat Premium
# Of Months Unpaid	0	0	0	0	0	0	0	
% Penalty on Unpaid Premium	0%	0%	0%	0%	0%	0%	0%	
Penalty On Unpaid Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Penalty On Unpaid Premium
Interest On Unpaid Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Interest On Unpaid Premium
Total Flat Rate Charges Due	132.00	179.38	0.00	0.00	1.60	0.00	0.00	312.98 Total Flat Rate Charges Due
Variable Rate (V/R)	110.20	82.29	122.27	70.59	28.72	40.21	12.56	
V/R Due	71,739.00	53,325.00	77,643.00	97,695.00	39,771.00	55,611.00	10,148.25	7/12 months prorated
V/R Paid By Form 1 Due Date?	No	No	Yes	No	Yes	No	No Final Filing	
# Of Months Late	11	0	0	1	0	1	0	
V/R \$ Paid Late	71,720.00	0.00	0.00	96,693.00	0.00	55,545.00	0.00	
% Penalty	11%	0%	0%	1%	0%	1%	0%	
V/R Penalty	7,889.20	0.00	0.00	966.75	0.00	555.45	0.00	9411.40 V/R Penalty
V/R Interest	3,036.34	0.00	0.00	84.78	0.00	18.55	0.00	3139.67 V/R Interest
Unpaid V/R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Unpaid V/R
# Of Months Unpaid	0	0	0	0	0	0	0	
% Penalty On Unpaid V/R	0%	0%	0%	0%	0%	0%	0%	
Penalty On Unpaid V/R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Penalty On Unpaid V/R
Interest On Unpaid V/R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Interest On Unpaid V/R
Total V/R Charges Due	10,925.54	0.00	0.00	1,051.53	0.00	574.00	0.00	12551.07 Total V/R Charges Due
Auto Write Offs	0.00	0.00	0.00	(32.51)	(1.60)	(0.33)	0.00	0.00
Payments/(Overpayments)	(11,057.54)	(179.38)	0.00	(1,019.02)	0.00	(573.67)	(9,404.58)	(34.44) Auto Write Offs
Refunds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(22234.19) Payments/(Overpayments)
Credit to/(from)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Refunds
								0.00 Credit to/(from)
<b>ANNUAL AMOUNT DUE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(9,404.58)</b>	<b>(9404.58)</b>

COMMENTS

1. Prior year p count in non-filing year(s): Participant count used for plan year 2009, obtained from EFAST.
2. Cap Rate charge in non-filing year(s): Variable rate used for plan year 2009, obtained from EFAST.
3. Plan year 2009 accrual through DOPT of 7/31/2009 per requester, amount has been paid.

Premium	0.00
Interests	3193.86
Penalties	9570.19
Auto Write Offs	(34.44)
Payments/(Overpayments)	(22234.19)
Refunds	0.00
Credits	0.00
<b>Total Amount Due (Overpaid)</b>	<b>(9404.58)</b>

Note: Unpaid premium, penalty, and interest were calculated through DOPT 07/31/2009 per requester.  
 : Plan sent a payment of \$47,022, with their ES Filing.

EIN/PN: 330595219/002  
 PLAN OR SPONSOR NAME: Packard-Hughes Interconnect Defined Benefit Pension Plan  
 REQUESTED BY: Traynham, Aaron  
 DATE REQUESTED: 02-May-14

ANALYST: Pypor Harvey  
 ANALYST EXTENSION: 5665  
 PROCESSING DATE: 19-May-14  
 CCD TRACKING: 27126C

PYC	01/01/2002	01/01/2003	01/01/2004	01/01/2005	01/01/2006	01/01/2007	01/01/2008	01/01/2009	TOTAL
Final Participant Count	197	190	183	177	177	170	165	170	
Flat Premium Rate	19.00	19.00	19.00	19.00	30.00	31.00	33.00	34.00	
Flat Premium Due	3,743.00	3,610.00	3,477.00	3,363.00	5,310.00	5,270.00	5,445.00	3,371.67	7/12 months prorated
SAFE HARBOR COMPLIANCE	No	No	Yes	Yes	Yes	Yes	No	No Filing	
# Of Months Late	14	2	0	0	0	0	1	0	
Flat Premium \$ Paid Late	3,743.00	3,610.00	0.00	0.00	0.00	0.00	5,445.00	0.00	
% Penalty	70%	10%	0%	0%	0%	0%	1%	0%	
Flat Rate Penalty	2,620.12	361.00	0.00	0.00	0.00	0.00	54.46	0.00	3035.58 Flat Rate Penalty
Flat Rate Interest	225.02	24.73	0.00	0.00	0.00	0.00	1.82	0.00	251.57 Flat Rate Interest
Unpaid Flat Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,371.67	3371.67 Unpaid Flat Premium
# Of Months Unpaid	0	0	0	0	0	0	0	0	
% Penalty on Unpaid Premium	0%	0%	0%	0%	0%	0%	0%	0%	
Penalty On Unpaid Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Penalty On Unpaid Premium
Interest On Unpaid Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Interest On Unpaid Premium
Total Flat Rate Charges Due	2,845.14	385.73	0.00	0.00	0.00	0.00	56.28	3,371.67	6658.82 Total Flat Rate Charges Due
Variable Rate (V/R)	0.00	141.82	209.02	218.75	73.07	0.00	198.82	72.32	
V/R Due	0.00	26,946.00	38,250.00	38,718.00	12,933.00	0.00	32,805.00	7,171.50	7/12 months prorated
V/R Paid By Form 1 Due Date?	Yes	No	Yes	Yes	No	Yes	No	No Filing	
# Of Months Late	0	11	0	0	1	0	1	0	
V/R \$ Paid Late	0.00	26,946.00	0.00	0.00	6,351.68	0.00	32,805.00	0.00	
% Penalty	0%	55%	0%	0%	1%	0%	1%	0%	
V/R Penalty	0.00	14,820.30	0.00	0.00	63.52	0.00	328.05	0.00	15211.87 V/R Penalty
V/R Interest	0.00	1,056.24	0.00	0.00	5.57	0.00	10.93	0.00	1072.74 V/R Interest
Unpaid V/R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,171.50	7171.50 Unpaid V/R
# Of Months Unpaid	0	0	0	0	0	0	0	0	
% Penalty On Unpaid V/R	0%	0%	0%	0%	0%	0%	0%	0%	
Penalty On Unpaid V/R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Penalty On Unpaid V/R
Interest On Unpaid V/R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Interest On Unpaid V/R
Total V/R Charges Due	0.00	15,876.54	0.00	0.00	69.09	0.00	338.98	7,171.50	23456.11 Total V/R Charges Due
Auto Write Offs	0.00	0.00	0.00	0.00	0.00	0.00	(0.18)	0.00	0.00
Payments/(Overpayments)	(2,845.14)	(4,117.23)	0.00	0.00	(69.09)	0.00	(395.08)	0.00	(7426.54) Payments/(Overpayments)
Waivers	0.00	(12,145.04)	0.00	0.00	0.00	0.00	0.00	0.00	(12145.04) Waiver
Credit from 2003 to 2002 & 2006	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Credit to/(from)
ANNUAL AMOUNT DUE	0.00	(0.00)	0.00	0.00	0.00	0.00	0.00	10,543.17	10543.17

COMMENTS

1. Prior year p count in non-filing year(s): Participant count used for plan year 2009, obtained from EFAST.
2. Cap Rate charge in non-filing year(s): Variable rate used for plan year 2009, obtained from EFAST.
3. Plan year 2009 accrual through DOPT 7/31/2009, amounts have not been paid.

Premium	10543.17
Interests	1324.31
Penalties	18247.45
Auto Write Offs	(0.18)
Payments/(Overpayments)	(7426.54)
Refunds	(12145.04)
Credits	0.00
Total Amount Due (Overpaid)	<u>10543.17</u>

Note: Unpaid premium, penalty, and interest were calculated through DOPT 07/31/2009.

EIN/PN: 383589834/001  
 PLAN OR SPONSOR NAME: Delphi Mechatronic Systems Retirement Program  
 REQUESTED BY: Traynham, Aeron  
 DATE REQUESTED: 02-May-14

ANALYST: Pypier Harvey  
 ANALYST EXTENSION: 5665  
 PROCESSING DATE: 15-May-14  
 CCD TRACKING: 26078C

PYC	01/01/2002	01/01/2003	01/01/2004	01/01/2005	01/01/2006	01/01/2007	01/01/2008	01/01/2009	TOTAL
Final Participant Count	193	188	176	166	165	164	148	164	
Flat Premium Rate	19.00	19.00	19.00	19.00	30.00	31.00	33.00	34.00	
Flat Premium Due	3,667.00	3,572.00	3,344.00	3,154.00	4,950.00	5,084.00	4,884.00	3,252.67	7/12 months prorated
SAFE HARBOR COMPLIANCE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No Filing	
# Of Months Late	0	0	0	0	0	0	0	0	
Flat Premium \$ Paid Late	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
% Penalty	0%	0%	0%	0%	0%	0%	0%	0%	
Flat Rate Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Flat Rate Penalty
Flat Rate Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Flat Rate Interest
Unpaid Flat Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,252.67	3252.67 Unpaid Flat Premium
# Of Months Unpaid	0	0	0	0	0	0	0	0	
% Penalty on Unpaid Premium	0%	0%	0%	0%	0%	0%	0%	0%	
Penalty On Unpaid Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Penalty On Unpaid Premium
Interest On Unpaid Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Interest On Unpaid Premium
Total Flat Rate Charges Due	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,252.67	3252.67 Total Flat Rate Charges Due
Variable Rate (V/R)	0.00	0.00	50.88	104.10	105.22	0.16	0.00	0.00	
V/R Due	0.00	0.00	8,955.00	17,280.00	17,361.00	27.00	0.00	0.00	
V/R Paid By Form 1 Due Date?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No Filing	
# Of Months Late	0	0	0	0	0	0	0	0	
V/R \$ Paid Late	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
% Penalty	0%	0%	0%	0%	0%	0%	0%	0%	
V/R Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 V/R Penalty
V/R Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 V/R Interest
Unpaid V/R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Unpaid V/R
# Of Months Unpaid	0	0	0	0	0	0	0	0	
% Penalty On Unpaid V/R	0%	0%	0%	0%	0%	0%	0%	0%	
Penalty On Unpaid V/R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Penalty On Unpaid V/R
Interest On Unpaid V/R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Interest On Unpaid V/R
Total V/R Charges Due	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Total V/R Charges Due
Auto Write Offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Auto Write Offs
Payments/(Overpayments)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Payments/(Overpayments)
Refunds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Refunds
Credit to/(from)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Credit to/(from)
<b>ANNUAL AMOUNT DUE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,252.67</b>	<b>3,252.67</b>

COMMENTS

1. Prior year p count in non-filing year(s): Participant count used for plan year 2009, obtained from EFAST.
2. Cap Rate charge in non-filing year(s): Variable rate used for plan year 2009, obtained from EFAST.
3. Plan year 2009 accrual through DOPT 7/31/2009 per requester, amount has not been paid.

Premium	3252.67
Interests	0.00
Penalties	0.00
Auto Write Offs	0.00
Payments/(Overpayments)	0.00
Refunds	0.00
Credits	0.00
<b>Total Amount Due (Overpaid)</b>	<b>3,252.67</b>

Note: Unpaid premium, penalty, and interest were calculated through DOPT 07/31/2009.



EIN/PN: 383430473/003  
 PLAN OR SPONSOR NAME: Delphi Hourly-Rate Employees Pension Plan  
 REQUESTED BY: Aaron Traynham  
 DATE REQUESTED: 02-May-14

ANALYST: Pypet Harvey  
 ANALYST EXTENSION: 5665  
 PROCESSING DATE: 07-May-14  
 CCD TRACKING: 26076C

PYC	10/01/2001	10/01/2002	10/01/2003	10/01/2004	10/01/2005	10/01/2006	10/01/2007	10/01/2008	TOTAL
Final Participant Count	53143	53016	52965	53623	53319	54661	63155	46492	
Flat Premium Rate	19.00	19.00	19.00	19.00	19.00	30.00	31.00	33.00	
Flat Premium Due	1,009,717.00	1,007,304.00	1,006,335.00	1,018,837.00	1,013,061.00	1,639,830.00	1,957,836.00	1,406,383.00	11/12 months prorated
SAFE HARBOR COMPLIANCE	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	
# Of Months Late	0	0	0	3	0	0	0	0	
Flat Premium \$ Paid Late	0.00	0.00	0.00	1,018,837.00	0.00	0.00	0.00	0.00	
% Penalty	0%	0%	0%	15%	0%	0%	0%	0%	
Flat Rate Penalty	0.00	0.00	0.00	152,825.56	0.00	0.00	0.00	0.00	152825.56 Flat Rate Penalty
Flat Rate Interest	0.00	0.00	0.00	9,993.22	0.00	2,016.43	0.00	0.00	12009.65 Flat Rate Interest
Unpaid Flat Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Unpaid Flat Premium
# Of Months Unpaid	0	0	0	0	0	0	0	0	
% Penalty on Unpaid Premium	0%	0%	0%	0%	0%	0%	0%	0%	
Penalty On Unpaid Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Penalty On Unpaid Premium
Interest On Unpaid Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Interest On Unpaid Premium
Total Flat Rate Charges Due	0.00	0.00	0.00	162,818.78	0.00	2,016.43	0.00	0.00	164835.21 Total Flat Rate Charges Due
Variable Rate (V/R)	0.00	161.04	195.41	0.00	315.85	545.59	322.01	209.98	
V/R Due	0.00	8,537,625.00	10,349,808.00	0.00	16,840,908.00	29,822,274.00	20,336,580.00	8,948,841.00	11/12 months prorated
V/R Paid By Form 1 Due Date?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
# Of Months Late	0	0	0	0	0	0	0	0	
V/R \$ Paid Late	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
% Penalty	0%	0%	0%	0%	0%	0%	0%	0%	
V/R Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 V/R Penalty
V/R Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 V/R Interest
Unpaid V/R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Unpaid V/R
# Of Months Unpaid	0	0	0	0	0	0	0	0	
% Penalty On Unpaid V/R	0%	0%	0%	0%	0%	0%	0%	0%	
Penalty On Unpaid V/R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Penalty On Unpaid V/R
Interest On Unpaid V/R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Interest On Unpaid V/R
Total V/R Charges Due	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Total V/R Charges Due
Auto Write Offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Auto Write Offs
Payments/(Overpayments)	0.00	0.00	(10,327,817.00)	(162,818.78)	0.00	(251,759.60)	(1,345,122.00)	(941,384.00)	(13028901.38) Payments/(Overpayments)
Refunds	0.00	0.00	10,327,817.00	0.00	0.00	249,743.17	1,345,122.00	941,384.00	12864066.17 Refunds
Credit from/to	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Credit to/(from)
ANNUAL AMOUNT DUE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

COMMENTS

1. Prior year p count in non-filing year(s):
2. Cap Rate charge in non-filing year(s):
3. Plan year 2008 accrual through DOPT of 07/31/2009 per requester, amount has been paid.

Premium	0.00
Interests	12009.65
Penalties	152825.56
Auto Write Offs	0.00
Payments/(Overpayments)	(13028901.38)
Refunds	12864066.17
Credits	0.00
Total Amount Due (Overpaid)	<u>0.00</u>

Note: Unpaid premium, penalty, and interest were calculated through DOPT of 07/31/2009 per requester.

EIN/PN: 383430473/001  
 PLAN OR SPONSOR NAME: Delphi Retirement Program For Salaried Employees  
 REQUESTED BY: Aaron Traynham  
 DATE REQUESTED: 02-May-14

ANALYST: Pypor Harvey  
 ANALYST EXTENSION: 5665  
 PROCESSING DATE: 07-May-14  
 CCD TRACKING: 26077C

PYC	10/01/2001	10/01/2002	10/01/2003	10/01/2004	10/01/2005	10/01/2006	10/01/2007	10/01/2008	TOTAL
Final Participant Count	22381	22315	22461	22335	22350	21654	21280	20321	
Flat Premium Rate	19.00	19.00	19.00	19.00	19.00	30.00	31.00	33.00	
Flat Premium Due	425,239.00	423,985.00	426,759.00	424,365.00	424,650.00	649,620.00	659,680.00	558,827.60	10/12 month prorated
SAFE HARBOR COMPLIANCE	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	
# Of Months Late	0	0	0	3	0	0	0	0	
Flat Premium \$ Paid Late	0.00	0.00	0.00	424,365.00	0.00	0.00	0.00	0.00	
% Penalty	0%	0%	0%	15%	0%	0%	0%	0%	
Flat Rate Penalty	0.00	0.00	0.00	63,654.76	0.00	0.00	0.00	0.00	63654.76 Flat Rate Penalty
Flat Rate Interest	29.28	88.88	49.16	4,162.37	14.13	0.00	0.00	0.00	4343.82 Flat Rate Interest
Unpaid Flat Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Unpaid Flat Premium
# Of Months Unpaid	0	0	0	0	0	0	0	0	
% Penalty on Unpaid Premium	0%	0%	0%	0%	0%	0%	0%	0%	
Penalty On Unpaid Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Penalty On Unpaid Premium
Interest On Unpaid Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Interest On Unpaid Premium
Total Flat Rate Charges Due	29.28	88.88	49.16	67,817.13	14.13	0.00	0.00	0.00	67998.58 Total Flat Rate Charges Due
Variable Rate (V/R)	0.00	0.00	316.71	412.65	469.65	325.39	4.39	144.07	
V/R Due	0.00	0.00	7,113,609.00	9,216,558.00	10,496,846.00	7,046,028.00	93,465.00	2,439,772.60	10/12 month prorated
V/R Paid By Form 1 Due Date?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
# Of Months Late	0	0	0	0	0	0	0	0	
V/R \$ Paid Late	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
% Penalty	0%	0%	0%	0%	0%	0%	0%	0%	
V/R Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 V/R Penalty
V/R Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 V/R Interest
Unpaid V/R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Unpaid V/R
# Of Months Unpaid	0	0	0	0	0	0	0	0	
% Penalty On Unpaid V/R	0%	0%	0%	0%	0%	0%	0%	0%	
Penalty On Unpaid V/R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Penalty On Unpaid V/R
Interest On Unpaid V/R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Interest On Unpaid V/R
Total V/R Charges Due	0.00	0.00	0.00	0.00	0.00	-0.00	0.00	0.00	0.00 Total V/R Charges Due
Auto Write Offs	(29.28)	(11.62)	0.00	(33.40)	(14.13)	0.00	0.00	0.00	(88.43) Auto Write Offs
Payments/(Overpayments)	0.00	(77.26)	(7,114,739.15)	(67,783.73)	0.00	(288,728.31)	(906,840.00)	(299,860.00)	(8678028.45) Payments/(Overpayments)
Refunds	0.00	0.00	7,114,689.99	0.00	0.00	288,728.31	906,840.00	299,860.00	8610118.30 Refunds
Credit from/to	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 Credit to/(from)
<b>ANNUAL AMOUNT DUE</b>	<b>0.00</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

COMMENTS

1. Prior year p count in non-filing year(s):
2. Cap Rate charge in non-filing year(s):
3. Plan year 2008 calculated through DOPT 7/31/2009 per requester, amount has been paid.

Premium	0.00
-Interests	4343.82
Penalties	63654.76
Auto Write Offs	(88.43)
Payments/(Overpayments)	(8678028.45)
Refunds	8610118.30
Credits	0.00
Total Amount Due (Overpaid)	<u>0.00</u>

Note: Unpaid premium, penalty, and interest were calculated through DOPT 07/31/2009 per requester.

# Attachment B.1

## Final TWG Package

RV Memo - Non-Zero - 6.1

**TRANSMITTAL**  
**TDR No: 09-068 & 09-069**

**Date: July 20, 2009**

7/31/2009 15:51 PM

1. Sylvia Shorter, FOD Rm: 6423	6. Dana Cann, DISC Rm: 2537
2. Anthony Wilson, DISC Rm: 8730	7. Owen Wayne, OCC Rm: 3311
3. Candace Campbell, BAPD Rm: 8325	8. Robert Stokes, TPD:7 Rm: 7529
4. OCC File/Nikki Noble Rm: 3518	9. Frank Tate, CID Rm: 6741
5. Bill Fitzgerald, OGC Rm: 11107	

File [X]	FYI [X]	NOD has been mailed [X]
----------	---------	-------------------------

**Delphi Retirement Program For Salaried Employees – Case # 20637000**  
**Delphi Hrly-Rate Ees Pension Plan – Case # 20637100**

- Attached is a signed copy of the determination approving the 4041 Distress Termination and background information of the subject Plan.
- Attached is a signed copy of the Notice of Determination approving the 4042 termination and background information on the subject Plan

**Trusteeship Agreement (TA) Action**

- TA has been mailed.
- Court Action required.
- PBGC will not become trustee.

**From: Veronica Johnson, TWG/ Room 2731, Ext. 3912**

7/31/2009/02:17:47 PM

**AGREEMENT FOR APPOINTMENT OF  
TRUSTEE AND TERMINATION OF PLAN**

This is an AGREEMENT between the Pension Benefit Guaranty Corporation ("PBGC") and Delphi Corporation.

**RECITALS:**

- A. PBGC is a United States government agency established by Title IV of the Employee Retirement Income Security Act of 1974, *as amended*, 29 U.S.C. §§1301-1461 ("ERISA").
- B. Delphi Corporation ("Company") is a Corporation organized under the laws of Delaware, with its principal place of business located in Troy, MI.
- C. The Company maintains the Delphi Hourly-Rate Employees Pension Plan ("Plan") to provide retirement benefits for certain of its employees. The Plan was established effective May 28, 1999.
- D. The Plan is an employee pension benefit plan to which 29 U.S.C. § 1321(a) applies and is not exempt under 29 U.S.C. § 1321(b). The Plan is therefore covered by Title IV of ERISA.
- E. Delphi Corporation is the administrator of the Plan within the meaning of 29 U.S.C. §§ 1002(16) and 1301(a)(1).

7/31/2009 02:17:47 PM

F. On July 22, 2009, PBGC caused a notice to be published advising Plan participants of PBGC's termination date.

G. On July 22, 2009, the Company was a contributing sponsor of the Plan within the meaning of 29 U.S.C. § 1301(a)(13).

H. PBGC has issued to the Company a Notice of Determination under 29 U.S.C. § 1342(a)(2) and (4) that the Plan will be unable to pay benefits when due, PBGC's possible long-run loss with respect to the Plan may reasonably be expected to increase unreasonably if the Plan is not terminated, and that the Plan should be terminated under 29 U.S.C. § 1342(c).

**NOW THEREFORE, the parties agree:**

1. The Plan is terminated under 29 U.S.C. § 1342(c).
2. The Plan termination date is July 22, 2009, under 29 U.S.C. § 1348.
3. PBGC is appointed trustee of the Plan under 29 U.S.C. § 1342(c).
4. Delphi Corporation and any other person having possession or control of any records, assets or other property of the Plan shall convey and deliver to PBGC any such records, assets or property in a timely manner. PBGC reserves all its rights to pursue such records, assets, and other property by additional means, including but not limited to issuance of administrative subpoenas under 29 U.S.C. § 1303.
5. PBGC will have, with respect to the Plan, all of the rights and powers of a trustee specified in ERISA or otherwise granted by law.

7/31/2009 17:47 PM

The persons signing this Agreement are authorized to do so. The Agreement will take effect on the date the last person signs below.

**Delphi Corporation, Plan Administrator**

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
John Sheehan  
Chief Financial Officer

**Pension Benefit Guaranty Corporation**

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Auditor

7/31/2009/02:17:47 PM

**AGREEMENT FOR APPOINTMENT OF  
TRUSTEE AND TERMINATION OF PLAN**

This is an AGREEMENT between the Pension Benefit Guaranty Corporation ("PBGC") and Delphi Corporation.

**RECITALS:**

- A. PBGC is a United States government agency established by Title IV of the Employee Retirement Income Security Act of 1974, *as amended*, 29 U.S.C. §§1301-1461 ("ERISA").
- B. Delphi Corporation ("Company") is a Corporation organized under the laws of Delaware, with its principal place of business located in Troy, MI.
- C. The Company maintains the Delphi Hourly-Rate Employees Pension Plan ("Plan") to provide retirement benefits for certain of its employees. The Plan was established effective May 28, 1999.
- D. The Plan is an employee pension benefit plan to which 29 U.S.C. § 1321(a) applies and is not exempt under 29 U.S.C. § 1321(b). The Plan is therefore covered by Title IV of ERISA.
- E. Delphi Corporation is the administrator of the Plan within the meaning of 29 U.S.C. §§ 1002(16) and 1301(a)(1).



7/31/2009/02:17:47 PM

F. On July 22, 2009, PBGC caused a notice to be published advising Plan participants of PBGC's termination date.

G. On July 22, 2009, the Company was a contributing sponsor of the Plan within the meaning of 29 U.S.C. § 1301(a)(13).

H. PBGC has issued to the Company a Notice of Determination under 29 U.S.C. § 1342(a)(2) and (4) that the Plan will be unable to pay benefits when due, PBGC's possible long-run loss with respect to the Plan may reasonably be expected to increase unreasonably if the Plan is not terminated, and that the Plan should be terminated under 29 U.S.C. § 1342(c).

**NOW THEREFORE, the parties agree:**

1. The Plan is terminated under 29 U.S.C. § 1342(c).
2. The Plan termination date is July 22, 2009, under 29 U.S.C. § 1348.
3. PBGC is appointed trustee of the Plan under 29 U.S.C. § 1342(c).
4. Delphi Corporation and any other person having possession or control of any records, assets or other property of the Plan shall convey and deliver to PBGC any such records, assets or property in a timely manner. PBGC reserves all its rights to pursue such records, assets, and other property by additional means, including but not limited to issuance of administrative subpoenas under 29 U.S.C. § 1303.
5. PBGC will have, with respect to the Plan, all of the rights and powers of a trustee specified in ERISA or otherwise granted by law.

7/31/2009/02:17:47 PM

The persons signing this Agreement are authorized to do so. The Agreement will take effect on the date the last person signs below.

**Delphi Corporation, Plan Administrator**

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
John Sheehan  
Chief Financial Officer

**Pension Benefit Guaranty Corporation**

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Auditor

TDR Number: 09-069

**TERMINATION AND TRUSTEESHIP DECISION RECORD  
PBGC-INITIATED TERMINATION**

7/31/2009/02:17:47 PM

<b>Part I. IDENTIFYING INFORMATION</b>	
<b>Plan Name</b>	Delphi Hrly-Rate Ees Pension Plan
<b>EIN/PN</b>	383430473 / 003
<b>Financial Analyst</b>	Dana Cann
<b>Attorney</b>	C. Wayne Owen
<b>TPD</b>	Not Yet Assigned
<b>Case Number</b>	20637100
<b>Case Type</b> <input type="radio"/> Exempt from full Trusteeship Working Group review, requires TWG Chairperson Approval <input type="radio"/> Non-Exempt from full Trusteeship Working Group review, requires COO Approval <input checked="" type="radio"/> Non-Exempt from full Trusteeship Working Group review, requires ED Approval	
<b>Contributing Sponsor (name, address and phone)</b> Delphi Corporation 5825 Delphi Drive M/C 480-410-104 Building C Troy, MI 480982815	
<b>Plan Administrator (name, address and phone)</b> Delphi Corporation 5825 Delphi Drive M/C 480-410-104 Building C Troy, MI 480982815 (248) 813-3391	
<b>Custodian of plan assets (name, address and phone)</b>	

7/31/2009/02:17:47 PM

<b>PART II. PLAN INFORMATION</b>	
<b>1. Administration</b>	
a. Are participant records in jeopardy of destruction/loss?	No
b. Monthly payments due to retirees and beneficiaries (include date of source document)	\$56,841,667 from 10/1/07 AVR
c. Number of participants who should be in pay status but are not receiving benefits	0
<b>2. Plan Funding (in Dollars)</b>	
<b>Plan Liabilities</b>	
a. Present Value of Guaranteed Benefits	\$7,473,000,000
b. Present Value of Benefit Liabilities	\$7,694,100,000
<b>Plan Assets</b>	
c. Value of Plan Assets (amount does not include DUEC)	\$3,682,600,000
<b>Plan Underfunding</b>	
d. Unfunded Guaranteed Benefits (a - c)	\$3,790,400,000
e. Unfunded Benefit Liabilities (b - c)	\$4,011,500,000
<b>3. Funding Assumptions</b>	
a. Assumed DOPT	01/31/2009
b. Interest rate used to value benefits	
First 20 Years	6.02%
Thereafter	5.48%
c. Data Source	For Hourly and Salaried plans - 10/1/07 AVR, 12/31/08 PBO, 10/1/08 demographic information prepared by Watson Wyatt Worldwide. For 4 small plans - 1/1/08 AVR prepared by Watson Wyatt Worldwide. Assets provided by Delphi Corporation as of January 31, 2009.
<b>4. Plan Contributions (as of the proposed DoPT)</b>	
a. Has the plan missed any minimum required contributions?	No
b. Has the plan missed an annual catch-up payment?	No
c. Amount of DUEC (i.e., the accumulated funding deficiency) in Dollars	Unknown

7/31/2009/02:17:47 PM

<b>5. Funding Waivers</b>	
a. Number of funding waivers requested by contributing sponsor	2
b. Waivers were granted for plan years	ending 2006, 2007
c. Are any waiver requests still pending with the IRS?	No
d. For plan years	
<b>6. Premiums</b>	
a. What was the last year premiums were paid?	Unknown
b. Estimated premiums/interest/penalties due-PBGC	Unknown
<b>7. Participants</b>	
a. Retirees and beneficiaries	27,577
b. Active participants	11,872
c. Terminated vested participants	5,148
d. Total participants with guaranteed benefits (a + b + c)	44,597
<b>8. Majority Owners vs. Substantial Owners.</b>	
Which Rules Apply?	Majority
Number of Majority Owners who are plan participants	0
<b>9. Controlled Group.</b>	
a. Is there a controlled group? (If yes, describe the controlled group in the cover memorandum)	Yes
b. Is the sponsor or any other controlled group member ongoing?	Yes
<b>10. Coverage Determination:</b> Has a determination letter been obtained for this plan?	Yes
<b>PART III. TERMINATION RECOMMENDATION</b>	
<b>1. Section 4042(a)</b>	
<input type="checkbox"/> Section 4042(a): Mandatory Termination. <input type="checkbox"/> Section 4042(a)(1): The plan has not met the minimum funding standard. <input checked="" type="checkbox"/> Section 4042(a)(2): The plan will be unable to pay benefits when due. <input type="checkbox"/> Section 4042(a)(3): A reportable event under section 4043(c)(7) has occurred. <input checked="" type="checkbox"/> Section 4042(a)(4): Long-run loss.	
<b>2. Section 4042(c)</b>	
<input checked="" type="checkbox"/> Protect interests of participants. <input type="checkbox"/> Avoid any unreasonable deterioration of the financial condition of the plan. <input checked="" type="checkbox"/> Avoid any unreasonable increase in the liability of PBGC's insurance fund.	
<b>3. PBGC Recommended Date of Plan Termination</b>	04/23/2009
<b>4. PBGC Trusteeship is Recommended</b>	Yes

7/31/2009/02:17:47 PM

Concurrence & Approval	Date
Dana Cann, Financial Analyst <i>Dana Cann</i>	4/20/09
Cynthia Travia, Actuary <i>Cynthia Travia</i>	4/20/09
Neela Ranade, Supervisory Actuary <i>Neela Ranade</i>	4/20/09
Kristina Archeval, Program Manager, DISC <i>Kristina Archeval</i>	4/20/09
C. Wayne Owen, Attorney <i>C. Wayne Owen</i>	04/20/09
John Menke, Assistant Chief Counsel <i>John Menke</i>	4/20/09
Karen Morris, Deputy Chief Counsel, OCC <i>Karen Morris</i>	4/20/09
Israel Goldowitz, Chief Counsel <i>Israel Goldowitz</i>	4/20/09
Joseph R. House, Director, DISC <i>Joseph R. House</i>	4/20/09
Terrence Deneen, Chief Insurance Program Officer <i>Terrence Deneen</i>	4/20/09
Andrea E. Schneider, Chairperson, Trusteeship Working Group <b>Concurs</b> <i>Andrea E. Schneider</i>	4/21/09
Vincent K. Snowbarger, Acting-Director <b>Approves</b> <i>Vincent K. Snowbarger</i>	4/23/09

BEST COPY AVAILABLE



Pension Benefit Guaranty Corporation  
1200 K Street, N.W., Washington, D.C. 20005-4026

3/31/2009/02:17:47 PM

APR 21 2009

**EXECUTIVE SUMMARY**

**TO:** Vincent Snowbarger, Acting Director

**THROUGH:** Andrea Schneider, Chairperson, Trusteeship Working Group *AES*

**FROM:** Israel Goldowitz, Chief Counsel *Kim for IG*  
Karen L. Morris, Deputy Chief Counsel *Kim*  
John A. Menke, Assistant Chief Counsel *Kim for JAM*  
Ralph L. Landy, Attorney *RL*  
C. Wayne Owen, Jr., Attorney *CWO*

**SUBJECT:** Notice of Determination for the Delphi Retirement Program for Salaried Employees ("SRP") and the Delphi Hourly-Rate Plan ("HRP") (collectively, "Plans")

**ACTION:** Signature

**Plan Information:**

<u>SRP</u>	
Participants :	20,203
Plan Assets:	\$2,326,300,000
Benefit Liabilities	\$5,042,500,000
Guaranteed Benefit Liabilities	\$4,504,300,000
Unfunded Benefit Liabilities	\$2,716,200,000
Unfunded Guaranteed Benefit Liabilities	\$2,178,000,000

<u>HRP</u>	
Participants :	44,597
Plan Assets:	\$3,682,600,000
Benefit Liabilities	\$7,694,100,000
Guaranteed Benefit Liabilities	\$7,473,000,000
Unfunded Benefit Liabilities	\$4,011,500,000
Unfunded Guaranteed Benefit Liabilities	\$3,790,400,000

Attached for your signature are the Trusteeship Decision Record and Notice of Determination ("NOD") for the Plans. The NOD states that PBGC has determined that the SRP meets the

7/31/2009/02:17:47 PM

criteria for termination under 29 U.S.C. § 1342(a)(1), (a)(2), and (a)(4); that the HRP meets the criteria for termination under 29 U.S.C. § 1342(a)(2) and (a)(4); that the Plans should be terminated under 29 U.S.C. § 1342(c) to avoid unreasonable increase in the liability of the PBGC's insurance fund; and that PBGC intends that the established date of plan termination ("DOPT") be as soon as possible consistent with the foreclosure date in the DIP Agreement as it may be amended, pursuant to 29 U.S.C. § 1348. The Trusteeship Working Group ("TWG") recommends termination and trusteeship of the Plans.

### Background

Delphi, the Plans' sponsor, is one of the largest automotive parts suppliers in the world. Delphi has been operating in Chapter 11 since October 8, 2005. On April 2, 2009, Delphi announced that an agreement had been reached among itself, its debtor-in-possession ("DIP") lenders, General Motors Corporation ("GM") and the U.S. Department of Treasury ("Treasury") to allow a period of time for the relevant parties to negotiate a global solution to the Delphi situation, including GM's role in it. According to Delphi's 8-K filed with the SEC on April 2, 2009, Delphi has until April 17, 2009, to deliver to the DIP lenders a detailed term sheet (the "Term Sheet") that has been agreed to by both GM and Treasury. The Term Sheet is to set forth the terms of a global resolution of matters relating to GM's contribution to the resolution of Delphi's Chapter 11 cases.

Failure to deliver a term sheet triggers a \$117 million repayment obligation to the DIP lenders on April 20, 2009. Failure to deliver a term sheet and failure to repay the \$117 million repayment obligation are each events of default under the DIP credit agreements and subsequent amended accommodation agreements. These agreements provide a five-business-day grace period, meaning that the accommodation period under which Delphi is continuing to use its DIP borrowings may terminate on April 24, 2009.

Termination of the accommodation period enables the DIP lenders to exercise all their remedies in the DIP credit agreements, including foreclosure on their collateral. Those agreements expressly provide that those remedies can be exercised without further notice to or order from the Bankruptcy Court. Among the collateral pledged to the DIP lenders is 100% of the stock in Delphi's foreign subsidiaries – stock currently owned by Delphi Automotive Systems Holding, Inc. ("DASHI"), a debtor entity. The foreign subsidiaries remain outside of bankruptcy and constitute substantially all of the value of the Delphi controlled group. PBGC must initiate a termination and set a date of plan termination ("DOPT") as soon as possible consistent with the foreclosure date in the DIP Agreement as it may be amended, or risk a controlled group break-up, whereby substantially all value available for PBGC recoveries leaves the controlled group.

Delphi's current position is that it cannot keep the Plans. The company's most recent bankruptcy emergence assumptions show Delphi transferring the Plans to GM upon emergence. Delphi has further stated that the Plans must either be transferred to GM (with support from Treasury) or be terminated and trustee by the PBGC.



7/31/2009 02:17:47 PM

Recommendation

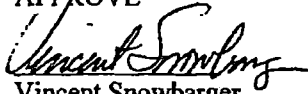
The TWG concluded that PBGC's risk of loss could reasonably be expected to increase unreasonably if the DIP lenders were to foreclose and cause a break-up of the Delphi controlled group. The TWG recommended PBGC-initiated termination of the Plans in accordance with ERISA § 4042(a)(4). The TWG also concluded that the Plans will be unable to pay benefits when due, given Delphi's statements that it cannot now maintain the Plans, combined with the Plans' substantial underfunding. Therefore, the TWG recommended PBGC-initiated termination of the Plans in accordance with ERISA § 4042(a)(2). The TWG also recommended termination in accordance with ERISA § 4042(c) in order to avoid unreasonable increase in the liability of the PBGC's insurance fund.

In addition, the SRP has not met the minimum funding standard required under § 412 of the IRS Code. Therefore, DISC recommended PBGC-initiated termination of the SRP in accordance with ERISA § 4042(a)(1).

The TWG recommended that the DOPT of the Plans be established as soon as possible consistent with the foreclosure date in the DIP Agreement as it may be amended because terminating the Plans prior to the foreclosure date would allow PBGC to maximize its recoveries in the case.

Issue Notice of Determination:

APPROVE

  
Vincent Snowbarger,  
Acting Director

DISAPPROVE

\_\_\_\_\_  
Vincent Snowbarger,  
Acting Director

7/31/2009 02:17:17 PM

**Trusteeship Working Group  
DRAFT Meeting Minutes  
April 21, 2009  
Delphi Retirement Program for Salaried Employees (the "SRP")  
(Case 20637000)  
Delphi Hourly-Rated Plan (the "HRP")  
(Case 20637100)  
(Collectively, the "Plans")**

**Members:**

Andrea Schneider, Chairperson (COO) AES/SV  
Marjorie Bernardi (BAPD)  
Robert Stokes (BAPD)  
Joan Weiss (BAPD)  
Suzanne Kelly (DISC)  
Ed Withrow (DISC)  
Ellen Itkin (DISC)  
Jack Butler (DISC)  
Deborah Forbes (LRD)  
Bernard Klein (LRD)  
Garth Wilson (OCC)  
Kartar Khalsa (OCC)  
Joseph Shelton (OGC)  
Peggy Thibault (PRAD)

**Case Staff Attending:**

Dana Cann (DISC)  
Cindy Travia (DISC)  
Kristina Archeval (DISC)  
Ralph Landy (OCC)  
Wayne Owen (OCC)

**Non-Voting Members:**

Deborah Martin (BAPD)  
June Ennis (FOD)  
Jeffrey Speicher (CPAD)

**Observers:**

Marjorie Brown (BAPD)  
Nicole Hagan (OGC)

7/31/2009/02:17:47 PM

**The TWG Members concurred with the case team's recommendation to terminate the Plans. The TWG motion was as follows:**

**SALARIED ONLY –**

- That the Plan be terminated under ERISA § 4042(a)(1) (the Plan had missed at least one required minimum funding contribution);

**HOURLY/SALARIED –**

- That the Plans be terminated under ERISA § 4042(a)(2) (the Plans will be unable to pay benefits when due because of underfunding);
- That the Plans be terminated under ERISA §4042 (a)(4) (that the possible long-run loss of the PBGC with respect to the Plans may reasonably be expected to increase unreasonably unless the Plans are terminated);
- That the Plans be terminated under ERISA § 4042(c) (to avoid any unreasonable increase in the liability of the PBGC insurance fund);
- That PBGC be appointed trustee of the Plans; and
- That the DOPT be as soon as practicable and consistent with any foreclosure dates in the DIP agreements as they may be amended.

All Members present voted and the motion was passed 14 to 0, 0 abstentions.

7/31/2009/02:17:47 PM



Pension Benefit Guaranty Corporation  
1200 K Street, N.W., Washington, D.C. 20005-4026

APR 17 2009

**Confidential Memorandum**

To: Andrea E. Schneider  
Chair, Trusteeship Working Group

From: Joseph House *RDB*  
Director, Department of Insurance Supervision & Compliance

Kristina Archeval *RDB*  
Manager, Corporate Finance & Restructuring Group

Dana Cann *cdc*  
Financial Analyst, Corporate Finance & Restructuring Group

Cindy Travia *NTR*  
Senior Actuary, Department of Insurance Supervision & Compliance

Subject: Delphi Corp. ("Delphi" or the "Company")

Introduction

We request that the Trusteeship Working Group concur with DISC's recommendation that PBGC initiate termination of the Delphi Retirement Program for Salaried Employees (the "SRP") and the Delphi Hourly-Rate Plan (the "HRP") (collectively, the "Plans").

Delphi has been operating in Chapter 11 since October 8, 2005. On April 2, 2009, Delphi announced that an agreement had been reached among itself, its debtor-in-possession ("DIP") lenders, General Motors Corporation ("GM") and the U.S. Department of Treasury ("Treasury") to allow a period of time for the relevant parties to negotiate a global solution to the Delphi situation, including GM's role in it. According to Delphi's 8-K filed with the SEC on April 2, 2009, Delphi has until April 17, 2009, to deliver to the DIP lenders a detailed term sheet (the "Term Sheet"), which has been agreed to by both GM and Treasury. The Term Sheet is to set forth the terms of a global resolution of matters relating to GM's contribution to the resolution of Delphi's Chapter 11 cases. Failure to deliver a term sheet triggers a \$117 million repayment obligation to the DIP lenders on April 20, 2009. Failure to deliver a term sheet and failure to repay the \$117 million repayment obligation are each events of default under the DIP credit agreements and subsequent amended accommodation agreements. These agreements provide a five-business-day grace period, meaning that the accommodation period under which Delphi is

7/31/2009/02:17:47 PM

continuing to use its DIP borrowings may terminate on April 24, 2009. According to OCC, such a termination enables the DIP lenders to exercise all their remedies in the DIP credit agreements, including foreclosure on their collateral. Those agreements expressly provide that those remedies can be exercised without further notice to or order from the Bankruptcy Court. Among the collateral pledged to the DIP lenders is 100% of the stock in Delphi's foreign subsidiaries – stock currently owned by Delphi Automotive Systems Holding, Inc. (“DASHI”), a debtor entity. The foreign subsidiaries remain outside of bankruptcy, and, according to the attached report from Greenhill & Company, Inc. (“Greenhill”), PBGC's outside financial advisor, comprise substantially all of the value of the Delphi controlled group. As such, PBGC must initiate a termination and set a date of plan termination (“DOPT”) prior to April 24, 2009, or risk a controlled group break-up, whereby substantially all value available for PBGC recoveries leaves the controlled group.

Delphi's current position is that it cannot keep the Plans. The company's most recent bankruptcy emergence assumptions show Delphi transferring both Plans to GM upon emergence<sup>1</sup>. Delphi has further stated that the Plans must either be transferred to GM (with support from Treasury) or be terminated and trustee by the PBGC<sup>2</sup>.

DISC has concluded that PBGC's possible long-run loss with respect to the Plans may reasonably be expected to increase unreasonably if the Plans are not terminated prior to April 24, 2009. Therefore, DISC recommends PBGC-initiated termination of the Plans in accordance with ERISA § 4042(a)(4).

DISC has also concluded that the Plans will be unable to pay benefits when due, given Delphi's statements that it cannot now maintain the Plans, combined with the Plans' substantial underfunding and the possibility that the Plans will be effectively abandoned if the DIP lenders foreclose on their collateral. Therefore, DISC recommends PBGC-initiated termination of the Plans in accordance with ERISA § 4042(a)(2).

In addition, the SRP has not met the minimum funding standard required under § 412 of the IRS Code<sup>3</sup>. Therefore, DISC recommends PBGC-initiated termination of the SRP in accordance with ERISA § 4042(a)(1).

#### Background

Delphi is one of the largest automotive parts suppliers in the world. The Company generated approximately \$18 billion in revenue in 2008 (down from \$22 billion in 2007)<sup>4</sup>, primarily through five operating divisions: Electronics and Safety, Powertrain Systems, Electrical/Electronic Architecture, Thermal Systems, and Automotive Holdings Group (“AHG”). With the exception of AHG, which Delphi is winding down, each of these divisions is

<sup>1</sup> See pages 5 and 9 of “Key Emergence Issues dated March 20, 2009.

<sup>2</sup> See p. 9 of “Key Emergence Issues” dated March 20, 2009, which indicates two possible paths for the Plans— assumption by GM or termination and trusteeship by PBGC.

<sup>3</sup> See 412(n) Lien Calculation as of January 15, 2009, prepared by DISC actuaries.

<sup>4</sup> See p. 14 of 2008 10-K.

7/31/2009/02:17:47 PM

considered "core." As of December 31, 2008, Delphi employed approximately 147,000 people globally, including 19,000 in the U.S. Of these U.S. workers, approximately 8,800 were represented by the UAW, 1,300 were represented by the IUE-CWA, and 300 were represented by the USW<sup>5</sup>.

### The Bankruptcy Filings

On October 8, 2005, Delphi, along with certain of its U.S. subsidiaries, filed voluntary Chapter 11 petitions in the Southern District of New York<sup>6</sup>. Delphi's foreign subsidiaries were not included in the bankruptcy filings, and continue to operate outside of bankruptcy.

At the time, Delphi cited the following factors that led to the bankruptcy filings:

- High cost structure: Delphi, which was spun-off from GM in 1999, operated under collective bargaining agreements that were similar to those of GM. Delphi's wages and benefits for its U.S. workers were significantly higher than its competitors.
- Weak demand from GM: GM represented approximately half of Delphi's consolidated sales. Revenues from GM fell by 18% in the first six months of 2005 due to poor demand for GM's cars and trucks.
- High raw material costs: Beginning in 2004, the costs of raw materials—especially steel and petroleum-based resin products—spiked higher.
- High legacy costs: Like GM, Delphi has significant retiree health and pension costs. ERISA minimum contributions in 2006 were expected to be in excess of \$1 billion.

In January 2008, the bankruptcy court confirmed Delphi's First Amended Plan of Reorganization (the "First Amended POR"), which would have allowed Delphi to transfer \$1.5 billion in net pension liabilities to GM, and emerge with the rest of its pension plans ongoing. On April 4, 2008, however, a group of investors withdrew its \$2.55 billion equity commitment to fund the First Amended POR. As a result, Delphi could not execute the First Amended POR.

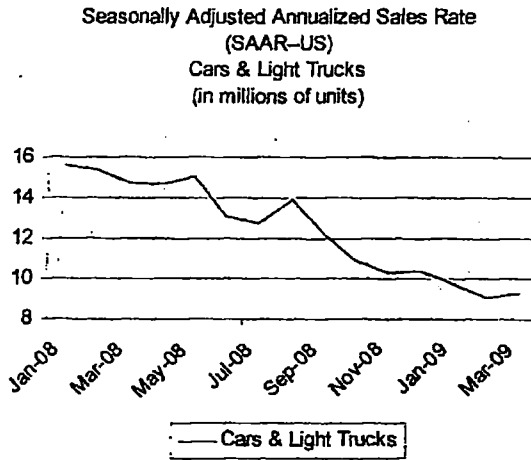
In September 2008, Delphi announced new agreements with GM that would allow for, among other things, a transfer of substantially all of the HRP to GM. On September 29, 2008, the first tranche of the 414(l) transfer (slightly more than \$2 billion of net liabilities) was transferred to GM's Hourly Plan. The second 414(l) transfer was to occur upon Delphi's emergence from Chapter 11. Among the forms of consideration GM was to receive as a result of accepting the 414(l) Hourly transfer was preferred securities in reorganized Delphi valued at \$2 billion.

Sales of cars and light trucks in the U.S. fell significantly in 2008, from a seasonally-adjusted annualized rate ("SAAR") of 15.6 million units in January to 13.9 million units in August. Beginning in September 2008, however, the decrease in sales accelerated to less than 10 million units during the first quarter of 2009.

<sup>5</sup> See p. 12 of 2008 10-K.

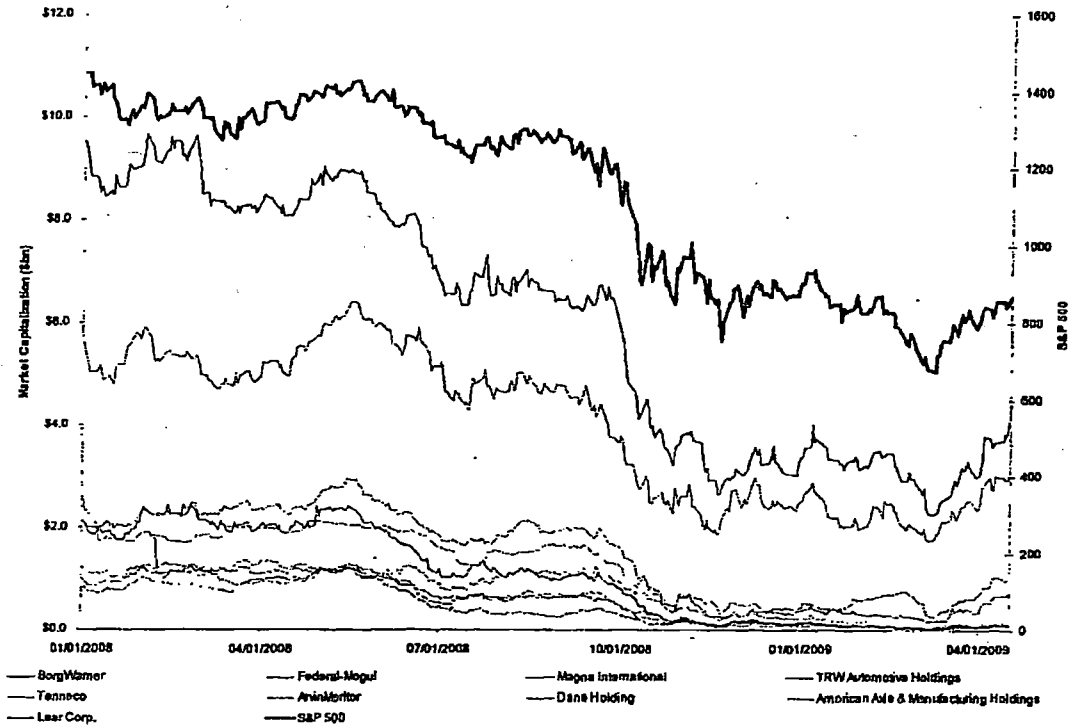
<sup>6</sup> See October 8, 2005, press release.

7/31/2009/02:17:47 PM



Source: Automotive News

With the significant decrease in car sales, the equity values of Delphi's non-bankrupt competitors collapsed with the broader market beginning on or around October 1, 2008.



7/31/2009/02:17:47 PH

The significant decrease in automotive valuations since September 2008 has made it increasingly difficult for Delphi to raise the necessary capital it needs to exit Chapter 11<sup>7</sup>.

Current Situation—Liquidity Crisis and Treasury Involvement

Delphi's post-petition DIP facilities—including its \$1.1 billion first priority revolving facility, \$500 million first priority term loan, and \$2.75 billion second priority term loan—expired on December 31, 2008. These facilities are secured by substantially all the assets of the debtor entities, including 100% of the stock held by DASHI on Delphi's non-debtor foreign subsidiaries. Since the expiration of the DIP facilities, Delphi has been operating under various accommodation agreements<sup>8</sup>, which allow the Company continued use of its post-petition financing. As described earlier, the termination of the accommodation period (and the potential foreclosure on the DIP lenders collateral) is looming on April 24, 2009, assuming an acceptable resolution by and among GM, Treasury and the DIP lenders has not been reached by then.

According to Treasury, the parties are in discussions, and negotiations are expected to commence on April 17, 2009<sup>9</sup>. Treasury's interest in the negotiations is GM's role in the resolution, as GM requires ongoing support in the form of existing and prospective loans from Treasury. Because Delphi is still GM's largest supplier, Treasury is trying to weigh the benefits of additional GM investments in Delphi against the risks if the supply of parts from Delphi is interrupted.

One element of the Delphi negotiations is a pension solution. As described earlier, Delphi contends it cannot emerge with the Plans ongoing. Delphi has proposed that GM assume the SRP and the remainder of the HRP. GM contends it cannot afford the Plans, and that covenants in the Treasury loan agreement prevent GM from taking on new pension liabilities.

Based on discussions with Treasury, GM assumption of the HRP is still a possibility. If a Treasury resolution is reached that includes assumption of either of the Plans, PBGC can hold the notice of determination ("NOD"), if it has not yet been issued, or rescind the NOD, pending GM assumption.

Pension Information

The Plans are defined benefit plans, and both are now frozen. The HRP was frozen as of November 2008<sup>10</sup>, while the SRP was frozen as of September 2008<sup>11</sup>. Delphi is the Plans' sponsor and administrator. The HRP and SRP were spun-off in 1999 from the GM Hourly and Salaried Plans, respectively.

<sup>7</sup> For Delphi's latest emergence funding strategies, see p. 41 of "Joint Meeting of the Delphi Statutory Committees" presentation dated March 12, 2009.

<sup>8</sup> See 8-K filed April 2, 2003, Supplemental Second Amendment to Accommodation Agreement.

<sup>9</sup> Oral conversation on April 16, 2009, with Matt Feldman, who is a member of the Auto Taskforce at Treasury.

<sup>10</sup> See Pension Information Profile prepared by DISC actuaries.

<sup>11</sup> See Pension Information Profile prepared by DISC actuaries.



7/31/2009/02:17:47 PM

The following table summarizes key information concerning the Plans. The assets and liabilities assume a date of Plan termination ("DOPT") of January 31, 2009 and an interest factor of 6.0% for the first 20 years<sup>12</sup>.

**Pension Funding Summary—Delphi Corp.**  
(estimates based on a hypothetical termination date of January 31, 2009)

(\$ in millions)	Assets	Benefit Liabilities	Unfunded Benefit Liabilities	Funded Percent	Unfunded Guaranteed Liabilities	Unfunded Guaranteed Liabilities	Participants			
							Active	Deferred Vested	Redeemed	Total
HRP	3,882.8	7,694.1	4,011.5	47.9%	7,473.0	3,790.4	11,872	5,148	27,577	44,597
SRP	2,328.3	5,042.5	2,716.2	46.1%	4,504.3	2,178.0	10,208	2,585	7,412	20,203
<b>Total the Plans</b>	<b>\$6,008.9</b>	<b>\$12,736.6</b>	<b>\$6,727.7</b>	<b>47.2%</b>	<b>\$11,977.3</b>	<b>\$5,968.4</b>	<b>22,078</b>	<b>7,733</b>	<b>34,989</b>	<b>64,800</b>

- Notes:
- PBGC estimates based on hypothetical termination date of 1/31/09
  - PBGC valuation discount rates are those for January 2009 — 6.02% first 20 years, 5.48% thereafter
  - Assets used were the actual assets as of 1/31/2009
  - Unfunded Guaranteed Liabilities are rough estimates and do not reflect application of PBGC's guarantee limitations or Section 4044 asset allocations.

In addition to the Plans, certain of Delphi's U.S. subsidiaries sponsor four smaller defined benefit pension plans (the "Subsidiary Plans") covering 2,200 participants with aggregate UBL of \$54 million as of January 31, 2009. The Subsidiary Plans are not recommended for termination at this time because the resolution of the Subsidiary Plans has not yet been addressed by Delphi or Treasury, and because the incremental recovery from terminating the Subsidiary Plans would not be meaningful relative to the HRP and SRP.

Upon Delphi's Chapter 11 filing, the Company chose to only pay the "normal cost" portion of its ERISA minimum contributions. During 2008, facing a languishing bankruptcy, limited access to capital markets, and a looming DIP expiration, the Company took extra measures to conserve its cash, including not making any pension contributions, including "normal cost."

However, with respect to the HRP, as a result of a combination of events, including expired minimum funding waivers and the first tranche (effective September 29, 2008) of the 414(l) transfer of the HRP to the GM Hourly Plan, there are no liens. Statutory liens (412(n) and 430(k)) have arisen only on the SRP and three Subsidiary Plans (\$ in millions)<sup>13</sup>:

Pension Plan	Lien Amount
SRP	\$ 165.5
Subsidiary Plans	\$ 9.2
<b>Total Liens</b>	<b>\$ 174.7</b>

Delphi missed additional contributions on April 15, 2009. The Forms 200 for these missed contributions are not due until April 25, 2009. Once received, DISC will calculate new lien amounts, and OCC will perfect new liens against Delphi's non-debtor controlled group members.

<sup>12</sup> See Pension Information Profile prepared by DISC actuaries.

<sup>13</sup> See 412(n) Lien Calculation as of January 15, 2009.

7/31/2009 02:17:47 PM

Controlled Group

Delphi is a global company with operations in dozens of countries<sup>14</sup>. The U.S. entities are substantially all operating under Chapter 11 protection, while the foreign-based controlled group members are substantially all operating outside of Chapter 11 protection. PBGC has perfected statutory liens for missed minimum contributions against the non-debtor entities.

DISC, in conjunction with its outside financial advisors, has performed a preliminary controlled group analysis. As noted below (see Financial Analysis—Long-Run Loss), nearly all the value of the consolidated enterprise (debtor and non-debtor) is concentrated in the foreign, non-debtor controlled group members.

A corporate organization chart, providing the ownership structure, is attached to this memo as an exhibit<sup>15</sup>.

Financial Analysis

The following table includes select financial operating results for Delphi, which includes its consolidated debtor and non-debtor subsidiaries.

**Select Financial Operating Statistics—Consolidated**

(\$ in millions)	2006	2007	2008
Revenues			
GM & Affiliates	\$ 9,344	\$ 8,301	\$ 5,525
Other Customers	13,393	13,982	12,535
Total Net Sales	22,737	22,283	18,060
Operating Income (Loss)	(4,542)	(1,945)	(1,481)
Net Income (Loss)	(5,464)	(3,065)	3,037

Source: 2008 10-K

The table depicts a number of operating trends:

- Delphi's decreased reliance on revenues from GM, accelerated by GM's continued lost market share and the particularly poor sales results in the U.S. in 2008.
- Significant operating losses in each of the past three years, each of which Delphi (U.S.) spent in bankruptcy.
- In 2008, net income is attributable to a \$5.3 billion gain from the September 2008 operating settlement with GM, where GM agreed to take, among other things, Delphi Retiree Healthcare Liabilities and the first tranche of the HRP 414(I).
- In 2006, the significantly larger operating and net losses were attributable to costs associated with attrition programs designed to reduce headcounts of U.S. hourly workers.

<sup>14</sup> See p. 3 of 2008 10-K.

<sup>15</sup> See Corporate organization chart dated June 30, 2008.

7/31/2009/02:17:47 PM

**Long-Run Loss Analysis—Valuation<sup>16</sup>**

PBGC’s financial advisor, Greenhill, prepared a valuation report on Delphi, based on information provided by the Company, including detailed trial balances and the latest business plan (“RPOR January 2009”). Greenhill also participated in substantial due diligence sessions with the Company’s management regarding the operations and the RPOR January 2009 business plan.

The Greenhill report provides implied enterprise values for Delphi based on four data points:

1. 2008 Actual EBITDA
2. 2009 Projected EBITDA
3. 2010 Projected EBITDA
4. Precedent Transactions over the Past 12 Months

The table below provides a summary of the valuation ranges Greenhill computed based on each of the data points, and provides a conservative quantification of PBGC’s economic loss should the value attributable to the non-debtor foreign controlled group members (rest of world or “ROW” in the table) leave the controlled group through a DIP foreclosure.

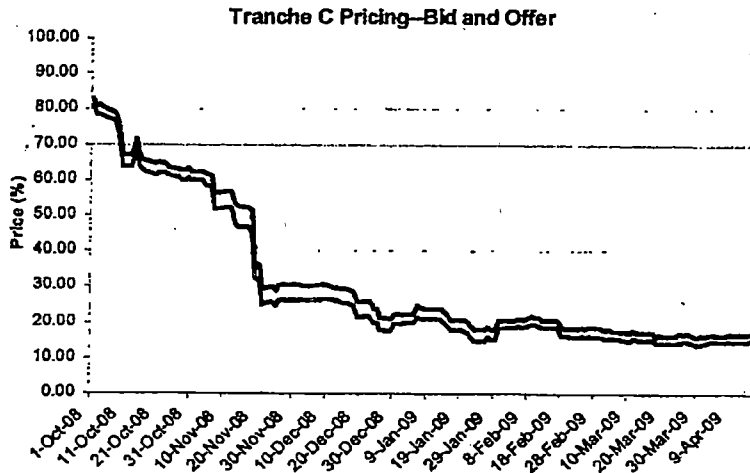
Data Point	Consolidated Range of Values (\$ in millions)			Value Attributable to ROW	Conservative Range of PBGC Long- Run Loss
	Low	Mid	High		
2008 Actual EBITDAR	\$ 561	\$ 659	\$ 756	100%	\$ 561
2009 Projected EBITDAR	\$ 1,188	\$ 1,386	\$ 1,584	100%	1,188
2010 Projected EBITDAR	\$ 2,123	\$ 2,831	\$ 3,538	64%	1,358
Precedent Transaction Analysis	\$ 1,134	\$ 1,409	\$ 1,683	100%	1,134

According to Greenhill’s analysis, most (if not all) of Delphi’s value is attributable to non-debtor entities. Creditors of the Delphi estate do not have claims against the assets of the overseas entities. While the collateral for the DIP loans includes 100% of the stock of Delphi’s first-tier foreign subsidiaries, the claims associated with this collateral are arguably junior to the claims PBGC would have to the *assets* of the non-debtor controlled group members through PBGC’s ability through ERISA to recover from all controlled group members on a joint and several basis.

The range of values in Greenhill’s analysis is supported by the market, where each tranche of the DIP facilities is trading for less than 100 cents on the dollar. The \$2.75 billion Tranche C term loan, for instance, with collateral junior in priority to the Tranche A and B (with approximately \$800 million outstanding), has been trading for less than 20 cents since February 2009, indicating that the market believes this debt will only recover about \$500 million of the face amount.

<sup>16</sup> See detailed valuation report dated April 16, 2009, prepared by Greenhill.  
Page 8 of 10

7/31/2009/02:17:47 PM



Delphi's emergence objectives include providing recoveries to the Tranche C in currency other than cash (i.e. new common stock)<sup>17</sup>, indicating that some component of the DIP lenders, even in a consensual plan of reorganization, will own substantially all of the equity in a reorganized Delphi where the pension plans have either been transferred to GM or terminated and trusted by the PBGC.

ERISA § 4042

The Plans are underfunded on a termination basis. The magnitude of underfunding is significant, and the funded ratio (assets-to-benefit liabilities) is poor (48% and 46% for the HRP and SRP, respectively). The only meaningful recovery for the Plans is against the value of the non-debtor foreign controlled group members. The looming deadline of April 24, 2009, in the latest DIP accommodation agreement presents a significant risk to PBGC's recoveries, since the DIP lenders, in addition to having security interests in substantially all the debtors' hard assets in the U.S., also have, as collateral, 100% of the stock of the first-tier foreign subsidiaries. DISC and OCC are concerned that a foreclosure may constitute a controlled group break-up if the DIP lenders take title to the stock or transfer title to a third party. According to Greenhill, PBGC's financial advisor, most (if not all) of Delphi's value is concentrated in the non-debtor controlled group members. Therefore, DISC recommends PBGC seek to terminate the Plans under ERISA § 4042(a)(4).

As discussed above, Delphi has stated that it will not be able to maintain the SRP and HRP under any circumstances. Moreover, if the DIP lenders foreclose, and Delphi is effectively liquidated, the Plans risk abandonment. Therefore, DISC recommends PBGC seek to terminate the SRP under ERISA § 4042(a)(2).

<sup>17</sup> See p. 45 of "Joint Meeting of the Delphi Statutory Committees" presentation dated March 12, 2009.  
Page 9 of 10

7/31/2009/02:17:47 PM

In addition, by missing its \$61 million catch-up contribution due on June 15, 2008, Delphi failed to meet the minimum-funding standard for the 2005 plan year with respect to the SRP.

Therefore, DISC recommends PBGC seek to terminate the SRP under ERISA § 4042(a)(1).


DISC believes that terminating the Plans prior to the April 24, 2009, deadline in the DIP accommodation agreement will allow PBGC to maximize its recoveries in the case. Therefore, DISC recommends that PBGC seek to terminate the Plans on or before April 23, 2009.

*Date of Plan Termination*

DISC recommends a DOPT as soon as practicable upon issuance of the Notice of Determination ("NOD") and, if possible, concurrent with publication of the NOD in order to extinguish participants' reasonable expectations that the Plans will continue. A DOPT no later than April 23, 2009, would minimize the unreasonable risk of long-term loss with respect to the Plans that PBGC faces from the looming DIP lender foreclosure.

Confidential - Material Non-Public Information  
 DIP Steering Committee - Agent-Level Information

## Major Amended GSA/MRA Issues

Original GM Position	Original Delphi Position	Current Status: Resolution/Open Issues
<b>Intellectual Property</b>		
GM to own IP and grant license to Delphi	Delphi to own IP and grant license to GM	<p><b>Resolved:</b> Delphi to own IP and grant GM license to GM with rights to sublicense selected IP for GM products</p> <p><b>Open Issues:</b> (i) Ability of GM to use Delphi IP on parts not built in UAW Sites and (ii) sunset date for ROLR (which applies before GM can sublicense IP to Delphi competitor)</p>
 GM not to assume pension liability unless terms of Amended MRA met	GM to assume HRP and SRP	<b>Open Issue:</b> Pension unresolved (see slide 9 below)
<b>Salaried Employees</b>		
GM to have sole discretion on who to hire and does not pay severance	GM to have sole discretion on who to hire but must pay severance to those not hired	<p><b>Resolved:</b></p> <ul style="list-style-type: none"> <li>-GM has sole discretion on who to hire and will not pay severance</li> <li>-Severance costs to be addressed through purchase price.</li> </ul>

Confidential - Material Non-Public Information  
DIP Steering Committee - Agent-Level Information

# Pension

①  
②

## Hourly and Salaried Pension Plans: Likely Outcomes

Preferred

### GM

Consensual Agreement  
By GM To Assume  
Delphi's Hourly And  
Salaried Pension  
Assets And Liabilities

### PBGC

Negotiated Termination:  
- Resolution of GM benefit guaranty  
- Resolution of GM follow-on plan issues  
- Release of PBGC asserted liens on non-U.S. assets

\* Note: Delphi-Initiated "distressed termination" assumed not feasible due to timing issues

①  
②

3

3 13

7/31/2009/02:17:47 PM

412(n) Lien Calculation as of January 15, 2009

Delphi Retirement Program for Salaried Employees  
After contributions reallocated to plan year beginning 10/1/2006.  
Valuation Interest Rate = 8.5%

Date	Description	Unpaid Required Payment Amounts	8.50% Interest to 01/15/09	Unpaid Required Payments with Interest
1/1/07	Contribution to Plan	(\$31,827,000)	(\$5,682,435)	(\$37,509,435)
1/15/07	1st Quarterly Contribution for 2006 Plan Year	\$64,142,000	\$11,384,445	\$75,526,445
4/12/07	Contribution to Plan	(\$32,282,000)	(\$4,997,672)	(\$37,279,672)
4/15/07	2nd Quarterly Contribution for 2006 Plan Year	\$64,142,000	\$9,880,362	\$74,022,362
7/1/07	Contribution to Plan	(\$30,225,000)	(\$3,984,116)	(\$34,209,116)
7/15/07	3rd Quarterly Contribution for 2006 Plan Year	\$64,142,000	\$8,390,020	\$72,532,020
10/1/07	Contribution to Plan	(\$30,643,000)	(\$3,333,340)	(\$33,976,340)
10/15/07	4th Quarterly Contribution for 2006 Plan Year	\$64,142,000	\$6,913,801	\$71,055,801
1/1/08	Contribution to Plan	(\$27,114,000)	(\$2,317,843)	(\$29,431,843)
1/15/08	1st Quarterly Contribution for 2007 Plan Year	\$11,680,000	\$995,633	\$12,675,633
4/1/08	Contribution to Plan	(\$27,978,000)	(\$1,780,249)	(\$29,758,249)
4/15/08	2nd Quarterly Contribution for 2007 Plan Year	\$11,680,000	\$740,426	\$12,420,426
5/15/08	Contribution to Plan	(\$50,000,000)	(\$2,802,507)	(\$52,802,507)
6/15/08	Final Contribution for 2006 Plan Year	\$61,072,280	\$2,992,102	\$64,064,382
7/15/08	3rd Quarterly Contribution for 2007 Plan Year	\$11,680,000	\$490,357	\$12,170,357
10/15/08	4th Quarterly Contribution for 2007 Plan Year	\$11,680,000	\$242,658	\$11,922,658
1/15/09	1st Quarterly Contribution for 2008 Plan Year	\$14,081,000	\$0	\$14,081,000
		\$148,372,280	\$17,131,642	\$165,503,922

Calculations assume no contributions are made after May 15, 2009.

Determine Amount of Lien

(A) Total unpaid contributions with interest		\$165,503,922	
(B) Estimated Unfunded Benefit Liabilities		\$2,296,800,000	
(C) Total Lien Amount (lesser of A or B)		\$165,503,922	
(D) Balance of prior liens	Date Filed 10/15/08	Orig Amount \$245,896,897	Balance \$251,006,527
(E) New Lien Amount		\$0	

Susan P. Donahy 3/6/09  
Susan P. Donahy, EA

Cynthia Thoma 2/6/09  
Cynthia Thoma, ASA, EA

BEST COPY AVAILABLE



7/31/2009/02:17:47 PM

### 430(k) Lien Calculation as of 1/15/2009

Plan Name: ASEC Manufacturing Retirement program  
 Control Group Name: Delphi  
 EIN/PN: 731474201/002  
 Date of Lien Calculation: 01/15/2009  
 Plan Year: 1/1  
 First Missed Payment: 04/15/2007  
 UBL Amount: \$10,000,000  
 Date Completed by User: 02/06/2009

**A. Summary of Unpaid Contributions with Interest**

Date	Applicable Plan Year	Amount	Interest to 01/15/2009	Total as of 01/15/2009
<b>Required</b>				
04/15/2007	2007	\$ 563,414	\$ 84,159	\$ 647,573
07/15/2007	2007	\$ 563,414	\$ 71,486	\$ 634,900
09/15/2007	2006	\$ -	\$ -	\$ -
10/15/2007	2007	\$ 563,414	\$ 58,926	\$ 622,340
01/15/2008	2007	\$ 563,414	\$ 46,814	\$ 610,028
04/15/2008	2008	\$ 63,200	\$ 5,263	\$ 68,463
07/15/2008	2008	\$ 63,200	\$ 3,474	\$ 66,674
09/15/2008	2007	\$ 472,992	\$ 12,700	\$ 485,692
10/15/2008	2008	\$ 63,200	\$ 1,714	\$ 64,914
01/15/2009	2008	\$ 63,200	\$ -	\$ 63,200
<b>Paid</b>				
04/12/2007	2007	\$ (330,000)	\$ (49,540)	\$ (379,540)
07/11/2007	2007	\$ (330,000)	\$ (42,194)	\$ (372,194)
10/11/2007	2007	\$ (330,000)	\$ (34,831)	\$ (364,831)
01/17/2008	2007	\$ (330,000)	\$ (27,147)	\$ (357,147)
<b>Total Unpaid Contributions with Interest</b>				<b>\$ 1,790,072</b>

**B. Total Lien Amount as of 01/15/09 [Lesser of (A) or UBL Amount]** \$ 1,790,072

**C. Prior Perfected Liens with Interest**

Date	Amount Filed	Interest to 01/15/2009	Total as of 01/15/2009
<b>Total Balance of Prior Liens</b>			
			<b>\$ 0</b>

**D. New Lien Amount as of 01/15/09 [B-C; not<\$0]** \$ 1,790,072

**E. User Comments**

Required contribution amounts and actual payment information provided by plan's actuary.  
 9/15/2008 required amount determined by PBGC.

Completed by Susan P. Donahay Date 02/06/2009  
 Reviewed by Cynthia Travia Date 2/6/09

7/31/2009/02:17:47 PM

### 430(k) Lien Calculation as of 1/15/2009

Plan Name: Packard-Hughes Interconnect Bargaining Retirement Plan  
 Control Group Name: Delphi  
 EIN/PN: 330595219/002  
 Date of Lien Calculation: 01/15/2009  
 Plan Year: 1/1  
 First Missed Payment: 04/15/2007  
 UBL Amount: \$10,000,000  
 Date Completed by User: 02/09/2009

**A. Summary of Unpaid Contributions with Interest**

Date	Applicable Plan Year	Amount	Interest to 01/15/2009	Total as of 01/15/2009
<b>Required</b>				
04/15/2007	2007	\$ 269,365	\$ 41,493	\$ 310,858
07/15/2007	2007	\$ 269,365	\$ 35,234	\$ 304,599
09/15/2007	2006	\$ -	\$ -	\$ -
10/15/2007	2007	\$ 269,365	\$ 29,035	\$ 298,400
01/15/2008	2007	\$ 269,365	\$ 22,961	\$ 292,326
04/15/2008	2008	\$ 239,505	\$ 19,609	\$ 259,114
07/15/2008	2008	\$ 239,505	\$ 12,949	\$ 252,454
09/15/2008	2007	\$ 280,914	\$ 7,785	\$ 288,679
10/15/2008	2008	\$ 239,505	\$ 6,389	\$ 245,894
01/15/2009	2008	\$ 239,505	\$ -	\$ 239,505
<b>Paid</b>				
10/11/2007	2007	\$ (6,235)	\$ (678)	\$ (6,913)
01/14/2008	2007	\$ (84,431)	\$ (7,218)	\$ (91,649)
04/14/2008	2007	\$ (81,428)	\$ (5,181)	\$ (86,609)
07/14/2008	2007	\$ (82,585)	\$ (3,486)	\$ (86,071)
<b>Total Unpaid Contributions with Interest</b>				<b>\$ 2,220,587</b>

**B. Total Lien Amount as of 01/15/09 [Lesser of (A) or UBL Amount]** \$ 2,220,587

**C. Prior Perfected Liens with Interest**

Date	Amount Filed	Interest to 01/15/2009	Total as of 01/15/2009
07/15/2007	\$ 1,671,232	\$ 173,355	\$ 1,844,587
<b>Total Balance of Prior Liens</b>			<b>\$ 1,844,587</b>

**D. New Lien Amount as of 01/15/09 [B-C; not < \$0]** \$ 376,000

**E. User Comments**

*Susan P. Donahay* \_\_\_\_\_ Date: 02/09/2009  
 Completed by Susan P. Donahay, EA  
 \_\_\_\_\_ Date: 2/9/09  
*Cynthia Travia* \_\_\_\_\_ Date: \_\_\_\_\_  
 Reviewed by Cynthia Travia, ASA, EA

7/31/2009 02:17:47 PM

### 430(k) Lien Calculation as of 1/15/2009

Plan Name: Packard-Hughes Interconnect Non-Bargaining Retirement Plan  
 Control Group Name: Delphi  
 EIN/PIN: 33-0595219001  
 Date of Lien Calculation: 01/15/2009  
 Plan Year: 1/1  
 First Missed Payment: 04/15/2007  
 UBL Amount: \$10,000,000  
 Date Completed by User: 02/09/2009

**A. Summary of Unpaid Contributions with Interest**

Date	Applicable Plan Year	Amount	Interest to 01/15/2009	Total as of 01/15/2009
<i>Required</i>				
04/15/2007	2007	\$ 758,102	\$ 116,777	\$ 874,879
07/15/2007	2007	\$ 758,102	\$ 99,163	\$ 857,265
09/15/2007	2006	\$ -	\$ -	\$ -
10/15/2007	2007	\$ 758,102	\$ 81,715	\$ 839,817
01/15/2008	2007	\$ 758,102	\$ 64,623	\$ 822,725
04/15/2008	2008	\$ 459,379	\$ 37,915	\$ 497,294
07/15/2008	2008	\$ 459,379	\$ 25,034	\$ 484,413
09/15/2008	2007	\$ 779,245	\$ 21,541	\$ 800,786
10/15/2008	2008	\$ 459,379	\$ 12,351	\$ 471,730
01/15/2009	2008	\$ 459,379	\$ -	\$ 459,379
<i>Paid</i>				
10/11/2007	2007	\$ (146,398)	\$ (15,925)	\$ (162,323)
01/14/2008	2007	\$ (251,243)	\$ (21,478)	\$ (272,721)
04/14/2008	2007	\$ (218,161)	\$ (13,882)	\$ (232,043)
07/14/2008	2007	\$ (221,261)	\$ (9,341)	\$ (230,602)
<b>Total Unpaid Contributions with Interest</b>				<b>\$ 5,210,599</b>


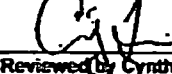
**B. Total Lien Amount as of 01/15/09 [Lesser of (A) or UBL Amount]**      \$ 5,210,599

**C. Prior Perfected Liens with Interest**

Date	Amount Filed	Interest to 01/15/2009	Total as of 01/15/2009
07/15/2006	\$ 1,294,045	\$ 257,006	\$ 1,551,051
10/15/2006	\$ 644,152	\$ 112,219	\$ 756,371
01/15/2007	\$ 692,072	\$ 104,028	\$ 796,100
07/15/2007	\$ 1,829,015	\$ 191,511	\$ 2,020,526
<b>Total Balance of Prior Liens</b>			<b>\$ 5,124,048</b>

**D. New Lien Amount as of 01/15/09 [B-C; not<30]**      \$ 86,551

**E. User Comments**

  
 Completed by Susan P. Dornsbey, EA      02/09/2009  
 Date  
  
 Reviewed by Cynthia Travia, ASA, EA      2/9/09  
 Date

4

4

Table of Contents

7/31/2009/02:17:47 PM

Delphi's organizational structure and management reporting support the management of these core product lines. Our current product offerings are organized in the following five operating segments: Electronics and Safety, Powertrain Systems, Electrical/Electronic Architecture, Thermal Systems, as well as the Automotive Holdings Group. Our operating segment product offerings and principal competitors as of December 31, 2008 are described below. Refer to Note 22, Segment Reporting to the consolidated financial statements and Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations in this Annual Report for additional financial information regarding each operating sector. In addition to these five operating segments, we have product sales in the automotive aftermarket, including diesel and original equipment service, consumer electronics and the medical device industry which are reported in the Corporate and Other segment and we have steering and halfshaft product sales and interiors and closures product sales which are reported in discontinued operations.

Below is a summary of financial information related to each of our segments followed by a description of our segment product offerings and principal competitors.

	Electronics and Safety	Powertrain Systems	Electrical/ Electronic Architecture	Thermal Systems	Automotive Holdings Group	Corporate and Other	Total
(in millions)							
<b>2008:</b>							
Net sales	\$ 4,048	\$ 4,470	\$ 5,649	\$ 2,121	\$ 1,348	\$ 424	\$ 18,060
Operating (loss)							
Income	\$ (654)	\$ (130)	\$ (361)	\$ (18)	\$ (68)	\$ (286)	\$ (1,481)
OIBDAR	\$ (70)	\$ 120	\$ 96	\$ 39	\$ 44	\$ 40	\$ 269
<b>2007:</b>							
Net sales	\$ 5,035	\$ 5,663	\$ 5,968	\$ 2,412	\$ 2,946	\$ 259	\$ 22,283
Operating income							
(loss)	\$ (63)	\$ (276)	\$ (36)	\$ (29)	\$ (393)	\$ (1,274)	\$ (1,945)
OIBDAR	\$ 439	\$ 125	\$ 329	\$ 84	\$ 73	\$ (319)	\$ 731
<b>2006:</b>							
Net sales	\$ 5,093	\$ 5,565	\$ 5,365	\$ 2,607	\$ 3,638	\$ 469	\$ 22,737
Operating income							
(loss)	\$ (183)	\$ (428)	\$ (110)	\$ (170)	\$ (488)	\$ (3,834)	\$ (4,542)
OIBDAR	\$ 489	\$ 234	\$ 154	\$ (6)	\$ (121)	\$ (864)	\$ (114)

Corporate and Other, which includes the Product and Service Solutions business which is comprised of independent aftermarket, diesel aftermarket, original equipment service, consumer electronics and medical systems, in addition to the expenses of corporate administration, other expenses and income of a non-operating or strategic nature, and the elimination of inter-segment transactions.

Management believes segment operating income before depreciation, amortization, transformation and rationalization charges and discontinued operations ("OIBDAR") is a meaningful measure of performance and it is used by management and our Board of Directors to analyze Company and stand-alone segment operating performance. Segment OIBDAR should not be used as a substitute for results prepared in accordance with U.S. GAAP and should not be considered as an alternative to operating income, which is the most directly comparable financial measure to OIBDAR that is in accordance with U.S. GAAP. Segment OIBDAR, as determined and measured by Delphi, should also not be compared to similarly titled measures reported by other companies. Refer to Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations by Segment in this Annual Report for further details, including a reconciliation to U.S. GAAP operating income (loss).

Continuing Operations

**Electronics and Safety.** This segment offers a wide range of electronic and safety equipment in the areas of controls, security, entertainment, communications, safety systems and power electronics.

- Controls and security products primarily consist of body computers, security systems, displays and mechatronics (interior switches, integrated center panel, gear shift sensors).

5

5

Table of Contents

meaningful protection for Delphi's products and technical innovations. Similarly, while our trademarks are important to identify Delphi's position in the industry, and we have obtained certain licenses to use intellectual property owned by others, we do not believe that any of these are individually material to our business. We are actively pursuing marketing opportunities to commercialize and license our technology to both automotive and non-automotive industries. This leveraging activity is expected to further enhance the value of our intellectual property portfolio.

**Materials**

The principal raw materials we use to manufacture our products include aluminum, copper, resins, and steel. We have not experienced any significant shortages of raw materials and normally do not carry inventories of such raw materials in excess of those reasonably required to meet our production and shipping schedules.

For the past three years, we were challenged by commodity cost increases, most notably copper, aluminum, petroleum-based resin products, steel and steel scrap, and fuel charges. We are continually seeking to manage these and other material related cost pressures using a combination of strategies, including working with our suppliers to mitigate costs, seeking alternative product designs and material specifications, combining our purchase requirements with our customers and/or suppliers, changing suppliers, hedging of certain commodities and other means. In the case of copper, which primarily affects the Electrical/Electronic Architecture segment, contract escalation clauses have enabled us to pass on some of the price increases to our customers and thereby partially offset the impact of increased commodity costs on operating income for the related products. However, despite our efforts, surcharges and other cost increases, particularly when necessary to ensure the continued financial viability of a key supplier, had the effect of reducing our earnings. We anticipate that an increase in the number of financially volatile key suppliers is likely to continue into the future. We will continue and increase our efforts to pass market-driven commodity cost increases to our customers in an effort to mitigate all or some of the adverse earnings impacts incurred on quoted customer programs. At the end of the third quarter and throughout the fourth quarter of 2008, and into early 2009, the market price of certain commodities, including copper and oil prices, declined significantly and may foreshadow lower cost petroleum-based resin products and lower fuel charges in the future; however prices remain extremely volatile, complicating hedging strategies and other efforts to plan and manage such costs. Our overall success in passing commodity cost increases on to our customers has been limited. As contracts with our customers expire, we will seek to renegotiate terms in order to recover the actual commodity costs we are incurring.

**Employees-Union Representation**

As of December 31, 2008, we employed approximately 146,600 people (18,900 in the U.S., and 127,700 outside of the U.S.); approximately 32,700 salaried employees and approximately 113,900 hourly employees. On a comparable basis, as of December 31, 2007, we employed approximately 169,500 people (28,400 in the U.S., and 141,100 outside of the U.S.): approximately 36,100 salaried employees and approximately 133,400 hourly employees. Our unionized employees are represented worldwide by approximately 50 unions, including the International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America ("UAW"), the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers-Communication Workers of America ("IUE-CWA"), the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union and its Local Union 87L (together, the "USW"), and Confederacion De Trabajadores Mexicanos ("CTM"). As of December 31, 2008 and 2007, approximately 8,800 and 14,200 hourly employees were represented by the UAW, approximately 1,300 and 2,000 by the IUE-CWA and approximately 300 and 500 by the USW and other unions, respectively.

In 2006, the Court entered orders authorizing Delphi to enter into an attrition program and supplemental attrition program with GM and the UAW (the "UAW Attrition Programs"), which offered, among other things, certain eligible Delphi U.S. hourly employees represented by the UAW normal and early voluntary retirements and incentives. Also in 2006, Delphi, GM, and the IUE-CWA reached agreement on the terms of a special attrition program which mirrored in all material respects the UAW Attrition Programs (the "IUE-CWA Special

7/31/2009/02:17:47 PM

6

**DELPHI**

8

**news release**

Driving Tomorrow's Technology

7/31/2009/02:17:47

**CONTACT:** Delphi – Media Contacts  
Claudia Baucus – 248-813-2942  
Lindsey Williams – 248-813-2528  
Brad Jackson – 248-813-6873

**Delphi Corporation Files Voluntary Chapter 11 Business  
Reorganization Cases to Execute Transformation Plan  
And Address Legacy Issues and High-Cost Structure in the U.S.**

*Non-U.S. Subsidiaries Are Not Included in U.S. Filing and  
Are Not Subject to Court Supervision or Chapter 11 Process*

*Existing Global Management Team  
to Continue to Operate U.S. Businesses as Debtors-in-Possession  
and Non-U.S. Subsidiaries in the Ordinary Course of Business*

*Global Operations and Shipments to Customers  
Expected to Continue Without Interruption*

*Aggregate USD \$4.5 Billion Financing Includes Commitment for  
USD \$2 Billion in Debtor-in-Possession Financing and  
Adequate Protection Package for USD \$2.5 Billion Prepetition Facilities*

*DIP Financing and Cash on Hand of USD \$1.6 Billion  
Available to Support Delphi's Worldwide Operations*

**TROY, Mich. – October 8, 2005 –** Delphi Corporation (NYSE:DPH) today announced that in order to preserve the value of the company and complete its transformation plan designed to resolve Delphi's existing legacy issues and the resulting high cost of U.S. operations, Delphi and 38 of its domestic U.S. subsidiaries filed voluntary petitions for business reorganization under chapter 11 of the U.S. Bankruptcy Code on Saturday in New York City. Delphi's non-U.S. subsidiaries were not included in the filing, will continue their business operations without supervision from the U.S. courts and will not be subject to the chapter 11 requirements of the U.S. Bankruptcy Code. Delphi's global management team will continue to manage both the U.S. and



054448105100800000000010

7/31/2009 6:17:47 PM

global businesses. Delphi expects to complete its U.S.-based restructuring and emerge from chapter 11 business reorganization in early to mid-2007.

"Our global operations, both U.S. and non-U.S., will continue without interruption," said Robert S. "Steve" Miller, Delphi's chairman and CEO. "Our customers all over the world can be assured that we will continue to meet their scheduling, delivery and production needs in a timely manner. Throughout this reorganization of our U.S. businesses and beyond, we will be intensely focused on continuing to provide all of our customers with leading-edge technology, product development, superior engineering, outstanding quality products and services, and world-class customer support."

Delphi plans to finance its global operations going forward with USD \$4.5 billion in debt facilities plus additional committed and uncommitted financing lines and/or securitization facilities in Asia, Europe and the Americas. The financing includes USD \$2.5 billion borrowed from prepetition revolver and term loan facilities and a commitment for up to USD \$2 billion in senior secured debtor-in-possession (DIP) financing from a group of lenders led by JPMorgan Chase Bank and Citigroup Global Markets, Inc. The company plans to obtain approval of an adequate protection package for the benefit of its prepetition lenders as part of the Company's overall financing activities.

The proceeds of the DIP financing together with cash generated from daily operations and cash on hand will be used to fund post-petition operating expenses, including its supplier obligations and employee wages, salaries and benefits. The overall liquidity available to Delphi (including more than USD \$1 billion on hand outside the U.S., which Delphi does not plan to repatriate to fund U.S. operations) will support its global operations outside the U.S. and help ensure the continued adequacy of working capital throughout its global business units.

"We took this action because we are determined to achieve competitiveness for Delphi's core U.S. operations, and the key to accomplishing that goal is reducing these costs as soon as possible," said Miller. "We simply cannot afford to continue to be

7/31/2009/02:17:47 PM

encumbered by high legacy issues and burdensome restrictions under current labor agreements that impair our ability to compete. We must also realign our global product portfolio and manufacturing footprint to preserve our core businesses. This will require a substantial segment of our U.S. manufacturing operations to be divested, consolidated or wound-down through the chapter 11 process. We believe the chapter 11 process will provide the flexibility to address our legacy issues and allow us to take advantage of the fundamental strength of our businesses."

Miller said that Delphi has been engaged in constructive discussions with representatives of its major unions, but was unable to complete the necessary modifications to its collective bargaining agreements without assistance from General Motors Corporation or intervention of the U.S. courts. "Having been unable to resolve our U.S. legacy issues out of court," Miller said, "we determined it was in Delphi's best interest to address the U.S. cost-structure issues through the chapter 11 process *now* while our liquidity position is strong. We will be making a further proposal this month to each of our unions to transform our labor agreements to a competitive labor cost structure and to address non-profitable and non-strategic U.S. operations. In addition, we expect to address pension plans and health and retiree benefits to align them with competitive benchmarks in the industry and our transformation plan."

Delphi noted that its non-U.S. subsidiaries are generally competitive, cash flow positive and experiencing high growth opportunities. "One of our primary goals is to preserve and continue the strategic growth in non-U.S. operations while we address our U.S. cost structure issues through the chapter 11 process," said Miller.

Delphi filed more than 40 "first-day" motions along with its voluntary petitions covering Delphi's employees and business operations, post-petition DIP financing, continuing supplier relations, customer practices, certain executory contracts, taxes and related matters, utilities, retention of professionals and case administration matters. The company said it expects that the Bankruptcy Court will hold hearings on the first-day



7/31/2009/02:17:47 PM

motions following the Columbus Day holiday observed in the U.S. and, in the interim, will approve bridge orders granting interim relief with respect to employees and business operations, continuing vendor relations and customer practices pending the Court's consideration of first-day hearings. Delphi will issue a further press release this weekend regarding the Bankruptcy Court's consideration of Delphi's request for the entry of interim bridge orders and providing further information about its chapter 11 reorganization cases including the date, time and location of the hearing on Delphi's first day motions.

Among other matters, the relief anticipated from the Bankruptcy Court this weekend and at the first day hearings next week would permit the company to continue to pay wages, salaries and current benefits of U.S. hourly and salaried employees and certain retiree benefits without disruption and in the same manner as before the filing. Similar relief for employees in Delphi's subsidiaries outside the U.S. is not required because they will continue to be paid in the ordinary course of business without court supervision.

"The Board of Directors, the senior management team and I greatly appreciate the loyalty and support of our employees," said Miller. "Their dedication and hard work are critical to our success and integral to the future of Delphi."

Delphi also noted that the execution of its transformation plan through the chapter 11 process may give rise to the incurrence of additional prepetition claims as collective bargaining agreements, executory contracts, retiree health benefits and pension plans, and other liabilities of the company are addressed and resolved to maximize stakeholder value going forward. There is no assurance as to what values, if any, will be ascribed in the chapter 11 cases as to the value of Delphi's existing common stock and/or any other equity securities. Accordingly, the company urges that the appropriate caution be exercised with respect to existing and future investments in any of these securities as the value and prospects are highly speculative.

7/31/2009/02:17:47 PM

More information on Delphi's U.S. restructuring, including access to Court documents and other general information about the chapter 11 cases, is available at [www.delphidocket.com](http://www.delphidocket.com). Delphi has also set up two separate toll-free information lines: one for specific supplier inquiries, 866-688-8679 or 248-813-2601, and another for employees, customers, shareholders and other interested parties, 866-688-8740 or 248-813-2602.

For more information about Delphi and its operating subsidiaries, visit Delphi's Media Room at [www.delphi.com/media/](http://www.delphi.com/media/).

This press release as well as other statements made by Delphi may contain forward-looking statements within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, that reflect, when made, the Company's current views with respect to current events and financial performance. Such forward looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to the Company's operations and business environment which may cause the actual results of the Company to be materially different from any future results, express or implied, by such forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, the following: the ability of the Company to continue as a going concern; the ability of the Company to operate pursuant to the terms of the DIP facility; the Company's ability to obtain court approval with respect to motions in the chapter 11 proceeding prosecuted by it from time to time; the ability of the Company to develop, prosecute, confirm and consummate one or more plans of reorganization with respect to the chapter 11 cases; risks associated with third parties seeking and obtaining court approval to terminate or shorten the exclusivity period for the Company to propose and confirm one or more plans of reorganization, for the appointment of a chapter 11 trustee or to convert the cases to chapter 7 cases; the ability of the Company to obtain and maintain normal terms with vendors and service providers; the Company's ability to maintain contracts that are critical to its operations; the potential adverse impact of the chapter 11 cases on the Company's liquidity or results of operations; the ability of the Company to fund and execute its business plan; the ability of the Company to attract, motivate and/or retain key executives and associates; and the ability of the Company to attract and retain customers. Other risk factors are listed from time to time in the Company's SEC reports, including, but not limited to the quarterly report on Form 10-Q for the quarter ended June 30, 2005. Delphi disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Similarly, these and other factors, including the terms of any reorganization plan ultimately confirmed, can affect the value of the Company's various pre-petition liabilities, common stock and/or other equity securities. No assurance can be given as to what values, if any, will be ascribed in the bankruptcy proceedings to each of these constituencies. Accordingly, the Company urges that the appropriate caution be exercised with respect to existing and future investments in any of these liabilities and/or securities.

###

Confidential – Material Non-Public Information

# 2009 Emergence Update – Strategic Overview – Objectives

## De-lever Emergence Balance Sheet



- Secure \$1.5 billion of emergence funding through sale of UAW Keep Sites to GM, Settlement of Plan Investor Litigation, and/or Government Support. Emergence funding used to: repay DIP A/B (\$0.7 billion), plus:
  - Pay Admin/Transaction Costs (\$0.2 billion)
  - Provide Post-emergence cash (\$0.6 billion)
- DIP C is receives consideration other than cash (\$2.7 billion)
- Delphi terminates salaried OPEB (\$1.1 billion)
- Delphi transfers liability for hourly and salaried pension plans to GM in cooperation with U.S. Treasury Department (\$5.1 billion)
- Note: ELSA would increase emergence funding by an incremental \$0.5 billion to support hedging obligations, additional post-emergence cash, and anticipated final terms and conditions of amendments to the GSA and MRA

## Sufficient Post- Emergence Liquidity



- Confirmed Business Plan based upon reasonable assumptions, including as to global production volumes and commodity prices, that generates positive cash flow in each period
- \$2 billion in post-emergence liquidity, including at least \$700 million of operating cash on balance sheet, \$0.6 billion of excess cash on balance sheet and an unfunded global revolving credit facility (\$0.8 billion)

8

Exhibit 99(a)  
SUPPLEMENTAL SECOND AMENDMENT TO ACCOMMODATION AGREEMENT AND SECOND AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT, TERM LOAN AND GUARANTY AGREEMENT (this "Amendment") dated as of April 3, 2009, and effective as of the Effective Date (as hereinafter defined), among DELPHI CORPORATION, a Delaware corporation (the "Borrower"), a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code, and the subsidiaries of the Borrower signatory hereto (each a "Guarantor" and collectively the "Guarantors"), each of which Guarantors is a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code, the Lenders party hereto, and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders (in such capacity, the "Administrative Agent").

WITNESSETH:

WHEREAS, the Borrower, the Guarantors, the Lenders (or in the case of the Accommodation Agreement, certain Lenders), the Administrative Agent and Citicorp USA, Inc., as Syndication Agent, are parties to (a) that certain Amended and Restated Revolving Credit, Term Loan and Guaranty Agreement, dated as of May 9, 2008 (as the same has been and may be further amended, modified or supplemented from time to time, the "Credit Agreement") and (b) that certain Accommodation Agreement, dated as of December 12, 2008 (as the same has been amended on January 30, 2009 pursuant to the First Amendment thereto and on February 24, 2009 pursuant to the Supplemental Amendment thereto, and may be further amended, modified or supplemented from time to time, the "Accommodation Agreement"); unless otherwise specifically defined herein, each term used herein that is defined in the Accommodation Agreement has the meaning assigned to such term in the Accommodation Agreement;

WHEREAS, in recognition of the United States Treasury's desire for additional time to agree upon a timetable by which it will review and consider the Borrower's position in the automotive sector and various alternatives with respect to the Borrower's emergence from chapter 11, the Borrower and the Guarantors desire to modify the Accommodation Agreement as provided herein;

WHEREAS, the Borrower, the Guarantors and certain Participant Lenders entered into the Second Amendment to the Accommodation Agreement (the "Second Amendment"), effective as of March 31, 2009;

WHEREAS, on April 2, 2009, the Bankruptcy Court approved the Second Amendment, subject to certain further modifications to the terms set forth in the Second Amendment, and subject to requisite approval from the Lenders of such modifications;

WHEREAS, the Required First Priority Participant Lenders and the Required Total Participant Lenders have agreed, subject to the terms and conditions hereinafter set forth, to modify the Accommodation Agreement (including to modify the terms of the Second Amendment to reflect the modifications approved by the Bankruptcy Court on April 2, 2009) in response to the Borrower's request as set forth below;

WHEREAS, the Required Lenders have agreed, subject to the terms and conditions hereinafter set forth, to modify the Credit Agreement in response to the Borrower's request as set forth below;

7/31/2009/02:18:54 PM

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto hereby agree as follows:

**I. Amendments to Accommodation Agreement.** The Accommodation Agreement is hereby amended as follows:

(a) Section 1(b) of the Accommodation Agreement is hereby amended by adding the following definitions in alphabetical order to said Section 1(b):  
"Excess Cash Amount" shall mean, at any time, the amount of Borrowing Base Cash Collateral that the Borrower would otherwise be permitted to withdraw at such time from the Borrowing Base Cash Collateral Accounts pursuant to Section 3(e)(iii) without giving effect to clause (3) thereof.

"GM Transaction Termsheet" shall mean a detailed term sheet setting forth the terms of a global resolution of matters relating to GM's contribution to the resolution of the Borrower's Chapter 11 Cases, including, without limitation, all material transactions between the Borrower and GM relevant to such resolution.

"GM Transaction Termsheet Condition" shall be satisfied, if and only if, on or prior to April 17, 2009, the Borrower shall have (i) delivered to the Administrative Agent a GM Transaction Termsheet and (ii) certified in writing that such GM Transaction Termsheet has been agreed to among the Borrower, GM and the United States Treasury.

"Minimum Borrowing Base Cash Collateral Account Balance" shall mean \$160,000,000 through and including April 18, 2009 and \$140,000,000 from and after April 19, 2009; provided that the Minimum Borrowing Base Cash Collateral Account Balance shall mean \$47,000,000 from and after the date, if any, on which the Required First Priority Participant Lenders and the Required Total Participant Lenders shall have delivered to the Borrower a Satisfactory Termsheet Notice.

"OPEB Settlement Agreement" shall mean the agreement entered into among the Borrower, the Guarantors, the Delphi Salaried Retirees' Association (the "Association"), and the Committee of Eligible Salaried Retirees (the "Retirees' Committee") resolving the Association's and the Retirees' Committee's appeals of the Provisional Salaried OPEB Termination Order (Docket No. 16380) and the Final OPEB Termination Order (Docket No. 16448).

7/31/2009/82:18:54 PH

"Satisfactory Termsheet Notice" shall mean one or more notifications from the Required First Priority Participant Lenders and the Required Total Participant Lenders (or a notification from the Administrative Agent on behalf of the Required First Priority Participant Lenders and the Required Total Participant Lenders) to the Borrower within three (3) Business Days after satisfaction of the GM Transaction Termsheet Condition that the GM Transaction Termsheet is satisfactory.

"Supplemental Second Amendment to the Accommodation Agreement" shall mean the Supplemental Second Amendment to the Accommodation Agreement, dated as of April 3, 2009.

(b) Section 1(b) of the Accommodation Agreement is hereby further amended by (x) deleting the word "or" at the end of clause (ii) of the definition of "Accommodation Default", (y) replacing the period at the end of clause (iii) of such definition with ":", and (z) adding clauses (iv) through (v) to such definition to read as follows:

"(iv) the Administrative Agent shall have notified the Borrower in writing, within 10 Business Days after the filing with the Bankruptcy Court of a new Reorganization Plan or modifications to the Existing Reorganization Plan, that such new Reorganization Plan or modifications to the Existing Reorganization Plan is not satisfactory to the Required Lenders or the Required Total Participant Lenders; or

(v) the Borrower shall have (x) proceeded with the hearing before the Bankruptcy Court on the Borrower's Motion for Order Under 11 U.S.C. § 363 and Fed. R. Bankr. P. 6004 Authorizing and Approving Option Exercise Agreement with General Motors Corporation (Docket #16410) or (y) sold the steering business of the Global Entities, in either case without the prior written consent of the Required First Priority Participant Lenders and the Required Total Participant Lenders."

(c) The definition of "Accommodation Period" in Section 1(b) of the Accommodation Agreement is hereby amended by (w) deleting the proviso to clause (i), (x) deleting "and" at the end of clause (iii), (y) renumbering clause (iv) as clause (v) and (z) inserting the following clause (iv) after clause (iii):

"(iv) April 25, 2009, unless the Required First Priority Participant Lenders and the Required Total Participant Lenders shall have delivered to the Borrower a Satisfactory Termsheet Notification on or prior to April 24, 2009; and"

(d) Section 1(b) of the Accommodation Agreement is hereby further amended by deleting clause (ii) of the definition of "Borrower Liquidity Availability" and replacing it with the following: "(ii) the Excess Cash Amount at such time".

7/31/2009 02:18:54 PM

7/31/2009 02:18:54 PM

(e) Section 1(b) of the Accommodation Agreement is hereby further amended by deleting the definition of "GM-Delphi Agreement Amendment Second Condition".

(f) The definition of "Minimum Liquidity Amount" in Section 1(b) of the Accommodation Agreement is hereby amended and restated in its entirety to read as follows:

"Minimum Liquidity Amount" shall mean \$25,000,000."

(g) Section 1(b) of the Accommodation Agreement is hereby further amended by inserting the following proviso at the end of the definition of "Satisfactory Reorganization Plan":

"provided that, in no event shall a Reorganization Plan or modifications to the Existing Reorganization Plan become a Satisfactory Reorganization Plan until such ten (10) Business Day Period shall have expired without such a notification having been delivered".

(h) Section 2(b) of the Accommodation Agreement is hereby amended by replacing both references to "Accommodation Agreement" in the second sentence with "Accommodation Period".

(i) Section 3(e)(ii) of the Accommodation Agreement is hereby amended by adding at the end of the last sentence the following: "and the Required Total Participant Lenders".

(j) Section 3(e)(iii) of the Accommodation Agreement is hereby amended by (x) inserting, after the phrase "other than a Specified Default" in clause (2) of the first proviso, the following: "during the Accommodation Period", (y) replacing "and" with "." immediately prior to "(2)" and (z) adding, immediately prior to "and provided, further", the following: "and (3)(x) there shall be not less than the Minimum Borrowing Base Cash Collateral Account Balance remaining in the Borrowing Base Cash Collateral Accounts and (y) the Borrower shall have certified in writing to the Administrative Agent that funds are not otherwise available to pay current ordinary course of business operating expenses of the Borrower and its Subsidiaries (and for purposes hereof payments pursuant to the OPEB Settlement Agreement up to \$10,000,000 in the aggregate for all such payments are deemed to be current ordinary course of business operating expenses)".

(k) Section 3(e)(iv) of the Accommodation Agreement is hereby amended by (x) deleting the entire Section 3(e)(iv)(A), (y) deleting "and (B)" (for the avoidance of doubt not deleting the text following "and (B)"), and (z) inserting, after the phrase "other than a Specified Default" in clause (2), the following: "during the Accommodation Period".

(l) Section 3(e) is hereby amended by adding subsection (v) as follows:

7/31/2009/02:18:54 PM

"For the avoidance of doubt, the provisions of Sections 3(e)(iii) and (iv) and this Section 3(e)(v) shall continue to apply notwithstanding the termination of the Accommodation Period (and such sections shall not be amended, supplemented, waived or otherwise modified without the consent of the Required First Priority Participant Lenders and the Required Total Participant Lenders), and the Borrower shall not have access to the amounts on deposit in the Borrowing Base Cash Collateral Accounts and the Incremental Borrowing Base Cash Collateral Accounts except as provided in Sections 3(e)(iii) and (iv)."

(m) Section 3(m) of the Accommodation Agreement is hereby amended by amending and restating such subsection in its entirety to read as follows:

"The Borrower shall apply the aggregate amount held in all Incremental Borrowing Base Cash Collateral Accounts to the repayment of Obligations in accordance with Section 2.19(b) of the Credit Agreement:

(i) on April 20, 2009 unless, on or prior to April 17, 2009, the GM Transaction Termsheet Condition shall be satisfied, or

(ii) if such amount has not been previously applied to the repayment of Obligations pursuant to this Section 3(m), within one Business Day after the occurrence of the Automatic Accommodation Termination Default set forth in paragraph 5 of Schedule I hereof, or

(iii) if such amount has not been previously applied to the repayment of Obligations pursuant to this Section 3(m), within one Business Day after the Administrative Agent shall have notified the Borrower in writing, within 10 Business Days after the filing with the Bankruptcy Court of a new Reorganization Plan or modifications to the Existing Reorganization Plan, that such new Reorganization Plan or modifications to the Existing Reorganization Plan is not satisfactory to the Required Lenders or the Required Total Participant Lenders."

(n) Section 3(n)(i) of the Accommodation Agreement is hereby amended by deleting the phrase "with third parties in connection with the formulation of the Borrower's emergence capital structure" and replacing it with the following: "between the Borrower and/or its advisors with third parties in connection with the Borrower's emergence from Chapter 11 and/or material transactions or arrangements between the Borrower and GM and/or the Borrower and the United States Treasury"

(o) Schedule I of the Accommodation Agreement is hereby amended by adding the following paragraphs:



7/31/2009/02:18:54 PM

"4. The GM Transaction Termsheet Condition shall have failed to be satisfied on or prior to April 17, 2009.

5. The Required First Priority Participant Lenders or the Required Total Participant Lenders (or the Administrative Agent on behalf of the Required First Priority Participant Lenders or the Required Total Participant Lenders) shall have either (i) notified the Borrower within three (3) Business Days after delivery of the GM Transaction Termsheet that the GM Transaction Termsheet is not satisfactory or (ii) failed to deliver to the Borrower a Satisfactory Termsheet Notice within three (3) Business Days after delivery of the GM Transaction Termsheet."

(p) The second sentence of Section 3(g) of the Accommodation Agreement is hereby amended by inserting "in respect of interest accrued on or after April 1, 2009" immediately after "Tranche C Lenders".

**2. Amendments to the Credit Agreement.**

(a) The parties hereto hereby agree that upon their execution and delivery of this Amendment and subject to the other terms and conditions set forth herein, including the terms and conditions set forth in Section 4 hereof with respect to the effectiveness of this Amendment, (i) the Credit Agreement shall be amended as set forth herein and shall be binding upon all parties thereto, subject to the terms hereof and (ii) each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall, after the Effective Date, refer to such agreements as amended by this Amendment.

(b) Section 2.31 of the Credit Agreement is hereby amended by (w) inserting the phrase "(a) Except as set forth in clause (b) below of this Section 2.31, the" before the first sentence, (x) inserting the phrase "Except as set forth in clause (b) below of this Section 2.31, the" before the third sentence, (y) deleting "The" in the first and third sentences, and (z) inserting the following clause (b) at the end of Section 2.31 of the Credit Agreement:

"(b) On or prior to April 6, 2009, the Borrower shall apply the aggregate amount held in all Segregated Tranche C Interest Accounts to the repayment of Obligations in accordance with Section 2.19(b). For the avoidance of doubt, such application by the Borrower shall not affect (i) the Borrower's obligation to pay, and each Tranche C Lender's right to receive, interest on such Tranche C Lender's portion of the Tranche C Loans pursuant to Sections 2.08 and 2.09 hereunder (including unpaid interest accrued prior to such application), (ii) any Lender's right under this Section 2.31 with respect to any future funds deposited into any Segregated Tranche C Interest Account after April 6, 2009 and (iii) the Borrower's obligation to deposit funds into the Segregated

7/31/2009/02:18:54 PM

Tranche C Interest Accounts from time to time in accordance with the provisions of the Accommodation Agreement.”

3. **Representation and Warranty.** The Borrower and the Guarantors hereby represent and warrant that (i) all representations and warranties in the Accommodation Agreement, the Credit Agreement and the other Loan Documents are true and correct in all material respects on and as of the Effective Date except to the extent such representations and warranties expressly relate to an earlier date and (ii) after giving effect to the amendment set forth in Sections 1(f) and (m) above as if such amendment had been in effect on March 24, 2009, no Event of Default (other than a Specified Default) has occurred and is continuing on the date hereof.

4. **Conditions to Effectiveness.** This Amendment shall become effective on the date (the “Effective Date”) on which each of the following shall have occurred and the Administrative Agent shall have received evidence reasonably satisfactory to it of such occurrence:

(i) this Amendment shall have been executed by the Borrower, the Guarantors, the Required First Priority Participant Lenders, the Required Total Participant Lenders and the Required Lenders; and

(ii) immediately prior to the effectiveness of this Amendment, but after giving effect to the amendment set forth in Sections 1(f) and (m) above as if such amendment had been in effect on March 24, 2009, no Event of Default (other than a Specified Default) shall have occurred and be continuing.

5. **Conditions Subsequent.** This Amendment shall automatically be null and void and of no further force and effect on April 7, 2009 (the “First Termination Date”), unless prior to such date (I) the Bankruptcy Court shall have entered one or more orders reasonably satisfactory in form and substance to the Administrative Agent authorizing (A) this Amendment (it being understood and agreed by the parties hereto that such approval is not required for this Amendment to become effective, but will be sought by the Borrower solely for the avoidance of doubt), which authorization may be on an interim or a final basis, (B) the payment by the Borrower to the Administrative Agent of all fees referred to herein or in that certain Fee Letter (the “Fee Letter”) dated as of March 31, 2009, (C) the payment by the Borrower to any Lenders of all fees referred to in any separate side letters (the “Expense Side Letters”) and (D) the payment by the Borrower of the Amendment Fees (as defined below), and (II) the Borrower shall have paid (A) to the Administrative Agent all fees referred to herein or in the Fee Letter, (B) to each Participant Lender that has executed and delivered a signature page hereto to the Administrative Agent no later than 5:00 p.m. (New York City time) on April 3, 2009, an amendment fee in an amount equal to 25 basis points of the Tranche A Total Commitment Usage, Tranche B Loans and Tranche C Loans of each such Participant Lender as of the Effective Date (the “Amendment Fees”), (C) all invoiced expenses (including the fees and expenses of counsel to the Administrative Agent) of the Administrative Agent incurred in connection with the preparation, negotiation and execution of this Amendment and other matters relating to the Loan Documents in accordance with Section 10.05 of the Credit Agreement and (D) all invoiced expenses of the Lenders payable pursuant to any Expense Side Letters. Furthermore, this Amendment shall automatically be null and void and of no further force and effect on April 25, 2009 (the “Second Termination Date”), unless prior to such date (i) the order

7/31/2009/02:18:54 PM

or orders referred to in clause (i) of the immediately preceding sentence shall have been entered on a final basis (with only such changes to the interim order as are reasonably satisfactory in form and substance to the Administrative Agent), and (ii) the Borrower shall have paid (x) all invoiced expenses (including the fees and expenses of counsel to the Administrative Agent) of the Administrative Agent incurred in connection with the preparation, negotiation and execution of this Amendment and other matters relating to the Loan Documents in accordance with Section 10.05 of the Credit Agreement and (y) all invoiced expenses of the Lenders payable pursuant to any Expense Side Letters.

6. **Release.** To the fullest extent permitted by applicable law, in consideration of the Agents' and the execution of this Amendment by the Participant Lenders that executed and delivered this Amendment (together with any such Participant Lender's successors and assigns, the "Amendment Participant Lenders"), the Borrower and the Guarantors each, on behalf of itself and each of its successors and assigns (including, without limitation, any receiver or trustee, collectively, the "Releasers"), does hereby forever release, discharge and acquit the Agents, each Amendment Participant Lender and each of their respective parents, subsidiaries and affiliate corporations or partnerships, and their respective officers, directors, partners, trustees, shareholders, agents, attorneys and employees, and their respective successors, heirs and assigns, in the case of each of the foregoing solely in their capacities as such (collectively, the "Releaseses") of and from any and all claims, demands, liabilities, rights, responsibilities, disputes, causes of action (whether at law or equity), indebtedness and obligations (collectively, "Claims"), of every type, kind, nature, description or character, and irrespective of how, why or by reason of what facts, whether such Claims have heretofore arisen, are now existing or hereafter arise, or which could, might, or may be claimed to exist, of whatever kind or name, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, each as though fully set forth herein at length, which in any way arise out of, are connected with or in any way relate to actions or omissions which occurred on or prior to the date hereof with respect to the Obligations, this Amendment, the Accommodation Agreement, the Credit Agreement or any other Loan Document. This Section 6 shall survive (i) the expiration or termination of the Accommodation Period, of the Accommodation Agreement and of this Amendment (including due to the occurrence of the First Termination Date or the Second Termination Date) and (ii) the termination of the Credit Agreement, the payment in full of all Obligations and the termination of all Commitments.

7. **Miscellaneous.**

(a) The Amendment Participant Lenders hereby waive any defaults (including any Automatic Accommodation Termination Defaults or Accommodation Defaults) or Events of Default that may have occurred as a result of the failure of the Borrower to (i) apply the aggregate amount held in all Incremental-Borrowing Base Cash Collateral Accounts to the repayment of Obligations pursuant to Section 3(m)(i) of the Accommodation Agreement and (ii) maintain Borrower Liquidity Availability in an amount greater than the Minimum Liquidity Amount pursuant to Section 3(d) of the Accommodation Agreement, in each case as in effect immediately prior to giving effect to the amendments to the Accommodation Agreement set forth in Section 1 of this Amendment and Section 1 of the Second Amendment.

(b) Except to the extent hereby amended, each Loan Party hereby affirms that the terms of the other Loan Documents (i) secure, and shall continue to secure, and (ii)

7/31/2009/02:18:54 PM

guarantee, and shall continue to guarantee, in each case, the Obligations (as defined in the Credit Agreement) and acknowledges and agrees that each Loan Document is, and shall continue to be, in full force and effect and is hereby ratified and affirmed in all respects.

(c) The Borrower agrees that its obligations set forth in Section 10.05 of the Credit Agreement shall extend to the preparation, execution and delivery of this Amendment, including the reasonable fees and disbursements of special counsel to the Administrative Agent and the Arrangers.

(d) No Person other than the parties hereto and any other Lender, and, in the case of Section 6 hereof, the Releasees, shall have any rights hereunder or be entitled to rely on this Amendment, and all third-party beneficiary rights (other than the rights of the Releasees under Section 6 hereof and any other Lender) are hereby expressly disclaimed.

(e) The parties hereto hereby agree that Section 8 of the Credit Agreement shall apply to this Amendment and each other Loan Document and all actions taken or not taken by the Administrative Agent or any Lender contemplated hereby.

(f) Nothing in this Amendment shall be deemed, asserted or construed to impair or prejudice the rights of the Administrative Agent and the Lenders to appear and be heard on any issue, or to object to any relief sought, in the Bankruptcy Court, except to the extent that such actions would constitute a breach of the Administrative Agent's or any Participant Lender's obligations under the Accommodation Agreement.

(g) Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof, and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

(h) Section headings used herein are for convenience only and are not to affect the construction of or be taken into consideration in interpreting this Amendment.

(i) This Amendment may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. A facsimile or .pdf copy of a counterpart signature page shall serve as the functional equivalent of a manually executed copy for all purposes.

(j) THIS AMENDMENT SHALL IN ALL RESPECTS BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK AND (TO THE EXTENT APPLICABLE) THE BANKRUPTCY CODE.

(k) EACH OF THE BORROWER, THE GUARANTORS, THE AGENTS AND EACH LENDER HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AMENDMENT.  
[SIGNATURE PAGES TO FOLLOW]

## Delphi Corporation

## Pension Information Profile

	Delphi Hourly-Rate Employees Pension Plan 383430473/003	Delphi Retirement Program for Salaried Employees 383430473/001	ASEC Manufacturing Retirement Program 731474201/002	Delphi Mechatronic Systems Retirement Program 383589834/001	Packard-Hughes Interconnect Bargaining Retirement Plan 330585219/002	Packard-Hughes Interconnect Non-Bargaining Retirement Plan 330595219/001	Total of Underfunded Plans
EIN/PN							
Plan Frozen?	30-Nov-08	30-Sep-08	01-Oct-07	30-Sep-08	No	30-Sep-08	
Plan Terminated?	No	No	No	No	No	No	
Cash Balance Plan?	No	No	No	No	No	No	
<b>Part I -- Actuarial Information</b>							
Date of Bankruptcy Filing	08-Oct-05	08-Oct-05	08-Oct-05	08-Oct-05	08-Oct-06	08-Oct-05	08-Oct-05
PBGC Valuation Date	31-Jan-09	31-Jan-09	31-Jan-09	31-Jan-09	31-Jan-09	31-Jan-09	31-Jan-09
PBGC Interest Factors							
First 20 Years	6.02%	6.02%	6.02%	6.02%	6.02%	6.02%	6.02%
Thereafter	5.48%	5.48%	5.48%	5.48%	5.48%	5.48%	5.48%
Date Calculation Completed by DISC Actuaries	03-Mar-09	03-Apr-09	03-Mar-09	03-Mar-09	03-Mar-09	03-Mar-09	03-Mar-09
<b>Part II -- Underfunding Details (In millions)</b>							
Assets as of January 31, 2009 Projected to January 31, 2009	\$3,682.6	\$2,326.3	\$16.2	\$5.5	\$4.4	\$15.0	\$6,050.0
Estimated Unfunded Guaranteed Liability - UGL							
Retired	\$7,010.5	\$2,521.7	\$16.0	\$0.7	\$11.5	\$17.8	\$9,578.2
Terminated Vested	\$111.1	\$151.1	\$13.8	\$2.4	\$2.3	\$15.1	\$295.8
Active	\$279.8	\$1,789.9	\$0.0	\$4.1	\$0.8	\$5.8	\$2,080.4
Expenses	\$71.8	\$41.8	\$0.4	\$0.0	\$0.2	\$0.5	\$114.3
Total	\$7,473.0	\$4,504.3	\$30.2	\$7.2	\$14.8	\$39.2	\$12,068.7
UGL	\$3,790.4	\$2,178.0	\$14.0	\$1.7	\$10.4	\$24.2	\$6,018.7
Funded GL Ratio [Assets/Guaranteed Liabilities]	49%	52%	58%	76%	30%	38%	50%
Estimated Unfunded Benefit Liability - UBL							
Retired	\$7,010.5	\$2,521.7	\$16.0	\$0.7	\$11.5	\$17.8	\$9,578.2
Terminated Vested	\$138.5	\$160.7	\$13.8	\$2.4	\$2.3	\$15.1	\$332.8
Active	\$471.3	\$2,313.5	\$0.0	\$4.8	\$1.9	\$8.4	\$2,799.9
Expenses	\$73.6	\$48.6	\$0.4	\$0.0	\$0.2	\$0.6	\$121.6
Total	\$7,694.1	\$5,042.5	\$30.2	\$7.9	\$15.9	\$41.9	\$12,832.5
UBL	\$4,011.5	\$2,716.2	\$14.0	\$2.4	\$11.5	\$26.8	\$6,782.5
Funded BL Ratio [Assets/Benefit Liabilities]	48%	46%	58%	70%	28%	36%	47%
<b>Part III -- Number of Participants at Plan Valuation Date</b>							
Retired	27,577	7,412	108	5	80	231	35,413
Terminated Vested	5,148	2,585	425	62	70	1,007	9,297
Active	11,872	10,206	0	81	15	145	22,319
Total	44,597	20,203	533	148	165	1,383	67,029
<b>Part IV -- Unpaid Minimum Required Contributions (In dollars)</b>							
Unpaid Minimum Required Contributions have not been calculated.							

14

Table of Contents

**PART I  
DELPHI CORPORATION**

**ITEM 1. BUSINESS**

As further described below, Delphi Corporation (referred to as "Delphi," the "Company," "we," or "our") and certain of its United States ("U.S.") subsidiaries filed voluntary petitions for reorganization relief under chapter 11 of the U.S. Bankruptcy Code ("Bankruptcy Code") in the U.S. Bankruptcy Court for the Southern District of New York (the "Court") and are currently operating as "debtors-in-possession" under the jurisdiction of the Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Court. Delphi's non-U.S. subsidiaries were not included in the filings, continue their business operations without supervision from the Court and are not subject to the requirements of the Bankruptcy Code.

*Overview.* Delphi is a leading global supplier of mobile electronics and transportation systems, including powertrain, safety, thermal, controls and security systems, electrical/electronic architecture, and in-car entertainment technologies, engineered to meet and exceed the rigorous standards of the automotive industry. Delphi was incorporated in 1998 in contemplation of its separation from General Motors Corporation ("GM") in 1999 (the "Separation"). Technology developed and products manufactured by Delphi are changing the way drivers interact with their vehicles. Delphi is a leader in the breadth and depth of technology to help make cars and trucks smarter, safer and better. The Company supplies products to nearly every major global automotive original equipment manufacturer.

We have extensive technical expertise in a broad range of product lines and strong systems integration skills, which enable us to provide comprehensive, systems-based solutions to vehicle manufacturers ("VMs"). We have established an expansive global presence, with a network of manufacturing sites, technical centers, sales offices and joint ventures located in major regions of the world. We operate our business along the following reporting operating segments that are grouped on the basis of similar product, market and operating factors:

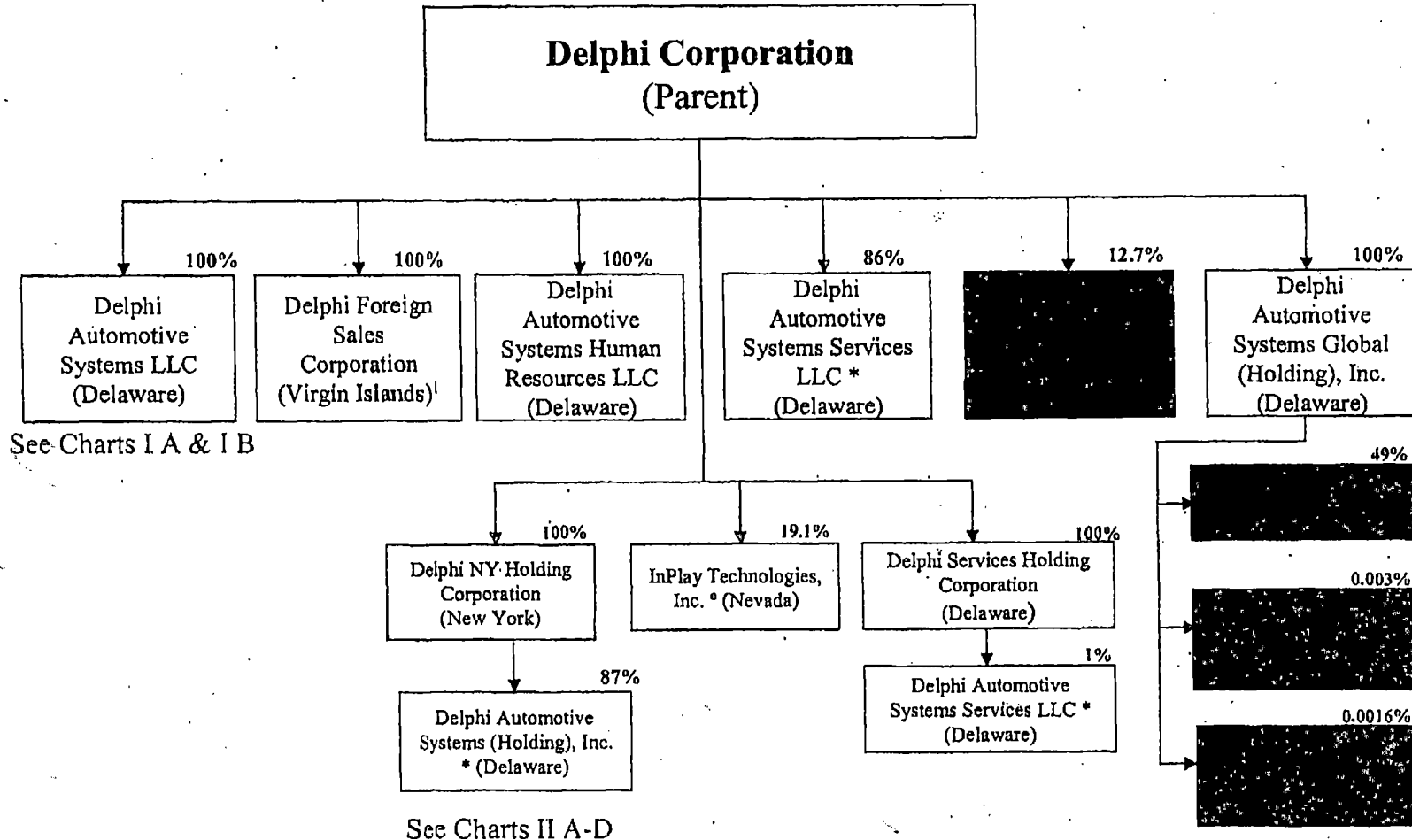
- Electronics and Safety, which includes audio, entertainment and communications, safety systems, body controls and security systems, displays, mechatronics and power electronics, as well as advanced development of software and silicon.
- Powertrain Systems, which includes extensive systems integration expertise in gasoline, diesel and fuel handling and full end-to-end systems including fuel injection, combustion, electronics controls, exhaust handling, and test and validation capabilities.
- Electrical/Electronic Architecture, which includes complete electrical architecture and component products.
- Thermal Systems, which includes Heating, Ventilating and Air Conditioning ("HVAC") systems, components for multiple transportation and other adjacent markets, and powertrain cooling and related technologies.
- Automotive Holdings Group, which includes non-core product lines and plant sites that do not fit Delphi's future strategic framework.
- Corporate and Other, which includes the Product and Service Solutions business, which is comprised of independent aftermarket, diesel aftermarket, original equipment service, consumer electronics and medical systems, in addition to the expenses of corporate administration, other expenses and income of a non-operating or strategic nature, and the elimination of inter-segment transactions.

We also have non-core steering and halfshaft product lines and interiors and closures product lines that are reported in discontinued operations for accounting purposes. Previously, the steering and halfshaft product line was a separate operating segment and the interiors and closures product line was part of our Automotive Holdings Group segment. Refer to Note 5. Discontinued Operations to the consolidated financial statements for more information.

7/31/2009/02:18:54 PM

Foreign entities for sale  
 Foreign entities not owned by DASHI  
 Non-Debtor / Debtor transactions<sup>2</sup>

Delphi Proprietary



See Charts I A & I B

See Charts II A-D

\* Indicates Owned by more than one Delphi company  
 ° Indicates Joint Venture  
<sup>1</sup> Assumed US  
<sup>2</sup> Each transaction is numbered to correspond to the transaction analysis and identify the foreign party

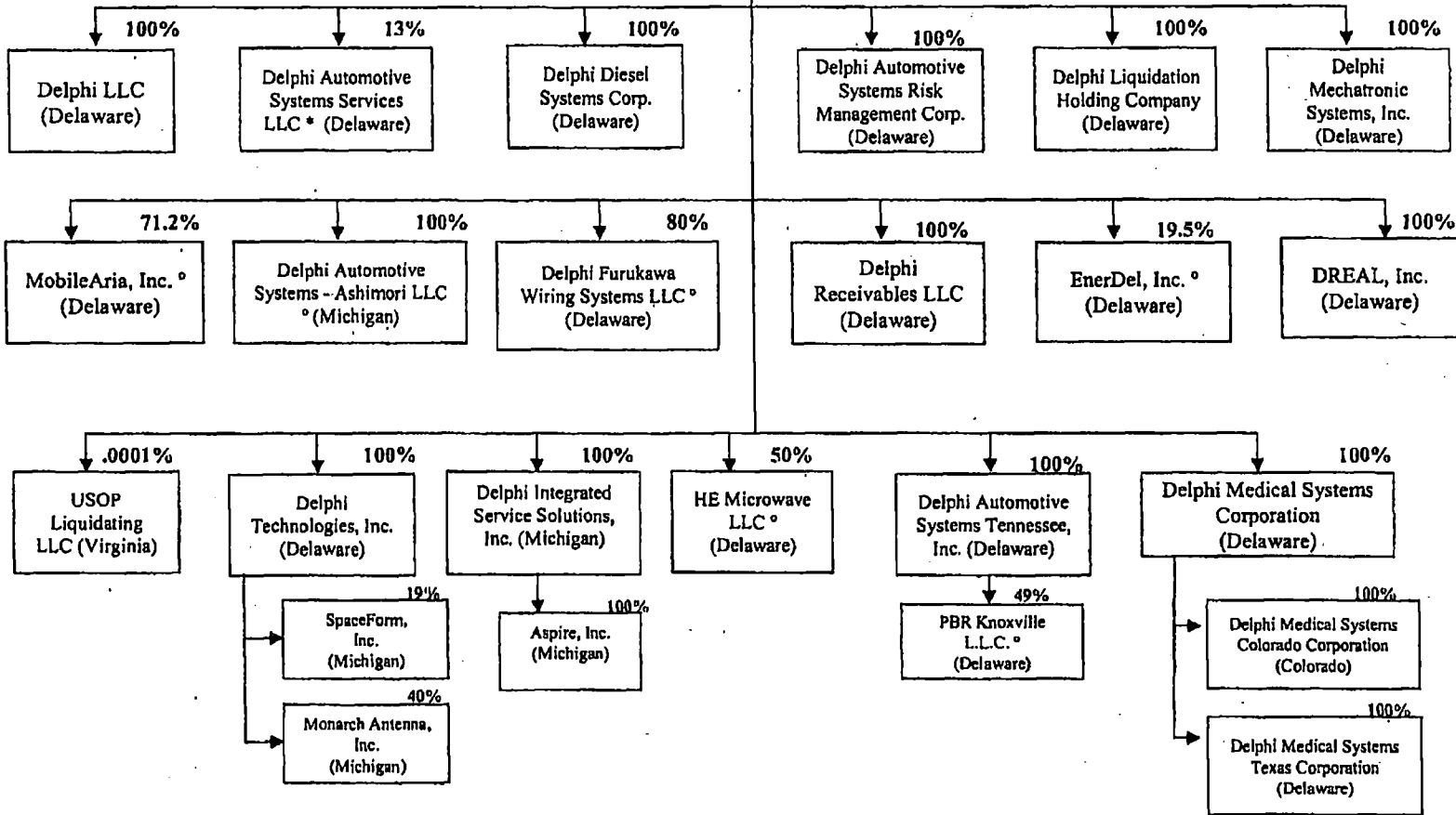
(21)

**Chart I A**

North America, with  
No Overseas Subsidiaries

**Delphi Automotive Systems LLC  
(Parent)**

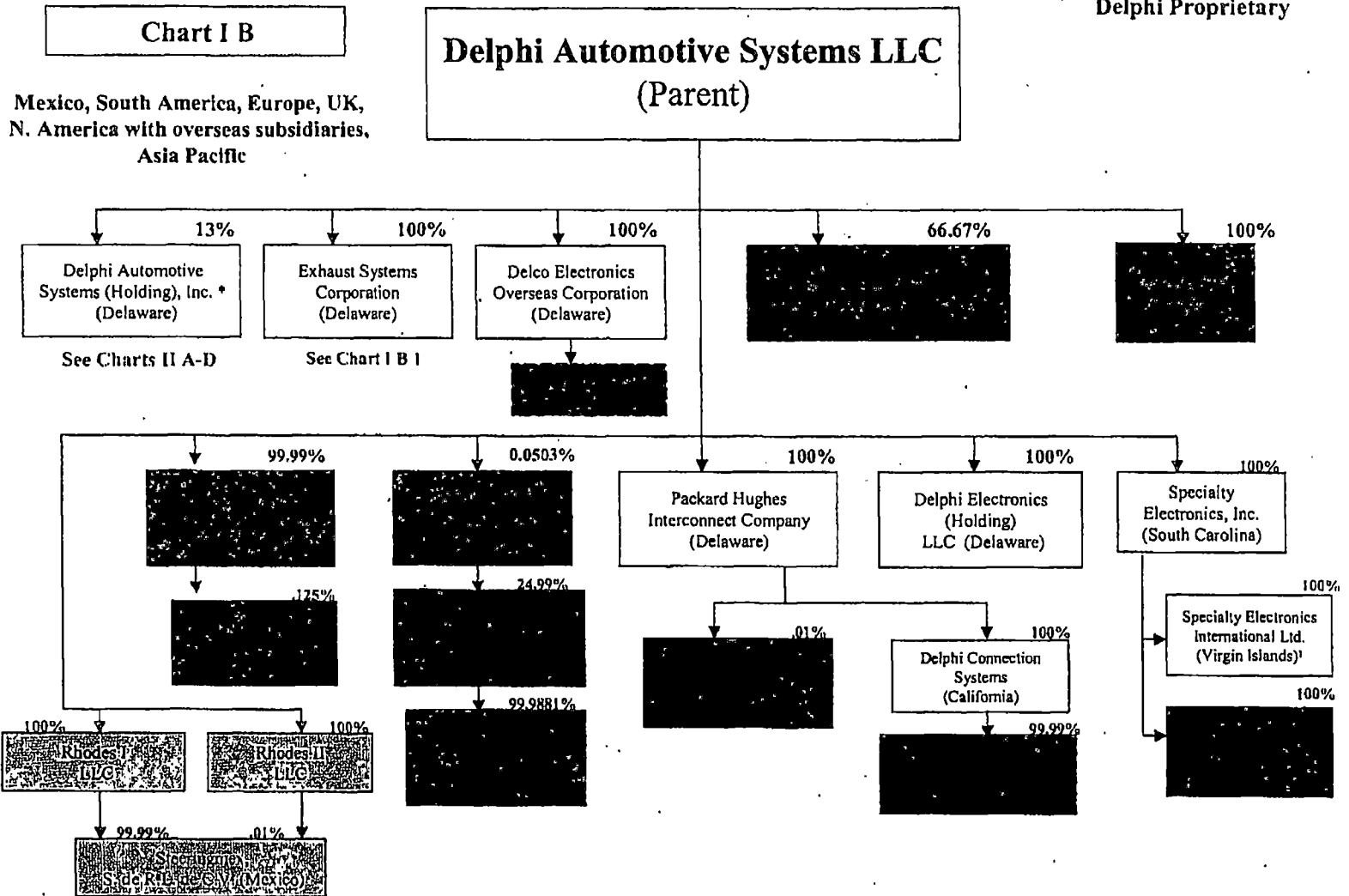
Delphi Proprietary



\* Indicates Owned by more than one Delphi company  
° Indicates Joint Venture

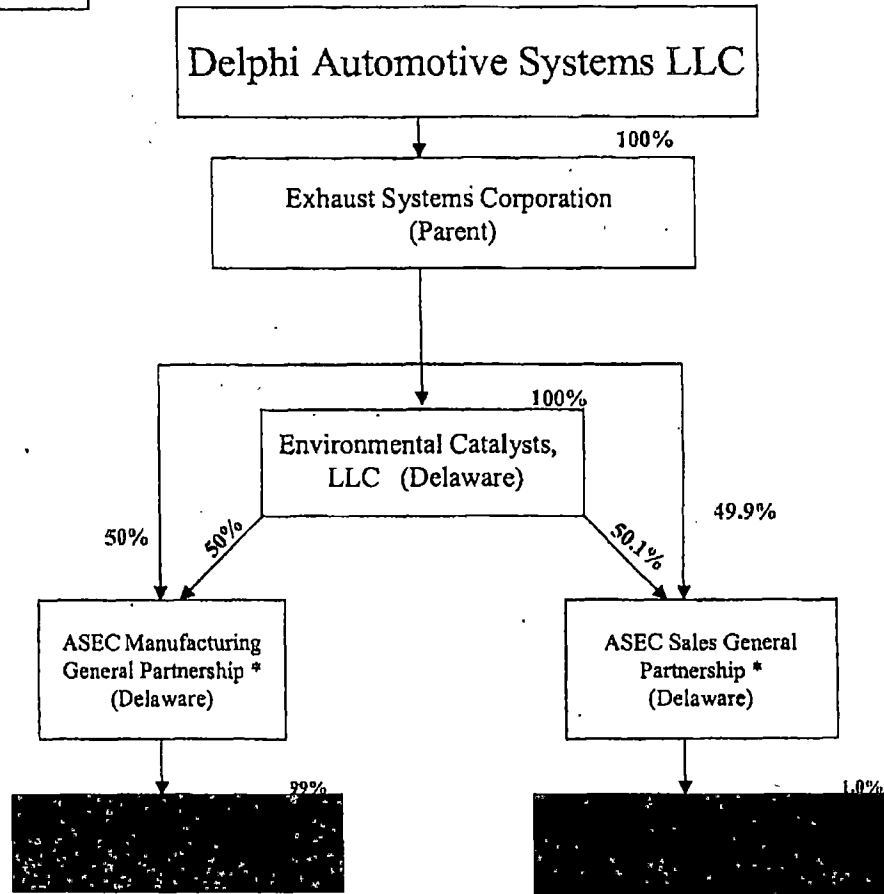


Delphi Proprietary



\* Indicates Owned by more than one Delphi company  
 ° Indicates Joint Venture  
 † Assumed US

Chart I B I



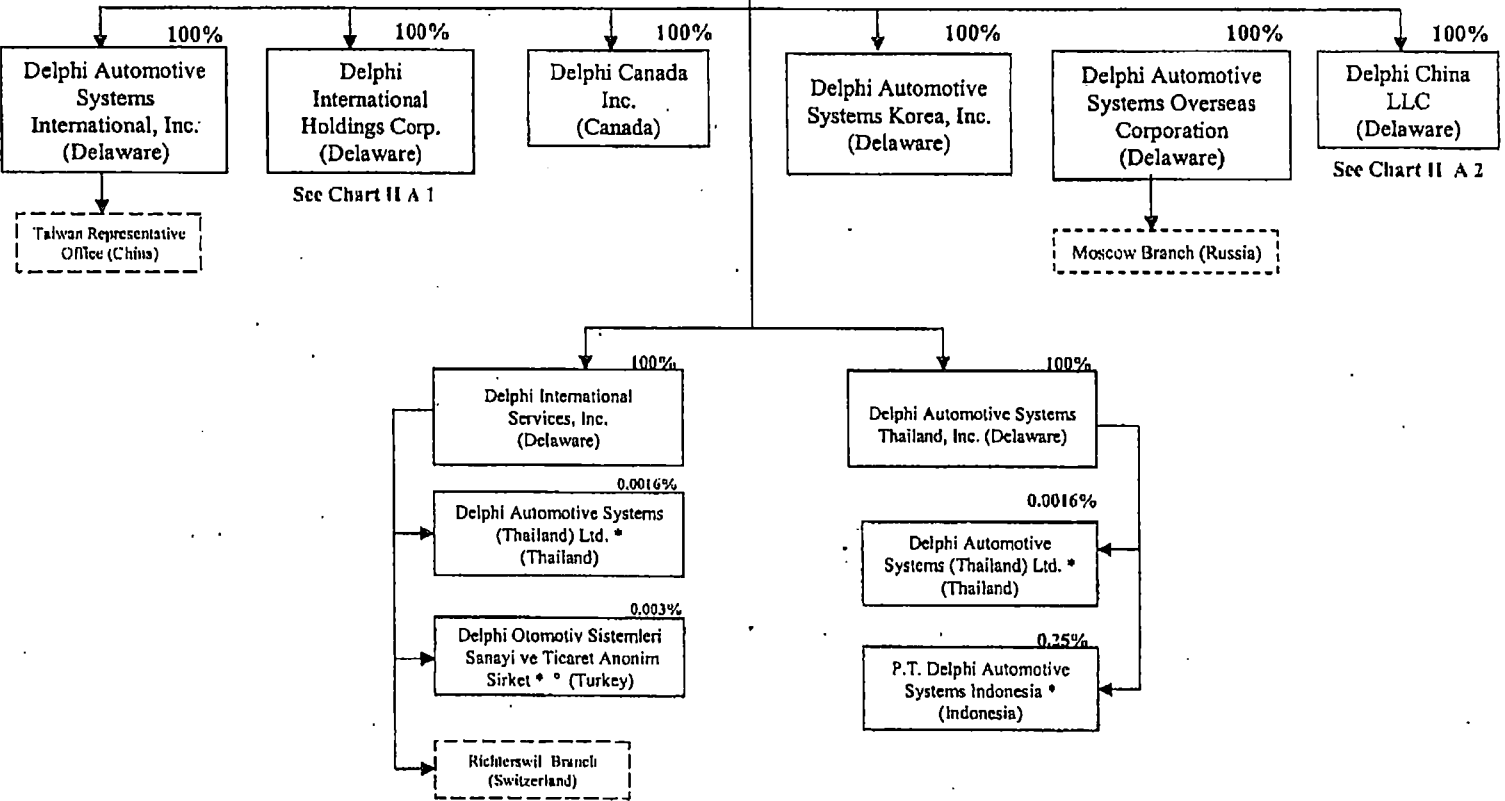
\* Indicates Owned by more than one Delphi company  
° Indicates Joint Venture

Delphi Proprietary

Chart II A

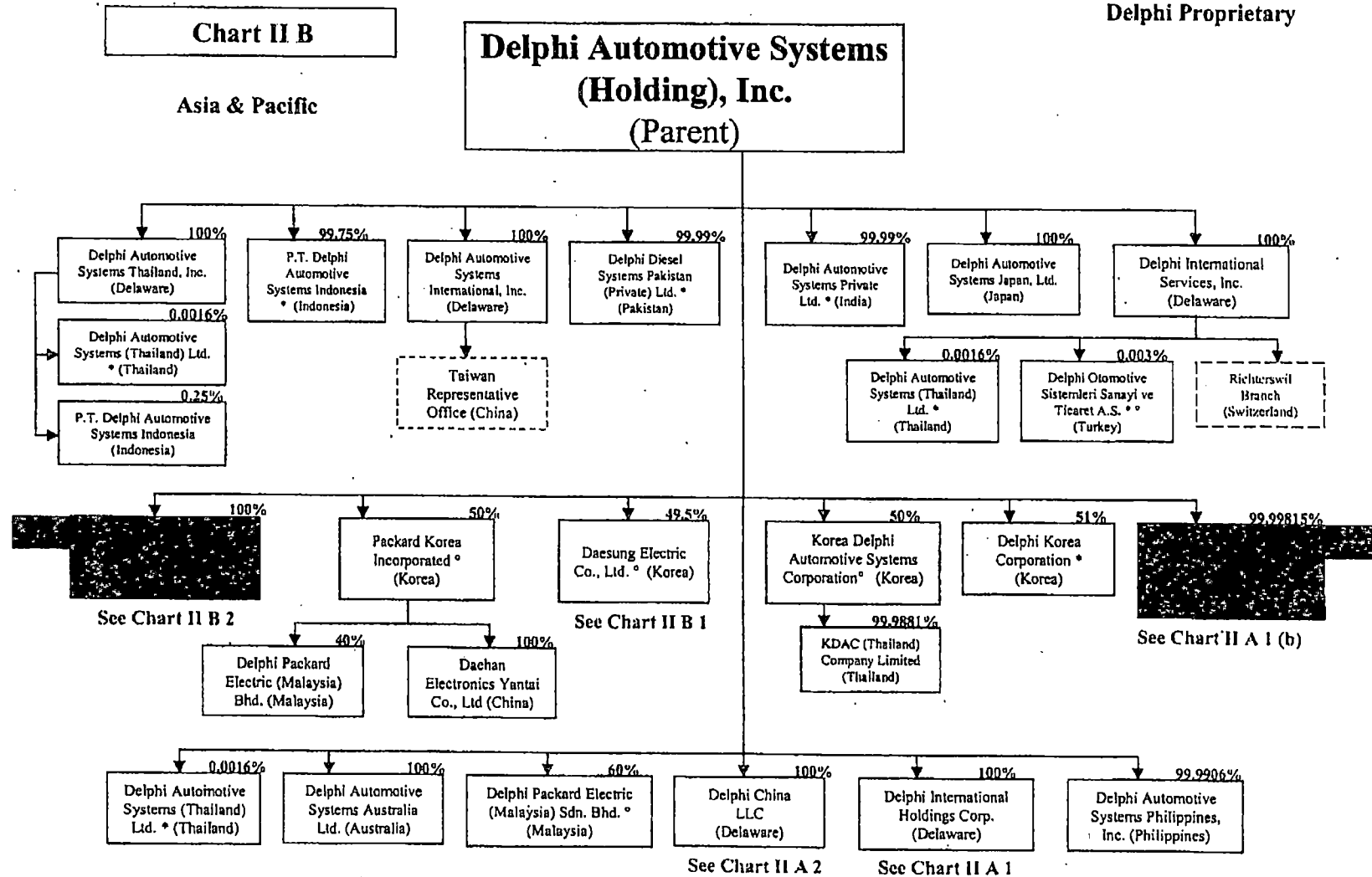
North America

Delphi Automotive Systems (Holding), Inc. (Parent)



\* Indicates Owned by more than one Delphi company  
° Indicates Joint Venture

Delphi Proprietary

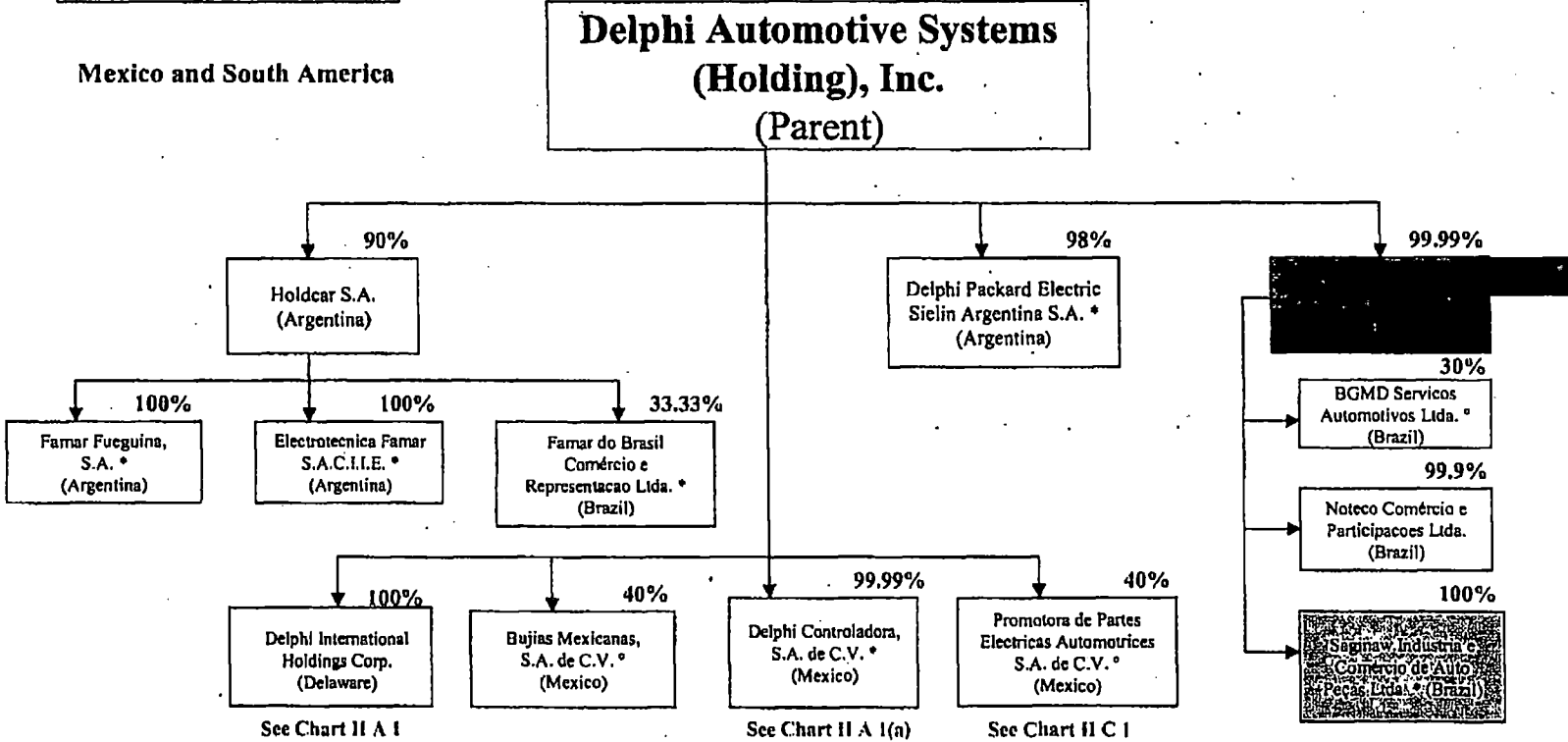


\* Indicates Owned by more than one Delphi company  
° Indicates Joint Venture

Delphi Proprietary

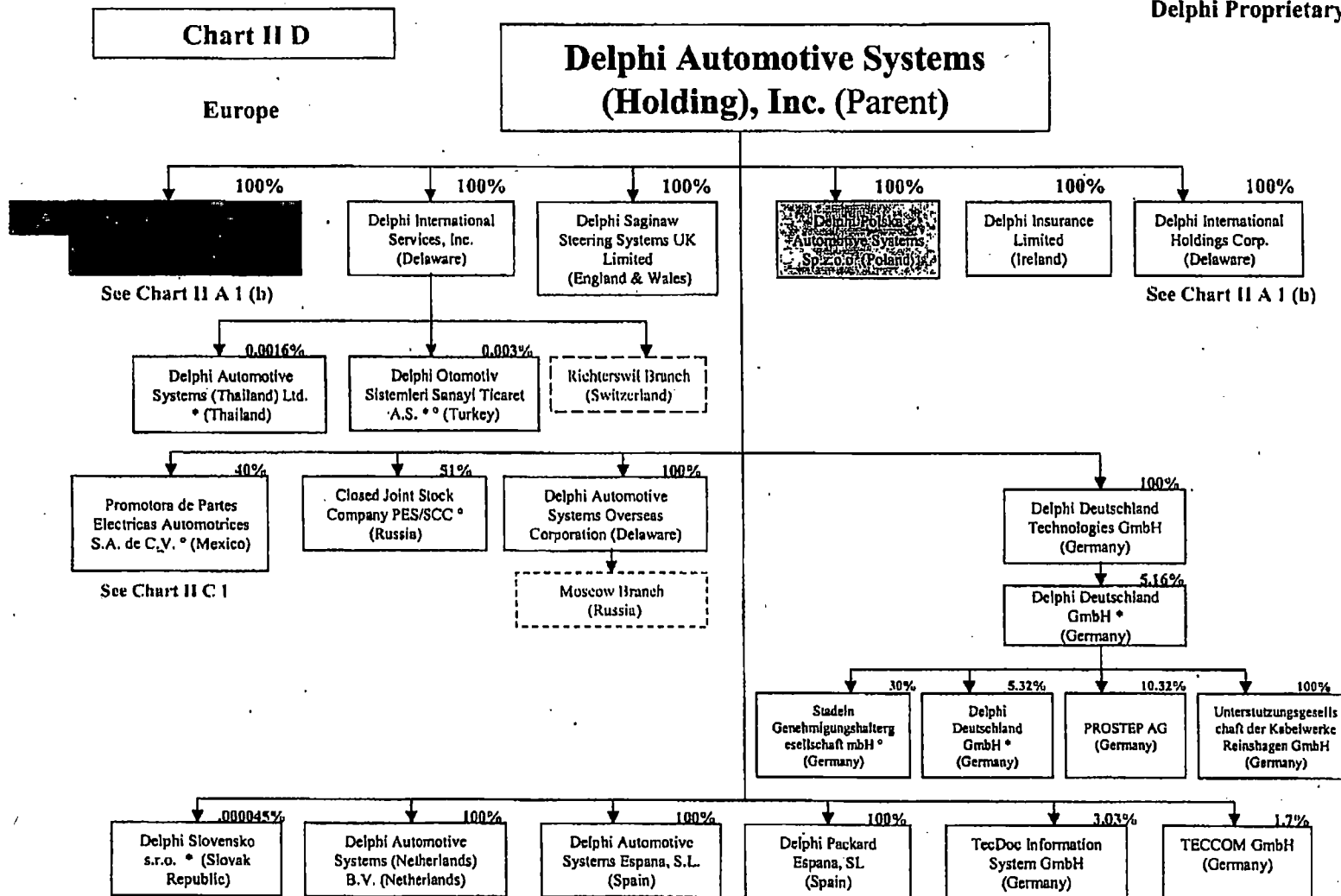
Chart II C

Mexico and South America



\* Indicates Owned by more than one Delphi company  
° Indicates Joint Venture

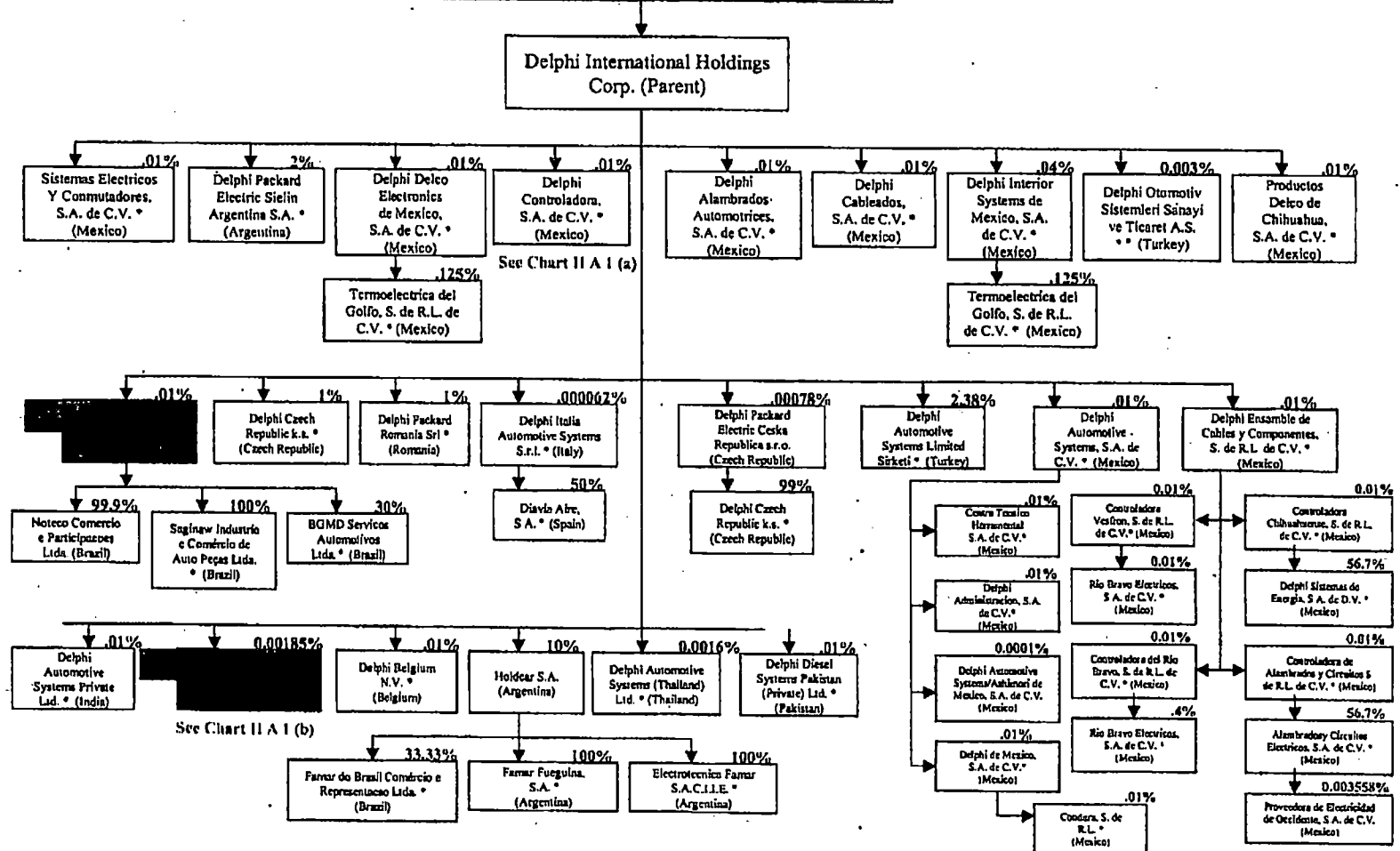
Delphi Proprietary



\* Indicates Owned by more than one Delphi company  
 ° Indicates Joint Venture

Chart II A 1

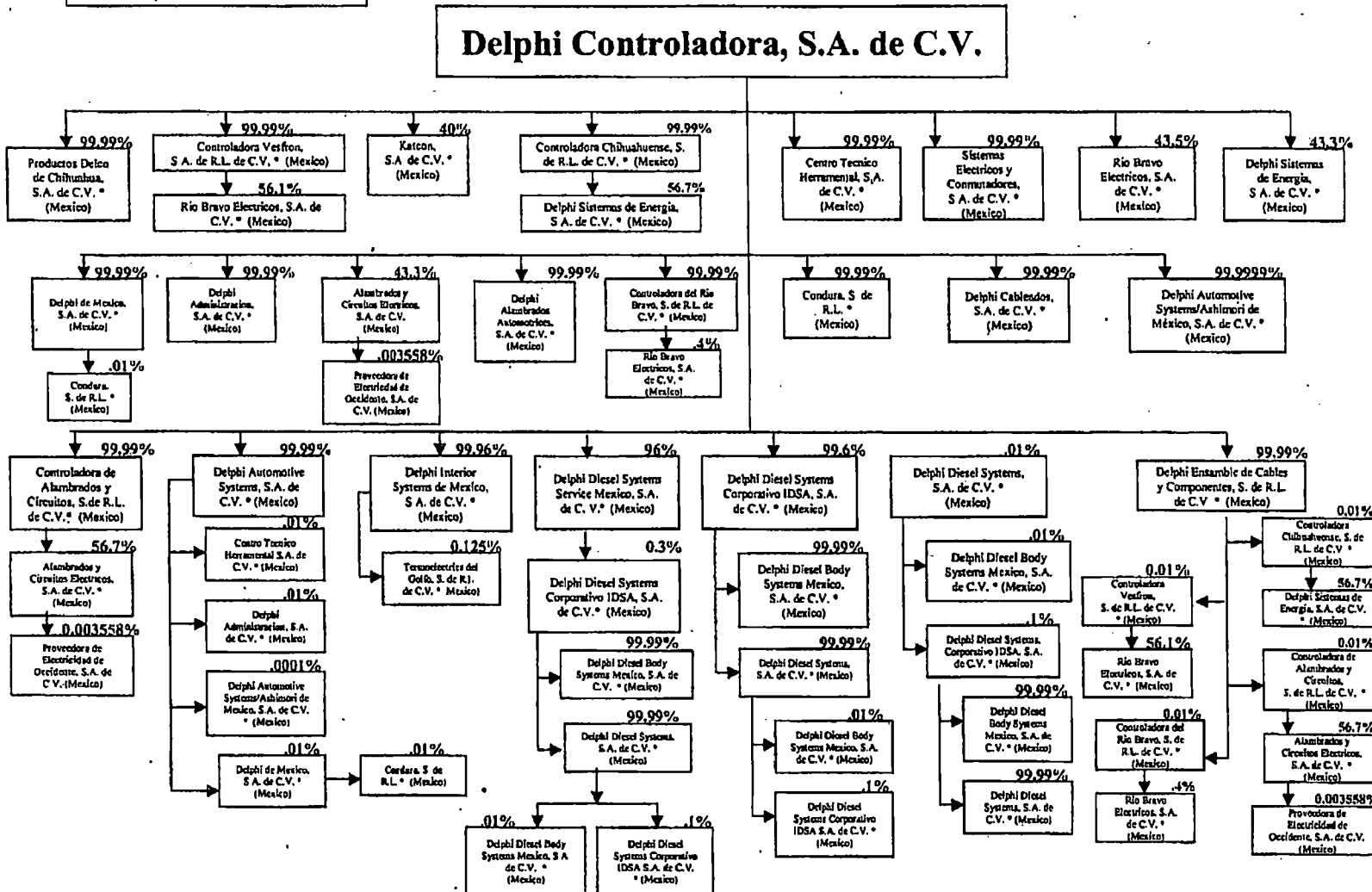
## Delphi Automotive Systems (Holding), Inc.



\* Indicates Owned by more than one Delphi company  
 ° Indicates Joint Venture

Delphi Proprietary

Chart II A 1 (a)

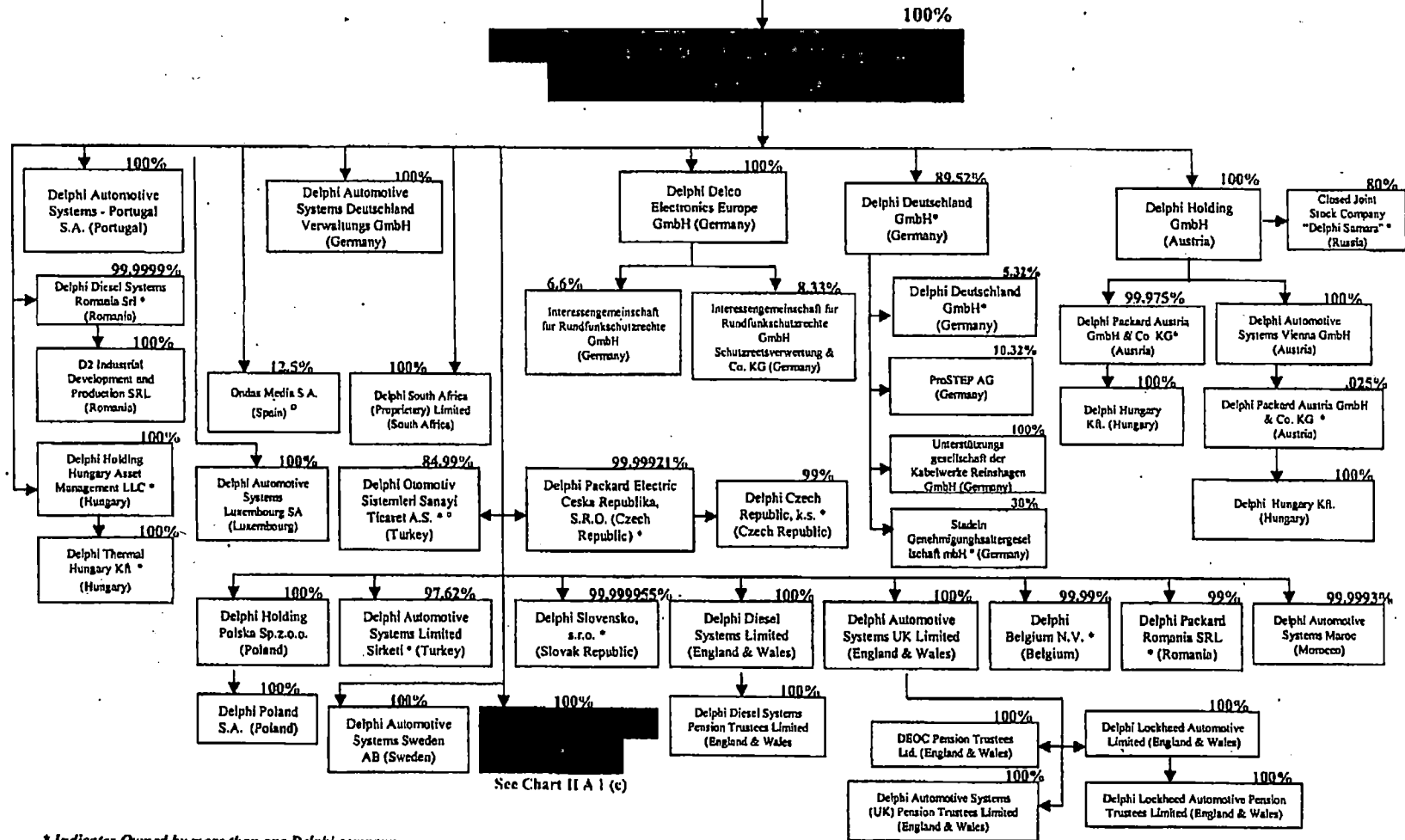


\* Indicates Owned by more than one Delphi company  
 ° Indicates Joint Venture



Delphi Proprietary

Chart II A 1 (b)

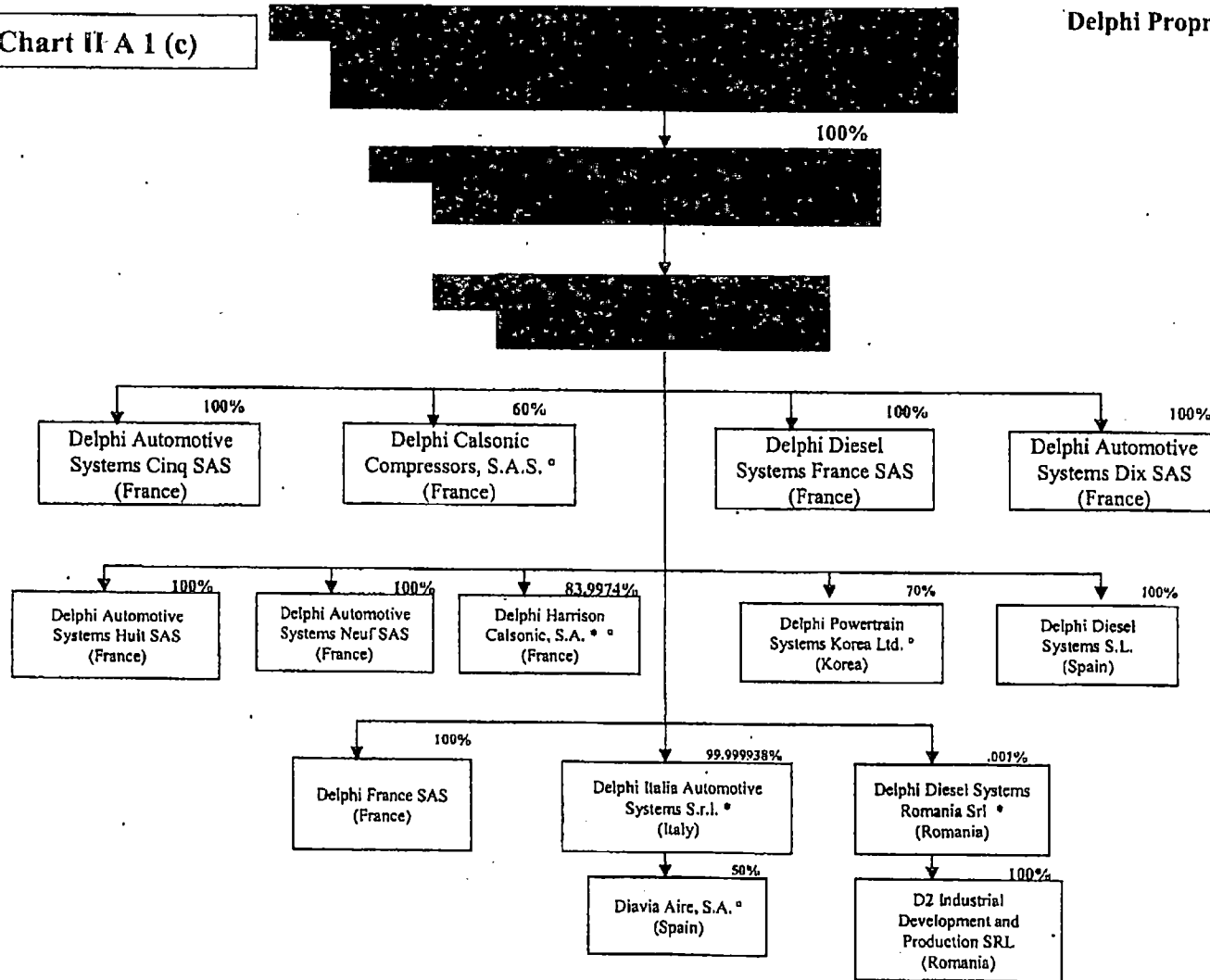


See Chart II A 1 (c)

\* Indicates Owned by more than one Delphi company  
° Indicates Joint Venture

Chart II A 1 (c)

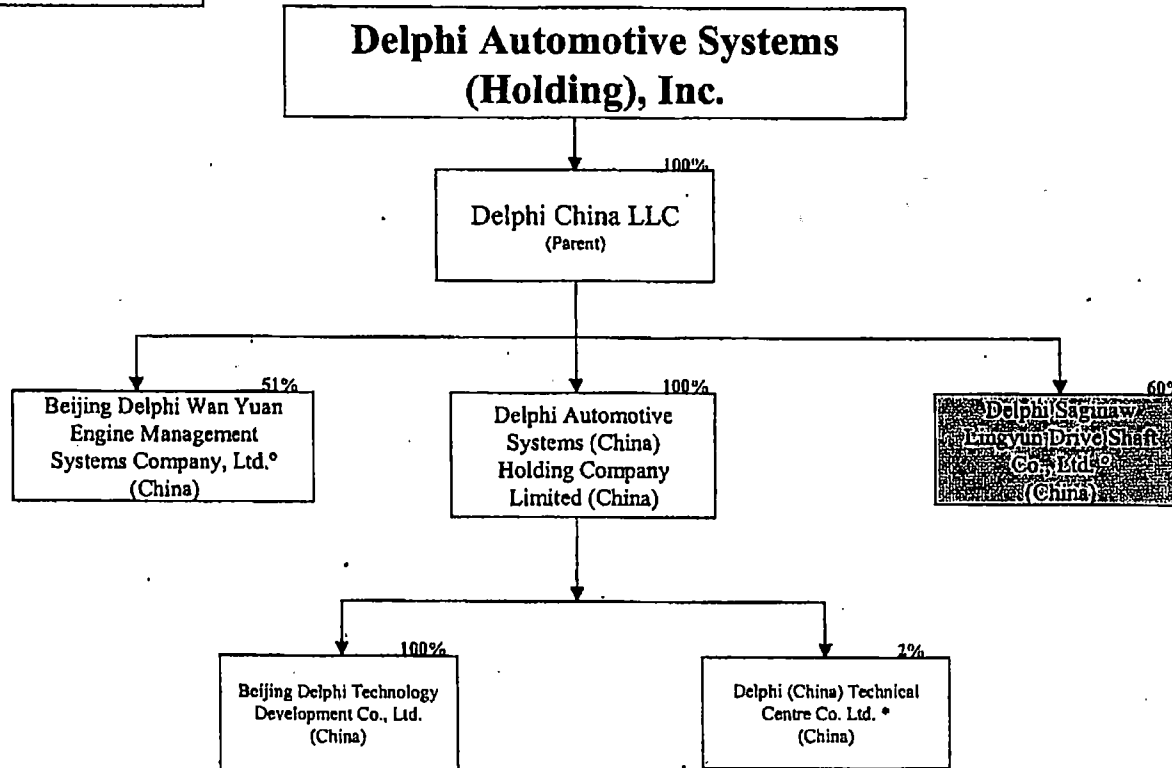
Delphi Proprietary



\* Indicates Owned by more than one Delphi company  
 ° Indicates Joint Venture

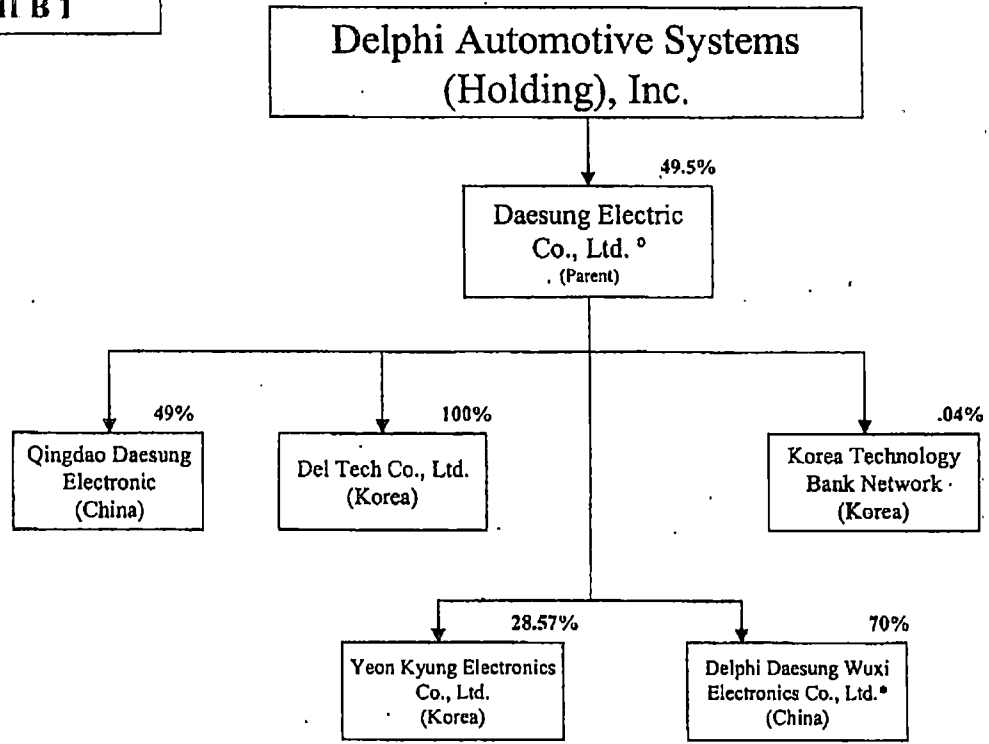
Delphi Proprietary

Chart II A 2



\* Indicates Owned by more than one Delphi company  
° Indicates Joint Venture

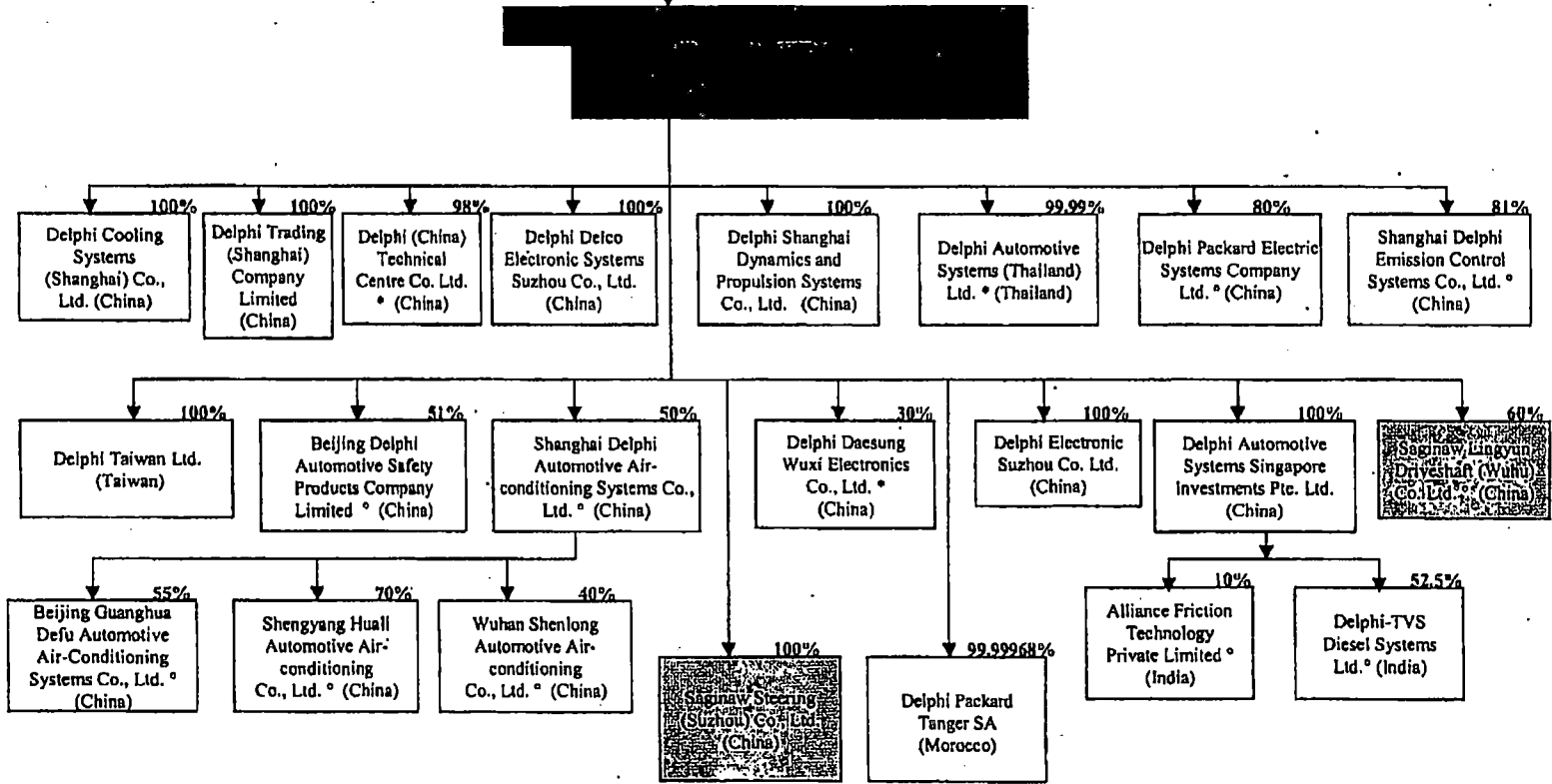
Chart II B 1



\* Indicates Owned by more than one Delphi company  
° Indicates Joint Venture

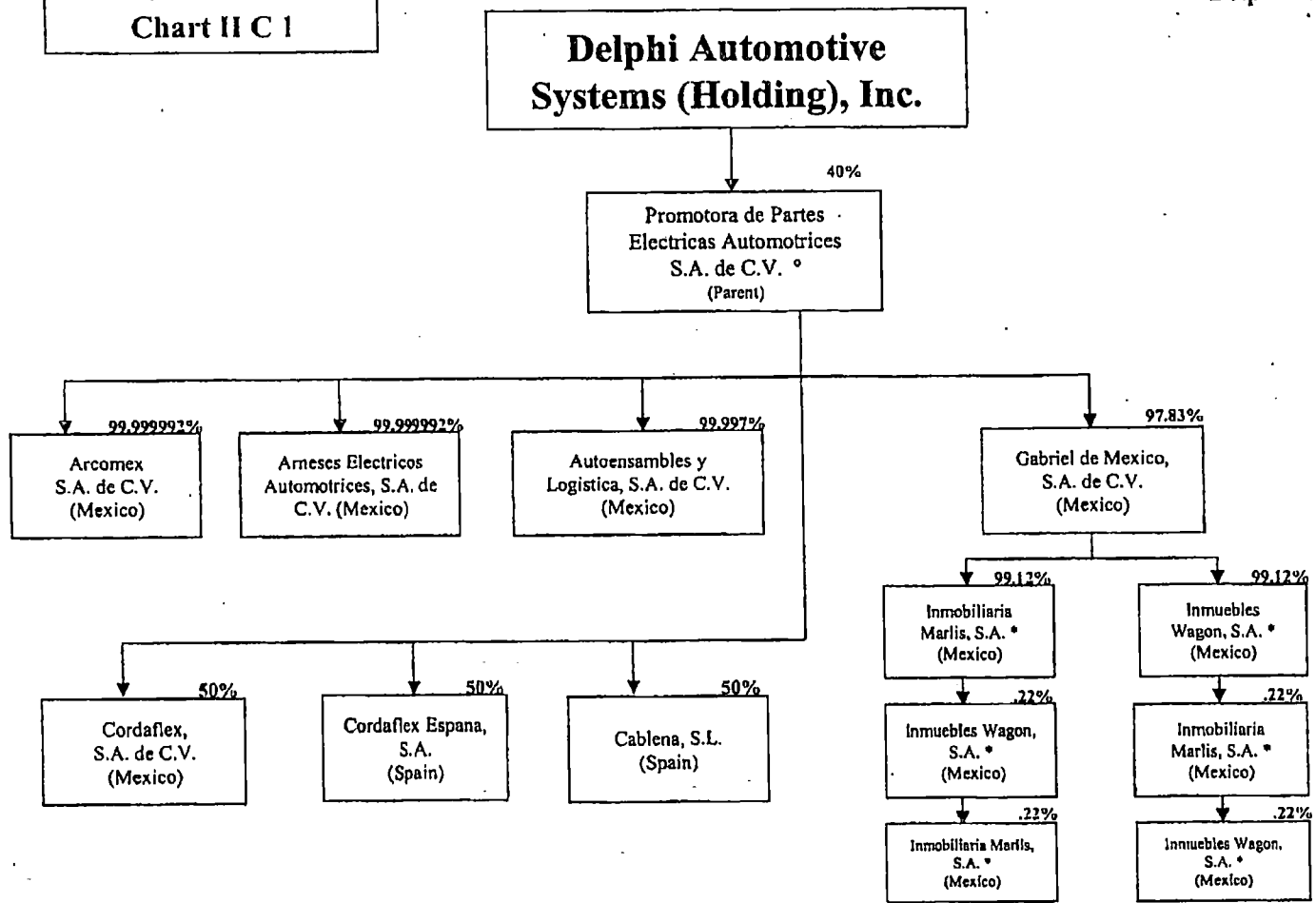
Chart II B 2

**Delphi Automotive Systems (Holding), Inc.**



\* Indicates Owned by more than one Delphi company  
 ° Indicates Joint Venture

Chart II C 1



\* Indicates Owned by more than one Delphi company  
 ° Indicates Joint Venture

7/31/2009/02:18:54 PM

DRAFT AS OF  
4/17/2009 10:50 AM



Presentation to Pension Benefit Guaranty Corporation

## Discussion Materials

April 16, 2009

Greenhill

17

---

## Table of Contents

---

1. **Executive Summary**
2. Valuation Summary

### Appendix

- A. Comparable Company Analysis
- B. Summary of 2008 Trial Balances



Executive Summary

## Executive Summary

**In connection with its Delphi-related work for the PBGC, Greenhill has evaluated the relative value of Delphi and its foreign businesses**

- As a follow-up to our meeting on March 10, 2009, Greenhill has focused on further refining the valuation range for consolidated Delphi ("the Company") and its foreign operations, with a focus on estimating the relative value of Delphi's foreign businesses
  - We continue to rely on the interim January 2009 RPOR for Delphi's projected revenue and EBITDAR since the updated business plan is not yet available
- To develop its views on value, Greenhill has:
  - Reviewed the financial performance of Delphi
  - Reviewed the financial projections prepared by the management of Delphi
  - Discussed with the management of Delphi both past and projected future financial performance
  - Participated in extensive due diligence meetings covering operational, financial, legal and tax issues impacting the Company
- Greenhill has conducted a variety of analyses to determine the standalone valuation of Delphi
- As a starting point, we first analyzed the broader auto supplier space to develop a set of comparables that met the following criteria:
  - Product diversification similar to Delphi
  - Geographic revenue mix with strong presence in both Europe and North America
  - Classified as a Tier I supplier
  - Currently trades on one of the major U.S. or foreign exchanges
- 9 companies meet the above criteria, all of which are U.S. – based, with the exception of 1 Canadian firm
- Given the distressed trading valuations across this sector, Greenhill has applied the following methodology to better reflect the observed enterprise value of each comparable company
  - For those companies with debt trading substantially below par, we have relied on the market value of debt as opposed to book value of debt as a better proxy for overall observed valuation
  - For the purposes of this presentation, we have assumed that all cash on the balance sheets of comparables represents excess cash. This assumption remains subject to further review

Greenhill

## Executive Summary

**Executive Summary**

**Based on recent and projected results, Delphi's foreign businesses represent a large majority of Delphi's consolidated enterprise value**

- For each comparable, we calculated 2008 EBITDAR, accounting for all restructuring and impairment charges, and relied on JPM and Deutsche Bank estimates only for 2009 and 2010 projections to maintain consistency in methodology
  - ▶ JPM and Deutsche Bank are regarded as having the most extensive research coverage in the auto sector
- On a book value basis, the median EV / 2008 EBITDAR is 4.4x relative to 1.4x on a market value basis. For 2009 and 2010, median EV / EBITDAR is 7.6x and 4.8x versus 3.9x and 2.3x, respectively, on a book versus market value basis
- Due to the lack of a meaningful long-term business plan and the dearth of recent relevant M&A comparables, we have primarily relied on EBITDAR multiples to estimate the value and relative values of Delphi and its foreign subsidiaries
- We apply the 3.0 – 4.0x EV / 2009e EBITDAR multiple range, in line with the current trading values of auto supplier comparables, to estimate both the consolidated value of Delphi as well as the foreign entities
  - ▶ Delphi's non-North American businesses are projected to generate approximately 60% of consolidated revenues and 104% of consolidated EBITDAR in 2009 and approximately 60% of consolidated revenues and 64% of consolidated EBITDAR in 2010
- Assuming the 3.0x – 4.0x multiple range, the combined enterprise value across operations outside North America is between \$1.2 billion and \$1.6 billion and represent most – if not all – of the consolidated enterprise value of Delphi
  - ▶ The greatest value lies in China, UK, Poland and Brazil
- The transfer of these foreign operations out of the joint control group would have a significant impact on Delphi's pension plans and dramatically raise the PBGC's risk of long-term loss in relation to such plans

---

## Table of Contents

---

1. Executive Summary
- 2. Valuation Summary**

### Appendix

- A. Comparable Company Analysis
- B. Summary of 2008 Trial Balances

Valuation Summary

## Valuation Methodology

**Greenhill relied primarily on the comparable company analysis to estimate the value of Delphi as a whole as well as its foreign businesses**

- Comparable company analysis.
  - ▶ Greenhill identified comparable companies to Delphi and applied their market multiples to 2008, 2009E and 2010E metrics to calculate a standalone valuation of the Company and the foreign subsidiaries
  
- Precedent transaction analysis
  - ▶ Greenhill reviewed a range of industry transactions and applied these multiples on a LTM basis to derive a change-of-control valuation of the Company and the foreign subsidiaries
  
- Discounted cash flow analysis
  - ▶ Greenhill did not rely on a discounted cash flow approach due to the lack of reasonably current long-term projections for the Company

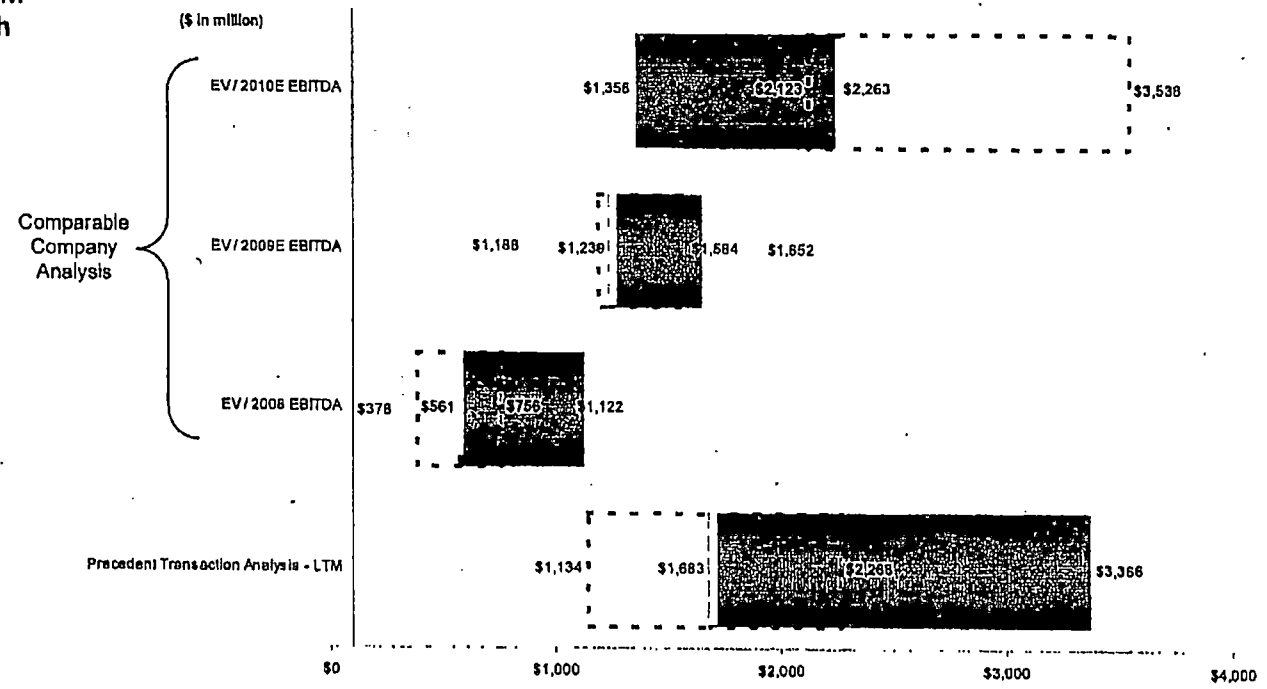
Valuation Summary

Valuation Summary

To Be Updated

Most, and by some measures, all of Delphi's enterprise value comes from operations outside of North America

Implied Delphi Enterprise Values



Rest of World <sup>(1)</sup> [Solid Black Box]  
 Consolidated Delphi [Dashed Black Box]

Greenhill










Note: (1) Rest of World represents all operations outside of North America, as noted in Company presentations  
 Source: Delphi Overview Presentation Materials for Stakeholders (Revised 2/6/09), Analyst research, CapitalIQ, Company filings

## Valuation Summary

## Overview of Delphi's Comparables

## Comparison Across Businesses

(\$ in millions, except per share data)

Company	2008 Sales	2008 EBITDAR	EBITDAR Margin	Revenue by Geography					Comments
				Calendarized to Dec-31 Year-End					
				NA <sup>(1)</sup>	SA <sup>(2)</sup>	Europe <sup>(3)</sup>	Asia <sup>(4)</sup>	Other <sup>(5)</sup>	
 <b>BorgWarner</b>	\$5,263.8	\$587.7	11.2%	28% <sup>(1)</sup>	0%	57%	5% <sup>(2)</sup>	9%	<ul style="list-style-type: none"> <li>Supplier of powertrain applications to OEMs</li> <li>Strong European presence</li> </ul>
 <b>FEDERAL MOGUL</b>	8,885.8	891.4	10.1%	44%	0%	48%	0%	10%	<ul style="list-style-type: none"> <li>Supplier of powertrain, safety and other automotive components</li> <li>Strong presence in North America and Europe</li> <li>Geographic revenue mix in line with Delphi</li> </ul>
 <b>TRW Automotive</b>	14,985.0	1,055.0	7.0%	30%	0%	58%	9%	5%	<ul style="list-style-type: none"> <li>Diversified automotive parts supplier, with a focus on safety-related products</li> <li>Strong European presence</li> <li>70% of revenue is derived outside of North America</li> </ul>
 <b>MAGNA</b>	23,704.0	1,487.0	6.3%	58%	0%	38%	0%	3%	<ul style="list-style-type: none"> <li>Diversified Canadian automotive parts supplier with GM and Chrysler as its largest customers</li> </ul>
 <b>LEAR CORPORATION</b>	13,570.5	718.1	5.3%	36%	0%	18% <sup>(4)</sup>	0%	46% <sup>(5)</sup>	<ul style="list-style-type: none"> <li>Automotive seating and electrical systems supplier</li> <li>Significant operations outside of North America</li> </ul>
 <b>TENNECO</b>	5,916.0	374.0	6.3%	44%	0%	47%	9%	0%	<ul style="list-style-type: none"> <li>Supplier of ride control and emissions products</li> <li>Geographic revenue mix in line with that of Delphi</li> <li>Revenue split about equally between North America and Europe</li> </ul>
 <b>DANA</b>	8,095.0	236.0	2.9%	48%	14%	30%	8%	0%	<ul style="list-style-type: none"> <li>Has similar business mix and geographic exposure as Delphi</li> </ul>
 <b>ArvinMeritor<sup>(6)</sup></b>	6,874.0	308.0	4.5%	41%	0%	38%	21% <sup>(7)</sup>	0%	<ul style="list-style-type: none"> <li>Primary business in line with Delphi's Powertrain segment</li> <li>Geographic revenue mix in line with Delphi</li> </ul>
 <b>GM</b>	2,109.0	71.8	3.4%	70%	25% <sup>(8)</sup>	8% <sup>(8)</sup>	0%	0%	<ul style="list-style-type: none"> <li>Supplier of substantially all of GM's axle requirements</li> </ul>
<b>DELPHI</b>	20,933.0	378.0	1.8%	44%	8%	38%	12%	0%	

## Notes:

(1) Represents United States

(2) Represents South Korea

(3) Represents Germany

(4) Other includes South America, Asia, Africa and Europe excluding Germany. Further breakdown not available per filings

(5) Revenue breakdown for geography as of FYE 9/30/08. Sales and EBITDAR shown LTM as of 12/31/08

(6) Represents Asia and Other

(7) Company filing combines Mexico and South America as a combined operation

(8) Company filing classifies European and Other as a combined operation

Source: Delphi Overview Presentation Materials for Stakeholders, Delphi data room files, Company filings, CapitalIQ

Greenhill










## Valuation Summary

## Overview of Delphi's Comparables

## Relative Trading Performance

(\$ in millions, except per share data)

Calendarized to Dec-31 Year-End; Prices as of Apr-13-09

Company	Share Price 4/13/09	Equity Value	Enterprise Value	Book Value of Net Debt	Market Value of Net Debt	EV/EV <sup>(1)</sup> /EBITDA <sup>(2)</sup>			MV/EV <sup>(1)</sup> /EBITDA <sup>(2)</sup>		
						2008	2009E	2010E	2008	2009E	2010E
 <b>BorgWarner</b>	\$25.75	\$2,982.5	\$3,727.7	\$713.7	\$646.3	6.3x	9.3x	6.3x	6.2x	9.2x	6.2x
 <b>FEDERAL MOGUL</b>	10.15	1,009.0	3,035.5	1,981.5	654.7	4.4x	5.3x	4.8x	2.5x	3.0x	2.7x
 <b>Ford</b> Automotive	6.49	658.4	2,951.4	2,158.0	122.6	2.8x	17.1x	4.8x	0.9x	5.3x	1.5x
 <b>MAGNA</b>	32.83	3,697.1	2,149.1	(1,548.0)	(1,603.0)	1.4x	5.9x	2.4x	1.4x	5.7x	2.3x
 <b>LEAR</b> CORPORATION	1.10	85.3	2,069.0	1,934.7	(703.1)	2.9x	7.6x	3.4x	n.m.	n.m.	n.m.
 <b>TENNECO</b>	2.50	117.3	1,473.3	1,325.0	461.8	3.9x	4.3x	3.6x	1.6x	1.8x	1.5x
 <b>DANA</b>	0.72	72.0	1,424.0 <sup>(2)</sup>	474.0	(466.8)	6.0x	15.8x	8.1x	n.m. <sup>(3)</sup>	n.m. <sup>(3)</sup>	n.m. <sup>(3)</sup>
 <b>ArvinMeritor</b>	1.15	85.1	1,356.1	1,215.0	295.7	4.4x	12.0x	8.2x	1.4x	3.9x	2.6x
	1.58	87.7	951.7	864.0	6.7	13.3x	4.9x	3.3x	1.3x	0.5x	0.3x
<b>Median</b>						<b>4.4x</b>	<b>7.6x</b>	<b>4.8x</b>	<b>1.4x</b>	<b>3.9x</b>	<b>2.3x</b>
<b>Mean</b>						<b>6.1x</b>	<b>9.1x</b>	<b>5.0x</b>	<b>2.2x</b>	<b>4.2x</b>	<b>2.4x</b>

## Note:

Includes only JPM and Deutsche Bank estimates to maintain consistency in methodology of calculating adjusted EBITDA (Federal-Mogul is not covered by either company. Estimates represent IBES consensus estimates. Dana Holding is not covered by Deutsche Bank.)

(1) Market value enterprise value represents market value of debt and equity less cash plus book value of minority interests and preferred stock

(2) Includes \$771mm of preferred stock

(3) Accounts for shares of Series A Preferred having an aggregate liquidation preference of not more than \$125mm

Source: JPMorgan and Deutsche Bank estimates, Company filings, FactSet IBES consensus estimates

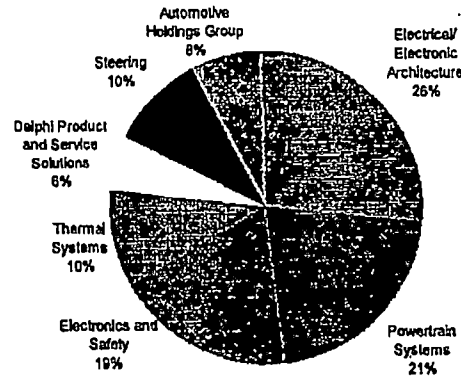
Greenhill

Valuation Summary

Delphi Corporation

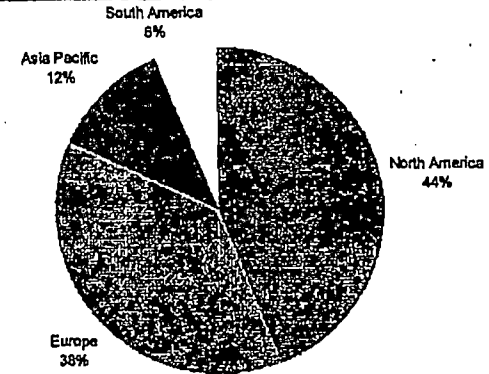
Delphi is a global supplier of transportation components, with almost half of its business from powertrain systems and vehicle electronics

Revenue by Product<sup>(1)</sup>



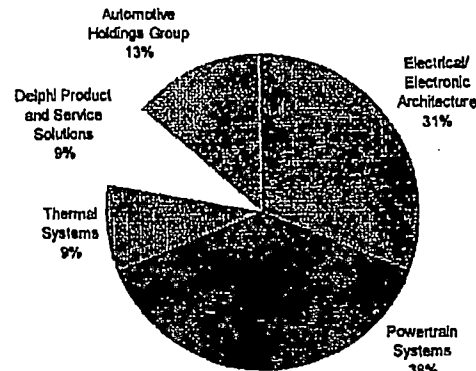
FY 2008 Total: \$20,933mm

Revenue by Geographic Region<sup>(1)</sup>



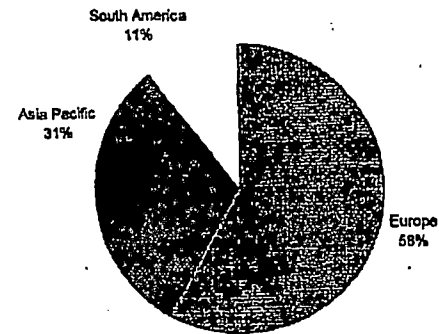
FY 2008 Total: \$20,933mm

OIBDAR by Product<sup>(2)</sup>



FY 2008 Total: \$378mm

OIBDAR by Geographic Region<sup>(3)</sup>



FY 2008 Total: \$378mm

Notes:  
 (1) Represents LTM revenue as of 12/31/08; revenue contribution excludes eliminations  
 (2) Steering and Electronics and Safety excluded from chart due to \$3mm and \$14mm in OIBDAR loss, respectively  
 (3) North America excluded from chart due to \$879mm OIBDAR loss  
 Source: Delphi Overview Presentation Materials for Stakeholders, Delphi data room files

Greenhill



## Valuation Summary

## Delphi Consolidated Valuation

## EBITDAR Trading Comparables – North America

Delphi management expects North America to have a more significant contribution to overall valuation in 2010

## Implied Valuation - 2009E EBITDAR Multiples

(US\$ in millions)	Low	Mid-point	High
2009E EBITDAR Multiple Range	3.0x	3.5x	4.0x
2009E EBITDAR	(\$17)	(\$17)	(\$17)
Implied North America Enterprise Value	n.m.	n.m.	n.m.

## Implied Valuation - 2010E EBITDAR Multiples

(US\$ in millions)	Low	Mid-point	High
2010E EBITDAR Multiple Range	1.5x	2.0x	2.5x
2010E EBITDAR	\$510	\$510	\$510
Implied North America Enterprise Value	\$765	\$1,020	\$1,275

(US\$ in millions)	Delphi EBITDAR	
	2009E	2010E
North America	(\$17)	\$510
Rest of World	413	909
Total	\$396	\$1,415

Greenhill

Source: Delphi Overview Presentation Materials for Stakeholders (Revised 2/5/09)

11

## Valuation Summary

## Delphi Consolidated Valuation

## EBITDAR Trading Comparables – Rest of World

For conservatism, Greenhill has applied the same multiple range for the foreign operations as it has for consolidated Delphi

Due to the higher margins and better results achieved and projected overseas, reasonable arguments can be made that higher multiples are appropriate for these operations

## Implied Valuation - 2009E EBITDAR Multiples

(US\$ in millions)	Low	Mid-point	High
2009E EBITDAR Multiple Range	3.0x	3.5x	4.0x
2009E EBITDAR	\$413	\$413	\$413
Implied Rest of World Enterprise Value	\$1,239	\$1,446	\$1,652

## Implied Valuation - 2010E EBITDAR Multiples

(US\$ in millions)	Low	Mid-point	High
2010E EBITDAR Multiple Range	1.5x	2.0x	2.5x
2010E EBITDAR	\$905	\$905	\$905
Implied Rest of World Enterprise Value	\$1,358	\$1,810	\$2,263

(US\$ in millions)	Delphi EBITDAR	
	2009E	2010E
North America	(\$17)	\$510
Rest of World	413	905
Total	\$396	\$1,415

Greenhill

Source: Delphi Overview Presentation Materials for Stakeholders (Revised 2/5/09)

## Valuation Summary

## Delphi Consolidated Valuation

## EBITDAR Trading Comparables – Rest of World

For conservatism, Greenhill has applied the same multiple range for the foreign operations as it has for consolidated Delphi

Due to the higher margins and better results achieved and projected overseas, reasonable arguments can be made that higher multiples are appropriate for these operations

## Implied Valuation – 2009 EBITDAR Multiples

(US\$ in millions)	Low	Mid-point	High
2009E EBITDAR Multiple Range	3.0x	3.5x	4.0x
2009E EBITDAR	\$413	\$413	\$413
Implied Rest of World Enterprise Value	\$1,239	\$1,446	\$1,652

## Implied Valuation – 2010E EBITDAR Multiples

(US\$ in millions)	Low	Mid-point	High
2010E EBITDAR Multiple Range	1.5x	2.0x	2.5x
2010E EBITDAR	\$905	\$905	\$905
Implied Rest of World Enterprise Value	\$1,358	\$1,810	\$2,263

	Delphi EBITDAR	
	2009E	2010E
North America	(\$17)	\$510
Rest of World	413	806
Total	\$386	\$1,416

Greenhill

Source: Delphi Overview Presentation Materials for Stakeholders (Revised 2/5/09)

12



## Attachment B.2

October 23, 2009 “Valuation  
Materials” Prepared by  
Greenhill & Co., Inc.



---

## Valuation Materials

October 23, 2009

---

Greenhill



## Table of Contents

---

1. **Executive Summary**
2. Situation Overview
3. Current Delphi Valuation and Recovery Analysis
4. Future Delphi Valuation and Recovery Analysis

### Appendix

- A. Supporting Valuation Material
- B. Global Production Volume Forecasts

**Executive Summary**

**Executive Summary**

The following materials summarize Greenhill's valuation analyses of the PBGC's stake in New Delphi

- On July 30, 2009, the United States Bankruptcy Court confirmed Delphi's plan of reorganization (the "POR"), resulting in a three-way division of Delphi's assets and operations:

Company	Ownership	Assets Acquired
GM Components Holdings, LLC	GM	Steering business and four U.S. manufacturing plants
DPH Holding Co.	To be wound down, sold or liquidated	Non-core assets
DIP Holdco 3 LLC ("Holdco" or "New Delphi")	GM, Delphi's Tranche C DIP Lenders and the Pension Benefit Guaranty Corporation (the "PBGC"), with Delphi's unsecured creditors contractually entitled to distributions from New Delphi above a certain level of value	All of Delphi's other key rest-of-world assets and operations. Is expected to operate under a Delphi name

Value to be administered by a distribution trust and be used over time to make distributions on account of certain administrative claims, secured claims, priority claims, priority tax claims and "flow-through" claims based upon employee-related obligations

The PBGC's recovery on account of its unsecured claims in Delphi's chapter 11 is comprised of:

- A \$70 million cash payment
- Distributions on account of the PBGC's Class C Membership Interest in Holdco under the New Delphi "waterfall" (the "Waterfall," shown on the next slide)
- The PBGC's share of any distributions made from New Delphi to general unsecured creditors under the Waterfall

- In addition to \$1.75 billion cash and a \$500 million delayed draw term loan that GM provided to New Delphi, GM also provided the Delphi estate with \$996 million (a) to pay off approximately \$380 million of Delphi's Tranche A and B DIP, \$170 million of hedging obligations, \$291 million of Delphi's Tranche C DIP and \$155 million in other Delphi claims and expenses, including certain administrative claims and estate wind-down costs, (b) to waive administrative claims of approximately \$2 billion related to the portion of the hourly pension plan transferred in 2008 and GM's liquidity arrangement with Delphi (the "GM Arrangement") and (c) to provide, subject to certain conditions, an additional \$250 million of availability under the GM Arrangement

- Acquisition of Delphi by Delphi Holdings LLP was completed on October 6, 2009

Greenhill



## Executive Summary

# Situation Overview

## Summary of Delphi's Confirmed POR

### Key Parties

- PBGC
- Delphi
- Holdco – Holding company formed to acquire substantially all of Delphi's rest-of-world continuing operations ("New Delphi")
- GM – Delphi's former parent and largest customer and a major investor in Holdco; GM will acquire substantially all of Delphi's continuing U.S. operations
- Treasury – GM's financial backer
- Tranche Cs – Holders of Delphi's \$2.75 billion Tranche C DIP
- Unsecured Creditors Committee ("UCC") – The official statutory vehicle representing the unsecured creditors of Delphi (approximately \$3.5 billion, not including the PBGC)

### New Delphi Capitalization

- GM – \$1.75 billion equity, plus a \$500 million delayed-draw term loan (L + 6%)
- DIP Lenders – \$500 million delayed-draw term loan (L + 6%)
- DIP Lenders – \$41 million 12% notes due July 2014
- DIP Lenders – \$355 million equity infusion
- Minimum Cash on Balance Sheet – \$800 million<sup>(1)</sup>

### New Delphi Waterfall

- As outlined on the following page, the New Delphi transaction provides for a "waterfall" for the distribution of any cash from New Delphi (e.g., cash dividends or proceeds from the sale or IPO of New Delphi)
- New Delphi Waterfall is the result of successive rounds of multi-lateral negotiations among the various key parties based upon either new money investments via Holdco or claims against Delphi and/or its affiliates

### PBGC Treatment

- Release asserted liens and joint-and-several claims against foreign non-debtor subsidiaries
- Receive \$70 million in cash up front
- Participate in distributions under the New Delphi Waterfall
- Receive a \$3 billion unsecured claim in Delphi's U.S. chapter 11 case (which will share *pro rata* with any distributions to unsecured creditors)

Note:

(1) Minimum cash balance assumption per amended and restated operating agreement, Section 5.4 (a)(iii)  
Source: Amended and restated operating agreement (June 2009), June 2009 investment commitment agreement, Credit facility and loan documents

**Executive Summary**

**New Delphi Waterfall**

This transaction provides for the Waterfall distribution of any cash from New Delphi (e.g., cash dividends or proceeds from a sale or IPO)

Resulting value waterfall varies ownership stake for GM, DIP, UCC and PBGC based upon the total value of New Delphi distributions

**GM, DIP, PBGC Agreement (including UCC settlement)**

Increment	Cum	GM	DIP	PBGC <sup>(1)</sup>	UCC	Total
1,000.0	1,000.0	49.12%	38.60%	12.28%	-	100.00%
1,000.0	2,000.0	57.78%	27.78%	14.44%	-	100.00%
500.0	2,500.0	61.39%	27.78%	10.83%	-	100.00%
141.8	2,641.8	68.61%	27.78%	3.61%	-	100.00%
858.2	3,500.0	24.94%	73.75%	1.31%	-	100.00%
141.8	3,641.8	19.69%	73.75%	6.56%	-	100.00%
358.2	4,000.0	26.25%	65.00%	8.75%	-	100.00%
1,500.0	5,500.0	17.50%	65.00%	17.50%	-	100.00%
500.0	6,000.0	26.25%	65.00%	8.75%	-	100.00%
1,000.0	7,000.0	31.50%	65.00%	3.50%	-	100.00%
200.0	7,200.0	35.00%	65.00%	-	-	100.00%
923.1	8,123.1	23.63%	43.88%	-	32.50%	100.00%
> 8,123.1		35.00%	65.00%	-	-	100.00%

GM will receive the greatest percentage of recovery at lower valuations, with DIP Lenders capturing the benefit of any large upside in New Delphi's value

**Cumulative Distributions**

Increment	Cum	GM	DIP	PBGC <sup>(1)</sup>	UCC	Total
1,000.0	1,000.0	491.2	386.0	122.8	-	1,000.0
1,000.0	2,000.0	1,069.0	663.8	267.2	-	2,000.0
500.0	2,500.0	1,375.9	802.7	321.4	-	2,500.0
141.8	2,641.8	1,473.2	842.1	326.5	-	2,641.8
858.2	3,500.0	1,687.2	1,475.0	337.8	-	3,500.0
141.8	3,641.8	1,715.1	1,579.6	347.1	-	3,641.8
358.2	4,000.0	1,809.1	1,812.4	378.4	-	4,000.0
1,500.0	5,500.0	2,071.6	2,787.4	640.9	-	5,500.0
500.0	6,000.0	2,202.9	3,112.4	684.7	-	6,000.0
1,000.0	7,000.0	2,517.9	3,762.4	719.7	-	7,000.0
200.0	7,200.0	2,587.9	3,892.4	719.7	-	7,200.0
923.1	8,123.1	2,806.0	4,297.4	719.7	300.0	8,123.1

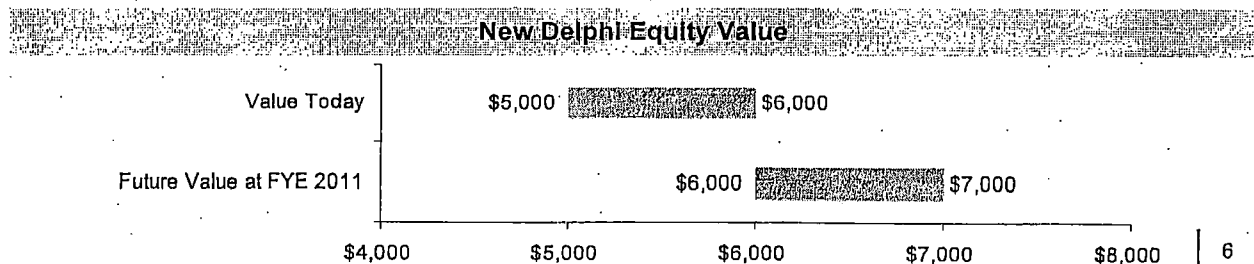
The PBGC's recovery is capped at \$720 million plus the \$70mm cash payment and the PBGC's 45% share of the general unsecured creditor distribution

Distribution to the general unsecured creditors is capped at \$300 million

Note:  
 (1) Does not include upfront payment of \$70M by GM to the PBGC  
 Source: General Motors

## Executive Summary

- These materials consider the value of PBGC's share of the New Delphi Waterfall in two distinct ways:
  - As a portion of New Delphi's *current* value, assuming a monetization event occurred today
  - As a share of distributions over time (including a hypothetical *future* monetization of New Delphi), discounted back to present value today
  
- We have analyzed the value of PBGC's stake both ways to account for the PBGC's variable percentage share under the Waterfall at different levels of *total* distributions (e.g., the PBGC receives 10.83% of distributions from \$2.0 to \$2.5 billion, but receives 3.61% from \$2.5 to \$2.64 billion)
  - As a practical matter, it is not likely that New Delphi will be monetized before 2011 or 2012
  - Assuming earnings grow as projected, the total value distributed under the Waterfall from a future monetization of New Delphi is likely to be greater than New Delphi's current equity value today
  - Any prospective future distributions, however, must be discounted back to present value



**Executive Summary**

**Executive Summary**

For the current valuation, we estimate equity value at \$5.0 to \$6.0 billion, which would imply a distribution to the PBGC under the New Delphi Waterfall of \$553 - \$685 million; when added to the \$70 million cash payment, this would result in a PBGC recovery today of approximately 9 – 11% on a \$7 billion claim

With respect to the future equity valuation, we estimate the future equity value to be \$6.0 to \$7.0 billion as of the end of 2011

The present value of future distributions, when added to \$70 million up-front cash payment, result in PBGC recovery of approximately 7% to 8%

**Current Equity Valuation**

<i>(\$ in millions)</i>			
Equity Value	\$5,000	\$5,500	\$6,000
<b>PBGC Recovery Contributions:</b>			
Cash	\$70	\$70	\$70
Equity Stake	553	641	685
\$3bn Unsecured Claim	0	0	0
<b>Total Recovery</b>	<b>\$623</b>	<b>\$711</b>	<b>\$755</b>
<i>% total recovery of \$7bn claim</i>	<i>8.9%</i>	<i>10.2%</i>	<i>10.8%</i>

**Discounted Future Equity Valuation**

<i>(\$ in millions)</i>			
Equity Value	\$6,000	\$6,500	\$7,000
<b>PBGC Recovery Contributions:</b>			
Cash	\$70	\$70	\$70
Equity Stake	685	702	720
\$3bn Unsecured Claim	0	0	0
<b>Total Recovery</b>	<b>\$755</b>	<b>\$772</b>	<b>\$790</b>
<i>% total recovery of \$7bn claim</i>	<i>10.8%</i>	<i>11.0%</i>	<i>11.3%</i>
<b>PV of Recovery at 20%<sup>(1)</sup></b>	<b>\$517</b>	<b>\$529</b>	<b>\$540</b>
<i>% total recovery of \$7bn claim</i>	<i>7.4%</i>	<i>7.6%</i>	<i>7.7%</i>

Note:  
(1) \$70mm In upfront cash payment is not discounted

## Executive Summary

# Recovery Waterfall

Based on Class B Equity Unit Pricing

As an additional reference point, we also have assessed the valuation implied by the current secondary market trading levels of Delphi's Class B equity units

The current Class B equity unit pricing of ~\$6,900 implies that PBGC will recover 7 – 8% of its \$7 billion claim

(\$ in millions)

Class B Unit Price	Current Class B Value	Current Value		Implied Value in 2011 at 20% Required Return			Implied Value in 2012 at 20% Required Return		
		Equity Value		FV Equity	PV Equity		FV Equity	PV Equity	
\$6,800	\$2,411	\$4,920		\$6,392	\$4,576		\$7,538	\$4,497	
\$6,900	\$2,446	\$4,975		\$6,468	\$4,631		\$7,674	\$4,578	
\$7,000	\$2,482	\$5,029		\$6,545	\$4,685		\$7,809	\$4,659	

Class B Unit Price	Current Class B Value	Current Value		Implied Value in 2011 at 20% Required Return			Implied Value in 2012 at 20% Required Return		
		Value to PBGC	PBGC Recovery	FV to PBGC	PV to PBGC	PBGC Recovery	FV to PBGC	PV to PBGC	PBGC Recovery
\$6,800	\$2,411	\$539	7.7%	\$698	\$500	7.1%	\$769	\$459	6.6%
\$6,900	\$2,446	\$549	7.8%	\$701	\$502	7.2%	\$789	\$471	6.7%
\$7,000	\$2,482	\$558	8.0%	\$704	\$504	7.2%	\$809	\$482	6.8%

Class B Unit Price	Current Class B Value	Current Value		Implied Value in 2011 at 20% Required Return			Implied Value in 2012 at 20% Required Return		
		Value to PBGC Incl. GM Payment (1)	PBGC Recovery	FV to PBGC	PV to PBGC Incl. GM Payment (1)	PBGC Recovery	FV to PBGC	PV to PBGC Incl. GM Payment (1)	PBGC Recovery
\$6,800	\$2,411	\$600	8.7%	\$698	\$570	8.1%	\$769	\$529	7.6%
\$6,900	\$2,446	\$619	8.8%	\$701	\$572	8.2%	\$789	\$541	7.7%
\$7,000	\$2,482	\$628	9.0%	\$704	\$574	8.2%	\$809	\$552	7.9%

Greenhill

Source: Markit, General Motors



## Table of Contents

---

1. Executive Summary
- 2. Situation Overview**
3. Current Delphi Valuation and Recovery Analysis
4. Future Delphi Valuation and Recovery Analysis

### Appendix

- A. Supporting Valuation Material
- B. Global Production Volume Forecasts

## Situation Overview

### Background

**In October 2005, Delphi and its subsidiaries / affiliates filed for chapter 11 primarily due to unsustainable legacy liabilities, competitive pressures and increasing commodity prices**

**Although the Bankruptcy Court confirmed a plan of reorganization in January 2008, the plan fell through when its financial sponsors failed to close**

- On October 8 and 14, 2005, Delphi Corporation ("Delphi") and 41 of its direct and indirect United States subsidiaries and affiliates (collectively, the "Debtors") filed petitions under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York
- There were three primary issues that contributed to the deterioration of the Company's financial performance and led to bankruptcy:
  - Unsustainable U.S. legacy liabilities
    - In connection with the spin-off from GM in 1999, Delphi was required to assume the terms and conditions of the collective bargaining agreements negotiated by its unions and GM; many of these collective bargaining agreements provided for wages and benefits well above the market and limited the flexibility that Delphi needed to improve its operational performance
  - Competitive U.S. OEM environment
    - In light of the difficult economic conditions in the U.S. automotive industry, Delphi faced significant challenges due to revenue decreases and related pricing pressures from a substantial slowdown in GM's North American vehicle production
  - Increasing commodity prices
    - Delphi faced substantial commodity cost increases, most notably for steel and petroleum-based resin products, and had limited success in passing them on to customers under existing contractual terms
- On September 6, 2007, the Debtors filed their Disclosure Statement and Joint Plan of Reorganization (the "September 2007 RPOR")
- After a series of hearings that concluded on December 7, 2007, the Debtors filed their First Amended Disclosure Statement with respect to the First Amended RPOR (the "December 2007 RPOR")
  - The December 2007 Plan was confirmed with certain modifications by the Bankruptcy Court on January 25, 2008 (the "Confirmed Plan") and the confirmation order became final on February 4, 2008
  - The December 2007 Plan contemplated a significant new equity investment by Appaloosa Management, Harbinger Del-Auto, Merrill Lynch, UBS Securities, Goldman Sachs and Páridus DPH Holdings (collectively, the "Plan Investors")

## Situation Overview

### Background (cont'd.)

**As the U.S. economy weakened in the second half of 2008, Delphi worked with all interested parties to formulate a modified plan based on reduced global production forecasts**

**The collapse of the credit markets made access to emergence funding and DIP extension increasingly difficult**

- However, on April 4, 2008, the Plan Investors failed to close
  - One of the investors, Appaloosa Management, delivered a letter the same day terminating the investment agreement
  - Delphi thereafter filed complaints against the Plan Investors and related parties alleging breach of the Investment Agreement and seeking damages related to the consequent delay of the Debtors' emergence from chapter 11
- While pursuing actions against the Plan Investors, the Debtors worked through the second and third quarter of 2008 with their postpetition lenders, GM, the PBGC, the Unsecured Creditors' Committee ("UCC"), the Equity Committee (prior to its dissolution) and other third parties to formulate modifications to the December 2007 Plan and emerge from chapter 11
- By September 2008, Delphi reached critical agreements with GM that resulted in an expected net contribution of ~\$10.6 billion and provided a partial solution to certain of the Debtors' pension funding obligations
- During the same period, however, the U.S. economy continued to weaken and vehicle production forecasts were lowered for the periods covered by the Debtors' business plan
  - Therefore, Debtors had to modify the Confirmed Plan to account for the reduction in automotive production volumes
- On October 3, 2008, the Debtors filed the Plan Modification Approval Motion setting forth the proposed modifications to the Confirmed Plan and the Disclosure Statement, which included a business plan that implied a mid-point total enterprise value of \$7.2 billion
- Shortly thereafter, the capital markets froze, restricting exit financing options for the Confirmed Plan, forcing the Debtors to remain in chapter 11
- The collapse of the credit markets also made it difficult for the Debtors to refinance or extend the DIP credit facility, which matured on December 31, 2008; therefore, Debtors and DIP Lenders entered into an accommodation agreement to allow Debtors to continue using certain of the proceeds of the DIP credit facility through June 30, 2009
  - In connection with the accommodation agreement with the DIP Lenders, GM agreed to provide the Debtors with additional liquidity and accelerate payment of certain GM receivables to allow the Debtors to maintain ongoing operations
- At the same time, the collapse in the credit markets and severe general economic downturn precipitated a dramatic decline in new auto sales



## Situation Overview

# Situation Overview

## Background (cont'd.)

**With growing involvement of the U.S. government in the economy and specifically in the auto sector, the U.S. Treasury became a key stakeholder**

- With the U.S. government's growing involvement in the auto industry, the U.S. Treasury also became a key stakeholder
  - In March 2009, in connection with a proposed amendment to the accommodation agreement with the DIP Lenders, GM was to provide the Debtors with an additional \$150 million in liquidity
  - The U.S. Treasury, acting pursuant to its authority under GM's loan agreement with the U.S. government, notified the Debtors and GM that it required additional time to consider these agreements with respect to the Debtors' emergence from chapter 11
  - Subsequently, the Debtors and GM worked on a solution to allow the Debtors to emerge from chapter 11
    - As part of that solution, the U.S. Treasury agreed to allow GM to provide up to an additional \$250 million to support Delphi as it sought approval of the Modified Plan of Reorganization
- In June 2009, the Debtors were to implement their emergence from chapter 11 through a transaction with Parnassus Holdings II, LLC ("Parnassus"), an affiliate of Platinum, and GM Components Holdings, LLC ("GM Components"), an affiliate of GM
  - The Debtors intended to sell certain North American sites and the global Steering business to GM Components and effectuate a transaction through which Parnassus would operate Delphi's rest-of-world businesses without the labor-related legacy costs associated with the North American sites that are transferred back to GM
- The Tranche C DIP Lenders complained the arrangement amounted to a private sale that would pay them too little and threatened foreclosure
  - Therefore, the judge ordered Delphi to allow competing bids to the Platinum deal
  - The DIP Lenders – including Elliott Management and Silver Point Capital LP – eventually won by credit-bidding their claims
- The Delphi POR confirmed July 30, 2009 divided Delphi's assets and operations three ways via the MDA:
  - GM Components Holdings, LLC, a GM subsidiary, will acquire the Steering business and the four manufacturing plants mentioned above
  - New Delphi would hold all of Delphi's other key assets and is expected to operate under a Delphi name
  - DPH Holding Co. would hold the non-core assets that are to be wound down, sold or liquidated
- The parties have also agreed to the following:
  - GM to invest \$1.75 billion and provide \$500 million in delayed-draw term loan availability
  - The DIP Lenders credit-bid their claims and will provide \$396 million in new financing and \$500 million of delayed-draw term loan availability
  - PBGC will take over the pension plans with approximately \$7 billion in underfunded liabilities
  - The DIP Lenders, GM and PBGC (and the unsecured creditors) will share distributions from free cash flow, asset sales or a public offering of stock by New Delphi
- Acquisition of Delphi by Delphi Holdings LLP was completed on October 6, 2009

## Situation Overview

# Situation Overview

## Delphi's Pension Plan Summary

### Delphi's U.S. Pension Plans

- Hourly Plan – Under-funded by approximately \$4 billion as of May 31, 2009
- Salaried Plan – Under-funded by approximately \$3 billion as of May 31, 2009
- Four Subsidiary Plans – Under-funded by approximately \$50 million as of January 31, 2009

### Significant Developments

- Originally, Delphi's plan of reorganization (the "POR") contemplated a 414(l) transfer of the Hourly Plan to GM
- As a result of amendments to the POR in September 2008, Delphi effected a partial 414(l) transfer of approximately \$2 billion of net unfunded Hourly Plan liabilities to GM and was to transfer the remaining Hourly Plan assets and liabilities upon POR consummation
- Due to the severe downturn in the economy and particularly in the auto sector, Treasury's intervention in GM and GM's own Treasury-funded chapter 11, the structure and terms of Delphi's proposed POR changed during the first half of 2009
- In June 2009, Delphi filed an amended POR that provided for (i) termination of the Salaried Plan and the Subsidiary Plans and (ii) GM "addressing" the remainder of the Hourly Plan
- The June POR contemplated termination of the Salaried and Subsidiary Plans and provided that PBGC would receive (i) a cash payment of \$30 million and (ii) a general unsecured claim of \$3 billion against Delphi's bankruptcy estate
- Although the meaning of "GM addressing" Delphi's Hourly Plan was unclear, PBGC was told that GM would effect a 414(l) transfer of the remaining Hourly Plan assets and liabilities
- Throughout June and July 2009, a series of negotiations were held among Delphi, Delphi's DIP Lenders, Delphi's unsecured creditors, GM, Treasury, the PBGC and various potential investors in reorganized Delphi regarding a resolution to Delphi's chapter 11 proceedings
- On or about June 30, 2009, the PBGC learned that GM would not assume any more of the Hourly Plan, meaning that the PBGC would have to terminate all six plans, with total unfunded liabilities of approximately \$7 billion
- PBGC immediately began discussions with the Treasury to reach a consensual settlement of PBGC's claims that fit within the broader outline of Delphi's (and GM's) reorganization

### PBGC's "Currency"

- +/- \$200 million of asserted liens against assets of Delphi's foreign non-debtor subsidiaries
- Joint-and-several liability claims against Delphi's foreign non-debtor subsidiaries for approximately \$7 billion
- Prospective ERISA Section 4068 liens securing such joint-and-several claims up to an amount equal to 30% of the net worth of Delphi's foreign non-debtor subsidiaries
- While the enforceability of each of these "levers" is subject to substantial doubt, they created a "cloud" over the value of Delphi's foreign non-debtor subsidiaries and threatened to disrupt resolution of Delphi's chapter 11 (and thereby threatened GM's supply line)

## Situation Overview

# Situation Overview

## Summary of Delphi's Confirmed POR

### Key Parties

- PBGC
- Delphi
- Holdco – Holding company formed to acquire substantially all of Delphi's rest-of-world continuing operations ("New Delphi")
- GM – Delphi's former parent and largest customer and a major investor in Holdco; GM will acquire substantially all of Delphi's continuing U.S. operations
- Treasury – GM's financial backer
- Tranche Cs – Holders of Delphi's \$2.75 billion Tranche C DIP
- Unsecured Creditors Committee ("UCC") – The official statutory vehicle representing the unsecured creditors of Delphi (approximately \$3.5 billion, not including the PBGC)

### New Delphi Capitalization

- GM – \$1.75 billion equity, plus a \$500 million delayed-draw term loan (L + 6%)
- DIP Lenders – \$500 million delayed-draw term loan (L + 6%)
- DIP Lenders – \$41 million 12% notes due July 2014
- DIP Lenders – \$355 million equity infusion
- Minimum Cash on Balance Sheet – \$800 million<sup>(1)</sup>

### New Delphi Waterfall

- As outlined on the following page, the New Delphi transaction provides for a "waterfall" for the distribution of any cash from New Delphi (e.g., cash dividends or proceeds from the sale or IPO of New Delphi)
- New Delphi Waterfall is the result of successive rounds of multi-lateral negotiations among the various key parties based upon either new money investments via Holdco or claims against Delphi and/or its affiliates

### PBGC Treatment

- Release asserted liens and joint-and-several claims against foreign non-debtor subsidiaries
- Receive \$70 million in cash up front
- Participate in distributions under the New Delphi Waterfall
- Receive a \$3 billion unsecured claim in Delphi's U.S. chapter 11 case (which will share *pro rata* with any distributions to unsecured creditors)

Note:

(1) Minimum cash balance assumption per amended and restated operating agreement, Section 5.4 (a)(iii)

Source: Amended and restated operating agreement (June 2009), June 2009 investment commitment agreement, Credit facility and loan documents

**Situation Overview**

**New Delphi Waterfall**

This transaction provides for a waterfall allocation of all cash distributions from New Delphi (i.e., cash dividends, proceeds from a sale or IPO)

Resulting value waterfall varies ownership stake for GM, DIP, UCC and PBGC based upon the total value of New Delphi distributions

GM-DIP-PBGC Agreement (including UCC settlement)							
Increment	Cum	GM	DIP	PBGC <sup>(1)</sup>	UCC	Total	
1,000.0	1,000.0	49.12%	38.60%	12.28%	-	100.00%	
1,000.0	2,000.0	57.78%	27.78%	14.44%	-	100.00%	
500.0	2,500.0	61.39%	27.78%	10.83%	-	100.00%	
141.8	2,641.8	68.61%	27.78%	3.61%	-	100.00%	
858.2	3,500.0	24.94%	73.75%	1.31%	-	100.00%	
141.8	3,641.8	19.69%	73.75%	6.56%	-	100.00%	
358.2	4,000.0	26.25%	65.00%	8.75%	-	100.00%	
1,500.0	5,500.0	17.50%	65.00%	17.50%	-	100.00%	
500.0	6,000.0	26.25%	65.00%	8.75%	-	100.00%	
1,000.0	7,000.0	31.50%	65.00%	3.50%	-	100.00%	
200.0	7,200.0	35.00%	65.00%	-	-	100.00%	
923.1	8,123.1	23.63%	43.88%	-	32.50%	100.00%	
	> 8,123.1	35.00%	65.00%	-	-	100.00%	

GM will receive the greatest percentage of recovery at lower valuations, with DIP Lenders capturing the benefit of any large upside in New Delphi's value

Cumulative Distributions							
Increment	Cum	GM	DIP	PBGC <sup>(1)</sup>	UCC	Total	
1,000.0	1,000.0	491.2	386.0	122.8	-	1,000.0	
1,000.0	2,000.0	1,069.0	663.8	267.2	-	2,000.0	
500.0	2,500.0	1,375.9	802.7	321.4	-	2,500.0	
141.8	2,641.8	1,473.2	842.1	326.5	-	2,641.8	
858.2	3,500.0	1,687.2	1,475.0	337.8	-	3,500.0	
141.8	3,641.8	1,715.1	1,579.6	347.1	-	3,641.8	
358.2	4,000.0	1,809.1	1,812.4	378.4	-	4,000.0	
1,500.0	5,500.0	2,071.6	2,787.4	640.9	-	5,500.0	
500.0	6,000.0	2,202.9	3,112.4	684.7	-	6,000.0	
1,000.0	7,000.0	2,517.9	3,762.4	719.7	-	7,000.0	
200.0	7,200.0	2,587.9	3,892.4	719.7	-	7,200.0	
923.1	8,123.1	2,806.0	4,297.4	719.7	300.0	8,123.1	

The PBGC's recovery is capped at \$720 million plus the \$70mm cash payment and the PBGC's 45% share of the general unsecured creditor distribution

Distribution to the general unsecured creditors is capped at \$300 million

Note: We have considered the restriction on distributions for the first 18 months contained in New Delphi's operating agreement  
 (1) Does not include upfront payment of \$70M by GM to the PBGC  
 Source: General Motors



## Table of Contents

---

1. Executive Summary
2. Situation Overview
- 3. Current Delphi Valuation and Recovery Analysis**
4. Future Delphi Valuation and Recovery Analysis

### Appendix

- A. Supporting Valuation Material
- B. Global Production Volume Forecasts

## Valuation Methodology

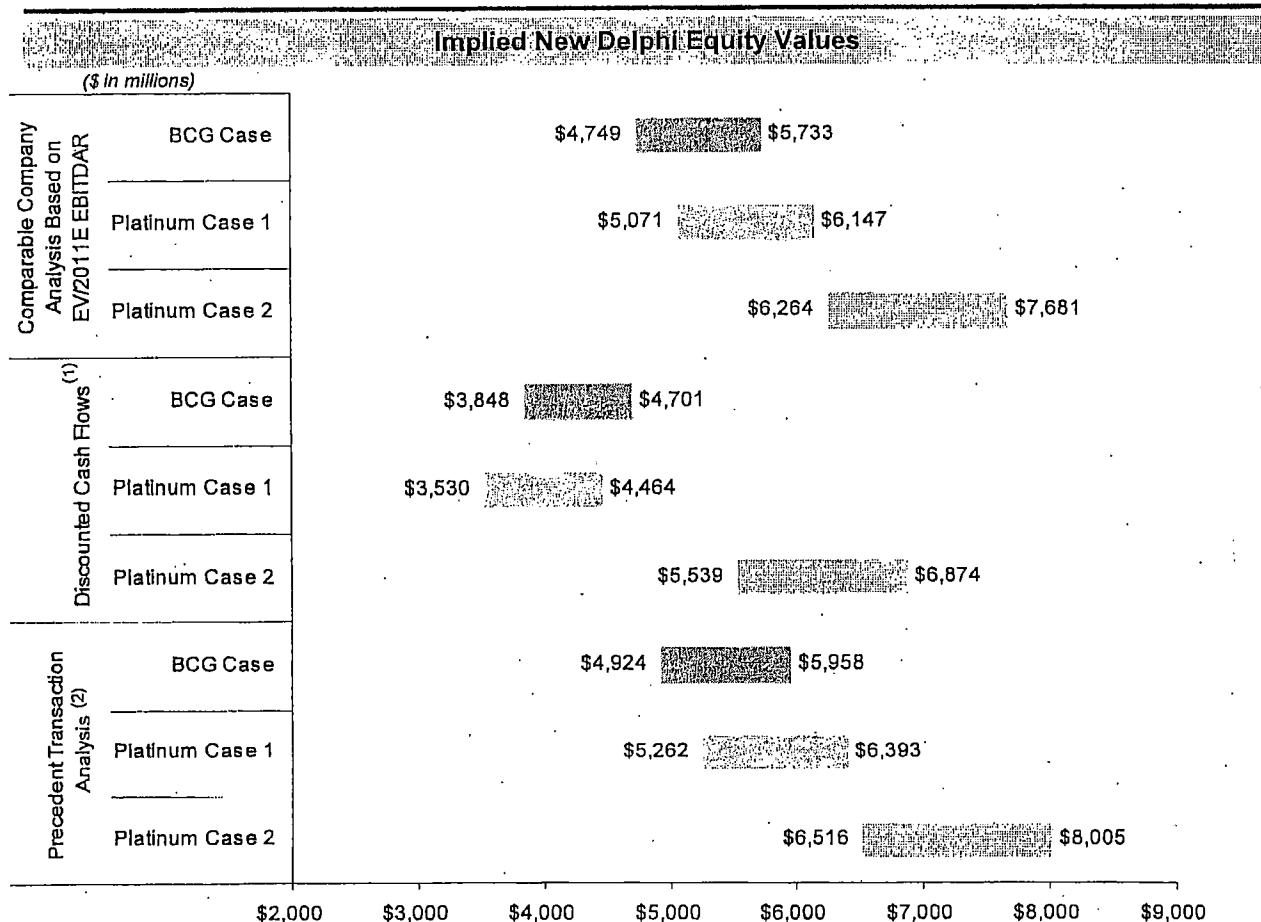
We have conducted a comprehensive valuation for New Delphi using traditional methodologies

- **Comparable company analysis**
  - ▶ Greenhill has identified comparable companies based on the following criteria:
    - Product diversification similar to New Delphi
    - Geographic mix with strong international presence
    - Classified as a Tier I supplier
    - Currently trades on one of the major U.S. or foreign exchanges
    - Currently not in bankruptcy
  - ▶ Eight companies meet the above criteria, all of which are U.S.-based, with the exception of 1 Canadian firm
  - ▶ Given the distressed valuations across this sector, we have relied on market value of debt as opposed to book value of debt as a better proxy for the observed enterprise value of each comparable company
  - ▶ We have applied these enterprise value calculations against projected 2011 analyst consensus estimates
    - 2011 projections are used for valuation purposes as 2011 is expected to be the first full year post-recovery in the auto-supplier and overall markets
    - 2009 and 2010 still reflect a significant amount of disruption from the reorganization process and operational restructuring; 2011 is more of a "normalized" earnings level
    - More apparent consensus between BCG and Platinum projections for 2011
- **Discounted cash flow analysis**
  - ▶ For purposes of our discounted cash flow analysis of New Delphi, we have relied on Platinum Equity's projections provided to the UCC in June 2009 and BCG's projections provided to the U.S. Treasury in April 2009
    - The Platinum Case 1 assumes March CSM Worldwide volume projections less 5% and specific adjustments related to GM's acquisition of Keep Sites and Global Steering and certain non-core/unprofitable businesses
    - The Platinum Case 2 assumes March CSM Worldwide volume projections and specific adjustments related to GM's acquisition of Keep Sites and Global Steering and certain non-core/unprofitable businesses
    - The BCG Case assumes 10% y-o-y annual revenue growth
  - ▶ Our analysis considers an exit in both 2011 and 2012 under the Platinum Case 1 and Platinum Case 2. The BCG projections end in 2011; therefore, we use it as a terminal year
  - ▶ Our base case assumes a 6.2x exit EV/EBITDA multiple, in line with the five-year median of precedent transaction multiples to account for a change of control premium assuming a sale of New Delphi
- **Precedent transaction analysis**
  - ▶ Greenhill reviewed a range of auto parts and equipment-related transactions from the period January 2004 to present to derive historic acquisition multiples
  - ▶ No LTM EBITDAR is available for New Delphi; therefore, as a proxy, we looked at the transaction multiple premium relative to trading levels over the last five-year period. We then applied this premium to forward trading multiples to determine an approximate transaction multiple range
  - ▶ Historic transaction multiples are arguably less relevant in the current distressed auto-supplier market, making the application of a premium to current trading multiples a more appropriate proxy

**Current Delphi Valuation and Recovery Analysis**

**New Delphi Valuation Summary**

Based upon the summary projections for both Platinum Equity and BCG, our analysis suggests an equity value range of \$5.0 to \$6.0 billion



Note: Concluded equity values have not been reduced to reflect approximately \$750 million of long-term foreign pension liabilities expected to be carried on New Delphi's pro forma balance sheet

(1) Platinum Case 1, Platinum Case 2 and the BCG Case assume a 2012, 2012 and 2011 exit, respectively

(2) Based on 2011 trading multiples

Source: Platinum Equity projections provided to UCC advisor (6/4/09), BCG due diligence presentation (4/30/09), Amended and restated operating agreement, June 2009 Investment Commitment Agreement, Credit facility and loan documents

**Current Delphi Valuation and Recovery Analysis**

**Summary Financials**

**New Delphi Plan Projections – Platinum Equity**

The Platinum Case 1 assumes March CSM Worldwide volume projections less 5% and specific adjustments related to GM's acquisition of Keep Sites and Global Steering and certain non-core/unprofitable businesses

The Platinum Case 2 assumes March CSM Worldwide volume projections and specific adjustments related to GM's acquisition of Keep Sites and Global Steering and certain non-core/unprofitable businesses

	Platinum Case 1: Assumes March CSM Volumes Less 5% <sup>(1)</sup>			
(\$ in millions)	2009E	2010E	2011E	2012E
Revenue	\$10,006	\$9,968	\$11,359	\$11,887
Growth %	n.m.	(0.4%)	14.0%	4.6%
Total COGS <sup>(2)</sup>	\$9,500	\$8,640	\$9,539	\$9,938
Gross Profit <sup>(2)</sup>	\$506	\$1,328	\$1,820	\$1,949
Gross Margin	5.1%	13.3%	16.0%	16.4%
EBITDAR	(\$240)	\$574	\$1,076	\$1,209
% Margin	n.m.	5.8%	9.5%	10.2%
EBITDA	(\$1,551)	\$78	\$913	\$1,154
% Margin	n.m.	0.8%	8.0%	9.7%

	Platinum Case 2: Assumes March CSM Volumes <sup>(1)</sup>			
(\$ in millions)	2009E	2010E	2011E	2012E
Revenue	\$10,751	\$11,693	\$13,507	\$14,406
Growth %	n.m.	8.8%	15.5%	6.7%
Total COGS <sup>(2)</sup>	\$9,937	\$10,233	\$11,460	\$12,100
Gross Profit <sup>(2)</sup>	\$814	\$1,460	\$2,048	\$2,305
Gross Margin	7.6%	12.5%	15.2%	16.0%
EBITDAR	\$88	\$798	\$1,417	\$1,678
% Margin	0.8%	6.8%	10.5%	11.6%
EBITDA	(\$995)	\$293	\$1,263	\$1,625
% Margin	n.m.	2.5%	9.4%	11.3%

Note:  
 (1) Assumes GM's acquisition of Keep Sites and Global Steering businesses  
 (2) Adjusted to include R&D  
 Source: Platinum Equity projections provided to UCC advisors (6/4/09)



## Current Delphi Valuation and Recovery Analysis

### Summary Financials

#### New Delphi Plan Projections - BCG

The BCG case assumes 10% y-o-y growth and more conservative margin assumptions in the terminal year

	BCG Case: Assumes 10% Annual Revenue Growth		
(\$ in millions)	2009E	2010E	2011E
Revenue	\$10,205	\$11,225	\$12,348
Growth %	n.m.	10.0%	10.0%
Total COGS	\$10,538	\$10,767	\$11,301
Gross Profit	(\$333)	\$458	\$1,047
Gross Margin	(3.3%)	4.1%	8.5%
EBITDAR	(\$377)	\$404	\$984
% Margin	n.m.	3.6%	8.0%
EBITDA	(\$1,395)	\$404	\$984
% Margin	n.m.	3.6%	8.0%

**Current Delphi Valuation and Recovery Analysis**

# Comparable Company Analysis

## Valuation Statistics

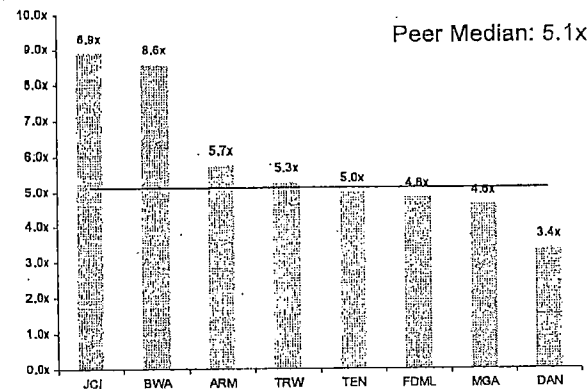
Based on current debt and equity market prices, auto suppliers trade at 5.1x 2010E EBITDAR at 4.1x 2011E EBITDAR

**Legend**

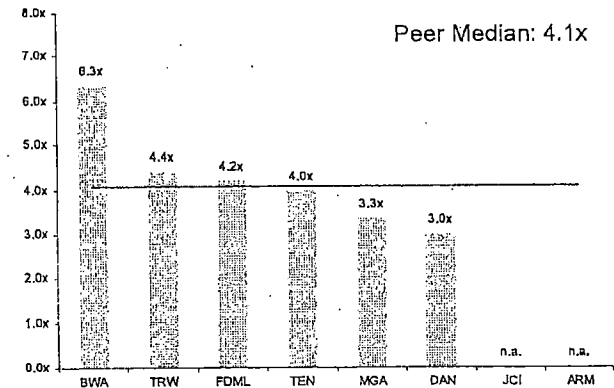
- JCI Johnson Controls
- BWA BorgWarner
- ARM ArvinMeritor
- TRW TRW Automotive
- TEN Tenneco
- FDML Federal-Mogul
- MGA Magna International
- DAN Dana

(\$ in millions)

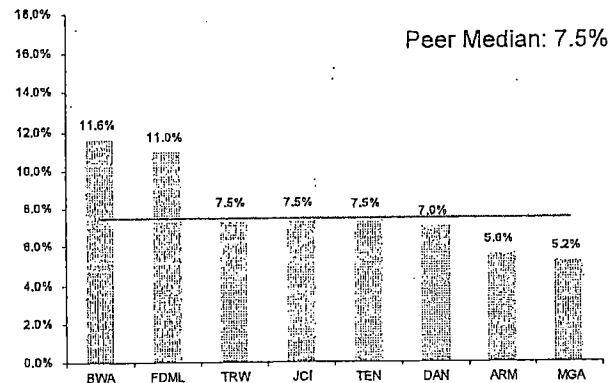
**2010E EV/EBITDAR<sup>(1)</sup>**



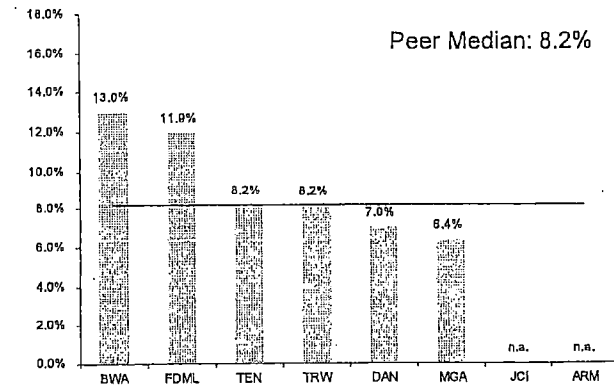
**2011E EV/EBITDAR<sup>(1)</sup>**



**2010E EBITDAR Margin**



**2011E EBITDAR Margin**



Note: Financials calendarized for year ended December 31

(1) Market value represents market value of debt and equity less excess cash plus liquidation value of preferred stock plus book value of minority interest less equity in affiliates. Enterprise value excludes underfunded pension liabilities. Minimum cash defined as the lesser of total cash balance and 5% of 2009 sales

Source: FactSet IBES, Company filings, CapitalIQ

## Current Delphi Valuation and Recovery Analysis

# Comparable Company Analysis

## Implied Valuation

Comparable company trading statistics suggest an equity value of \$5.3 to \$6.5 billion based on a 2011E EBITDAR multiple (based upon the averages of the Low, Mid and High values from the three cases)

(\$ in millions)

Platinum Case 1: 2011E EV/EBITDAR			
(\$ in millions)	Low	Mid	High
2011E EBITDAR Multiple Range	3.5x	4.0x	4.5x
2011E EBITDAR	\$1,076	\$1,076	\$1,076
Implied Enterprise Value	\$3,766	\$4,304	\$4,842
Less: Net Cash (Debt)	\$1,305	\$1,305	\$1,305
Implied Equity Value	\$5,071	\$5,609	\$6,147

Platinum Case 2: 2011E EV/EBITDAR			
(\$ in millions)	Low	Mid	High
2011E EBITDAR Multiple Range	3.5x	4.0x	4.5x
2011E EBITDAR	\$1,417	\$1,417	\$1,417
Implied Enterprise Value	\$4,960	\$5,668	\$6,377
Less: Net Cash (Debt)	\$1,305	\$1,305	\$1,305
Implied Equity Value	\$6,264	\$6,973	\$7,681

BCG Case: 2011E EV/EBITDAR			
(\$ in millions)	Low	Mid	High
2011E EBITDAR Multiple Range	3.5x	4.0x	4.5x
2011E EBITDAR	\$984	\$984	\$984
Implied Enterprise Value	\$3,444	\$3,936	\$4,428
Less: Net Cash (Debt)	\$1,305	\$1,305	\$1,305
Implied Equity Value	\$4,749	\$5,241	\$5,733

## Current Delphi Valuation and Recovery Analysis

# Precedent Transaction Analysis

## Implied Valuation

Recent "bull market" M&A multiples are unlikely to be appropriate in the current market environment

To adjust for the current environment, we apply the 5.1% five-year historic precedent transaction multiple premium to trading multiples to the 2011E EBITDA multiple range

This suggests an equity valuation range of \$5.6 to \$6.8 billion

### Appropriate Multiple Range

	Low	Mid	High
Peer Group LTM Avg Trading Multiple	5.9x	5.9x	5.9x
Precedents LTM EBITDA Multiple	6.2x	6.2x	6.2x
Precedents Premium / (Discount)	5.1%	5.1%	5.1%
Current Peer Group 2011E EBITDA Multiples	3.5x	4.0x	4.5x
Forward 2011 Multiple After Premium	3.7x	4.2x	4.7x

Greenhill

(\$ In millions)

### Platinum Case 1: 2011E EV/EBITDAR

(\$ In millions)	Low	Mid	High
Precedent Transaction Multiple Range	3.7x	4.2x	4.7x
2011E EBITDAR	\$1,076	\$1,076	\$1,076
Implied Enterprise Value	\$3,957	\$4,523	\$5,088
Less: Net Cash (Debt)	\$1,305	\$1,305	\$1,305
Implied Equity Value	\$5,262	\$5,827	\$6,393

### Platinum Case 2: 2011E EV/EBITDAR

(\$ In millions)	Low	Mid	High
Precedent Transaction Multiple Range	3.7x	4.2x	4.7x
2011E EBITDAR	\$1,417	\$1,417	\$1,417
Implied Enterprise Value	\$5,212	\$5,956	\$6,701
Less: Net Cash (Debt)	\$1,305	\$1,305	\$1,305
Implied Equity Value	\$6,516	\$7,261	\$8,005

### BCG Case: 2011E EV/EBITDAR

(\$ In millions)	Low	Mid	High
Precedent Transaction Multiple Range	3.7x	4.2x	4.7x
2011E EBITDAR	\$984	\$984	\$984
Implied Enterprise Value	\$3,619	\$4,136	\$4,653
Less: Net Cash (Debt)	\$1,305	\$1,305	\$1,305
Implied Equity Value	\$4,924	\$5,441	\$5,958

Source: Platinum Equity projections provided to UCC advisors (6/4/09), BCG due diligence presentation (4/30/09)

## Discounted Cash Flow Analysis

### Assumptions

We relied on the Platinum Case 1, Platinum Case 2 and BCG Case projections for the discounted cash flow analysis with sensitivities on a number of key assumptions

#### Exit Year

- We ran the analysis assuming an exit of 2011 for the BCG Case and 2011 and 2012 for the Platinum Case 1 and Platinum Case 2

#### Terminal Value

- We assumed a five-year median historic precedent transaction multiple of 6.2x for the terminal value of New Delphi
- Given that terminal value reflects nearly all of New Delphi's discounted cash flow valuation, we also ran a sensitivity analysis on the implied exit multiples of our terminal value range:
  - Median five-year EV / LTM EBITDA trading multiples for peers <sup>(1)</sup>
    - Delphi's peers have traded at a median EV / LTM EBITDA multiple of 5.9x over last 5 years

#### Discount Rate

- We assumed a 15.0% to 25.0% cost of equity
  - The lower end of our range is derived from a cost of equity analysis using an unlevered beta of 1.2 and a target debt to capital ratio of 40% in line with peers
  - The higher end of the range is more reflective of current market conditions

#### Operating Model Assumptions

- Assume depreciation is in line with capital expenditures
  - Capital expenditures are provided for in the Platinum Case 1, Platinum Case 2 and BCG Case projections

#### Taxes

- Assumes 35% corporate tax rate

Greenhill

Note:  
(1) Calculated on a book value basis  
Source: Company filings, FactSet IBES, CapitalIQ

**Current Delphi Valuation and Recovery Analysis**

**Discounted Cash Flow Sensitivities**

**Implied Equity Values**

**Platinum Case 1 Assuming 2012 Exit**

		Terminal Value Multiple		
		5.5x	6.0x	6.5x
Cost of Equity	15.0%	\$4,222	\$4,629	\$5,036
	17.5%	\$3,973	\$4,356	\$4,738
	20.0%	\$3,743	\$4,103	\$4,464
	22.5%	\$3,530	\$3,871	\$4,211
	25.0%	\$3,334	\$3,655	\$3,976

**Platinum Case 2 Assuming 2012 Exit**

		Terminal Value Multiple		
		5.5x	6.0x	6.5x
Cost of Equity	15.0%	\$6,625	\$7,190	\$7,755
	17.5%	\$6,234	\$6,765	\$7,296
	20.0%	\$5,873	\$6,373	\$6,874
	22.5%	\$5,539	\$6,012	\$6,484
	25.0%	\$5,231	\$5,677	\$6,123

6x reflects median precedent transaction multiple over the past 5 years

**BCG Case Assuming 2011 Exit**

		Terminal Value Multiple		
		5.5x	6.0x	6.5x
Cost of Equity	15.0%	\$4,321	\$4,701	\$5,082
	17.5%	\$4,153	\$4,520	\$4,886
	20.0%	\$3,996	\$4,348	\$4,701
	22.5%	\$3,848	\$4,187	\$4,526
	25.0%	\$3,708	\$4,035	\$4,362

## Current Delphi Valuation and Recovery Analysis

# Recovery Waterfall

Based on Valuation Range

Based on both Platinum and BCG projections, New Delphi's equity value is expected to fall in the \$5.0 to \$6.0 billion range

Hypothetically, distributing that value through the waterfall today would imply a 9% to 11% recovery for PBGC

(\$ in millions)	Low	Mid	High
Equity Value	\$5,000	\$5,500	\$6,000
<u>Waterfall Recovery Analysis:</u>			
PBGC	\$553	\$641	\$685
GM	1,984	2,072	2,203
DIP	2,462	2,787	3,112
UCC	0	0	0
<u>PBGC Recovery Contributions:</u>			
Cash	\$70	\$70	\$70
Equity Stake	553	641	685
\$3bn Unsecured Claim	0	0	0
<b>Total Recovery</b>	<b>\$623</b>	<b>\$711</b>	<b>\$755</b>
<i>% total recovery of \$7bn claim</i>	<i>8.9%</i>	<i>10.2%</i>	<i>10.8%</i>



## Table of Contents

---

1. Executive Summary
2. Situation Overview
3. Current Delphi Valuation and Recovery Analysis
4. **Future Delphi Valuation and Recovery Analysis**

### Appendix

- A. Supporting Valuation Material
- B. Global Production Volume Forecasts



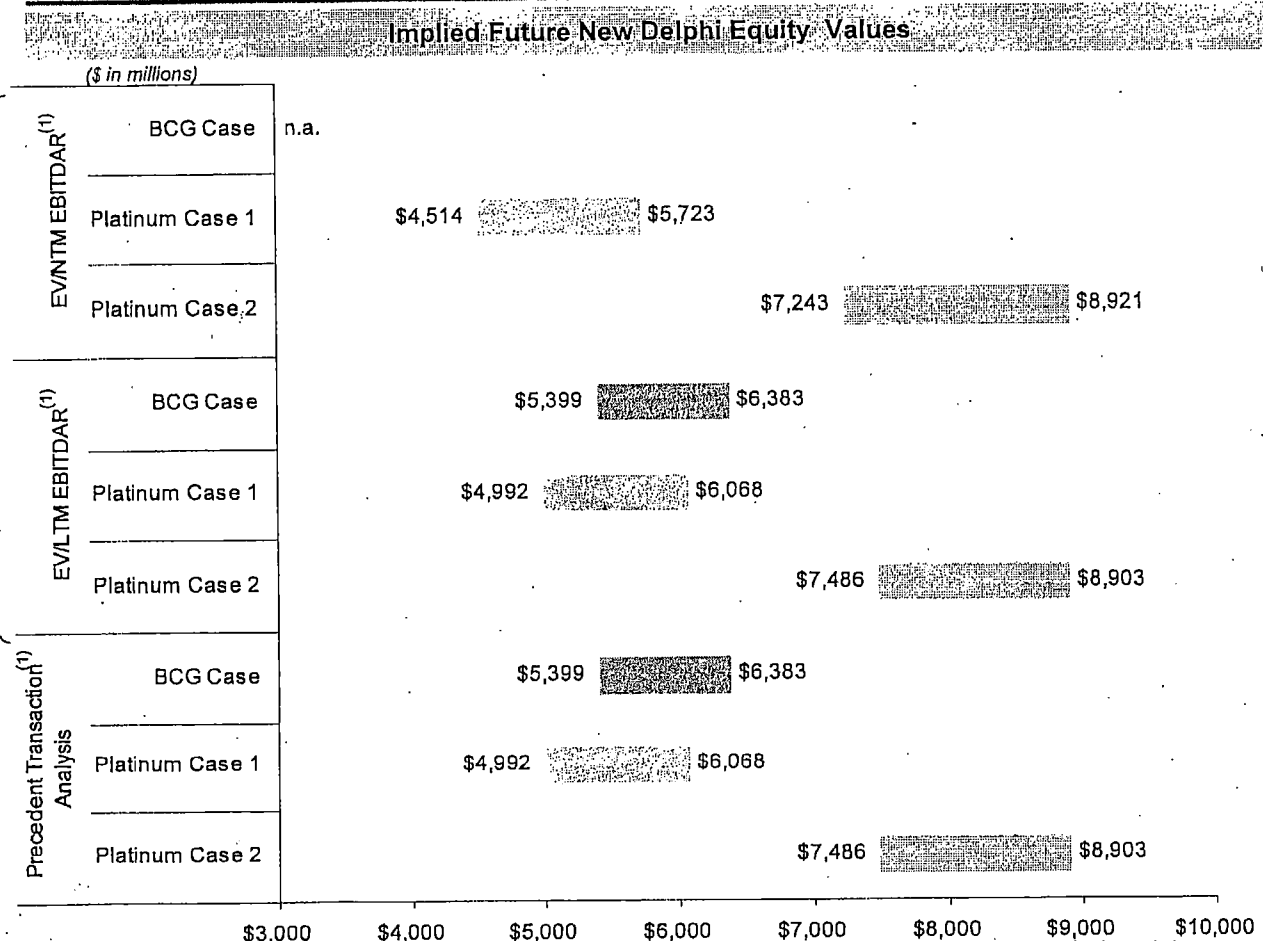
**Future Delphi Valuation and Recovery Analysis**

**New Delphi Valuation Summary**

To evaluate value based on PBGC's recovery from future distributions, we first estimated the future equity value of New Delphi

Based upon summary projections for Platinum Equity and BCG, our analysis suggests an equity value range of \$6.0 billion to \$7.0 billion in 2011

Comparable Company Valuation



Note: Concluded equity values have not been reduced to reflect approximately \$750 million of long-term foreign pension liabilities expected to be carried on New Delphi's pro forma balance sheet

(1) Multiples assume a measurement at FYE 2011. LTM valuation based upon 2011E EBITDAR. NTM valuation based on 2012E EBITDAR  
 Source: Platinum Equity projections provided to UCC advisor (6/4/09), BCG due diligence presentation (4/30/09), Amended and restated operating agreement, June 2009 Investment Commitment Agreement, Credit facility and loan documents

Greenhill

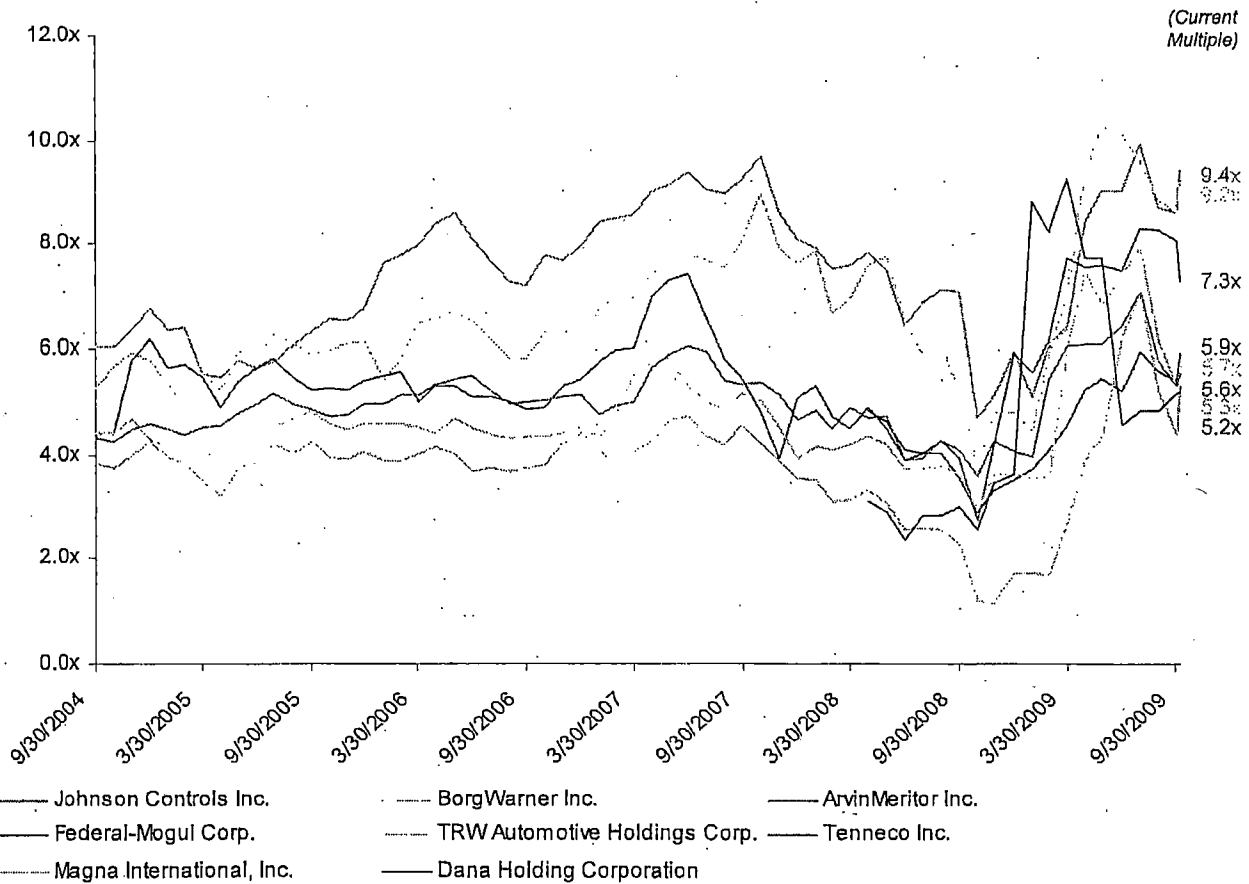
**Future Delphi Valuation and Recovery Analysis**

**Comparable Company Analysis**

**5 Year EV/NTM EBITDA Multiples**

We evaluated long-term median multiples to apply against future cash flows to project the future equity value for New Delphi

Delphi's comparable companies have traded at a median of 5.2x over the past 5 years on a EV/NTM EBITDA basis



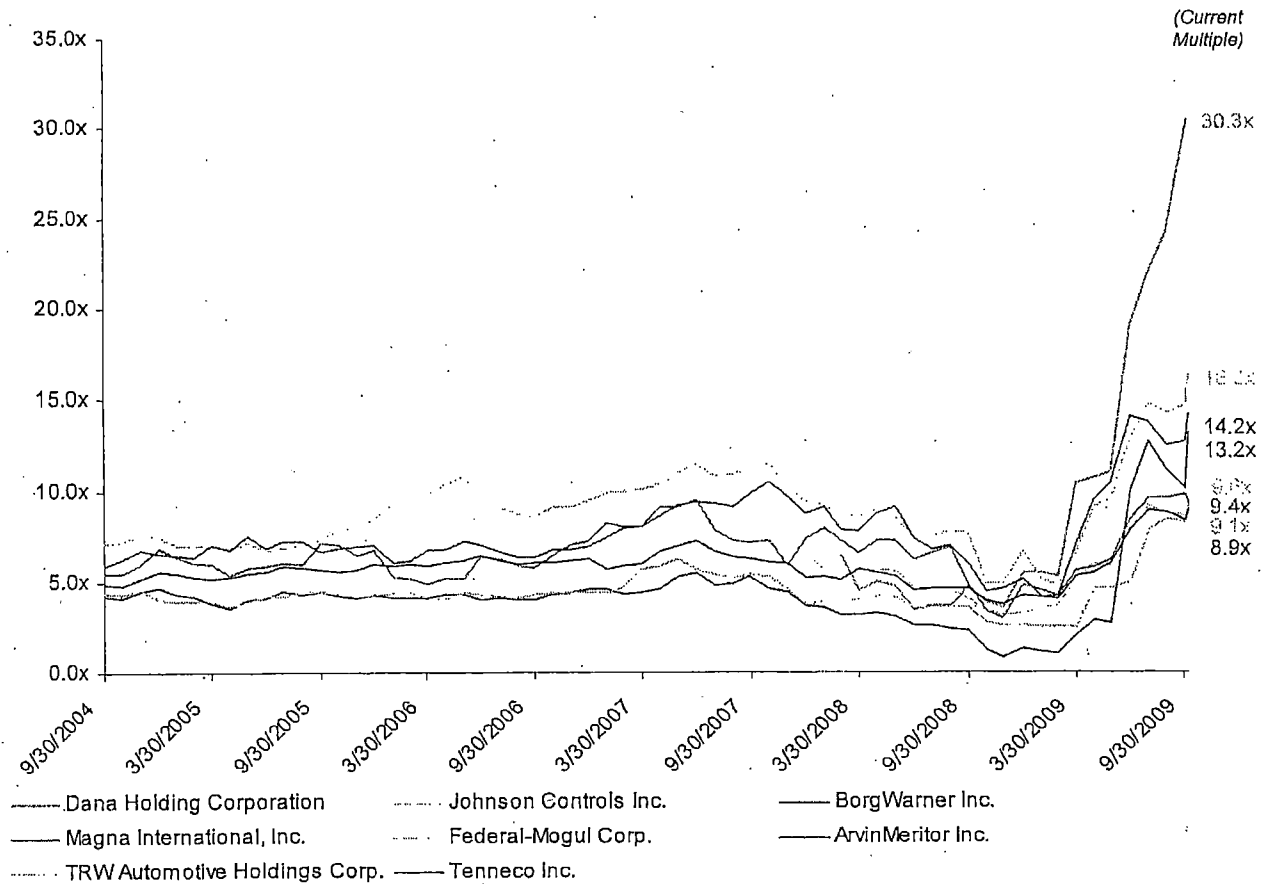
Note: Multiples on Federal-Mogul and Dana Holdings are not available before 4/17/08. Average multiples shown represent 4/17/08 to 6/27/08 and 7/31/08 for Federal-Mogul and Dana, respectively. Multiples reflect book enterprise values  
 Source: FactSet IBES, CapitalIQ

**Future Delphi Valuation and Recovery Analysis**

**Comparable Company Analysis**

**5 Year EV/LTM EBITDA Multiples**

Delphi's comparable companies have historically traded at a median 5.9x EV/LTM EBITDA over the past 5 years



Note: Multiples on Federal-Mogul and Dana Holdings are not available before 12/31/07 and 2/29/08, respectively. Multiples reflect book enterprise values  
 Source: FactSet IBES, CapitalIQ

## Future Delphi Valuation and Recovery Analysis

# Comparable Company Analysis

## LTM EV/EBITDA Valuation

A multiple range based on the five-year historic EV / LTM EBITDA is applied to estimate the future equity value of New Delphi

The equity value range in 2011 is estimated to be \$6.0 to \$7.1 billion

(\$ In millions)

### Platinum Case 1: 2011E EV/EBITDA

(\$ In millions)	Low	Mid	High
LTM Multiple Range	5.5x	6.0x	6.5x
2011E EBITDAR	\$1,076	\$1,076	\$1,076
Implied Enterprise Value	\$5,918	\$6,456	\$6,994
Net Debt	(\$926)	(\$926)	(\$926)
Implied Equity Value	\$4,992	\$5,530	\$6,068

### Platinum Case 2: 2011E EV/EBITDA

(\$ In millions)	Low	Mid	High
LTM Multiple Range	5.5x	6.0x	6.5x
2011E EBITDAR	\$1,417	\$1,417	\$1,417
Implied Enterprise Value	\$7,794	\$8,502	\$9,211
Net Debt	(\$308)	(\$308)	(\$308)
Implied Equity Value	\$7,486	\$8,194	\$8,903

### BCG Case: 2011E EV/EBITDA

(\$ In millions)	Low	Mid	High
LTM Multiple Range	5.5x	6.0x	6.5x
2011E EBITDAR	\$984	\$984	\$984
Implied Enterprise Value	\$5,412	\$5,904	\$6,396
Net Debt	(\$13)	(\$13)	(\$13)
Implied Equity Value	\$5,399	\$5,891	\$6,383

## Future Delphi Valuation and Recovery Analysis

# Comparable Company Analysis

## NTM EV/EBITDA Valuation

For the Platinum Cases' 2012 projected earnings levels, we applied a multiple range based on the five-year historic EV / NTM EBITDA to estimate the future equity value of New Delphi, resulting in an estimated equity value range in 2011 of \$5.9 to \$7.3 billion

(\$ in millions)

	Platinum Case 1: 2012E EV/EBITDAR		
(\$ in millions)	Low	Mid	High
NTM EBITDAR Multiple Range	4.5x	5.0x	5.5x
2012E EBITDAR	\$1,209	\$1,209	\$1,209
Implied Enterprise Value	\$5,441	\$6,045	\$6,650
Net Debt	(\$926)	(\$926)	(\$926)
Implied Equity Value	\$4,514	\$5,119	\$5,723

	Platinum Case 2: 2012E EV/EBITDAR		
(\$ in millions)	Low	Mid	High
NTM EBITDAR Multiple Range	4.5x	5.0x	5.5x
2012E EBITDAR	\$1,678	\$1,678	\$1,678
Implied Enterprise Value	\$7,551	\$8,390	\$9,229
Net Debt	(\$308)	(\$308)	(\$308)
Implied Equity Value	\$7,243	\$8,082	\$8,921

## Future Delphi Valuation and Recovery Analysis

# Precedent Transaction Analysis

## Implied Valuation

We base the multiple range of 5.5x to 6.5x on the five-year median precedent transaction multiple

Precedent transaction multiples suggest an equity value in 2011 of \$6.0 to \$7.1 billion

(\$ in millions)

### Platinum Case 1: 2011E EV/EBITDAR

(\$ in millions)	Low	Mid	High
Precedent Transaction Multiple Range	5.5x	6.0x	6.5x
2011E EBITDAR	\$1,076	\$1,076	\$1,076
Implied Enterprise Value	\$5,918	\$6,456	\$6,994
Net Debt	(\$926)	(\$926)	(\$926)
Implied Equity Value	\$4,992	\$5,530	\$6,068

### Platinum Case 2: 2011E EV/EBITDAR

(\$ in millions)	Low	Mid	High
Precedent Transaction Multiple Range	5.5x	6.0x	6.5x
2011E EBITDAR	\$1,417	\$1,417	\$1,417
Implied Enterprise Value	\$7,794	\$8,502	\$9,211
Net Debt	(\$308)	(\$308)	(\$308)
Implied Equity Value	\$7,486	\$8,194	\$8,903

### BCG Case: 2011E EV/EBITDAR

(\$ in millions)	Low	Mid	High
Precedent Transaction Multiple Range	5.5x	6.0x	6.5x
2011E EBITDAR	\$984	\$984	\$984
Implied Enterprise Value	\$5,412	\$5,904	\$6,396
Net Debt	(\$13)	(\$13)	(\$13)
Implied Equity Value	\$5,399	\$5,891	\$6,383

Greenhill

Source: Platinum Equity projections provided to UCC advisors (6/4/09), BCG due diligence presentation (4/30/09)

33

## Future Delphi Valuation and Recovery Analysis

### Recovery Waterfall

Based upon a concluded equity value range of \$6 to \$7 billion as of the end of 2011, the PBGC would recover ~7% to 8% of its claim

(\$ in millions)	Low	Mid	High
Equity Value	\$6,000	\$6,500	\$7,000
<u>Waterfall Recovery Analysis:</u>			
PBGC	\$685	\$702	\$720
GM	2,203	2,360	2,518
DIP	3,112	3,437	3,762
UCC	0	0	0
<u>PBGC Recovery Contributions:</u>			
Cash	\$70	\$70	\$70
Equity Stake	685	702	720
\$3bn Unsecured Claim	0	0	0
<b>Total Recovery</b>	<b>\$755</b>	<b>\$772</b>	<b>\$790</b>
<i>% total recovery of \$7bn claim</i>	10.8%	11.0%	11.3%
<b>PV of Recovery at 20%<sup>(1)</sup></b>	<b>\$517</b>	<b>\$529</b>	<b>\$540</b>
<i>% total recovery of \$7bn claim</i>	7.4%	7.6%	7.7%

**Note:**

(1) \$70mm in upfront cash payment is not discounted

Source: Platinum Equity projections provided to UCC advisors (6/4/09), BCG due diligence presentation (4/30/09), General Motors, Amended and restated operating agreement, June 2008 Investment Commitment Agreement, Credit facility and loan documents



## Table of Contents

---

1. Executive Summary
2. Situation Overview
3. Current Delphi Valuation and Recovery Analysis
4. Future Delphi Valuation and Recovery Analysis

### Appendix

- A. Supporting Valuation Material
- B. Global Production Volume Forecasts



**Supporting Valuation Material**

# Discounted Cash Flow Analysis

## Platinum Case 1

Based on Platinum Case 1, a discounted cash flow analysis yields \$4.2 billion in equity value assuming a 20% cost of equity

Assuming a 2011 exit, New Delphi's equity value would be \$4.3 billion

(\$ in millions)	2009E	2010E	2011E	2012E	Terminal Value
	2H	FY	FY	FY	
Revenue	\$5,037	\$9,968	\$11,359	\$11,887	\$11,887
EBITDAR	\$63	\$674	\$1,076	\$1,209	\$1,209
% Margin	1.3%	5.8%	9.5%	10.2%	10.2%
Restructuring Charges	(\$1,139)	(\$496)	(\$162)	(\$55)	(\$55)
Depreciation and Amortization <sup>(1)</sup>	(181)	(426)	(389)	(395)	(395)
Net Interest Expense <sup>(2)</sup>	(5)	(42)	(60)	(45)	27
EBT	(\$1,262)	(\$390)	\$465	\$714	\$785
Taxes at 35.0% <sup>(1)</sup>	0	0	(163)	(250)	(275)
Tax-Effectuated EBT	(\$1,262)	(\$390)	\$302	\$464	\$511
Depreciation and Amortization <sup>(1)</sup>	\$181	\$426	\$389	\$395	\$395
Change in Working Capital	(345)	(234)	(302)	(119)	(119)
Capital Expenditures	(181)	(426)	(389)	(395)	(395)
Change in Debt <sup>(2)</sup>	261	624	(0)	(345)	0
Free Cash Flow to Equity	(\$1,346)	(\$0)	(\$0)	(\$0)	\$392
% of year included	50.0%	100.0%	100.0%	100.0%	100.0%
Period	0.2	0.8	1.8	2.8	2.8
Discount Factor	97.0%	65.9%	71.6%	59.7%	59.7%
Discounted Cash Flow	(\$1,305)	(\$0)	(\$0)	(\$0)	

**Sources**

(\$ in millions)	
Silverpoint Equity Investment	\$177.3
Elliot Equity Investment	177.3
GM Equity Investment	1,750.0
12% Notes due July 2014	41.0
<b>Total Sources</b>	<b>\$2,145.5</b>
Term Loan Commitment Available	\$1,000.0

Cost of Equity	20.0%
Terminal EBITDAR	\$1,209
Exit Multiple	6.2x
Terminal Enterprise Value	\$7,486
Cash at Terminal Period	(206)
Debt at Terminal Period	581
Terminal Equity Value	\$7,120
Discounted Cash Flows to Equity	\$0
Discounted Terminal Value	4,248
<b>Implied Equity Value</b>	<b>\$4,248</b>

Five-year median historic precedent transaction multiple

Note: Assumes a mid-year cash flow convention  
 (1) Tax rate and D&A projections are not provided. Assumes D&A equal to capital expenditures  
 (2) Reflects terms of the Investment Commitment Agreement. Assumes new term loan bears interest at L+6% with a 2% LIBOR floor, new notes bear interest at 12% and cash earns interest at LIBOR  
 (3) Assumes a minimum cash balance of \$800mm per the Delphi Amended and restated operating agreement. Revolver is drawn to fund shortfalls in minimum cash and repaid with excess cash on hand  
 Source: Platinum Equity projections provided to UCC advisors (6/4/09), BCG due diligence presentation (4/30/09), Amended and restated operating agreement, June 2009 Investment Commitment Agreement, Credit facility and loan documents

Supporting Valuation Material

# Discounted Cash Flow Analysis

## Platinum Case 2

Based on Platinum Case 2, a discounted cash flow analysis yields \$6.6 billion in equity value assuming a 20% cost of equity

Assuming a 2011 exit, New Delphi's equity value would be \$6.2 billion

(\$ in millions)	2009E	2010E	2011E	2012E	Terminal Value
Revenue	\$5,517	\$11,693	\$13,507	\$14,406	\$14,406
EBITDAR	\$130	\$798	\$1,417	\$1,678	\$1,678
% Margin	2.4%	6.8%	10.5%	11.6%	11.6%
Restructuring Charges	(\$911)	(\$505)	(\$154)	(\$54)	(\$54)
Depreciation and Amortization <sup>(1)</sup>	(187)	(450)	(418)	(433)	(433)
Net Interest Expense <sup>(2)</sup>	1	(14)	(15)	21	37
EBT	(\$967)	(\$171)	\$829	\$1,212	\$1,228
Taxes at 35.0% <sup>(1)</sup>	0	0	(280)	(424)	(430)
Tax-Effectuated EBT	(\$967)	(\$171)	\$539	\$788	\$798
Depreciation and Amortization <sup>(1)</sup>	\$187	\$450	\$418	\$433	\$433
Change In Working Capital	(245)	(411)	(357)	56	56
Capital Expenditures	(187)	(450)	(418)	(433)	(433)
Change In Debt <sup>(3)</sup>	0	448	(182)	(267)	0
Free Cash Flow to Equity	(\$1,212)	(\$133)	\$0	\$677	\$855
% of year included	50.0%	100.0%	100.0%	100.0%	100.0%
Period	0.2	0.8	1.8	2.8	2.8
Discount Factor	97.0%	85.9%	71.6%	59.7%	59.7%
Discounted Cash Flow	(\$1,176)	(\$114)	\$0	\$344	

Cost of Equity	20.0%
Terminal EBITDAR	\$1,678
Exit Multiple	6.2x
Terminal Enterprise Value	\$10,404
Cash at Terminal Period	(655)
Debt at Terminal Period	41
Terminal Equity Value	\$11,019
Discounted Cash Flows to Equity	\$0
Discounted Terminal Value	6,573
Implied Equity Value	\$6,573

Five-year median historic precedent transaction multiple

Note: Assumes a mid-year cash flow convention

(1) Tax rate and D&A projections are not provided. Assumes D&A equal to capital expenditures

(2) Reflects terms of the Investment Commitment Agreement. Assumes new term loan bears interest at L+6% with a 2% LIBOR floor, new notes bear interest at 12% and cash earns interest at LIBOR

(3) Assumes a minimum cash balance of \$800mm per the Delphi Amended and restated operating agreement. Revolver is drawn to fund shortfalls in minimum cash and repaid with excess cash on hand

Source: Platinum Equity projections provided to UCC advisors (6/4/09), BCG due diligence presentation (4/30/09), Amended and restated operating agreement, June 2009 Investment Commitment Agreement, Credit facility and loan documents

Greenhill

Supporting Valuation Material

# Discounted Cash Flow Analysis

## BCG Case

A discounted cash flow analysis based on BCG's projections suggests an equity value of \$4.5 billion

(\$ in millions)	2009E	2010E	2011E	Terminal Value
	Q2-Q4	FY	FY	
Revenue	\$7,686	\$11,225	\$12,348	\$12,348
EBITDAR	(\$80)	\$404	\$984	\$984
% Margin	(1.0%)	3.6%	8.0%	8.0%
Restructuring Charges	(\$951)	\$0	\$0	\$0
Depreciation and Amortization <sup>(1)</sup>	(300)	(398)	(437)	(437)
Net Interest Expense <sup>(2)</sup>	1	(2)	10	20
EBT	(\$1,330)	\$4	\$557	\$567
Taxes at 35.0% <sup>(1)</sup>	0	(1)	(195)	(198)
Tax-Effectuated EBT	(\$1,330)	\$3	\$362	\$369
Depreciation and Amortization <sup>(1)</sup>	\$300	\$398	\$437	\$437
Change in Working Capital	14	(174)	(191)	(191)
Capital Expenditures	(300)	(398)	(437)	(437)
Change in Debt <sup>(3)</sup>	0	142	(142)	0
Free Cash Flow to Equity	(\$1,316)	(\$28)	\$29	\$178
% of year included	75.0%	100.0%	100.0%	100.0%
Period	0.2	0.6	1.8	1.8
Discount Factor	97.0%	85.9%	71.6%	71.6%
Discounted Cash Flow	(\$1,277)	(\$25)	\$21	
Cost of Equity			20.0%	
Terminal EBITDAR			\$984	
Exit Multiple			6.2x	
Terminal Enterprise Value			\$6,101	
Cash at Terminal Period			(211)	
Debt at Terminal Period			41	
Terminal Equity Value			\$6,271	
Discounted Cash Flows to Equity			\$0	
Discounted Terminal Value			4,489	
Implied Equity Value			\$4,489	

Five-year median historic precedent transaction multiple

Note: Assumes a mid-year cash flow convention

(1) Tax rate and D&A projections are not provided. Assumes D&A equal to capital expenditures

(2) Reflects terms of the investment Commitment Agreement. Assumes new term loan bears interest at L+6% with a 2% LIBOR floor, new notes bear interest at 12% and cash earns interest at LIBOR

(3) Assumes a minimum cash balance of \$800mm per the Delphi Amended and restated operating agreement. Revolver is drawn to fund shortfalls in minimum cash and repaid with excess cash on hand

Source: Platinum Equity projections provided to UCC advisors (6/4/09), BCG due diligence presentation (4/30/09), Amended and restated operating agreement, June 2009 investment Commitment Agreement, Credit facility and loan documents

Greenhill


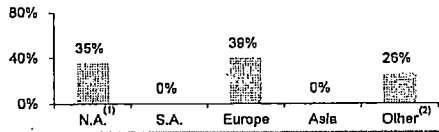

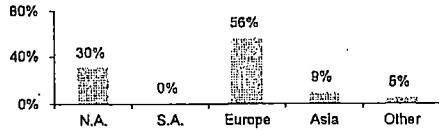

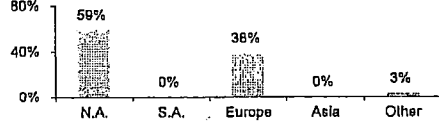

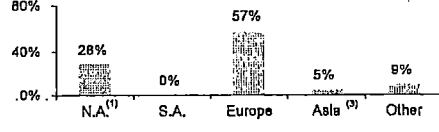

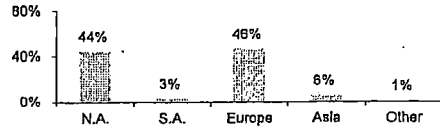
Supporting Valuation Material

# Overview of Delphi's Comparables

## Comparison Across Businesses

(\$ in millions, except per share data)

Calendarized to Dec-31 Year-End

Company	2008 Sales	2008 EBITDAR / (Margin)	% Revenue by Geography	Comments
	\$35,914.0	\$2,212.0 6.2%		<ul style="list-style-type: none"> <li>Diversified revenue stream comprised of 48% auto Interiors, 37% HVAC systems and 15% battery technology and services</li> <li>Ford, GM and Daimler are Johnson Controls' largest customers, though no customer contributes more than 10% of sales</li> <li>Has successfully pursued aggressive cost cutting in 2009</li> <li>Recently awarded the largest allocation of the Department of Energy's \$2.4bn stimulus program</li> </ul>
	\$14,995.0	\$1,055.0 7.0%		<ul style="list-style-type: none"> <li>Diversified automotive parts supplier, with a focus on safety-related products</li> <li>Strong European presence</li> <li>70% of revenue is derived outside of North America</li> <li>Lower risk of bankruptcy as a result of covenant amendment in June 2008 and ~\$570mm in cash on balance sheet as of July 2, 2009</li> <li>Workforce has declined ~20% in the last 1 1/2 years</li> <li>Big 3 represented ~35% of 2008 sales</li> </ul>
	\$23,704.0	\$1,487.0 6.3%		<ul style="list-style-type: none"> <li>Diversified Canadian automotive parts supplier</li> <li>Big 3 represented ~47% of 2008 sales</li> <li>Stands to benefit from recent acquisitions and development of electronics and hybrid/electric powertrain capabilities</li> <li>Prominent bidder for Opel assets</li> <li>Strong liquidity with ~\$1.7bn in cash on balance sheet at June 30, 2009</li> <li>Expected to gain market share from suppliers in weaker financial positions</li> </ul>
	\$6,263.9	\$587.7 11.2%		<ul style="list-style-type: none"> <li>Supplier of powertrain applications to OEMs</li> <li>Strong European presence</li> <li>Has become more diversified in shifting business away from the Big 3 OEMs</li> <li>Has traditionally traded at a premium relative to most peers, given its superior revenue and earnings growth</li> <li>Has strong liquidity to survive reductions in auto volume; net debt to capital ratio is near its lowest level in 10 years. Company is considering increasing leverage to pursue high growth targets</li> </ul>
	\$8,865.9	\$881.4 10.1%		<ul style="list-style-type: none"> <li>Supplier of powertrain, safety and other automotive components</li> <li>Strong European performance has offset weakness in diesel mix</li> <li>Geographic revenue mix in line with Delphi</li> <li>High exposure to aftermarket, representing ~38% of 2008 sales, which is more stable than the OE market</li> <li>Limited North American exposure to OEMs</li> <li>Carl Icahn owns ~75% of Federal Mogul, a stake acquired in relation to its emergence from bankruptcy</li> </ul>

Notes:  
 (1) Represents United States  
 (2) Represents non-United States and non-Europe  
 (3) Represents South Korea  
 Source: Delphi data room files, Company filings


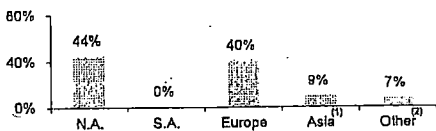

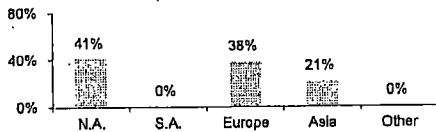

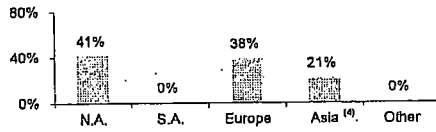
Supporting Valuation Material

# Overview of Delphi's Comparables

## Comparison Across Businesses

(\$ in millions, except per share data)

Calendarized to Dec-31 Year-End

Company	2008 Sales	2008 EBITDAR / (Margin)	% Revenue by Geography	Comments
	\$5,916.0	\$374.0 6.3%		<ul style="list-style-type: none"> <li>Supplier of ride control and emissions products</li> <li>Geographic revenue mix in line with that of Delphi</li> <li>Revenue split about equally between North America and Europe</li> <li>High exposure to fast growing emissions control market, benefiting from new North American regulations for commercial vehicles</li> <li>Highly levered, though analysts generally do not expect Tenneco to trip covenants or file for bankruptcy</li> </ul>
	\$6,095.0	\$236.0 2.9%		<ul style="list-style-type: none"> <li>Has similar business mix and geographic exposure as Delphi</li> <li>High exposure to Ford and GM, representing 17% and 6% of sales in 2008, respectively</li> <li>High perceived risk of breaching covenants</li> <li>American Axle's (AXL) largest driveshaft and axle competitor in North America, so would benefit from an AXL bankruptcy</li> </ul>
	\$6,874.0	\$308.0 4.5%		<ul style="list-style-type: none"> <li>Primary business in line with Delphi's Powertrain segment</li> <li>Geographic revenue mix in line with Delphi</li> <li>Has been shifting focus to its commercial vehicle business while decreasing focus on and divesting parts of its light vehicle business</li> <li>While analysts have expressed concern over covenant compliance, ArvinMeritor commented in its Q2 10Q that it is taking actions that should allow it to maintain compliance in Q3</li> </ul>

Notes:

(1) Company filing combines Asia and Australia

(2) Company filing combines South America and India

(3) Revenue breakdown for geography as of FYE 9/30/08. Sales and EBITDAR shown LTM as of 12/31/08

(4) Represents Asia and Other

Source: Delphi data room files, Company filings

Supporting Valuation Material

## Comparable Company Analysis

### Trading Statistics

(\$ in millions, except per share data)

Calendarized to Dec-31 Year-End; Prices as of Oct-21-09

Company	Share Price 10/21/09	Discount to 52-Wk High	Equity Value	Enterprise Value		Book Value EV/ EBITDA			Market Value EV/ EBITDA			Long Term Growth
				Book Value	Market Value	2009	2010	2011	2009	2010	2011	
Johnson Controls	\$26.69	(2.9%)	\$18,080.7	\$21,113.9	\$21,091.0	13.8x	8.9x	n.a.	13.8x	8.9x	n.a.	15.5%
TRW Automotive	18.01	(11.1%)	2,117.1	5,005.3	4,815.2	7.5x	5.5x	4.6x	7.2x	5.3x	4.4x	n.a.
Magna International	45.20	(11.3%)	5,090.1	4,853.8	4,784.2	17.7x	4.7x	3.4x	17.5x	4.6x	3.3x	11.7%
BorgWarner	32.67	(8.9%)	3,836.4	4,654.6	4,664.9	15.3x	8.5x	6.3x	15.3x	8.6x	6.3x	14.0%
Federal-Mogul	12.89	(14.0%)	1,281.3	3,552.9	3,015.0	7.2x	5.7x	5.0x	6.1x	4.8x	4.2x	n.a.
Tenneco	16.00	(11.0%)	767.7	2,203.7	2,049.6	7.1x	5.3x	4.3x	6.6x	5.0x	4.0x	10.0%
Dana	7.09	(1.7%)	986.9	2,272.6	1,543.8	7.1x	4.9x	4.4x	4.8x	3.4x	3.0x	n.a.
ArvinMeritor	8.95	(1.4%)	661.9	1,667.9	1,462.3	12.8x	6.5x	n.a.	11.2x	5.7x	n.a.	n.a.

Median						10.1x	5.6x	4.5x	9.2x	5.1x	4.1x	12.8%
Mean						11.1x	6.3x	4.6x	10.3x	5.8x	4.2x	12.8%

Supporting Valuation Material

# Comparable Company Analysis

## Operating Statistics

(\$ in millions)

Calendarized to Dec-31 Year-End; Prices as of Oct-21-09

Company	Equity Value	Enterprise Value		Revenue Growth			EBITDA Growth			EBITDA Margin		
		Book Value	Market Value	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E
Johnson Controls	\$18,080.7	\$21,113.9	\$21,091.0	(19.0%)	8.9%	n.a.	(30.9%)	55.2%	n.a.	5.3%	7.5%	n.a.
TRW Automotive	2,117.1	5,005.3	4,815.2	(26.7%)	10.9%	9.7%	(36.8%)	37.2%	19.3%	6.1%	7.5%	8.2%
Magna International	5,090.1	4,853.8	4,784.2	(30.1%)	19.9%	13.0%	(81.6%)	n.m.	37.7%	1.7%	5.2%	6.4%
BorgWarner	3,836.4	4,654.6	4,664.9	(28.6%)	24.9%	21.1%	(48.2%)	79.1%	35.6%	8.1%	11.6%	13.0%
Federal-Mogul	1,281.3	3,552.9	3,015.0	(22.9%)	8.0%	4.9%	(28.3%)	26.2%	14.5%	9.4%	11.0%	11.9%
Tenneco	767.7	2,203.7	2,049.6	(22.5%)	20.3%	14.0%	(17.1%)	33.1%	25.7%	6.8%	7.5%	8.2%
Dana	986.9	2,272.6	1,543.8	(34.8%)	24.2%	13.7%	35.5%	43.8%	13.1%	6.1%	7.0%	7.0%
ArvinMeritor	661.9	1,667.9	1,462.3	(34.0%)	1.1%	n.a.	(57.6%)	95.7%	n.a.	2.9%	5.6%	n.a.
<b>Median</b>				<b>(27.7%)</b>	<b>15.4%</b>	<b>13.3%</b>	<b>(33.8%)</b>	<b>43.8%</b>	<b>22.5%</b>	<b>6.1%</b>	<b>7.5%</b>	<b>8.2%</b>
<b>Mean</b>				<b>(27.3%)</b>	<b>14.8%</b>	<b>12.7%</b>	<b>(33.1%)</b>	<b>52.9%</b>	<b>24.3%</b>	<b>5.8%</b>	<b>7.9%</b>	<b>9.1%</b>

Supporting Valuation Material

# Selected Auto Supplier M&A Transactions

## Last Five Years

Date Announced	Target	Acquirer	% Acquired	Implied EV	Implied EV/EBITDA	Comments
17-Mar-08	Beru	BorgWarner Germany	13.8% Stake	\$820.6	6.2x	BorgWarner Germany acquired the stake in Beru that it did not own under a domination and profit transfer agreement
21-Nov-07	Federal-Mogul	Carl C. Icahn	43% Stake	\$4,006.2	5.9x	As part of Federal Mogul's chapter 11 plan of reorganization, Carl Icahn received a call option to purchase the majority of equity allocated to the Asbestos Trust for \$775mm. Icahn was a major holder of the Notes which were to be equitized for the remaining 50% control of Federal Mogul.
28-Mar-07	Tower Automotive	Cerberus	Substantially All Assets	\$973.8	5.2x	Cerberus entered into an asset purchase agreement to acquire substantially all assets as part of Tower Automotive's chapter 11 plan of reorganization
15-Jan-07	Koninklijke Nedschroef	Gilde and Parcom Ventures	100.0%	\$359.8	6.3x	Gilde and Parcom Ventures acquired Koninklijke Nedschroef, a Netherlands producer of fasteners for the auto industry
13-Nov-06	Spectra Premium Industries	Fonds de Solidarité, Desjardins Capital Régional et Coopératif, Canada Group and Management	100.0%	\$112.4	6.4x	Fonds de Solidarité, Desjardins Capital Régional et Coopératif, Canada Group along with the management agreed to acquire Spectra Premium Industries. Spectra Premium is the world leader in manufacturing of fuel tanks and related components for the auto and light-truck aftermarkets
18-Oct-06	Pacifica Group	Robert Bosch	75.3% Stake	\$403.4	4.8x	Robert Bosch made a cash offer to acquire Pacifica Group. During the process, the offer was revised upward by 15%
31-Aug-06	Metaldyne Corp.	Asahi Tec Corporation	100.0%	\$1,200.0	7.6x	Asahi Tec acquired Metaldyne from Heartland Industrial Partners, Masco, Long Point Capital, Wachovia Capital Partners and CSFB Private Equity in an all-cash transaction
15-Nov-04	Finnveden AB	Nordic Capital	100.0%	\$447.5	6.0x	Nordic Capital acquired all the outstanding shares of Finnveden, a Sweden based autoparts supplier
25-Oct-04	Tesma International	Magna International	56.0%	\$1,070.5	5.7x	Magna International acquired the 56% interest it did not hold in its public subsidiary Tesma International
9-Jul-04	Dana Corp aftermarket business	The Cypress Group	100.0%	\$1,024.5	6.1x	The Cypress Group acquired the Dana Corp's aftermarket business for \$950 million in cash and a note issued to Dana Corp with an initial face amount of \$74.5 million
23-Jun-04	Stanadyne Corporation	Kohberg & Company	100.0%	\$330.0	6.8x	An affiliate of Kohberg & Company acquired Stanadyne Corporation from American Industrial Partners. Consideration was funded by \$105 million of equity, \$160 million of new senior subordinated notes and \$65 million of borrowings under a new term loan
2-Jan-04	New Castle Machining	Metaldyne Corporation	80.0%	\$268.8	7.2x	Metaldyne purchased DaimlerChrysler's 80% stake in a joint-venture between the 2 companies

Mean	6.3x	Precedents premium: 5.1% Peer Group LTM EBITDA multiple: 5.9x <sup>(1)</sup>
Median	6.2x	

Note: Includes deals with transaction values greater than \$100mm. Values are calculated using exchange rates as of date of announcement (Beru/BorgWarner = 1.576 EUR/USD, Koninklijke Nedschroef/Gilde and Parcom = 1.293 EUR/USD, Spectra/Fonds de Solidarité, et. al. = .879 CAD/USD, Pacifica/Robert Bosch = .754 AUD/USD)  
 (1) From the same five-year period  
 Source: CapitalIQ, Company filings



Supporting Valuation Material

## Cost of Equity Analysis

With an assumed target debt to capital ratio of 40% in line with peers and median unlevered beta for peers of 1.2, cost of equity is estimated to be in the 15 - 16% range

Company	Predicted Equity Beta <sup>(1)</sup>	Net Debt/Market Equity	Unlevered Beta	Credit Rating <sup>(2)</sup>	Cost of Equity
Johnson Controls	1.338	19.5%	1.166	BBB	12.8%
TRW Automotive	2.075	120.9%	1.162	B	18.0%
Magna International	1.255	0.0%	1.255	BBB	12.3%
BorgWarner	1.352	20.9%	1.164	BBB	12.9%
Federal-Mogul	2.565	148.4%	1.306	B+	21.5%
Tenneco	3.511	163.5%	1.675	B-	28.1%
ArvinMeritor	2.454	135.0%	1.044	CCC+	20.7%
<b>Mean</b>	<b>2.079</b>	<b>86.9%</b>	<b>1.253</b>	<b>n.m.</b>	<b>18.1%</b>
<b>Median</b>	<b>2.075</b>	<b>120.9%</b>	<b>1.166</b>	<b>n.m.</b>	<b>18.0%</b>

Relevering of Asset Beta Based on the Following Target Capital Structures

Target Capital Structure		Relevered Beta	Cost of Equity
Net Debt/Capital	Debt/Market Equity		
20.0%	25.0%	1.355	12.9%
30.0%	42.9%	1.491	13.9%
40.0%	68.7%	1.671	15.2%
50.0%	100.0%	1.924	17.0%
60.0%	150.0%	2.303	19.6%

Formulas:

$$\text{Unlevered Beta} = \frac{\text{Levered Beta}}{1 + (D/E) (1 - t)}$$

$$\text{Relevered Beta} = \text{Unlevered Beta} * [1 + (D/E) (1 - t)]$$

$$\text{Cost of Equity} = \text{Risk Free} + \text{Lev. Beta} * \text{Risk Prem.}$$

<b>Assumptions:</b>	US Risk Free Rate <sup>(3)</sup>	3.39%
	Canadian Risk Free Rate <sup>(3)</sup>	3.45%
	Market Risk Premium <sup>(4)</sup>	7.05%
	Marginal Tax Rate (t)	35.0%

Notes

(1) Source: Bloomberg predicted based on 5 year history or maximum history since IPO

(2) Source: S&P

(3) 10 year government rate as of 10/21/08

(4) Source: Ibbotson Associates

Source: Bloomberg, Ibbotson Associates, Company filings



## Table of Contents

---

1. Executive Summary
2. Situation Overview
3. Current Delphi Valuation and Recovery Analysis
4. Future Delphi Valuation and Recovery Analysis

### Appendix

- A. Supporting Valuation Material
- B. Global Production Volume Forecasts**

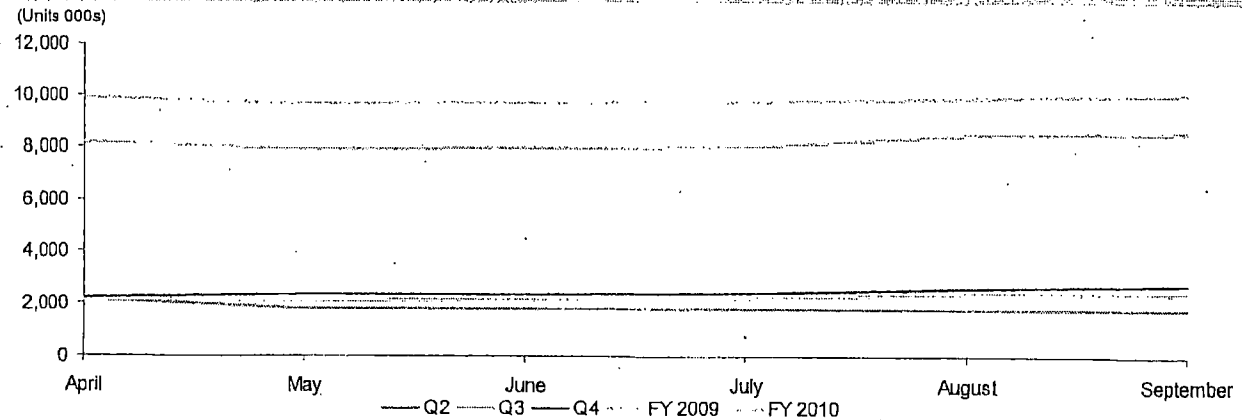
## Global Production Volume Forecasts

# Auto Production Forecasts

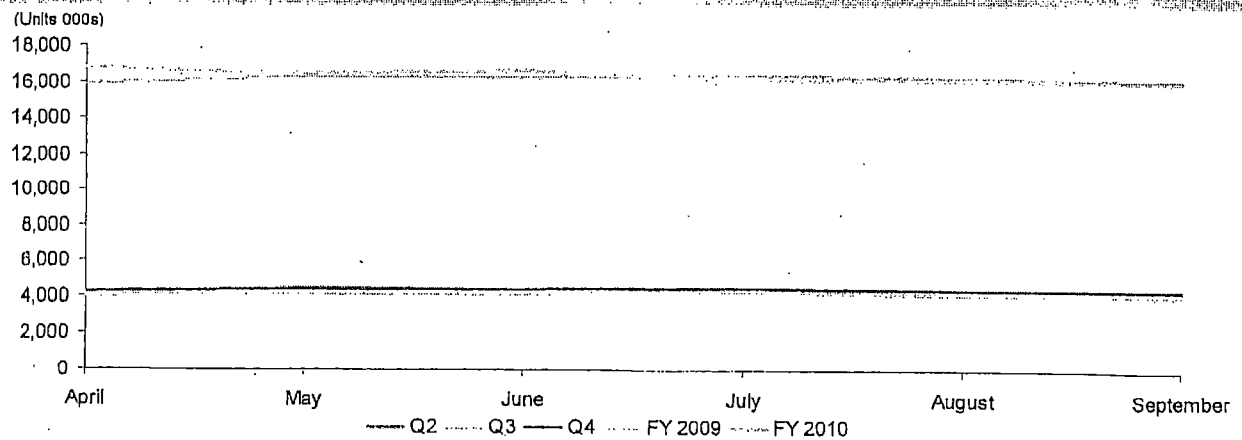
JPMorgan Estimates

JPMorgan production forecasts have remained relatively flat since April 2009

### Monthly North American Production Forecasts



### Monthly European Production Forecasts



(Units 000s)	2009			2010	
	Q2	Q3	Q4	FY	FY
April					
NA Production	2,128	2,154	2,175	8,169	8,892
European Production	4,228	4,027	4,232	16,885	16,805
May					
NA Production	1,814	2,090	2,338	7,939	8,887
European Production	4,420	4,159	4,386	16,365	16,618
June					
NA Production	1,792	2,158	2,331	7,976	8,891
European Production	4,331	4,151	4,359	16,281	16,820
July					
NA Production	1,772	2,177	2,368	8,016	8,745
European Production	4,318	4,205	4,444	16,362	16,147
August					
NA Production	1,777	2,376	2,590	8,443	8,892
European Production	4,289	4,189	4,379	16,289	16,118
September					
NA Production	1,777	2,368	2,719	8,563	10,055
European Production	4,259	4,089	4,340	16,130	16,011

Greenhill

Source: JPMorgan research

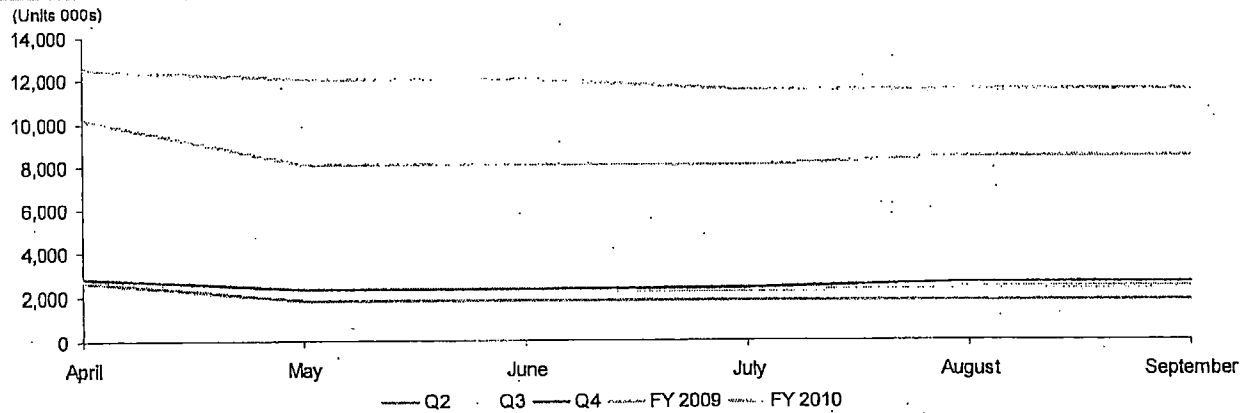
**Global Production Volume Forecasts**

**Auto Production Forecasts**

Citigroup Estimates

Citigroup forecasts have also been relatively constant since April 2009

**North American Production Forecasts**



(Units 000s)

	2009				2010	
	Q2	Q3	Q4	FY	FY	
April	2,650	2,700	2,800	10,150	12,500	
May	1,800	2,300	2,300	8,078	12,000	
June	1,800	2,300	2,300	8,078	12,000	
July	1,783	2,171	2,367	8,000	11,500	
August	1,783	2,373	2,595	8,431	11,500	
September	1,783	2,373	2,595	8,431	11,500	

## Attachment B.3

# Copy of Executed General Settlement Agreement with PBGC

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP  
155 North Wacker Drive  
Chicago, Illinois 60606  
(312) 407-0700  
John Wm. Butler, Jr.  
Ron E. Meisler

- and -

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP  
Four Times Square  
New York, New York 10036  
(212) 735-3000  
Kayalyn A. Marafioti

Attorneys for Delphi Corporation, et al.,  
Debtors and Debtors-in-Possession

Delphi Legal Information Hotline:  
Toll Free: (800) 718-5305  
International: (248) 813-2698

Delphi Legal Information Website:  
<http://www.delphidocket.com>

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----x  
In re : Chapter 11  
DELPHI CORPORATION, et al. : Case No. 05-44481 (RDD)  
: (Jointly Administered)  
Debtors. :  
-----x

NOTICE OF FILING OF SETTLEMENT AGREEMENT BETWEEN DELPHI  
CORPORATION AND THE PENSION BENEFIT GUARANTY CORPORATION  
("NOTICE OF FILING OF DELPHI-PBGC SETTLEMENT AGREEMENT")

1. On June 16, 2009, Delphi Corporation ("Delphi") and certain of its  
subsidiaries and affiliates, debtors and debtors-in-possession in the above-captioned cases (the  
"Debtors"), filed the First Amended Plan Of Reorganization Of Delphi Corporation And Certain



054448109072100000000061

Affiliates, Debtors And Debtors-In-Possession (As Modified) (the "Modified Plan") (Docket No. 17030).

2. Also on June 16, 2009, the Court entered the Order (A)(I) Approving Modifications To Debtors' First Amended Plan Of Reorganization (As Modified) And Related Disclosures And Voting Procedures And (II) Setting Final Hearing Date to Consider Modifications to Confirmed First Amended Plan Of Reorganization And (B) Setting Administrative Expense Claims Bar Date And Alternative Transaction Hearing Date (the "Modification Procedures Order") (Docket No. 17032).

3. Paragraph 4 of the Modification Procedures Order requires that the Debtors file all exhibits and schedules (including all amendments thereto, the "Plan Exhibits") to the Modified Plan with the Court on or before July 2, 2009. In accordance with Exhibit 7.17 to the Modified Plan as filed by the Debtors on July 2, 2009, and with Article 14.3 of the Modified Plan, the Debtors have filed the Delphi-PBGC Settlement Agreement, attached hereto as Exhibit 1, which was agreed to today by Delphi Corporation and the Pension Benefit Guaranty Corporation.

4. Copies of the Plan Exhibits can be obtained at <http://www.nysb.uscourts.gov> or free of charge at <http://www.delphidocket.com> or, upon reasonable written request, from the Creditor Voting Agent, Kurtzman Carlson Consultants LLC, 2335 Alaska Avenue, El Segundo, California 90245, Att'n: Delphi Corporation, et al.

Dated: New York, New York  
July 21, 2009

SKADDEN, ARPS, SLATE, MEAGHER  
& FLOM LLP

By: /s/ John Wm. Butler, Jr.

John Wm. Butler, Jr.

Ron E. Meisler

155 North Wacker Drive, Suite 2700

Chicago, Illinois 60606

(312) 407-0700

- and -

By: /s/ Kayalyn A. Marafioti

Kayalyn A. Marafioti

Four Times Square

New York, New York 10036

(212) 735-3000

Attorneys for Delphi Corporation, et al.,

Debtors and Debtors-in-Possession



EXHIBIT 1

DELPHI-PBGC SETTLEMENT AGREEMENT

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT, dated as of July 21, 2009 (the "Agreement"), is entered into between Delphi Corporation ("Delphi") and the Pension Benefit Guaranty Corporation (the "PBGC," and together with Delphi, each a "Party" and together the "Parties").

RECITALS:

WHEREAS, on October 8 and 14, 2005, (the "Petition Date"), Delphi and certain of its subsidiaries and affiliates, debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors") filed voluntary petitions under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as then amended (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, as of the date of this Agreement, Delphi or another Debtor is the plan sponsor of the Delphi Retirement Program for Salaried Employees (the "Salaried Plan"), the Delphi Mechatronic Systems Retirement Program, the ASEC Manufacturing Retirement Program, the Packard-Hughes Interconnect Bargaining Retirement Plan (the "Bargaining Plan"), the Packard-Hughes Interconnect Non-Bargaining Retirement Plan, and the Delphi Hourly-Rate Employees Pension Plan (the "Hourly Plan") (together, the "Pension Plans" and each, a "Pension Plan") under 29 U.S.C. § 1002(16)(B). Each of the Pension Plans is a single employer, defined benefit pension plan covered by the single-employer plan termination provisions of Title IV of Employee Retirement Income Security Act of 1974, as amended ("ERISA"), 29 U.S.C. §§ 1301-371;

WHEREAS, PBGC has asserted that the Debtors and certain non-U.S. affiliates of the Debtors are liable for contributions due the Pension Plans under the Internal Revenue Code ("IRC") and ERISA. 26 U.S.C. §§ 412, 430; 29 U.S.C. §§ 1082, 1083 ("Minimum Funding Obligations");

WHEREAS, PBGC has filed with the Recorder of Deeds for the District of Columbia certain Notices Of Federal Lien Under 26 U.S.C. § 412(n) and/or § 430(k) (the "412(n)/430(k) Lien Notices") with respect to liens that PBGC asserts against certain non-U.S. affiliates of the Debtors on account of unpaid Minimum Funding Obligations in connection with one or more of the Pension Plans;

WHEREAS, on July 26, 2006, PBGC timely filed proofs of claim asserting joint and several liability against each of the Debtors for unfunded benefit liabilities in the Pension Plans (collectively, the "Claims"). PBGC now estimates the current unfunded benefit liabilities for each Pension Plan as follows:

- Delphi Retirement Program for Salaried Employees - \$2,665,800,000
- Delphi Hourly-Rate Employees Pension Plan - \$4,351,000,000
- ASEC Manufacturing Retirement Program - \$14,000,000
- Delphi Mechatronic Systems Retirement Program - \$2,400,000
- Packard-Hughes Interconnect Bargaining Retirement Plan - \$11,500,000
- Packard-Hughes Interconnect Non-Bargaining Retirement Plan - \$26,900,000

WHEREAS, in 2007, the Debtors entered into the UAW-Delphi-GM Memorandum of Understanding, the IUE-CWA-Delphi-GM Memorandum of Understanding, the USW-Home Avenue Memorandum of Understanding, the USW-Vandalia Memorandum of Understanding, the IUOE Local 832S Memorandum of Understanding, the IUOE Local 18S Memorandum of Understanding, the IUOE Local 101S Memorandum of Understanding, the IBEW E&S Memorandum of Understanding, the IBEW Powertrain Memorandum of Understanding, and the IAM-Delphi Memorandum of Understanding, each as defined in the Modified Plan (defined below) (collectively, the "Labor MOUs");

WHEREAS, the Bankruptcy Court entered Orders pursuant to 11 U.S.C. §§ 363, 1113 and 1114 approving each of the Labor MOUs on terms and conditions described in those Orders (collectively, the "Union 1113/1114 Settlement Approval Orders");

WHEREAS, on October 26, 2007, the Bankruptcy Court entered an Order Under 11 U.S.C. §§ 363(c), 1107, and 1108, and Cash Management Order, and Alternatively, Under 11 U.S.C. §§ 363(b)(1) and 364(c), Confirming Authority of Delphi Automotive Systems (Holding), Inc. to Complete Intercompany Transfer of Funds, dated October 26, 2007 (Docket No. 10725) and on May 29, 2008 entered its Order Under 11 U.S.C. §§ 361 and 363, Fed. R. Bankr. P. 9019, And Cash Management Order Authorizing DASHI To Grant Adequate Protection To Pension Benefit Guaranty Corporation In Connection With Certain Intercompany Transfer Of Repatriated Funds (Docket No. 13694) which, among other things, granted conditional adequate protection liens to PBGC in the priority and with the validity set forth in such orders (the "Contingent PBGC Adequate Protection Liens");

WHEREAS, on January 25, 2008, the Bankruptcy Court entered an order confirming the First Amended Joint Plan of Reorganization of Delphi Corporation and Certain Affiliates, Debtors and Debtors-In-Possession, as amended;

WHEREAS, on September 12, 2008, the Debtors filed their (i) Expedited Motion For Order Authorizing Debtors To Implement Amended And Restated Global Settlement Agreement And Master Restructuring Agreement With General Motors Corporation (Docket No. 14164) (the "GSA And MRA Amendment Motion"), seeking, among other things, to transfer the majority of the Hourly Plan to the General Motors Hourly-Rate Employees Pension Plan (the "GM Plan") in two transfers totaling approximately \$3.4 billion in net unfunded liabilities (the "414(l) Transfer"), with the first transfer occurring on or before September 29, 2008, in an amount sufficient to eliminate the accumulated funding deficiency arising on such date of \$2.1 to \$2.4 billion for its Hourly Plan (the "First 414(l) Transfer") and (ii) Expedited Motion For Order Under 11 U.S.C. § 363 For Authority To Modify Benefits Under Hourly And Salaried Pension Programs And Modify Applicable Union Agreements In Connection Therewith (Docket No. 14162) (the "Hourly And Salaried Pension Modification Motion"), seeking approval to freeze their U.S. hourly and salaried pension plans, with the exception of the Bargaining Plan, which remains unfrozen;

WHEREAS, on September 23, 2008, the Court approved the Hourly And Salaried Pension Modification Motion and the Pension Plans (other than the Bargaining Plan) were frozen on September 30, 2008. The Debtors obtained Union consent on the terms set forth in certain

WHEREAS, section 10.2.5 of the Master Disposition Agreement provides that, as a condition to closing the transactions contemplated in the Master Disposition Agreement, "Delphi and its Affiliates shall be satisfied that the Delphi [Hourly Plan] will not be an obligation of Delphi following the Closing and Delphi shall have been relieved of all obligations with respect thereto";

WHEREAS, sections 10.3.4 and 10.4.4 of the Master Disposition Agreement provide that, as a condition to closing the transactions contemplated in the Master Disposition Agreement, PBGC shall have agreed to remove any encumbrances of PBGC on the assets of the Debtors and their affiliates, including those assets to be sold under the Master Disposition Agreement;

WHEREAS, in furtherance of the transactions contemplated herein and the sale transactions contemplated in the Master Disposition Agreement or in an Alternative Transaction (as defined herein), PBGC expects to enter into a separate Waiver and Release Agreement (the "Release Agreement") with New GM, as attached hereto as Exhibit B, inter alia, to resolve any and all asserted or unasserted liens and claims of PBGC against Delphi and any member of Delphi's "controlled group" as defined in section 4001(a)(14) of ERISA, 29 U.S.C. § 1301(a)(14) (collectively, the "Delphi Group"); and

WHEREAS, to the extent that the Pensions Plans are terminated, the Parties acknowledge that absent the compromises set forth in this Agreement and the Release Agreement, the PBGC would have been entitled to a general unsecured claim in the approximate amount of \$7 billion plus the potential for additional recovery depending on the outcome of litigation that would have ensued related to the Contingent PBGC Adequate Protection Liens.

NOW THEREFORE, in consideration of the premises set forth above and by execution of this Agreement, Delphi and PBGC agree as follows:

1. PBGC Claims. Effective as of the Closing Date (as defined below), whether pursuant to the Debtors' proposed Modified Plan, or in the alternative, in connection with the sale transaction to be approved at the Alternative Sale Hearing, PBGC shall receive an allowed prepetition general unsecured claim against each of the Debtors in the aggregate amount of \$3.0 billion (the "Allowed PBGC General Unsecured Claim"). If the Modified Plan is approved and consummated, PBGC shall receive in respect of the Allowed PBGC General Unsecured Claim the treatment set forth in Article 5.4 of the Modified Plan. If the Modified Plan is not approved and consummated, PBGC shall be entitled to receive in respect of the Allowed PBGC General Unsecured Claim treatment that is no less favorable than the treatment afforded to any other allowed prepetition, general, nonpriority unsecured claim against any of the Debtors.
2. Releases.
  - (a) The distributions set forth in section 1 above together with the consideration set forth in the Release Agreement shall fully satisfy all obligations of the Delphi Group under Title IV of ERISA with respect to the Pension Plans, shall constitute the recovery afforded to PBGC on account of the claims related to the Pension Plans, and shall also fully satisfy (i) all liens asserted

implementation agreements and, after fulfilling the statutory notice requirements, the Hourly Plan was frozen on November 30, 2008;

WHEREAS, through the effectiveness of the Amended And Restated Global Settlement Agreement And Master Restructuring Agreement (the "Amended GSA and Amended MRA"), Delphi transferred a large portion of the Hourly Plan to the GM Plan by executing the first step of the 414(l) Transfer, to which the Debtors have attributed a value of \$2.1 billion in net unfunded liabilities, but the second 414(l) Transfer contemplated under the Amended GSA and Amended MRA was never consummated;

WHEREAS, Delphi and General Motors Company ("New GM") are expected to agree upon transfers of certain pension assets and accrued benefit liabilities to true-up the final pension assets and accrued benefit liabilities in accordance with certain transfers of assets and liabilities pursuant to section 414(l) transfers between (i) the Hourly Plan and the GM Plan (including the true-up for the First 414(l) Transfer) and (ii) the Salaried Plan and the General Motors Retirement Program For Salaried Employees, (together, the "414(l) True-Up Transfers") pursuant to a settlement agreement to be entered into in substantially the same form as attached hereto as Exhibit A.

WHEREAS, on June 1, 2009, the Debtors filed their (A) Supplement to Motion for Order (I) Approving Modifications to Debtors' First Amended Plan of Reorganization (as Modified) and Related Disclosures and Voting Procedures and (II) Setting Final Hearing Date to Consider Modifications to Confirmed First Amended Plan of Reorganization and (B) Request to Set Administrative Expense Claims Bar Date and Alternative Sale Hearing Date (Docket No. 16646) (the "Supplement to Plan Modification Approval Motion") seeking approval of further modifications to their confirmed First Amended Joint Plan of Reorganization and a Supplement to its First Amended Disclosure Statement. Delphi's First Amended Joint Plan of Reorganization of Delphi Corporation and Certain Affiliates, Debtors and Debtors-In-Possession (As Modified), (the "Modified Plan"), if approved by the Bankruptcy Court, provides for Delphi to emerge from chapter 11 reorganization through a transaction with Parnassus Holdings II, LLC, an affiliate of Platinum Equity, and with the support of GM Components Holdings LLC, an affiliate of New GM (the "Master Disposition Agreement") or pursuant to an alternate transaction. In the event that the Debtors are not able to implement the transactions contemplated in the Master Disposition Agreement (or an alternate transaction) through the Modified Plan, the Debtors have requested that the Bankruptcy Court set a hearing date to approve the Master Disposition Agreement (or an alternate transaction) as contemplated by the Procedures Order (as defined below) pursuant to section 363 of the Bankruptcy Code as contemplated by the Procedures Order (as defined below) pursuant to section 363 of the Bankruptcy Code (the "Alternative Sale Hearing"), which hearing date shall be no later than July 23, 2009 (unless otherwise agreed to by the parties thereto), the date proposed for the hearing to approve the Modified Plan;

WHEREAS, the Supplement to Plan Modification Approval Motion was approved with modifications by order entered June 10, 2009 (Docket No. 17032) and was supplemented and amended by order entered June 29, 2009 (Docket No. 17376) (the "Procedures Order");

WHEREAS, the Modified Plan contemplates that the Debtors will emerge from bankruptcy as reorganized entities (the "Reorganized Debtors");

and/or assertable by PBGC against the Delphi Group with respect to the Pension Plans and (ii) the Contingent PBGC Adequate Protection Liens.

- (b) Effective as of the Closing Date, PBGC on its own behalf and in every other capacity in which it may now or in the future act, unconditionally and forever releases and discharges the Debtors, Reorganized Debtors, Delphi Group and each of its members and each of its (or their) current and former shareholders, partners, members, officers, directors, employees, agents, owners, and each of its (or their) heirs, agents, executors, administrators, attorneys, predecessors, successors and assigns (collectively referred to hereinafter as the "PBGC Releasees") from any and all disputes, controversies, suits, actions, causes of action, claims, assessments, demands, debts, sums of money, damages, judgments, liabilities, liens (including, without limitation the Contingent PBGC Adequate Protection Liens), and obligations of any kind whatsoever, upon any legal or equitable theory (whether contractual, common law, statutory, federal, state, local or otherwise), whether known or unknown, that PBGC ever had, now has, or hereafter can, shall or may have, from the beginning of time, against the PBGC Releasees by reason of any matter, cause or thing whatsoever, relating to obligations to PBGC with respect to the Pension Plans under ERISA or otherwise (including, without limitation, PBGC's allegations of administrative, secured, or priority status for its claims with respect to the Pension Plans); and PBGC will take no action, direct or indirect, against the PBGC Releasees to collect, impose, or enforce liability or liens (including, without limitation the Contingent PBGC Adequate Protection Liens) with respect to the Pension Plans under ERISA, the IRC, or otherwise (collectively, the "Released Claims"). Notwithstanding the foregoing, nothing in this Agreement will (i) release or discharge Delphi from its obligations hereunder, including, without limitation, its obligation to grant to PBGC the Allowed PBGC General Unsecured Claim or (ii) release or discharge any person or entity from liability arising as a result of such person's breach of fiduciary duty under ERISA.
- (c) Effective as of the termination of the Pension Plans, Delphi, on behalf of the Debtors and the members of the Delphi Group (the "Delphi Releasers"), unconditionally and forever releases and discharges PBGC from any and all disputes, controversies, suits, actions, causes of action, claims, assessments, demands, debts, sums of money, damages, judgments, liabilities, and obligations of any kind whatsoever, upon any legal or equitable theory (whether contractual, common law, statutory, federal, state, local or otherwise), whether known or unknown, that the Delphi Releasers ever had, now have, or hereafter can, shall or may have, from the beginning of time, against PBGC by reason of any matter, cause or thing whatsoever, relating to obligations with respect to the Pension Plans under ERISA or otherwise. Notwithstanding the foregoing, nothing in this Agreement will release or discharge PBGC from its obligations hereunder.

- (d) PBGC shall withdraw all 412(n)/430(k) Lien Notices relating to the Pension Plans, including but not limited to any notices related to the Contingent PBGC Adequate Protection Liens, and shall use its reasonable best efforts to complete such withdrawals within 60 days after the closing (the "Closing Date") of the Master Disposition Agreement or an alternative transaction, as contemplated by the Procedures Order, to which New GM is a party (an "Alternative Transaction").

3. Termination of the Pension Plans.

- (a) Non-Bargaining Plans. As soon as reasonably practicable after entry of an order approving the Modified Plan or a sale transaction at the Alternative Sale Hearing, PBGC staff will determine whether to initiate and/or proceed with the involuntary termination under 29 U.S.C. § 1342 of each of the Pension Plans, other than the Bargaining Plan and the Hourly Plan (such remaining Pension Plans, the "Non-Bargaining Plans"), which terminations shall be effective on the date established under 29 U.S.C. § 1348 (the "Termination Date"). Upon issuance by PBGC of a notice of determination pursuant to 29 U.S.C. § 1342 that the Non-Bargaining Plans should terminate with a date of plan termination as of the Termination Date, PBGC and the plan administrator shall execute termination and trusteeship agreements in the form attached hereto as Exhibit C with respect to each Non-Bargaining Plan, terminating each Non-Bargaining Plan, establishing the Termination Date as the date of plan termination, and appointing PBGC as the statutory trustee of each Non-Bargaining Plan.
- (b) Bargaining Plan and Hourly Plan. As soon as reasonably practicable after entry of an order approving the Modified Plan or a sale transaction at the Alternative Sale Hearing, PBGC staff will determine whether to initiate and/or proceed with the involuntary termination under 29 U.S.C. § 1342 of the Bargaining Plan and/or the Hourly Plan, which terminations shall be effective on the Termination Date. If and when PBGC issues a notice of determination pursuant to 29 U.S.C. § 1342 that the Bargaining Plan and/or Hourly Plan should terminate on the Termination Date, PBGC shall seek termination of the Bargaining Plan and/or Hourly Plan pursuant to 29 U.S.C. § 1342(c).
- (i) In connection with seeking Bankruptcy Court approval of the Agreement as contemplated under section 6(a) hereof, Delphi shall seek a finding by the Bankruptcy Court that such termination is not a violation of the Labor MOUs, the Union 1113/1114 Settlement Approval Orders, or the Local Agreement Between Delphi Connection Systems (formerly Packard-Hughes Interconnect) And Electronic And Space Technicians Local 1553, and any modifications thereto. In the event that the Bankruptcy Court approves this Agreement and makes the foregoing finding, PBGC and Delphi shall execute a termination and trusteeship agreement

in the form attached hereto as Exhibit C with respect to the Bargaining Plan and/or the Hourly Plan, terminating the Bargaining Plan and/or the Hourly Plan, establishing the Termination Date as the date of plan termination, and appointing PBGC statutory trustee of the Bargaining Plan and/or the Hourly Plan.

- (ii) In the event that the Bankruptcy Court fails or refuses to issue the finding described in section 3(b)(i), PBGC shall seek issuance of an order by a United States District Court terminating the Bargaining Plan and/or Hourly Plan pursuant to 29 U.S.C. § 1342(c), establishing the Termination Date as the date of plan termination, and appointing PBGC statutory trustee of the Bargaining Plan and/or the Hourly Plan.

4. Waiver. Except with respect to any requirement for court approval or judicial determination, each Party may waive in writing the benefit of the other Party's compliance with any particular provision of this Agreement. No waiver by a Party with respect to any breach or default or of any right to remedy and no course of dealing or performance will be deemed to constitute a continuing waiver of any breach or default or of any other right or remedy, unless such waiver is expressed in writing signed by the Party to be bound. The failure of a Party to exercise any right will not be deemed a waiver of such right or rights in the future.
5. Mutual Cooperation. The Parties will cooperate with each other in connection with the transfer of Pension Plan property to PBGC as statutory trustee.
6. Conditions Precedent. The effectiveness of this Agreement shall be subject to each of the following conditions: (a) Bankruptcy Court approval of this Agreement; (b) Bankruptcy Court approval of the Master Disposition Agreement or an Alternative Transaction through either the entry of an order (i) confirming the Modified Plan or (ii) approving a sale under section 363 of the Bankruptcy Code, (c) to the extent the Bankruptcy Court approves an Alternative Transaction, such transaction shall include consideration to PBGC (i) that is greater than or equal to the aggregate amount of the consideration that PBGC would have received under section 1 of this Agreement together with the aggregate amount of the consideration payable to PBGC under the Release Agreement and (ii) that is in the same form of currency as the current consideration or, if the consideration is not in the same form of currency, the form of currency is reasonably satisfactory to PBGC, (d) the consideration to be received on the Closing Date by PBGC from New GM in accordance with the Release Agreement shall have been received, (e) the consummation of the Master Disposition Agreement or an Alternative Transaction, and (f) solely as to Delphi, execution of the termination and trusteeship agreements as set forth in section 3(a) and 3(b)(i) above, each of which condition in this subsection (f) may be waived by Delphi. The Parties agree that this Agreement shall be null and void should the conditions precedent set forth in this section 6 not be satisfied or, if applicable, waived. The Parties further agree that the conditions precedent set forth in this section 6 shall be satisfied prior to or simultaneous with the Closing Date.

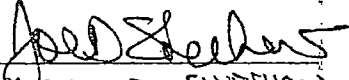


7. Restructuring Activities and Modified Plan. PBGC shall support confirmation of the Modified Plan and entry by the Bankruptcy Court of an order confirming the Modified Plan or a sale under section 363 of the Bankruptcy Code to effect the transactions contemplated in the MDA; provided that, for the avoidance of doubt, nothing in this Agreement shall constitute an agreement by PBGC to vote to accept or reject the Modified Plan. Nothing herein shall limit or impair PBGC's rights to object to the claims of other creditors.
8. Further Assurances Regarding the Pension Plans. From time to time, the Debtors (or the Reorganized Debtors, as applicable) and PBGC shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions (subject to any limitation set forth in this Agreement), as any such Party may reasonably deem necessary or desirable to consummate the transactions with respect to the Pension Plans as contemplated by this Agreement.
9. Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon the earlier of receipt or (i) five business days after deposit in the United States mail, registered or certified mail, first-class postage prepaid, return receipt requested, (ii) one business day after deposit with Federal Express or similar overnight courier, or (iii) same day if delivered by hand, and addressed as provided in Exhibit D attached hereto or such other address as any Party may, from time to time, specify in writing to the others.
10. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with federal law and, except to the extent preempted by federal law, the laws of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.
11. Retention of Jurisdiction. Except as necessary to satisfy section 3(b)(ii) hereof, the Debtors or the Reorganized Debtors, as the case may be, and PBGC irrevocably submit to the jurisdiction of the Bankruptcy Court for any litigation arising out of or relating to the Agreement and the transactions contemplated hereby (and agree not to commence any litigation relating thereto except in the Bankruptcy Court), unless ERISA requires a different jurisdiction.
12. Enforcement of Agreement. The Debtors or the Reorganized Debtors, as the case may be, and PBGC agree that irreparable damage would occur in the event that any provision of this Agreement was not performed in accordance with its specific terms or were otherwise breached. It is accordingly agreed that the Debtors and PBGC shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and enforce specifically the terms and provisions hereof, this being in addition to all other remedies at law or in equity.
13. Authority. Subject to Bankruptcy Court approval in the Debtors' chapter 11 cases, each of the Parties represents that it has the authority to enter into this Agreement and to enter into the transactions contemplated thereby.

14. Non-Severability. Each of the terms of this Agreement is a material and integral part hereof. Should any provision of this Agreement be held unenforceable or contrary to law, the entire Agreement shall be deemed null and void.
15. Representations and Warranties. The Parties hereto acknowledge that they are executing this Agreement without reliance on any representations, warranties, or commitments other than those representations, warranties, and commitments expressly set forth in this Agreement.
16. Entire Understanding. This Agreement, together with the Release Agreement and the Modified Plan, constitutes the entire understanding of the Parties in connection with the subject matter covered herein and therein. This Agreement may not be modified, altered, or amended except by an agreement in writing signed by the Parties.
17. Third Party Beneficiaries. Except for any purchaser of the Debtors' businesses through the Master Disposition Agreement or an Alternative Transaction, no provision of this Agreement, nor anything expressed or implied herein, is intended to confer upon any Person, other than the Parties hereto, any claims, rights, or remedies hereunder.
18. No Party Deemed Drafter. This Agreement is being entered into among competent persons who are experienced in business and represented by counsel, and has been reviewed by the Parties hereto and each of their counsel. Therefore, any ambiguous language in this Agreement shall not be construed against any particular party as the drafter of such language.
19. Counterparts. This Agreement may be executed in any number of counterparts and by the different Parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile or electronic mail shall be equally as effective as delivery of an original executed counterpart of this Agreement.

Accepted and agreed to by:

Delphi Corporation, on its own behalf  
and on behalf of its affiliated Debtors.

By:   
Name: JOHN D. SHEEHAN  
Title: VP & CFO  
Dated: July 21, 2009

Pension Benefit Guaranty Corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Dated: July \_\_, 2009

Accepted and agreed to by:

**Delphi Corporation, on its own behalf  
and on behalf of its affiliated Debtors**

By: \_\_\_\_\_  
Name:  
Title:  
Dated: July \_\_, 2009

**Pension Benefit Guaranty Corporation**

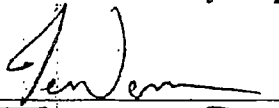
By:   
Name: Terrence Deneen  
Title: CFP  
Dated: July 20, 2009

Exhibit A

414(l) True-Up Transfers Agreement

The 414(l) True-Up Transfers agreement will be filed as soon as reasonably practicable after it is finalized.

**Exhibit B**

Release Agreement

The Release Agreement will be filed as soon as reasonably practicable after it is finalized.

## Attachment B.4

# Copy of Waiver and Release Agreement

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP  
155 North Wacker Drive  
Chicago, Illinois 60606  
(312) 407-0700  
John Wm. Butler, Jr.  
Ron E. Meisler

- and -

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP  
Four Times Square  
New York, New York 10036  
(212) 735-3000  
Kayalyn A. Marafioti

Attorneys for Delphi Corporation, et al.,  
Debtors and Debtors-in-Possession

Delphi Legal Information Hotline:  
Toll Free: (800) 718-5305  
International: (248) 813-2698

Delphi Legal Information Website:  
<http://www.delphidocket.com>

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----x	:	
	:	
In re	:	Chapter 11
	:	
DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
	:	(Jointly Administered)
Debtors.	:	
-----x	:	

NOTICE OF FILING OF EXHIBIT B TO SETTLEMENT  
AGREEMENT BETWEEN DELPHI CORPORATION AND THE  
PENSION BENEFIT GUARANTY CORPORATION

("NOTICE OF FILING OF DELPHI-PBGC SETTLEMENT AGREEMENT EXHIBITS")

I. On June 16, 2009, Delphi Corporation ("Delphi") and certain of its  
subsidiaries and affiliates, debtors and debtors-in-possession in the above-captioned cases (the



"Debtors"), filed the First Amended Plan Of Reorganization Of Delphi Corporation And Certain Affiliates, Debtors And Debtors-In-Possession (As Modified) (the "Modified Plan") (Docket No. 17030).

2. Also on June 16, 2009, the Court entered the Order (A)(I) Approving Modifications To Debtors' First Amended Plan Of Reorganization (As Modified) And Related Disclosures And Voting Procedures And (II) Setting Final Hearing Date to Consider Modifications to Confirmed First Amended Plan Of Reorganization And (B) Setting Administrative Expense Claims Bar Date And Alternative Transaction Hearing Date (the "Modification Procedures Order") (Docket No. 17032):

3. Paragraph 4 of the Modification Procedures Order requires that the Debtors file all exhibits and schedules (including all amendments thereto, the "Plan Exhibits") to the Modified Plan with the Court on or before July 2, 2009. In accordance with Exhibit 7.17 to the Modified Plan as filed by the Debtors on July 2, 2009, and with Article 14.3 of the Modified Plan, on July 21, 2009, the Debtors filed the Delphi-PBGC Settlement Agreement (Docket No. 18559).

4. The Delphi-PBGC Settlement Agreement filed on July 21 contemplated that Exhibits A and B to the agreement, the 414(l) True-Up Agreement and Waiver and Release Agreement, respectively, would be filed when finalized. The Waiver and Release Agreement has now been executed as attached hereto as Exhibit 1 and thus, in accordance with the Debtors' July 21 filing, the Debtors are filing this notice.

Dated: New York, New York  
July 27, 2009

SKADDEN, ARPS, SLATE, MEAGHER  
& FLOM LLP

By: /s/ John Wm. Butler, Jr.

John Wm. Butler, Jr.

Ron E. Meisler

155 North Wacker Drive, Suite 2700

Chicago, Illinois 60606

(312) 407-0700

– and –

By: /s/ Kayalyn A. Marafioti

Kayalyn A. Marafioti

Four Times Square

New York, New York 10036

(212) 735-3000

Attorneys for Delphi Corporation, et al.,

Debtors and Debtors-in-Possession

EXHIBIT 1

WAIVER AND RELEASE AGREEMENT

## WAIVER AND RELEASE AGREEMENT

THIS WAIVER AND RELEASE AGREEMENT, dated as of July 21, 2009 (the "Agreement"), is entered into by and among General Motors Company ("GMC"), Motors Liquidation Company ("Old GM") and Pension Benefit Guaranty Corporation (the "PBGC," and together with GMC and Old GM, each a "Party" and together the "Parties").

## RECITALS:

WHEREAS, on October 8 and 14, 2005, (the "Petition Date"), Delphi Corporation ("Delphi") and certain of its subsidiaries and affiliates (collectively, the "Debtors") filed voluntary petitions under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as then amended (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, as of the date of this Agreement, Delphi or another Debtor is the plan sponsor of the Delphi Hourly-Rate Employees Pension Plan (the "Hourly Plan") and the Delphi Retirement Program for Salaried Employees, the Delphi Mechatronic Systems Retirement Program, the ASEC Manufacturing Retirement Program, the Packard-Hughes Interconnect Bargaining Retirement Plan ("Bargaining Plan"), and the Packard-Hughes Interconnect Non-Bargaining Retirement Plan (together, the "Pension Plans" and each, a "Pension Plan") under 29 U.S.C. § 1002(16)(B). Each of the Pension Plans is a single employer, defined benefit plan covered by the single employer plan termination provisions of Title IV of Employee Retirement Income Security Act of 1974, as amended ("ERISA"), 29 U.S.C. § 1301-1371;

WHEREAS, PBGC has asserted that the Debtors and certain non-U.S. affiliates of the Debtors are liable for contributions due to the Pension Plans under the Internal Revenue Code ("IRC") and ERISA, 26 U.S.C. §§ 412, 430(a); 29 U.S.C. §§ 1082, 1083 ("Minimum Funding Obligations");

WHEREAS, PBGC has filed with the Recorder of Deeds for the District of Columbia certain Notices Of Federal Lien Under 26 U.S.C. § 412(n) and/or § 430(k) (the "412(n)/430(k) Lien Notices") with respect to liens that PBGC asserts against certain non-U.S. affiliates of the Debtors on account of unpaid Minimum Funding Obligations in connection with one or more of the Pension Plans;

WHEREAS, on October 26, 2007, the Bankruptcy Court entered an Order Under 11 U.S.C. §§ 363(c), 1107, and 1108, and Cash Management Order, and Alternatively, Under 11 U.S.C. §§ 363(b)(1) and 364(c), Confirming Authority of Delphi Automotive Systems (Holding), Inc. to Complete Intercompany Transfer of Funds, dated October 26, 2007 (Docket No. 10725) and on May 29, 2008 entered its Order Under 11 U.S.C. §§ 361 and 363, Fed. R. Bankr. P. 9019, And Cash Management Order Authorizing DASHI To Grant Adequate Protection To Pension Benefit Guaranty Corporation In Connection With Certain Intercompany Transfer Of Repatriated Funds (Docket No. 13694) which, among other things, granted conditional adequate protection liens to the PBGC in the priority and with the validity set forth in such orders (the "Contingent PBGC Adequate Protection Liens");

WHEREAS, on January 25, 2008, the Bankruptcy Court entered an order confirming the First Amended Joint Plan of Reorganization of Delphi Corporation and Certain Affiliates, Debtors and Debtors-In-Possession, as amended;

WHEREAS, on June 1, 2009, the Debtors filed their (A) Supplement to Motion for Order (I) Approving Modifications to Debtors' First Amended Plan of Reorganization (as Modified) and Related Disclosures and Voting Procedures and (II) Setting Final Hearing Date to Consider Modifications to Confirmed First Amended Plan of Reorganization and (B) Request to Set Administrative Expense Claims Bar Date and Alternative Sale Hearing Date (Docket No. 16646) ("Supplement to Plan Modification Approval Motion") seeking approval of further modifications to their confirmed First Amended Joint Plan of Reorganization and a Supplement to its First Amended Disclosure Statement. Delphi's First Amended Joint Plan of Reorganization of Delphi Corporation and Certain Affiliates, Debtors and Debtors-In-Possession (As Modified), (the "Modified Plan"), if approved by the Bankruptcy Court, provides for Delphi to emerge from chapter 11 reorganization through a transaction with Parnassus Holdings II, LLC ("Parnassus"), an affiliate of Platinum Equity ("Platinum Equity"), and with the support of GM Components Holdings, LLC, an affiliate of GMC, pursuant to a Master Disposition Agreement dated July 2009 (the "Master Disposition Agreement"). In the event that the Debtors are not able to implement the transactions contemplated in the Master Disposition Agreement through the Modified Plan, the Debtors have requested that the Bankruptcy Court set a hearing date to approve the Master Disposition Agreement as contemplated by the Procedures Order (as defined below) pursuant to section 363 of the Bankruptcy Code (the "Alternative Sale Hearing"), which hearing date shall be no later than July 29, 2009 (unless otherwise agreed to by the parties thereto);

WHEREAS, the Supplement to Plan Modification Approval Motion was approved with modifications by order entered June 10, 2009 (Docket No. 17032) and was supplemented and amended by order entered June 29, 2009 (Docket No. 17376) (the "Procedures Order");

WHEREAS, sections 10.3.4 and 10.4.4 of the Master Disposition Agreement provide that, as a condition to closing the transactions contemplated in the Master Disposition Agreement, PBGC shall have agreed to remove any encumbrances of the PBGC on the assets of the Debtors and their affiliates to be sold under the Master Disposition Agreement; and

WHEREAS, in furtherance of the sale transactions contemplated in the Master Disposition Agreement, PBGC has entered into a separate Settlement Agreement dated as of July 21, 2009 ("Delphi Settlement Agreement") with Delphi as attached hereto as Exhibit A relating to the termination of all of the Pension Plans;

WHEREAS, the Delphi Settlement Agreement, together with this Agreement, are intended to resolve any and all asserted or unasserted liens and claims of the PBGC against Delphi and any member of Delphi's "controlled group" as defined in section 4001(a)(14) of ERISA, 29 U.S.C. § 1301(a)(14) (collectively, the "Delphi Group"), all securities or other assets of the Delphi Group, GMC and all other purchasers of securities or other assets of the Delphi Group, and members of their controlled groups (as defined above) and their assets, in connection with the consummation of the transactions contemplated by the Master Disposition Agreement or an alternative transaction in which the consideration to be received by GMC is economically equivalent to the

consideration to be received pursuant to the transactions contemplated by the Master Disposition Agreement ("Alternative Transaction"), including the resolution of the Contingent PBGC Adequate Protection Liens, the 412(n)/430 Lien Notices, claims relating to the Minimum Funding Obligations and claims for unfunded benefit liabilities pursuant to 29 U.S.C. § 1362;

WHEREAS, Delphi and Old GM have previously identified a number of circumstances where assets and liabilities transferred between the Pension Plans, on one hand, and the General Motors Retirement Program for Salaried Employees (the "GM SRP") or the General Motors Hourly-Rate Employees Pension Plan (the "GM HRP" and collectively with the GM SRP, the "GM Pension Plans"), on the other hand, did not reflect the agreed transfers of certain participants between such plans at the time of the Delphi spin-off from Old GM in 1999, and the final true-up of the September 29, 2008 transfer from the Hourly Plan to the GM HRP pursuant to the Amended and Restated Global Settlement Agreement between Delphi and Old GM dated September 12, 2008, as amended, remains uncompleted (with the 1999 transfers, collectively, the "True-Up Transfers");

NOW THEREFORE, in consideration of the premises set forth above and by execution of this Agreement, GMC, Old GM and PBGC agree as follows:

1. Consideration to PBGC

- (a) Cash Consideration. At the Effective Time (as defined below), GMC, solely in its capacity as a purchaser of certain assets under and in furtherance of the transactions contemplated by the Master Disposition Agreement or an Alternative Transaction, shall pay \$70 million in cash (the "Cash Consideration") to the PBGC by wire transfer of immediately available funds. GMC shall not be treated, by making such payment to the PBGC, as an employer or sponsor with respect to any of the Pension Plans.
- (b) Waterfall Participation. Effective as of (i) the later of the Effective Time or, as to all Pension Plans, either the execution and delivery of a trusteeship agreement between PBGC and the plan administrator of the applicable Pension Plan, or PBGC's filing of an action in a United States district court seeking a plan termination pursuant to 29 U.S.C. § 1342, or (ii) such later date as may be approved by PBGC, GMC shall assign or otherwise transfer to PBGC, or cause the Other Purchaser (as defined below) to issue directly to PBGC on behalf of GMC, a direct, non-voting equity interest in Parnassus or such other person or persons that acquire the Company Acquired Assets pursuant to the Master Disposition Agreement or in an Alternative Transaction (Parnassus or such other persons, the "Other Purchaser") entitling the holder thereof to distributions consistent with Exhibit B attached hereto and otherwise in accordance with paragraph 1(c) hereof ("Waterfall Right").
- (c) Rights and Limitations. The Waterfall Right shall not be subject to limitations or restrictions greater than the limitations and restrictions applicable to the equity interest in the Other Purchaser acquired at the Effective Time by GMC or any of its affiliates (the Other Purchaser shall not be treated as an affiliate of GMC for

purposes of this paragraph), except those limitations and restrictions that are reasonably acceptable to PBGC. Without limiting the foregoing, the Waterfall Right shall not be subject to any restriction on transferability other than reasonable and customary limitations and restrictions that (A) are not more restricted than any such limitations and restrictions that apply to equity interests in the Other Purchaser acquired at the Effective Time by GMC or any of its affiliates, (B) are necessary or appropriate to comply with applicable securities or other laws, (C) are necessary or appropriate to avoid changing the tax status of the Other Purchaser or accelerating the end of the tax year of the Other Purchaser, or (D) are reasonably acceptable to PBGC. The organizational documents of the Other Purchaser (A) shall reflect the terms set forth in this Agreement and such other provisions, not inconsistent with this Agreement, reasonably acceptable to PBGC and (B) shall not be amended, without the consent of PBGC, which shall not be unreasonably withheld or delayed, in any manner that (i) adversely affects, in any material respect, the economic rights of PBGC (or its permitted transferee) thereunder, including, without limitation, rights of transferability, (ii) adversely affects, in any material respect, the non-economic rights of PBGC (or its permitted transferee) thereunder disproportionately to other Members having comparable rights or (iii) except upon consummation of an initial public offering approved by the Board of Managers, informational rights of PBGC (or its permitted transferee) thereunder.

## 2. Releases By PBGC

- (a) Release of Liens and Claims. At the Effective Time, PBGC shall, and hereby as of the Effective Time does, unconditionally and forever release and discharge (i) all liens relating to the Pension Plans asserted and/or assertable by PBGC against each current or former member of the Delphi Group, each of the Sale Companies and JV Companies (each as defined in the Master Disposition Agreement), GMC or other purchaser of securities or other assets pursuant to the Master Disposition Agreement or an Alternative Transaction, Old GM, and each member of the "controlled group" as defined in section 4001(a)(14) of ERISA, 29 U.S.C. § 1301(a)(14), of any of the aforementioned persons, and the assets of any of them, including the GM Sale Securities and the Company Sale Securities (as such terms are defined in the Master Disposition Agreement), (ii) the Contingent PBGC Adequate Protection Liens (which, for the avoidance of doubt, include any Encumbrances (as defined in the Master Disposition Agreement) on the GM Acquired Assets (as defined in the Master Disposition Agreement), Company Acquired Assets (as defined in the Master Disposition Agreement), assets of the Sale Companies and JV Companies, or assets of the entities that issued the GM Sales Securities or Company Sales Securities, (iii) all 412(n)/430(k) Lien Notices relating to the Pension Plans, (iv) all disputes, controversies, suits, actions, causes of action, claims, assessments, demands, debts, sums of money, damages, judgments, liabilities, liens, and obligations of any kind whatsoever, against the Delphi Group and each other person described in clause (i) above, and the assets of each such person, relating to Minimum Funding Obligations or to premiums

pursuant to 29 U.S.C. § § 1306 and 1307 relating to the Pension Plans, and (v) all other disputes, controversies, suits, actions, causes of action, claims, assessments, demands, debts, sums of money, damages, judgments, liabilities, liens, and obligations of any kind whatsoever, relating to the Pension Plans against the Sale Companies, JV Companies, GMC, Old GM, Parnassus or other purchasers of securities or other assets pursuant to the Master Disposition Agreement or an Alternative Transaction, all members of the "controlled group" as defined in section 4001(a)(14) of ERISA, 29 U.S.C. § 1301(a)(14), of any of the aforementioned persons, and their assets.

- (b) Release of Claims Relating To Pension Plan Terminations. Effective as of the later of the Effective Time or, as to all Pension Plans, either the execution and delivery of a trusteeship agreement between PBGC and the plan administrator, or PBGC's commencement of an action in a United States District Court seeking a plan termination pursuant to 29 U.S.C. § 1362, the PBGC unconditionally and forever releases and discharges (i) the Delphi Group and each of its members and each of its (or their) current and former shareholders, partners, members, officers, directors, employees, agents, owners, and each of its (or their) heirs, agents, executors, administrators, attorneys, predecessors, successors and assigns (collectively referred to hereinafter as the "Delphi Releasees") and (ii) the Sale Companies, the JV Companies, GMC, Old GM, Parnassus, Platinum Equity and all other purchasers or transferees of assets pursuant to the Master Disposition Agreement or an Alternative Transaction, and current or former members of the "controlled group" as defined in section 4001(a)(14) of ERISA, 29 U.S.C. § 1301(a)(14) of any of the aforementioned persons, and the assets of any of them, including the GM Acquired Assets and the Company Acquired Assets, and each of its (or their) current and former shareholders, partners, members, officers, directors, employees, agents, owners, and each of its (or their) heirs, agents, executors, administrators, attorneys, predecessors, successors and assigns (collectively referred to hereinafter as the "Purchaser Releasees") and together with the Delphi Releasees, the "PBGC Releasees"), in each case from any and all disputes, controversies, suits, actions, causes of action, claims, assessments, demands, debts, sums of money, damages, judgments, liabilities, liens, and obligations of any kind whatsoever, upon any legal or equitable theory (whether contractual, common law, statutory, federal, state, local or otherwise), whether known or unknown, that PBGC ever had, now has, or hereafter can, shall or may have, from the beginning of time, by reason of any matter, cause or thing whatsoever, relating to all Pension Plans that have terminated except for this Agreement and actions to enforce this Agreement. Nothing herein is intended to (i) limit or otherwise affect the rights and obligations of the parties under the Delphi Settlement Agreement or (ii) release or discharge any person or entity from liability arising as a result of such person's or entity's breach of fiduciary duty under ERISA. PBGC shall execute and deliver, upon the termination of each Pension Plan and upon the reasonable request of any PBGC Releasee, confirmation of the foregoing releases and such other documents as may be necessary or appropriate to effect the foregoing releases.



- (c) PBGC acknowledges and agrees that 29 U.S.C. § 1306(a)(7) does not apply to the Delphi Group as of the date hereof and to the termination of the Pension Plans by PBGC.
- (d) PBGC shall withdraw all 412(n)/430(k) Lien Notices relating to the Pension Plans, including but not limited to any notices related to the Contingent PBGC Adequate Protection Liens, and shall use its reasonable best efforts to complete such withdrawals within 60 days after the Effective Time.
3. Releases by GMC. At the Effective Time, GMC (on its behalf and on behalf of the GM Sale Companies and Steering JV Companies (as defined in the Master Disposition Agreement)) and Old GM each unconditionally and forever releases and discharges PBGC and each of its current and former officers, directors, employees, agents, and each of its agents, attorneys, successors and assigns, in each case from any and all disputes, controversies, suits, actions, causes of action, claims, assessments, demands, debts, sums of money, damages, judgments, liabilities, liens, and obligations of any kind whatsoever, upon any legal or equitable theory (whether contractual, common law, statutory, federal, state, local or otherwise), whether known or unknown, that GMC, the GMC Sale Companies, the Steering JV Companies and Motor Liquidation Company ever had, now have, or hereafter can, shall or may have, from the beginning of time, by reason of any matter, cause or thing whatsoever, against PBGC relating to all Pension Plans that have terminated, under ERISA or otherwise, except for this Agreement, actions to enforce this Agreement and any changes to PBGC's Valuation and Allocation of Recoveries Policy, PBGC Operating Policy Manual Section 8.2-1, as of the date hereof which adversely affects the amount of pension benefits paid by PBGC to participants in any of the Pension Plans.
4. Additional Provisions Relating to GMC and PBGC.
- (a) True-Up Transfers. Notwithstanding the foregoing provisions of this Agreement, GMC and PBGC acknowledge and agree that the True-Up Transfers shall be completed in accordance with Section 414(l) of the Internal Revenue Code, and nothing herein is intended to restrict or otherwise limit (i) the completion of the True-Up Transfers or (ii) additional 414(l) transfers or similar transfers of assets and liabilities between the GM Pension Plans, on one hand, and the Pension Plans or, after the termination of the applicable Pension Plan, PBGC, on the other hand, as may be mutually agreed by GMC and PBGC after the Effective Time.
- (b) GM-UAW Benefit Guarantee. Old GM assumed and assigned to GMC the Benefit Guarantee Agreement between Old GM and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (the "UAW"), dated September 30, 1999 ("GM-UAW Benefit Guarantee") pursuant to which Old GM agreed to provide certain benefits which were not guaranteed by PBGC in accordance with Title IV of ERISA in the event of the termination of the Hourly Plan. Notwithstanding the provisions of paragraphs 2(a) and (b), and paragraph 3 hereof, none of PBGC, GMC or any of its subsidiaries, or Old GM shall release or discharge any disputes, controversies,

suits, actions, causes of action, claims, assessments, demands, debts, sums of money, damages, judgments, liabilities, liens, and obligations of any kind whatsoever, upon any legal or equitable theory (whether contractual, common law, statutory, federal, state, local or otherwise), whether known or unknown, that any of them ever had, now have, or hereafter can, shall or may have, from the beginning of time, by reason of any matter, cause or thing whatsoever, against each other relating to the calculation of the amount of or the ERISA Title IV coverage of the GM-UAW Benefit Guarantee or any similar contractual guarantee by GMC or any of its subsidiaries, excepting the validity and application of PBGC's Valuation and Allocation of Recoveries Policy, PBGC Operating Policy Manual Section 8.2-1, as of the date hereof .

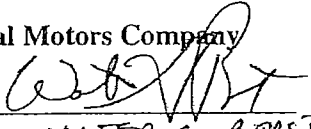
5. Waiver. Except with respect to any requirement for court approval or judicial determination, each Party may waive in writing the benefit of the other Party's compliance with any particular provision of this Agreement. No waiver by a Party with respect to any breach or default or of any right to remedy and no course of dealing or performance, will be deemed to constitute a continuing waiver of any breach or default or of any other right or remedy, unless such waiver is expressed in writing signed by the Party to be bound. The failure of a Party to exercise any right will not be deemed a waiver of such right or rights in the future.
6. Conditions Precedent. The effectiveness of this Agreement ("Effective Time") shall be subject to and concurrent with the last to occur of: (a) the closing of the transactions contemplated by the Delphi Settlement Agreement, (b) the closing of the transactions contemplated by the Master Disposition Agreement or an Alternative Transaction and (c) the receipt by PBGC of the Cash Consideration and the Waterfall Right.
7. Further Assurances Regarding the Pension Plans. From time to time, the PBGC, GMC and/or Old GM shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions (subject to any limitation set forth in this Agreement), as any such Party may reasonably deem necessary or desirable to consummate the transactions as contemplated by this Agreement.
8. Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon the earlier of receipt or (i) five business days after deposit in the United States mail, registered or certified mail, first-class postage prepaid, return receipt requested, (ii) one business day after deposit with Federal Express or similar overnight courier, or (iii) same day if delivered by hand, and addressed as provided in Exhibit C attached hereto or such other address as any Party may, from time to time, specify in writing to the others.
9. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with federal law and, except to the extent preempted by federal law, the laws of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

10. Enforcement Of Agreement. GMC, Old GM, Other Purchaser and PBGC agree that irreparable damage would occur in the event that any provision of this Agreement was not performed in accordance with its specific terms or were otherwise breached. It is accordingly agreed that GMC, Old GM, Other Purchaser and PBGC shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and enforce specifically the terms and provisions hereof, this being in addition to all other remedies at law or in equity.
11. Authority. Each of the Parties represents that it has the authority to enter into this Agreement and to enter into the transactions contemplated thereby.
12. Non-Severability. Each of the terms of this Agreement is a material and integral part hereof. Should any provision of this Agreement be held unenforceable or contrary to law, the entire Agreement shall be deemed null and void.
13. Representations And Warranties. The Parties hereto acknowledge that they are executing this Agreement without reliance on any representations, warranties, or commitments other than those representations, warranties, and commitments expressly set forth in this Agreement.
14. Entire Understanding. This Agreement, together with the Delphi Settlement Agreement, constitutes the entire understanding of the Parties in connection with the subject matter hereof. This Agreement may not be modified, altered, or amended except by an agreement in writing signed by the Parties.
15. Third Party Beneficiaries. Except for the Purchaser Releasees for purposes of paragraphs 2(a), (b) and (c), and the releasees described in paragraph 3 hereof, and the Other Purchaser for purposes of paragraph 10, no provision of this Agreement, nor anything expressed or implied herein, is intended to confer upon any Person, other than the Parties hereto, any claims, rights, or remedies hereunder.
16. No Party Deemed Drafter. This Agreement is being entered into among competent persons who are experienced in business and represented by counsel, and has been reviewed by the Parties hereto and each of their counsel. Therefore, any ambiguous language in this Agreement shall not be construed against any particular party as the drafter of such language.

17. Counterparts. This Agreement may be executed in any number of counterparts and by the different Parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile or electronic mail shall be equally as effective as delivery of an original executed counterpart of this Agreement.

Accepted and agreed to by:

**General Motors Company**

By:   
Name: WALTER G. BORST  
Title: TREASURER  
Dated: July , 2009

**Pension Benefit Guaranty Corporation**

By: \_\_\_\_\_  
Name:  
Title:  
Dated: July , 2009

**Motors Liquidation Company**

By: \_\_\_\_\_  
Name:  
Title:  
Dated: July , 2009

17. Counterparts. This Agreement may be executed in any number of counterparts and by the different Parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile or electronic mail shall be equally as effective as delivery of an original executed counterpart of this Agreement.

Accepted and agreed to by:

**General Motors Company**

**Pension Benefit Guaranty Corporation**

By: \_\_\_\_\_  
Name:  
Title:  
Dated: July , 2009

By: \_\_\_\_\_  
Name:  
Title:  
Dated: July , 2009

**Motors Liquidation Company**

By: *A.A. Koch*  
Name: *A.A. KOCH*  
Title: *PRESIDENT*  
Dated: July *24*, 2009

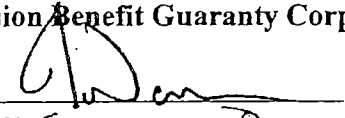
17. Counterparts. This Agreement may be executed in any number of counterparts and by the different Parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile or electronic mail shall be equally as effective as delivery of an original executed counterpart of this Agreement.

**Accepted and agreed to by:**

**General Motors Company**

By: \_\_\_\_\_  
Name:  
Title:  
Dated: July , 2009

**Pension Benefit Guaranty Corporation**

By:   
Name: Terrence Penech  
Title: CIPD  
Dated: July 27, 2009

**Motors Liquidation Company**

By: \_\_\_\_\_  
Name:  
Title:  
Dated: July , 2009

EXHIBIT A

DELPHI SETTLEMENT AGREEMENT

(previously filed at Docket No. 18559)



# Distribution Waterfall

WAIVER AND RELEASE AGREEMENT  
EXHIBIT B

(\$ millions)

GM - DIP Lender Agreement				
Cum	GM	DIP	Total	
1,000	61.40%	38.60%	100%	
2,642	72.22%	27.78%	100%	
3,642	26.25%	73.75%	100%	
> 3,642	35.00%	65.00%	100%	

## Distributions Reflecting GM - PBGC Agreement

Cumulative Distributions				
Total	PBGC Share (% of GM)	GM	DIP	PBGC <sup>1</sup>
1,000	20%	491.2	386.0	122.8
2,000	20%	1,069.0	663.8	267.2
2,500	15%	1,375.9	802.7	321.4
3,500	5%	1,687.2	1,475.0	337.8
4,000	25%	1,809.1	1,812.4	378.4
5,500	50%	2,071.6	2,787.4	640.9
6,000	25%	2,202.9	3,112.4	684.7
7,000	10%	2,517.9	3,762.4	719.7

<sup>1</sup> Does not include upfront payment of \$70M by GM to PBGC

Note: Does not reflect UCC settlement payments, which commence after \$7.2 billion of total distributions

GM Confidential



Attachment B.5  
Copy of Executed LLP  
Agreement

AMENDED AND RESTATED  
LIMITED LIABILITY PARTNERSHIP AGREEMENT  
OF  
DIP HOLDCO LLP<sup>1</sup>

---

Dated October 6, 2009

---

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS LIMITED LIABILITY PARTNERSHIP AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS. SUCH INTERESTS MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION UNDER SUCH ACT AND LAWS OR EXEMPTION THEREFROM AND COMPLIANCE WITH THE OTHER RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN.

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS LIMITED LIABILITY PARTNERSHIP AGREEMENT ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER SET FORTH IN THIS LIMITED LIABILITY PARTNERSHIP AGREEMENT.

---

<sup>1</sup> On October 8, 2009, DIP Holdco LLP was renamed Delphi Automotive LLP (rather than Delphi Holdings LLP as was previously contemplated).

## TABLE OF CONTENTS

	Page
ARTICLE I      DEFINITIONS; INTERPRETATIVE MATTERS .....	2
Section 1.1.    Definitions.....	2
Section 1.2.    Cross-References .....	16
Section 1.3.    Interpretative Matters.....	17
ARTICLE II      ORGANIZATIONAL MATTERS; GENERAL PROVISIONS.....	18
Section 2.1.    Formation.....	18
Section 2.2.    Name; Office; Registered Office .....	18
Section 2.3.    Purposes; Powers .....	19
Section 2.4.    Duration .....	20
Section 2.5.    No State Law Partnership .....	20
Section 2.6.    Filings; Qualification in Other Jurisdictions.....	20
Section 2.7.    Income Tax Classification .....	20
ARTICLE III     CAPITALIZATION; MEMBERSHIP INTERESTS .....	20
Section 3.1.    Membership Interests; Initial Capitalization; Initial Capital Accounts.....	20
Section 3.2.    Authorization and Issuance of Additional Membership Interests .....	21
Section 3.3.    Application of Article 8 of the Uniform Commercial Code .....	22
Section 3.4.    Certification of Membership Interests .....	22
Section 3.5.    Capital Accounts .....	24
Section 3.6.    No Right of Partition.....	24
Section 3.7.    Additional Capital Contributions and Financing.....	25
ARTICLE IV.     SCHEDULE OF MEMBERS; BOOKS AND RECORDS .....	25
Section 4.1.    Schedule of Members .....	25
Section 4.2.    Books and Records; Other Documents .....	25
Section 4.3.    Certain Tax Matters .....	28
Section 4.4.    Independent Auditor .....	30

**TABLE OF CONTENTS**  
**(continued)**

	<b>Page</b>
Section 4.5. LLP Policies.....	30
ARTICLE V. DISTRIBUTIONS .....	30
Section 5.1. Distributions of Available Cash.....	30
Section 5.2. Successors .....	32
Section 5.3. Distributions of Assets other than Cash.....	33
Section 5.4. Limitation on Distributions.....	33
Section 5.5. Tax Distributions .....	33
Section 5.6. Payments Pursuant to the Master Disposition Agreement.....	34
Section 5.7. Certain Offsets .....	34
ARTICLE VI. ALLOCATIONS.....	34
Section 6.1. Allocations of Tax Book Profits and Tax Book Losses.....	34
Section 6.2. Allocations for Tax Purposes.....	35
Section 6.3. Certain Accounting Matters.....	35
Section 6.4. Section 704(c) Allocations.....	35
Section 6.5. Qualified Income Offset .....	35
Section 6.6. Gross Income Allocation .....	36
Section 6.7. LLP Minimum Gain Chargeback.....	36
Section 6.8. Member Nonrecourse Debt Minimum Gain Chargeback.....	36
Section 6.9. Limitations on Tax Book Loss Allocations .....	36
Section 6.10. Member Nonrecourse Deductions .....	36
Section 6.11. Nonrecourse Deductions .....	37
Section 6.12. Excess Nonrecourse Liabilities.....	37
Section 6.13. Ordering Rules .....	37
Section 6.14. Curative Allocations .....	37
ARTICLE VII. RIGHTS AND DUTIES OF MEMBERS .....	38
Section 7.1. Members .....	38
Section 7.2. No Management or Dissent Rights .....	38

**TABLE OF CONTENTS**  
(continued)

	Page
Section 7.3. No Member Fiduciary Duties .....	38
Section 7.4. Meetings of Members .....	39
Section 7.5. Notice of Meetings.....	40
Section 7.6. Quorum .....	40
Section 7.7. Voting .....	40
Section 7.8. Action Without a Meeting; Telephonic Meetings .....	42
Section 7.9. Record Date .....	43
Section 7.10. Removal or Resignation of Members .....	43
Section 7.11. Liability of Members .....	43
Section 7.12. Investment Representations of Members.....	44
<b>ARTICLE VIII. BOARD OF MANAGERS; OFFICERS .....</b>	<b>44</b>
Section 8.1. Establishment of Board of Managers.....	44
Section 8.2. General Powers of the Board of Managers .....	45
Section 8.3. Operator .....	45
Section 8.4. Election of Managers .....	46
Section 8.5. Meetings.....	48
Section 8.6. Notice of Meetings.....	48
Section 8.7. Quorum .....	49
Section 8.8. Voting .....	49
Section 8.9. Action Without a Meeting; Telephonic Meetings .....	50
Section 8.10. Compensation of Managers; Expense Reimbursement .....	51
Section 8.11. Committees of the Board of Managers .....	51
Section 8.12. Delegation of Authority .....	52
Section 8.13. Officers .....	52
Section 8.14. Standard of Care; Fiduciary Duties; Liability of Managers and Officers.....	53
<b>ARTICLE IX. TRANSFER OF MEMBERSHIP INTERESTS; SUBSTITUTED MEMBERS .....</b>	<b>55</b>
Section 9.1. Limitations on Transfer of Membership Interests .....	55

**TABLE OF CONTENTS**  
(continued)

	Page
Section 9.2. Void Transfers .....	56
Section 9.3. Substituted Member .....	56
Section 9.4. Effect of Transfer .....	56
Section 9.5. Additional Transfer Restrictions .....	56
Section 9.6. Transfer Fees and Expenses .....	58
Section 9.7. Effective Date .....	58
Section 9.8. Acceptance of Prior Acts .....	58
 ARTICLE X. DISSOLUTION .....	 58
Section 10.1. In General .....	58
Section 10.2. Liquidation and Termination .....	58
Section 10.3. Complete Distribution .....	59
Section 10.4. Filing of Certificate of Cancellation .....	59
Section 10.5. Reasonable Time for Winding Up .....	59
Section 10.6. Return of Capital .....	59
Section 10.7. Antitrust Laws .....	59
Section 10.8. Other Remedies .....	60
 ARTICLE XI. INDEMNIFICATION .....	 60
Section 11.1. General Indemnity .....	60
Section 11.2. Fiduciary Insurance .....	61
Section 11.3. Rights Non-Exclusive .....	61
Section 11.4. Merger or Consolidation; Other Entities .....	61
Section 11.5. No Member Recourse .....	62
 ARTICLE XII. OTHER AGREEMENTS .....	 62
Section 12.1. Matters Requiring Class A Holders/Class B Designee Managers Consent .....	62
Section 12.2. Further Matters Requiring Additional Class A Holder Consent .....	64
Section 12.3. Matters Requiring Class C Holders Consent .....	64

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
Section 12.4. Appointment of Chief Executive Officer .....	65
Section 12.5. Preemptive Rights .....	65
<b>ARTICLE XIII. CONFIDENTIALITY</b> .....	<b>67</b>
Section 13.1. Non-Disclosure .....	67
Section 13.2. Exceptions .....	68
Section 13.3. PBGC Confidentiality Provisions .....	69
<b>ARTICLE XIV. MISCELLANEOUS PROVISIONS</b> .....	<b>69</b>
Section 14.1. Amendments .....	69
Section 14.2. Remedies .....	70
Section 14.3. Notice Addresses and Notices .....	70
Section 14.4. Counterparts .....	71
Section 14.5. Assignment .....	71
Section 14.6. Entire Agreement; Waiver .....	71
Section 14.7. Severability .....	71
Section 14.8. Governing Law .....	71
Section 14.9. Independent Contractors; Expenses .....	72
Section 14.10. Press Release .....	72
Section 14.11. Survival .....	72
Section 14.12. Creditors .....	72
Section 14.13. Further Action; Initial Public Offering .....	72
Section 14.14. Delivery by Facsimile or Email .....	74
Section 14.15. Strict Construction .....	75
Section 14.16. Consent to Jurisdiction .....	75
Section 14.17. Waiver of Jury Trial .....	75
Section 14.18. Specific Performance .....	75
Section 14.19. Unfair Prejudice .....	75
<b>ARTICLE XV. DESIGNATED MEMBERS</b> .....	<b>76</b>

**TABLE OF CONTENTS**  
**(continued)**

	<b>Page</b>
Section 15.1. Designated Members .....	76
Section 15.2. Written Notice.....	76

**SCHEDULES AND EXHIBITS**

Schedule of Members

Exhibit A — Class B Subscribers

Exhibit B — Transaction Documents

Exhibit C — LLP Policies

Exhibit D — Environmental Guidelines

Exhibit E — General Motors Consolidation Requirements

Exhibit F — Form of Transfer Instrument



**AMENDED AND RESTATED LIMITED LIABILITY PARTNERSHIP  
AGREEMENT  
OF  
DIP HOLDCO LLP<sup>2</sup>**

This AMENDED AND RESTATED LIMITED LIABILITY PARTNERSHIP AGREEMENT of DIP Holdco LLP, a limited liability partnership incorporated under the laws of England and Wales on August 19, 2009 (the "LLP"), is made and entered into on October 6, 2009 (the "Effective Date") by and among the Class B Holders and Class D Holders who are Members on the date hereof, General Motors Company, a Delaware corporation ("General Motors"), and Pension Benefit Guaranty Corporation ("PBGC"), as Members, the LLP and each other Person who at any time becomes a Member in accordance with the terms of this Agreement and the Act.

**RECITALS:**

A. The LLP was formed as a limited liability partnership pursuant to the Act, on August 19, 2009 with registered number OC348002.

B. On July 30, 2009, the United States Bankruptcy Court for the Southern District of New York approved a Modified Plan of Reorganization (the "Reorganization Plan") for Delphi Corporation, a Delaware corporation ("Old Delphi"), in its proceedings under Chapter 11 of the Bankruptcy Code (Case No. 05-44481 (RDD)).

C. Old Delphi, DIP Holdco 3, LLC, a Delaware limited liability company ("DIP Holdco 3"), and certain other parties entered into a Master Disposition Agreement (as amended, the "MDA") dated as of July 30, 2009 pursuant to which, among other things, Old Delphi proposed to sell to DIP Holdco 3 certain assets of Old Delphi and certain subsidiaries of Old Delphi, on the terms and subject to the conditions set forth in the MDA (the "Asset Purchase").

D. DIP Holdco 3, General Motors, Elliott Associates, L.P. ("Elliott"), Silver Point Capital Fund, L.P. and Silver Point Capital Offshore Fund, Ltd. have entered into an Investment Commitment Agreement (the "Investment Commitment Agreement"), dated as of July 26, 2009, pursuant to which, among other things, General Motors subscribed for certain class A membership interests in DIP Holdco 3 and Elliott, Silver Point Capital Fund, L.P. and Silver Point Capital Offshore Fund, Ltd. subscribed for certain class B membership interests in DIP Holdco 3 subject to the terms and conditions set forth in such agreement.

E. Pursuant to the Investment Commitment Agreement, Elliott, Silver Point Capital Fund, L.P. and Silver Point Capital Offshore Fund, Ltd. assigned

---

<sup>2</sup> The LLP's name was changed to Delphi Automotive LLP on October 8, 2009.

subscription rights to acquire certain class B membership interests in DIP Holdco 3 to certain other class B holders (the "Other Class B Holders") listed on Exhibit A, subject to the terms and conditions set forth in such agreement.

F. General Motors has caused the class C membership interests in DIP Holdco 3 to be issued to PBGC as partial consideration for PBGC's agreements set forth in that certain Waiver and Release Agreement (the "Waiver and Release Agreement"), dated as of July 21, 2009, among General Motors, Motors Liquidation Company and PBGC.

G. It is intended that the existing membership arrangements in relation to DIP Holdco 3 be replicated in relation to the LLP and that the rights of DIP Holdco 3 pursuant to the Asset Purchase be assigned to the LLP.

H. In connection with the consummation concurrently herewith of the Asset Purchase and the transactions contemplated by the Investment Commitment Agreement and the Waiver and Release Agreement, the parties hereto desire to set forth the terms for the issuance of the Membership Interests, and to set forth, inter alia, their understandings and agreements regarding the governance and certain operations of the LLP.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants, conditions and agreements herein contained, the parties hereto, each intending to be legally bound, agree as follows:

## ARTICLE I DEFINITIONS; INTERPRETATIVE MATTERS

**Section 1.1. Definitions.** The following terms, as used herein, shall have the following meanings:

"Act" means the Limited Liability Partnership Act 2000 under the laws of England and Wales (as amended or replaced from time to time).

"Adjusted Capital Account Balance" means, with respect to any Member, the balance in such Member's Capital Account after giving effect to the following adjustments:

- (i) debits to such Capital Account of the items described in Section 1.704-1(b)(2)(ii)(d)(4) through (6) of the Treasury Regulations; and
- (ii) credits to such Capital Account of such Member's share of LLP Minimum Gain or Member Nonrecourse Debt Minimum Gain or any amount which such Member would be required to restore under this Agreement or otherwise.

The foregoing definition of Adjusted Capital Account Balance is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations.

“Additional Member” means any Person that has been admitted to the LLP as a Member after the Effective Date pursuant to Section 3.2(b) and Article IX hereof by virtue of having received its Membership Interest from the LLP and not from any other Member.

“Adverse Issuance” means, with respect to Section 12.5, any proposed issuance of New Securities that would adversely affect, in any material respect, the economic rights of the Class C Membership Interests.

“Affiliate” means, with respect to any Person, any other Person that, directly or indirectly, whether through one or more intermediaries, Controls, is Controlled by or is under common Control with such Person, excluding any employee benefit plan or related trust.

“Agreement” means this Amended and Restated Limited Liability Partnership Agreement and those Exhibits and Schedules attached hereto, as it may be amended or restated from time to time.

“Antitrust Law” means any Law relating to the preservation of or restraint against competition in commercial activities, including the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

“Available Cash” means (i) all cash and cash equivalents on hand of the LLP from any source, less (ii) cash and cash equivalents reasonably reserved by the LLP or reasonably anticipated by the Board of Managers to be required to fund the LLP’s operations and other needs.

“Business Day” means any day other than a Saturday, a Sunday or any other day on which commercial banks in Detroit, Michigan or New York, New York are authorized or required to close.

“Capital Contributions” means any cash or cash equivalents or the Fair Market Value of other property that a Member contributes to the LLP with respect to any Membership Interests or other Equity Securities issued pursuant to Article III (net of any liabilities assumed by the LLP or to which such property is subject).

“Class A Holders” means Members which hold Class A Membership Interests.

“Class A Membership Interest” means a Membership Interest having the rights and obligations specified with respect to Class A Membership Interests in this Agreement.

“Class B Holders” means Members which hold Class B Membership Interests.

“Class B Membership Interest” means a Membership Interest having the rights and obligations specified with respect to Class B Membership Interests in this Agreement.

“Class C Holders” means Members which hold Class C Membership Interests.

“Class C Membership Interest” means a Membership Interest having the rights and obligations specified with respect to Class C Membership Interests in this Agreement.

“Class D Holders” means Members which hold Class D Membership Interests.

“Class D Membership Interest” means a Membership Interest having the rights and obligations specified with respect to Class D Membership Interests in this Agreement.

“Code” means the United States Internal Revenue Code of 1986, as amended, and, to the extent applicable, any Treasury Regulations promulgated thereunder.

“Companies Act 2006” means the UK Companies Act 2006, as it may be amended from time to time and any successor legislation thereto.

“Confidential Information” means, collectively, all documents and information that, in each case, is non-public, confidential or proprietary in nature concerning the LLP (including commercial information and information with respect to customers, suppliers, vendors and proprietary technologies or processes), the Members or their Affiliates that was or may in the future be furnished to the LLP, any Member or any of their respective Affiliates in connection with (i) the transactions leading up to and contemplated by this Agreement and the other Transaction Documents, including the terms hereof and thereof, or (ii) the operation and activities of the LLP; provided that any such information will not be Confidential Information if it is (A) otherwise available to the public through no action by such Member or Affiliate in violation of this Agreement or (B) otherwise in the rightful possession of such Member or Affiliate from any third Person having, to the knowledge of such Member or Affiliate after reasonable inquiry, no obligation of confidentiality with respect to such information to the other Members or the LLP or any of its Subsidiaries, as applicable.

“Control” “Controlled” or “Controlling” means, with respect to any Person, any circumstance in which such Person is directly or indirectly controlled by another Person by virtue of the latter Person having the power to (i) elect, or cause the

election of (whether by way of voting capital stock, by contract, trust or otherwise), the majority of the members of the Board of Managers or a similar governing body of the first Person, or (ii) direct (whether by way of voting capital stock, by contract, trust or otherwise) the affairs and policies of such Person.

“Depreciation” means, for each Fiscal Year, an amount equal to the depreciation, amortization or other cost recovery deduction as reported for federal income tax purposes with respect to an asset for such year or other period, except that if the Tax Book Value of an asset differs from its adjusted basis for federal income tax purposes, Depreciation shall be an amount which bears the same ratio to such beginning Tax Book Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Tax Book Value using any reasonable method selected by the Board of Managers.

“Designated Members” means such of the Members from time to time as shall be designated in accordance with the Agreement as designated members for the purposes of Section 8 of the Act.

“DIP Lenders” has the meaning set forth in the MDA.

“Disproportionate Class C Economic Effect” means a disproportionate reduction in the percentage within any given tier of the Distributions payable with respect to the Class C Membership Interests relative to that payable within such tier with respect to the other Membership Interests. For purposes of this definition, the term “tier” refers to a tier during which Distributions are to be made simultaneously to Class C Holders and other Members.

“Distribution” means each distribution after the Effective Date made by the LLP to a Member, whether in cash, property or securities of the LLP, pursuant to, or in respect of, Article V or Article X.

“Entity” means any general partnership, limited partnership, limited liability partnership, corporation, association, cooperative, joint stock company, trust, limited liability company, business or statutory trust, joint venture, unincorporated organization or Governmental Entity.

“Equity Securities” means, as applicable, (i) any capital stock, membership or limited liability partnership interests, general or limited partnership interests or other share capital or equity interests, (ii) any securities directly or indirectly convertible into or exchangeable for any capital stock, membership or limited liability partnership interests, general or limited partnership interests or other share capital or equity interests or containing any profit participation features, (iii) any rights or options directly or indirectly to subscribe for or to purchase any capital stock, membership or

limited liability partnership interests, general or limited partnership interests, other share capital or equity interests or securities containing any profit participation features or to subscribe for or to purchase any securities directly or indirectly convertible into or exchangeable for any capital stock, membership or limited liability partnership interests, general or limited partnership interests, other share capital or equity interests or securities containing any profit participation features, (iv) any share appreciation rights, phantom share rights or other similar rights, or (v) any Equity Securities issued or issuable with respect to the securities referred to in clauses (i) through (iv) above in connection with a combination of shares, recapitalization, merger, consolidation, conversion or other reorganization.

“Excess Nonrecourse Liability” means an “excess nonrecourse liability” within the meaning of Section 1.752-3(a)(3) of the Treasury Regulations.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

“Exempt Transfer” means, with respect to the Initial Class A Holders, the Transfer by such Holders of any Class A Membership Interest (or portion thereof), in accordance with Article IX, (i) to any Affiliate of such Holder, (ii) to any Person with the prior written consent of the Majority Class B Holders (which may be given or withheld in their discretion) and (iii) in the case of General Motors, to any Person in connection with the direct or indirect transfer, sale, merger, consolidation or similar reorganization of a substantial portion of General Motors’ business.

“Fair Market Value” means (i) in reference to the LLP or Membership Interests, the fair market value for the LLP or such Membership Interests as between a willing buyer and a willing seller in an arm’s length transaction occurring on the date of valuation, taking into account all relevant factors determinative of value, as reasonably determined by the Independent Managers of the Board of Managers, (ii) in reference to property or assets owned by the LLP, the fair market value of such property or assets as reasonably determined by the Independent Managers of the Board of Managers, and (iii) in reference to property or assets other than the LLP, Membership Interests or properties or assets owned by the LLP (including any property or assets contributed to the LLP after the Effective Date), the fair market value of such property or assets as reasonably determined by the Independent Managers of the Board of Managers.

“Fiscal Quarter” means each fiscal quarter of the LLP and its Subsidiaries, ending on the last day of each of March, June, September and December of any Fiscal Year unless otherwise required by the Code or as otherwise determined by the Board of Managers.

“Fiscal Year” means the fiscal year of the LLP and shall be the same as its taxable year, which shall be the year ending December 31 unless otherwise required by the Code or as otherwise determined by the Board of Managers. Each Fiscal Year shall

commence on the day immediately following the last day of the immediately preceding Fiscal Year.

“FSMA” means the Financial Services and Markets Act 2000 under the laws of England and Wales (as amended or replaced from time to time).

“GAAP” means accounting principles generally accepted in the United States of America as in effect from time to time, consistently applied and maintained throughout the applicable periods both as to classification or items and amounts.

“Governmental Entity” means the United States of America or any other nation, any state, province or other political subdivision, any international or supra national entity, or any entity exercising executive, legislative, judicial, regulatory or administrative functions of government, including any court, in each case having jurisdiction over the LLP or any of its Subsidiaries or any of the property or other assets of the LLP or any of its Subsidiaries.

“Holders” means the Class A Holders, the Class B Holders, the Class C Holders, the Class D Holders and the holders of any other Membership Interests hereinafter created by the Board of Managers in accordance with the terms of this Agreement.

“Incremental Cost” means the incremental cost to the LLP of delivering the items and complying with the terms and conditions set forth on Exhibit E or Section 4.2(k), as reasonably agreed by General Motors and the LLP; provided, that if General Motors and the LLP are unable to reach agreement, they shall promptly thereafter cause a mutually agreed upon independent accounting firm (the “Arbiter”) to review the disputed items and the decision of such accounting firm shall be final and binding upon General Motors and the LLP. The fees, costs and expenses of the Arbiter shall be allocated to and borne by General Motors and the LLP based on the inverse of the percentage that the Arbiter’s determination (before such allocation) bears to the total amount of the total items in dispute as originally submitted to the Arbiter. For example, should the items in dispute total in amount to \$1,000 and the Arbiter awards \$600 in favor of the LLP’s position, 60% of the costs of its review would be borne by General Motors and 40% of the costs would be borne by the LLP.

“Independent” means with respect to any individual, any individual other than (i) an individual who is, or at anytime during the three years prior to the determination of whether such individual is Independent, was, a director, officer or employee of, or a consultant or advisor to (a) the LLP or any of its Subsidiaries or (b) any direct or indirect equityholder of the LLP or any of their respective Affiliates; (ii) an individual who has, or at anytime during three years prior to the determination of whether such individual is Independent, had, any direct or indirect interest of any kind in, or the right to participate in the profits of the LLP or any direct or indirect equityholder of the LLP or any of their respective Affiliates; and (iii) an individual who is, or at anytime during the three years prior to the determination of whether such individual is

Independent, was involved in any business arrangement or other relationship (whether written or oral) (including acting as a lender to or borrower) with (a) the LLP or any of its Subsidiaries or (b) any direct or indirect equityholder of the LLP or any of their respective Affiliates; provided, however, that passive ownership of (x) less than 5.0% of the outstanding capital stock of any publicly traded company and (y) less than 1.0% of the outstanding capital stock or other equity or economic interest of any other Entity (other than an Affiliate of the LLP) shall not be considered for purposes of determining whether an individual is "Independent."

In addition to the above objective criteria, no individual shall be considered "Independent" if, in the reasonable opinion of each of the disinterested Managers (i.e., Class A Independent Managers (or, if no such Independent Managers have been appointed, the Class A Designee Managers), in the case of a Class B Independent Manager nominee, and the Class B Independent Managers (or, if no such Independent Managers have been appointed, the Class B Designee Managers), in the case of a Class A Independent Manager), the individual has a relationship which would interfere with the individual's exercise of independent judgment in carrying out the responsibilities of a Manager.

Notwithstanding the foregoing, if the Class A Designee Managers (or the Majority Class A Members) and the Class B Designee Managers (or the Holders that have the right to elect the Class B Designee Managers under Section 8.4) agree in writing that an individual is Independent, then such individual shall be deemed Independent for all purposes hereof.

"Independent Manager" means a Manager who is Independent.

"Initial Class A Holders" means General Motors or any Person holding Class A Membership Interests originally acquired by General Motors on the Effective Date that were Transferred to such Person in one or more Transfers occurring after the Effective Date, all of which Transfers constituted Exempt Transfers.

"Initial Class B Holders" means Elliott, SPCP Group, LLC and SP Auto, Ltd. and those Class B Holders listed on Exhibit A or any Person holding Class B Membership Interests originally acquired by such Class B Holders on the Effective Date that were Transferred to such Person in one or more Transfers occurring after the Effective Date in accordance with the terms of this Agreement.

"Initial Public Offering" means a firm commitment underwritten public offering pursuant to an effective registration statement filed under the Securities Act covering the offer and sale of common equity securities for the account of the Issuer in which the aggregate public offering price (before deduction of underwriters' discounts and commissions) equals or exceeds \$200 million.



“Law” means any applicable law, statute, ordinance, rule, regulation, code, order, judgment, tax ruling, injunction or decree of any Governmental Entity, including any Law relating to the protection of the environment.

“Lien” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof), any sale of receivables with recourse against the LLP or any of its Subsidiaries, any filing or agreement to file a financing statement as a debtor under the Uniform Commercial Code or any similar statute of any jurisdiction other than to reflect ownership by a third Person of property leased to the LLP or any of its Subsidiaries under a lease that is not in the nature of a conditional sale or title retention agreement.

“LLP Class A Interest” means, with respect to a particular Class A Holder at any time, the quotient expressed as a percentage obtained by dividing (i) the number of Class A Membership Interests held by such Class A Holder at such time, by (ii) the number of Class A Membership Interests held by all Class A Holders at such time, as adjusted from time to time pursuant to Article III and Article IX.

“LLP Class B Interest” means, with respect to a particular Class B Holder at any time, the quotient expressed as a percentage obtained by dividing (i) the number of Class B Membership Interests held by such Class B Holder at such time, by (ii) the number of Class B Membership Interests held by all Class B Holders at such time, as adjusted from time to time pursuant to Article III and Article IX.

“LLP Class C Interest” means, with respect to a particular Class C Holder at any time, the quotient expressed as a percentage obtained by dividing (i) the number of Class C Membership Interests held by such Class C Holder at such time, by (ii) the number of Class C Membership Interests held by all Class C Holders at such time, as adjusted from time to time pursuant to Article III and Article IX.

“LLP Class D Interest” means, with respect to a particular Class D Holder at any time, the quotient expressed as a percentage obtained by dividing (i) the number of Class D Membership Interests held by such Class D Holder at such time, by (ii) the number of Class D Membership Interests held by all Class D Holders at such time, as adjusted from time to time pursuant to Article III and Article IX.

“LLP Minimum Gain” shall have the meaning set forth in Section 1.704-2(b)(2) of the Treasury Regulations for “partnership minimum gain” and, as provided therein, shall generally be determined by computing, for each Nonrecourse Debt of the LLP, any Tax Book Profit that the LLP would realize if it disposed of the property subject to that liability for no consideration other than full satisfaction of the liability and then aggregating the separate amounts of Tax Book Profit so computed.

“Loan Agreements” means, collectively, the Senior Loan Agreement and the Subordinated Loan Agreement.

“Major Initial Class C Holder” means the PBGC, but only for so long as it holds at least thirty-three and a third percent (33⅓%) of the Class C Membership Interests issued on the Effective Date. For the avoidance of doubt, (i) rights of the Major Initial Class C Holder shall be personal to the PBGC and shall not be transferable and (ii) such rights shall expire if the PBGC no longer holds at least thirty-three and a third percent (33⅓%) of the Class C Membership Interests issued on the Effective Date. Notwithstanding anything to the contrary contained in this Agreement, in the event that an action hereunder requires the approval of both the Major Initial Class C Holder and the Majority Class C Holders, the LLP need only obtain the consent of the Major Initial Class C Holder.

“Majority Class A Holders” means, at any time, the Class A Holders which hold a majority of the then-outstanding Class A Membership Interests.

“Majority Class B Holders” means, at any time, the Class B Holders which hold a majority of the then-outstanding Class B Membership Interests.

“Majority Class C Holders” means, at any time, the Class C Holders which hold a majority of the then-outstanding Class C Membership Interests. Notwithstanding anything to the contrary contained in this Agreement, in the event that an action hereunder requires the approval of both the Major Initial Class C Holder and the Majority Class C Holders, the LLP need only obtain the consent of the Major Initial Class C Holder.

“Majority Initial Class A Holders” means, at any time, the Initial Class A Holders which hold a majority of the then-outstanding Class A Membership Interests held by all of the Initial Class A Holders.

“Member” means a Class A Holder, a Class B Holder, a Class C Holder, a Class D Holder and each other Person who is hereafter admitted as a Member of the LLP in accordance with the terms of this Agreement and the Act. The Members shall constitute the “members” (as such term is defined in the Act) of the LLP.

“Membership Interest” means, with respect to each Member, the class or classes of limited liability partnership interests of such Member, as set forth opposite such Member’s name on the Schedule of Members hereto from time to time, as amended from time to time (provided that the LLP’s failure to amend such Schedule of Members shall not affect or impair the rights or Membership Interest of any Member), including such Member’s share of the Tax Book Profits and Tax Book Losses of the LLP, and also the right of such Member to any and all of the benefits to which such Member may be entitled as provided in this Agreement and in the Act, together with the obligations of such Member to comply with all the provisions of this Agreement and of the Act. The LLP may issue whole or fractional Membership Interests pursuant to the terms of this Agreement.

“Member Nonrecourse Debt” means any LLP liability to the extent such liability is nonrecourse for purposes of Section 1.1001-2 of the Treasury Regulations, and a Member (or related Person within the meaning of Section 1.752-4(b) of the Treasury Regulations) bears the economic risk of loss with respect to such liability under Section 1.752-2 of the Treasury Regulations.

“Member Nonrecourse Debt Minimum Gain” shall have the meaning set forth in Section 1.704-2(i)(3) of the Treasury Regulations for “partner nonrecourse debt minimum gain.”

“Member Nonrecourse Deductions” shall have the meaning set forth in Sections 1.704(2)(i)(1) and 1.704-2(i)(2) of the Treasury Regulations for “partner nonrecourse deductions.”

“Minimum Class A Condition” means the requirement that the Initial Class A Holders collectively hold at least fifty percent of the Class A Membership Interests acquired by General Motors on the Effective Date (determined after adjustment for any Pro Rata Adjustment Events after the date hereof).

“New Securities” means any Membership Interests or other Equity Securities issued by the LLP, whether now authorized or not, and any rights, options or warrants to purchase Membership Interests or other Equity Securities and any indebtedness or class of Equity Securities of the LLP which is convertible into Membership Interests (or which is convertible into a security which is, in turn, convertible into Membership Interests); provided, however, that the term “New Securities” does not mean (i) indebtedness of the LLP which is not by its terms convertible into Membership Interests or other Equity Securities; (ii) Equity Securities issued as a distribution to all Members in accordance with the distribution provisions of this Agreement; (iii) Equity Securities granted or issued to employees, officers or directors of the LLP or any of its Subsidiaries pursuant to incentive agreements, equity purchase or equity option plans, equity bonuses or awards, warrants, contracts or other arrangements that are approved by the Board of Managers, including approval by the Independent Managers; (iv) Equity Securities issued to a Person that is not a Member or an Affiliate of a Member as consideration pursuant to an acquisition by or merger with the LLP; (v) the issuance of any Equity Securities upon the exercise or conversion of any rights, options or warrants to purchase Membership Interests; (vi) Membership Interests issued pursuant to the terms of the Investment Commitment Agreement; and (vii) the Class A Membership Interests issued to General Motors, the Class B Membership Interests issued to the Initial Class B Holders and the Class C Membership Interests issued to PBGC, in each case on the Effective Date as contemplated herein.

“Nonrecourse Debt” means any LLP liability to the extent that no Member or related Person bears the economic risk of loss for such liability under Section 1.752-2 of the Treasury Regulations.

“Nonrecourse Deductions” shall have the meaning set forth in Treasury Regulations Sections 1.704-2(b)(1) and 1.704-2(c)(1).

“Operator” means Noble Corporate Management Limited or its successor or replacement from time to time.

“Operator Agreement” means the agreement to be entered into on or around the date hereof between the LLP and the Operator pursuant to which the Operator shall be appointed to act as operator of the LLP, as may be amended, restated or replaced from time to time.

“Ordinary Course of Business” means the ordinary course of the business of the LLP and its Subsidiaries, and including the ordinary course of the business of Old Delphi and its Subsidiaries acquired pursuant to the Reorganization Plan, as conducted prior to the date hereof.

“Person” means any individual or Entity.

“Plan” means an compensatory equity incentive plan and any amendments thereto, including the general economic terms, vesting, eligibility, forfeiture, repurchase and other principal terms thereof.

“Preemptive Share” means, for the Class A Holders in the aggregate, the Class B Holders in the aggregate and, in the event of an Adverse Issuance, the Class C Holders in the aggregate, the relative distribution percentages as between or among such classes set forth in Section 5.1 in effect as of such calculation date (i.e., using the weighted average distribution percentage that would be in effect under Section 5.1 if the LLP were liquidated (based on the value of the LLP as determined by the Independent Managers)) for the Class A Holders (the “Class A New Securities Percentage”), the Class B Holders (the “Class B New Securities Percentage”) and, in the event of an Adverse Issuance, the Class C Holders (the “Class C New Securities Percentage”); and (i) for each Class A Holder, the percentage that results from multiplying the Class A New Securities Percentage by a fraction, the numerator of which is the number of Class A Membership Interests held by such Class A Holder and the denominator of which is the number of Class A Membership Interests held by all Class A Holders, (ii) for each Class B Holder, the percentage that results from multiplying the Class B New Securities Percentage by a fraction, the numerator of which is the number of Class B Membership Interests held by such Class B Holder and the denominator of which is the number of Class B Membership Interests held by all Class B Holders, and (iii) if applicable, for each Class C Holder, the percentage that results from multiplying the Class C New Securities Percentage by a fraction, the numerator of which is the number of Class C Membership Interests held by such Class C Holder and the denominator of which is the number of Class C Membership Interests held by all Class C Holders. The Independent Managers of the Board of Managers shall (i) have the authority to interpret and effect this definition of Preemptive Share and the provisions of Section 12.5 and (ii) make such equitable adjustments to this

definition as necessary to reflect any additional class of Members to whom preemptive rights are granted.

“Pro Rata Adjustment Event” shall mean, with respect to any class of Membership Interests, any split, reverse split or combination or similar pro rata recapitalization event affecting Membership Interests of such class.

“Qualified Sale” shall mean any sale of all or substantially all of the assets or ownership interests in the LLP (by merger or otherwise) to Persons unaffiliated with the LLP in exchange for (i) cash and/or (ii) freely tradable securities which are listed on a national or international exchange (subject only to customary lock-ups that expire no later than three (3) months after closing of the Qualified Sale), that results in net proceeds to the LLP or the Members of not less than \$3,641,757,563, less any Distributions made in accordance with this Agreement; provided, however, that such securities received by the Members shall not exceed 40% of the outstanding publicly traded securities of the purchaser of the LLP (excluding shares owned by Affiliates of the purchaser) after taking into account the shares issued in such Qualified Sale.

“Release Conditions” means each of the following conditions: (i) (x) the LLP shall have repaid in full the entire unpaid principal amount of each loan made by General Motors under the Senior Loan Agreement (including interest and fees and costs payable thereunder to General Motors as lender) and (y) the aggregate Unreturned Original Cost of the outstanding Class A Membership Interests issued to General Motors on the Effective Date shall equal zero, (ii) General Motors’ commitment to lend to the LLP funds pursuant to the Senior Loan Agreement shall have terminated or be equal to \$0, (iii) the revenue to the LLP and its Subsidiaries from General Motors shall be less than 15% of the LLP’s consolidated revenue for the twelve month period immediately preceding the date of determination and (iv) the earlier of the following shall have occurred (A) the third (3rd) anniversary of the Effective Date or (B) the Initial Class A Holders shall have sold 75% of the Class A Membership Interests originally acquired by General Motors on the Effective Date to one or more third parties (determined after adjustment for any Pro Rata Adjustment Events after the date hereof).

“Securities Act” means the United States Securities Act of 1933, as amended.

“Senior Loan Agreement” means that certain Senior Credit Facility among the LLP, the lenders party thereto and The Bank of New York Mellon as administrative agent, as in effect on the date hereof, as amended in accordance with its terms.

“SOX” means the Sarbanes-Oxley Act of 2002, as amended.

“Subordinated Loan Agreement” means that certain Subordinated Credit Facility among the LLP, the lenders party thereto and The Bank of New York Mellon as administrative agent, as in effect on the date hereof, as amended in accordance with its terms.

“Subsidiary” means, with respect to any Person, any corporation, limited liability company, partnership, limited liability partnership, association, bank, savings bank, or other organization or business entity, whether incorporated or unincorporated, which is consolidated with such Person for financial reporting purposes under GAAP. For purposes hereof, references to a “Subsidiary” of any Person shall be given effect only at such times that such Person has one or more Subsidiaries and, unless otherwise indicated, the term “Subsidiary” refers to a Subsidiary of the LLP. Notwithstanding the foregoing, in no event shall the LLP be considered a “Subsidiary” of General Motors or any Class B Holder or Class C Holder for purposes of this Agreement.

“Substituted Member” means any Person that has been admitted to the LLP as a Member pursuant to Section 9.3 by virtue of such Person receiving all or a portion of a Membership Interest from a Member and not from the LLP.

“Tax Book Profit” and “Tax Book Loss” means, for each Fiscal Year, or other period, an amount equal to the LLP’s taxable income or loss for such year or period, determined in accordance with Section 703(a) of the Code; provided that for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss, with the following adjustments:

- (i) any income of the LLP that is exempt from federal income tax and not otherwise taken in account in computing Tax Book Profit or Tax Book Loss pursuant to this provision shall be added to such taxable income or loss;
- (ii) any expenditures of the LLP described in Section 705(a)(2)(B) of the Code or treated as Code Section 705(a)(2)(B) expenditures pursuant to Section 1.704-1(b)(2)(iv)(i) of the Treasury Regulations, and not otherwise taken into account in computing Tax Book Profit or Tax Book Loss pursuant to this provision, shall be subtracted from such taxable income or loss;
- (iii) gain or loss resulting from any disposition of any asset of the LLP with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Tax Book Value of the asset disposed of as determined under Treasury Regulations Section 1.704-1(b)(2)(iv), notwithstanding that the adjusted tax basis of such asset may differ from such Tax Book Value;
- (iv) in lieu of depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken in account Depreciation for such Fiscal Year, computed as provided in this Agreement, and

- (v) in the event the Tax Book Value of any LLP asset is adjusted to reflect the Fair Market Value of such asset in accordance with the last sentence of the definition of "Tax Book Value," the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Tax Book Profit or Tax Book Loss.

If the LLP's taxable income or loss for such Fiscal Year, as adjusted in the manner provided above, is a positive amount, such amount shall be LLP's Tax Book Profit for such Fiscal Year, and, if a negative amount, such amount shall be the LLP's Tax Book Loss for such Fiscal Year.

"Tax Book Value" of an asset means, as of any particular date, the value at which the asset is properly reflected on the books and records of the LLP as of such date in accordance with Section 1.704-1(b)(2)(iv) of the Treasury Regulations as follows:

- (i) The initial Tax Book Value of each asset shall be its cost, unless such asset was contributed to the LLP by a Member, in which case the initial Tax Book Value shall be the Fair Market Value for such asset determined by the Board of Managers, and, in each case, such Tax Book Value shall thereafter be adjusted for Depreciation with respect to such asset rather than for the cost recovery deductions to which LLP is entitled for federal income tax purposes with-respect thereto.
- (ii) At the discretion of the Board of Managers, the Tax Book Values of all LLP assets shall be adjusted to equal their respective Fair Market Values, as reasonably determined by the Board of Managers, as of the following times:
  - (A) the acquisition of an additional interest in the LLP by any new or existing Member in exchange for more than a *de minimis* additional Capital Contribution;
  - (B) the Distribution by the LLP to a Member of more than a *de minimis* amount of the LLP assets, including money, if, as a result of such Distribution, such Member's interest in the LLP is reduced;
  - (C) the liquidation of the LLP within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g); and
  - (D) at any other time, as permitted by the Treasury Regulations.

"Transaction Documents" means the agreements and other documents set forth on Exhibit B.

“Transfer” means any sale, transfer, assignment, pledge, encumbrance, exchange, or other disposition of an interest (whether with or without consideration, whether voluntarily or involuntarily or by operation of Law). The terms “Transferee,” “Transferor,” “Transferred,” and other forms of the word “Transfer” shall have the correlative meanings.

“Treasury Regulations” means the regulations, including temporary regulations, promulgated by the United States Treasury Department under the Code.

“Unreturned Original Cost” means, with respect to the Class A Membership Interests, the amount (which shall be not less than zero) equal to (i) \$1.75 billion, minus (ii) the aggregate Fair Market Value of the Distributions and any other cash or non-cash payments made with respect to (A) the Class A Membership Interests and (B) the Class C Membership Interests.

“1940 Act” means the United States Investment Company Act of 1940, as amended.

**Section 1.2. Cross-References.** In addition to the terms set forth in Section 1.1, the following terms are defined in the text of this Agreement in the locations specified below:

Term	Cross-Reference
Additional Purchase Right	Section 12.5(b)
Agents	Section 13.1
Asset Purchase	Recitals
Assumed Tax Rate	Section 5.5
Board of Managers	Section 8.1(a)
Capital Account	Section 3.5
Chairman	Section 8.4(c)
Chief Executive Officer	Section 8.13(c)(i)
Chief Financial Officer	Section 8.13(c)(iii)
Class A Designee Managers	Section 8.4(a)(i)
Class A Independent Managers	Section 8.4(a)(ii)
Class A Manager	Section 8.4(a)(ii)
Class B Designee Managers	Section 8.4(a)(iii)
Class B Independent Managers	Section 8.4(a)(iv)
Class B Manager	Section 8.4(a)(iv)
Competitive Information	Section 8.8(b)
DIP Holdco 3	Recitals
Direct Conflict	Section 8.8(a)
Effective Date	Preamble
Electing Member	Section 12.5(b)
Elliott	Recitals



Fifth Independent Manager	Section 8.4(a)(v)
General Motors	Preamble
Indemnified Persons	Section 11.1(a)
Independent Auditor	Section 4.4
Indirect Conflict	Section 8.8(a)
Insolvency Act	Section 7.11(b)
Investment Commitment Agreement	Recitals
IRS	Section 4.3(a)(ii)
Issuance Notice	Section 12.5(a)
LLP	Preamble
Managers	Section 8.1(a)
MDA	Recitals
Non-Exercising Members	Section 12.5(b)
Officers	Section 8.13(a)
Old Delphi	Recitals
Other Class B Holders	Recitals
PBGC	Preamble
President	Section 8.13(c)(ii)
Proceeding	Section 11.1(a)
Purchasing Member	Section 12.5(d)
Regulatory Allocations	Section 6.14
Reorganization Plan	Recitals
Secretary	Section 8.13(c)(iv)
Tax Distribution	Section 5.5
Tax Matters Member	Section 4.3(a)
Voting Power	Section 7.7(a)

**Section 1.3. Interpretative Matters.** In this Agreement, unless otherwise specified or where the context otherwise requires:

- (a) the headings of particular provisions of this Agreement are inserted for convenience only and will not be construed as a part of this Agreement or serve as a limitation or expansion on the scope of any term or provision of this Agreement;
- (b) words importing any gender shall include other genders;
- (c) words importing the singular only shall include the plural and vice versa;
- (d) the words “include,” “includes” or “including” shall be deemed to be followed by the words “without limitation”;
- (e) the words “hereof,” “herein,” “hereunder” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement;

(f) references to "Articles," "Exhibits," "Sections" or "Schedules" shall be to Articles, Exhibits, Sections or Schedules of or to this Agreement;

(g) references to any Person include the heirs, executors, administrators, legal representatives, successors and permitted assigns of such Person where the context so permits;

(h) the use of the words "or," "either" and "any" shall not be exclusive;

(i) wherever a conflict exists between this Agreement and any other agreement, this Agreement shall control but solely to the extent of such conflict;

(j) references to "\$" mean the lawful currency of the United States of America;

(k) references to any agreement, contract, guideline, exhibit or schedule, unless otherwise stated, are to such agreement, contract, guideline, exhibit or schedule as amended, amended and restated, replaced, substituted, modified or supplemented from time to time in accordance with the terms hereof and thereof; and

(l) references to any Law or a particular provision of any Law, unless otherwise stated, are to such Law and any successor Law or to such provision of Law and the corresponding provision in any successor Law, as applicable.

## **ARTICLE II. ORGANIZATIONAL MATTERS; GENERAL PROVISIONS**

### **Section 2.1. Formation.**

(a) The LLP was incorporated as a limited liability partnership under the Act on August 19, 2009 with registered number OC348002. The Members agree to continue the LLP as a limited liability partnership under the Act, upon the terms and subject to the conditions set forth in this Agreement.

(b) The rights, duties and liabilities of the Members shall be as provided in the Act, except as otherwise provided herein. To the extent that the rights, powers, duties, obligations and liabilities of any Members are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control.

### **Section 2.2. Name; Office; Registered Office.**

(a) The name of the LLP is DIP Holdco LLP. The Board of Managers may change the name of the LLP at any time and from time to time. Prompt notification of any such change shall be given to all Members.

(b) The LLP's registered office shall be located at Royal London House, 22/25 Finsbury Square, London, United Kingdom, EC2A 1DX or such other location in the England or Wales as the Board of Managers shall designate from time to time in the manner provided by Law and the LLP shall maintain records at such place. The LLP may maintain other offices at such other place or places as the Board of Managers deems advisable. Prompt notice of any change in the registered office shall be given to all Members.

### **Section 2.3. Purposes; Powers.**

(a) The nature of the business or purposes to be conducted or promoted by the LLP is to (x) operate and maximize the value of the business of the LLP acquired pursuant to the MDA as a vibrant, independent enterprise positioned for long term success and (y) engage in any lawful act or activity for which limited liability partnerships may be organized under the Act. The LLP may engage in any and all activities necessary, desirable or incidental to the accomplishment of the foregoing. Notwithstanding anything herein to the contrary, nothing set forth herein shall be construed as authorizing the LLP to possess any purpose or power, or to do any act or thing, forbidden by Law to a limited liability partnership organized under the Laws of England and Wales.

(b) Subject to the provisions of this Agreement and except as prohibited by Law, (i) the LLP may, with the approval of the Board of Managers, enter into, deliver and perform any and all agreements, consents, deeds, contracts, proxies, covenants, bonds, checks, drafts, bills of exchange, notes, acceptances and endorsements, and all evidences of indebtedness and other documents, instruments or writings of any nature whatsoever, all without any further act, vote or approval of any Member, and (ii) the Board of Managers may, pursuant to Section 8.12, authorize (including by general delegated authority) any Person (including any Member, Manager or Officer) to enter into, deliver and perform on behalf of the LLP any and all agreements, consents, deeds, contracts, proxies, covenants, bonds, checks, drafts, bills of exchange, notes, acceptances and endorsements, and all evidences of indebtedness and other documents, instruments or writings of any nature whatsoever.

(c) Subject to the other provisions of this Agreement, the LLP shall do all things necessary to maintain its existence separate and apart from each Member and any Affiliate of any Member, including holding regular meetings of the Board of Managers and maintaining its books and records on a current basis separate from that of any Affiliate of the LLP or any other Person.

(d) Notwithstanding anything to the contrary contained herein, the LLP shall take any and all actions, including by omission to act, necessary to prevent the LLP or any of its Members from having, or being deemed to have, any income effectively connected with the conduct of a trade or business within the United States (including through the holding of any investment in U.S. real property interests, within the meaning of Section 897 of the Code).

**Section 2.4. Duration.** The period of the LLP's duration commenced on its incorporation on August 19, 2009 and shall continue in full force and effect in perpetuity; provided that LLP may be dissolved and wound up in accordance with the provisions of this Agreement and the Act.

**Section 2.5. No State Law Partnership.** The Members intend that the LLP shall not be a partnership (including a limited partnership) or joint venture, and that no Member, Manager or Officer shall be a partner or joint venturer of any other Member, Manager or Officer by virtue of this Agreement, for any purposes other than as is set forth in Section 2.7, and this Agreement shall not be construed to the contrary.

**Section 2.6. Filings; Qualification in Other Jurisdictions.** The LLP shall prepare, following the execution and delivery of this Agreement, any documents required to be filed or, in the Board of Managers' view, appropriate for filing under the Act, and the LLP shall cause each such document to be filed in accordance with the Act, and, to the extent required by Law, to be filed and recorded, and/or notice thereof to be published, in the appropriate place in each jurisdiction in which the LLP may have established, or after the Effective Date may establish, a place of business. The Board of Managers may cause the LLP to be qualified, formed or registered under assumed or fictitious name statutes or similar Laws in any jurisdiction in which the LLP transacts business where the LLP is not currently so qualified, formed or registered. Any Manager or Officer, acting individually as an authorized person within the meaning of the Act, shall execute, deliver and file any such documents (and any amendments and/or restatements thereof) necessary for the LLP to accomplish the foregoing. The Board of Managers may appoint any other authorized persons to execute, deliver and file any such documents.

**Section 2.7. Income Tax Classification.** The Members intend that the LLP be classified as a partnership for United States federal, state and local income tax purposes and the Members shall not elect pursuant to Treasury Regulation § 301.7701-3 to treat the LLP otherwise. Each Member and the LLP shall file all tax returns in a manner consistent with such classification and shall take no tax reporting position inconsistent with that classification.

### ARTICLE III.

#### CAPITALIZATION; MEMBERSHIP INTERESTS

**Section 3.1. Membership Interests; Initial Capitalization; Initial Capital Accounts.**

(a) The LLP shall initially have four authorized classes of Membership Interests, consisting of 1,750,000 Class A Membership Interests, 354,500 Class B Membership Interests, 100,000 Class C Membership Interests and nine Class D Membership Interests. A Membership Interest shall for all purposes be personal property. For purposes of this Agreement, Membership Interests held by the LLP or any of its Subsidiaries shall be deemed not to be outstanding. The LLP may issue fractional

Membership Interests pursuant to the terms of this Agreement, and all Membership Interests shall be rounded to the fourth decimal place.

(b) Upon the execution and delivery of this Agreement, each of the Persons named as a Member on the Schedule of Members shall be admitted as a Member of the LLP with the type and number of Membership Interests set forth on the Schedule of Members, with effect as of the Effective Date. The LLP shall update the Schedule of Members to reflect any changes in the Members and the Membership Interests of the Members in accordance with the terms of this Agreement (provided that the LLP's failure to amend such Schedule of Members shall not affect or impair the rights or Membership Interest of any Member). The initial Capital Account balance of each Member shall be deemed to be the amount set forth opposite its name on the Schedule of Members.

(c) Any Class D Membership Interest cancelled pursuant to the terms of Section 8.1(c) shall be immediately available for issue to any other Person elected to be a Manager in accordance with the terms of this Agreement.

**Section 3.2. Authorization and Issuance of Additional Membership Interests.**

(a) The Board of Managers shall have the right to cause the LLP to issue and/or create and issue at any time after the Effective Date, and for such amount and form of consideration as the Board of Managers may reasonably determine, subject to the provisions of this Agreement, additional Membership Interests (of existing classes or new classes) or other Equity Securities of the LLP (including creating additional classes or series thereof having such powers, designations, preferences and rights as may be determined by the Board of Managers). In connection with the foregoing, subject to the provisions of this Agreement, including Sections 3.2(c), 12.1, 12.2, 12.3 and 14.1, as applicable, the Board of Managers shall have the power to make such amendments to this Agreement in order to provide for such additional Membership Interests, and such powers, designations and preferences and rights as the Board of Managers in its discretion deems necessary or appropriate to give effect to such additional authorization or issuance.

(b) Subject to the provisions of Article XII, the Board of Managers shall have the right to admit Additional Members. A Person may be admitted to the LLP as an Additional Member upon furnishing to the Board of Managers (i) a joinder agreement pursuant to which such Person agrees to be bound by all of the terms and conditions of this Agreement, and (ii) other than in the case of a new Manager being issued with a Class D Membership Interest pursuant to the terms of Section 8.1, such other documents or instruments as the Board of Managers may reasonably determine to be necessary or appropriate to effect such Person's admission as a Member (including entering into an investor representation agreement or such other similar documents as the Board of Managers may reasonably deem appropriate), which joinder agreement, documents and instruments shall be in form and substance reasonably satisfactory to the Board of Managers. Such admission shall become effective on the date on which the

Board of Managers determines that the foregoing conditions and the conditions set forth in Article IX have been satisfied and when any such admission is shown on the books and records of the LLP. Upon the admission of an Additional Member, the Schedule of Members shall be amended to reflect the name, notice address, Membership Interests and other interests in the LLP, Capital Contributions and initial Capital Account balance of such Additional Member

(c) Any Plan and any amendments thereto shall require the approval of (i) the Holders that have the right to elect the Class B Designee Managers under Section 8.4 and (ii) until the earlier of (x) such time as the Release Conditions have been satisfied or (y) such time as the Initial Class A Holders no longer hold any of the Class A Membership Interests originally acquired by General Motors on the Effective Date, the Initial Class A Holders. In addition, any grant or issuance of Membership Interests or Equity Securities of the LLP under any Plan, including the specific terms thereof in accordance with such Plan, as applicable, shall require the approval of the Compensation Committee.

**Section 3.3. Application of Article 8 of the Uniform Commercial Code.** Each Membership Interest shall constitute a "security" within the meaning of and shall be governed by (a) Article 8 of the Uniform Commercial Code (including Section 8-102(a)(15) thereof) as in effect from time to time in the State of Delaware, and (b) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995.

**Section 3.4. Certification of Membership Interests.** (a) Membership Interests shall be issued in non-certificated form; provided that the Board of Managers may cause the LLP to issue certificates to a Member representing the Membership Interests held by such Member. If any Membership Interest certificate is issued, then such certificate shall bear a legend substantially in the following form:

This certificate evidences a [Class \_\_ Membership Interest] representing an interest in DIP Holdco LLP and shall constitute a "security" within the meaning of and shall be governed by (i) Article 8 of the Uniform Commercial Code (including Section 8-102(a)(15) thereof) as in effect from time to time in the State of Delaware, and (ii) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995.

The Membership Interest in DIP Holdco LLP represented by this certificate is subject to restrictions on transfer set forth in a Limited Liability Partnership Agreement in relation to DIP Holdco LLP, dated as of October 6, 2009, by and among the members from time to time party thereto, as the same may be amended or replaced from time to time.

The Membership Interest in DIP Holdco LLP represented by this certificate has not been registered under the United States Securities Act of 1933, as amended, or under any other applicable securities laws. Such Membership Interest may not be sold, assigned, pledged or otherwise disposed of at any time without effective registration under such act and laws or, in each case, exemption therefrom.

(b) In addition, at any time the LLP is able to make available such information necessary to permit sales of Membership Interests pursuant to Rule 144A under the Securities Act, then any issued certificate shall also bear a legend substantially in the following form:

The holder of the Membership Interests represented by this certificate by its acceptance hereof (1) represents that (a) it is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) or (b) it is not a U.S. Person and is acquiring this Membership Interest in an "offshore transaction" pursuant to Rule 903 or 904 of Regulation S, (2) agrees that it will not sell or otherwise transfer this Membership Interest except (a)(i) to a person who the seller reasonably believes is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act acquiring for its own account or for the account of a qualified institutional buyer in a transaction complying with Rule 144A, (ii) in an offshore transaction complying with the requirements of Rule 903 or Rule 904 of Regulation S under the Securities Act, or (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) or otherwise, and (b) in accordance with all applicable securities laws of the states of the United States and other jurisdictions, and (3) agrees that it will give to each person to whom this security is transferred a notice substantially to the effect of this legend. As used herein, the terms "offshore transaction," "United States" and "U.S. person" have the respective meanings given to them by Regulation S under the Securities Act.

**Section 3.5. Capital Accounts.** The LLP shall maintain a separate capital account (a "Capital Account") for each Member in accordance with Section 1.704-1(b)(2)(iv) of the Treasury Regulations. Subject to the foregoing:

(a) each Member's Capital Account shall be increased by the amount of cash and the Fair Market Value of the property actually contributed by such Member to the LLP, such Member's allocable share, if any, of any Tax Book Profits of the LLP, and the amount of any LLP liabilities assumed by such Member or which are secured by any property distributed to such Member,

(b) each Member's Capital Account shall be decreased by the amount of cash and the Fair Market Value of any LLP property distributed to such Member pursuant to any provision of this Agreement, such Member's allocable share, if any, of any Tax Book Losses of the LLP, and the amount of any liabilities of such Member assumed by the LLP or which are secured by any property contributed by such Member to the LLP;

(c) the provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 1.704-1(b)(2)(iv) of the Treasury Regulations, and shall be interpreted and applied in a manner consistent with such Treasury Regulations;

(d) no interest shall be paid by the LLP on Capital Contributions or on balances in Capital Accounts;

(e) a Member shall not be entitled to withdraw any part of its Capital Account or to receive any Distributions from the LLP, except as expressly provided herein;

(f) no loan made to the LLP by any Member shall constitute a Capital Contribution to the LLP for any purpose. The amount of any loan shall be a debt of the LLP to such Member and shall be payable or collectible in accordance with the terms and conditions upon which such loan is made; and except as required by the Act, no Member shall have any liability for the return of the Capital Contributions of any other Member.

**Section 3.6. No Right of Partition.** All property of the LLP, whether tangible or intangible, shall be deemed to be owned by the LLP as an entity. No Member shall have any interest in specific LLP property solely by reason of being a Member. Except as specifically contemplated by this Agreement, any other Transaction Document or any other written agreement between the LLP and any Member, no Member shall (a) have the right to seek or obtain partition by court decree or operation of Law of any property of the LLP or any of its Subsidiaries, (b) have the right to own or use particular or individual assets of the LLP or any of its Subsidiaries, or (c) be entitled to distributions of specific assets of the LLP or any of its Subsidiaries.



**Section 3.7. Additional Capital Contributions and Financing.** No Member shall be required to make any additional Capital Contribution to the LLP in respect of the Membership Interests then held by such Member (in its capacity as such) or to provide any additional financing to the LLP; provided that a Member may make additional Capital Contributions or provide additional financing to the LLP if approved by the Board of Managers and otherwise made in accordance with the applicable provisions of this Agreement. The provisions of this Section 3.7 are intended solely for the benefit of the Members in their capacity as Members, and, to the fullest extent permitted by Law, shall not be construed as conferring any benefit upon any creditor (including a Member in its capacity as a creditor) of the LLP (and no such creditor shall be a third party beneficiary of this Agreement), and no Member shall have any duty or obligation to any creditor of the LLP to make any additional Capital Contributions or to provide any additional financing or to cause the Board of Managers or any other Member to consent to the making of additional Capital Contributions or to the provision of additional financing.

#### ARTICLE IV. SCHEDULE OF MEMBERS; BOOKS AND RECORDS

**Section 4.1. Schedule of Members.** The LLP shall maintain and keep at its registered office the Schedule of Members on which it shall set forth the name and notice address of each Member, the aggregate number of Membership Interests of each class and the aggregate amount of cash Capital Contributions that have been made by such Member at any time, and the Fair Market Value of any property other than cash contributed by such Member with respect to the Membership Interests (including, if applicable, a description and the amount of any liability assumed by the LLP or to which contributed property is subject).

**Section 4.2. Books and Records; Other Documents.**

(a) The LLP shall keep, or cause to be kept, (i) complete and accurate books and records of account of the LLP, (ii) minutes of the proceedings of meetings of any class of Members, the Board of Managers and any committee of the Board of Managers, and (iii) a current list of the Managers and Officers and their notice addresses. Any of the foregoing books, minutes or records may be in written form or in any other form capable of being accurately and completely converted into written form within a reasonable time. The books of the LLP (other than books required to maintain Capital Accounts) shall be kept on the accrual basis of accounting, and otherwise in accordance with GAAP, and shall at all times be maintained or made available at the registered office of the LLP. The LLP shall, and shall cause its Subsidiaries to, (A) make and keep financial records in reasonable detail that accurately and fairly reflect all financial transactions and dispositions of the assets of the LLP and its Subsidiaries and (B) maintain a system of internal accounting controls sufficient to provide reasonable assurances that (1) transactions are executed in accordance with authorization by the Person in charge and are recorded so as to provide proper financial statements and maintain accountability for assets and (2) safeguards are established to prevent

unauthorized Persons from having access to the assets, including the performance of periodic physical inventories.

(b) At all times the LLP shall maintain at its registered office a current list of the name and notice address of each Member, a copy of the Certificate of Incorporation, including any amendments thereto, copies of this Agreement and all amendments hereto, and all other records required to be maintained pursuant to the Act.

(c) The LLP also shall maintain at all times, at its registered office, copies of the LLP's United Kingdom and United States of America federal, state, local and foreign income tax returns and reports, if any, and all financial statements of the LLP for all years ending after the Effective Date; provided, however, that the LLP shall not be required to maintain copies of income tax returns and reports, if any, and any financial statements of the LLP for any year with respect to which each Member has notified LLP in writing that such Member's tax year has been closed.

(d) The parties shall work in good faith to prevent the LLP from becoming a consolidated subsidiary of General Motors in accordance with GAAP; provided, however, if General Motors shall conclude, in its sole discretion, that it is required to consolidate the LLP in accordance with GAAP, the LLP shall use all commercially reasonable efforts to deliver the items and comply with the terms and conditions set forth on Exhibit E; provided, however, that General Motors shall reimburse the LLP for any Incremental Cost to the LLP of delivering the items and complying with the terms and conditions set forth on Exhibit E (it being understood and agreed that the LLP shall notify General Motors in advance of incurring any such Incremental Cost and no such Incremental Cost shall be incurred without General Motors' consent).

(e) Without prejudice to any obligation under this Agreement to keep books and records and to prepare financial statements under GAAP, the LLP shall keep all such books and records and prepare all such accounts in accordance with such accounting principles and practices as may be required by the Act and the Companies Act 2006 and to the extent required by the Act and the Companies Act 2006 shall procure that such accounts are audited and filed with the Registrar of Companies at Companies House in England and Wales. Such books, records and accounts shall be prepared audited and filed only for the purpose of the LLP complying with Law and where there is any inconsistency between those books, records and accounts and those kept or prepared under the other provisions of this Agreement, those others shall prevail.

(f) The audited accounts of the LLP together with the related auditors report shall be distributed to all Members as required by the Companies Act 2006.

(g) A Designated Member shall sign the annual accounts of the LLP and file them with the Registrar of Companies in accordance with the Companies Act 2006.

(h) The LLP shall prepare and deliver to (1) each Class A Holder that owns at least one percent (1.0%) of the then outstanding Class A Membership Interests, (2) each Class B Holder that owns at least one percent (1.0%) of the then outstanding Class B Membership Interests and (3) each Class C Holder that owns at least five percent (5.0%) of the then outstanding Class C Membership Interests:

(i) Within (x) 180 days after the end of the Fiscal Year ended December 31, 2009 and (y) 120 days after the end of each Fiscal Year thereafter, financial information regarding the LLP and its Subsidiaries consisting of consolidated balance sheets of the LLP and its Subsidiaries as of the end of such Fiscal Year and related statements of income and cash flows of the LLP and its Subsidiaries for such Fiscal Year (or in the case of the Fiscal Year ending December 31, 2009, that portion of such Fiscal Year from the date hereof through the end of such Fiscal Year), all prepared in conformity with GAAP and accompanied by the opinion of independent public accountants of recognized national standing selected by the LLP; and

(ii) Within 60 days after the end of each of the first three Fiscal Quarters of each Fiscal Year (or, in the case of quarterly reports delivered from the date hereof through December 31, 2009, 105 days), financial information regarding the LLP and its Subsidiaries consisting of consolidated unaudited balance sheets as of the close of such quarter and the related statements of income and cash flow for such quarter and that portion of the Fiscal Year ending as of the close of such quarter, setting forth in comparative form the figures for the corresponding period in the prior year (provided that such comparison to the corresponding period in the prior year shall not be required until the first quarterly report delivered after the first anniversary of the date hereof if the LLP determines in its good faith discretion that it is impracticable to prepare such comparison prior to such date).

In addition, subject to Section 4.2(j), the LLP shall make available all information set forth in subclauses (i) and (ii) above to all Members, including by posting such information to a protected website to which all Members are provided access.

(i) The LLP covenants and agrees that it will use its commercially reasonable efforts to make available such information necessary to Holders and potential transferees thereof (subject to reasonable confidentiality restrictions imposed from time to time by the Board of Managers) to permit sales of Membership Interests pursuant to Rule 144A under the Securities Act.

(j) The LLP shall provide (i) each Holder of 17.5% or more of the Class C Membership Interests, (ii) any representative who represents Persons who in the aggregate hold 17.5% or more of the Class C Membership Interests, (iii) each Holder of 5% or more of the Class B Membership Interests, (iv) any representative who represents Persons who in the aggregate hold 5% or more of the Class B Membership Interests, and (v) each Holder of 5% or more of the Class A Membership Interests, and their

representatives or designees, (x) reasonable access, upon reasonable notice and during normal business hours, to all of the facilities, properties, books and records of the LLP, (y) make the officers, employees and representatives of the LLP, and the LLP's independent public accountants, available to such Holders and their representatives, upon reasonable notice and during normal business hours, and (z) furnish such Holders and their representatives with any and all information concerning the LLP that is reasonably available to the LLP, or that the LLP can produce using reasonable efforts but without incurring any material additional expense; provided, however, that all such Holders as a group shall have the right to access the LLP's facilities, properties, books and records, personnel and representatives no more than one time during any fiscal quarter; provided further, however, that to the extent that any such Holder referred to in (i), (ii) (iii), (iv) or (v) above is a competitor of the LLP (as determined by the Independent Managers in their discretion without regard to the definition of "Competitor" under Section 9.5(d)), the LLP shall be permitted to withhold competitively sensitive information. In order to facilitate such quarterly limitation, the LLP shall promptly distribute to all Holders entitled to access hereunder notice of any request of access by any such Holder and such Holders shall have five (5) Business Days to respond to the LLP that such Holder desires to receive the requested information or participate in any meeting so requested.

(k) The LLP shall hold quarterly earnings conference calls for the Members, with each such conference call to be held upon reasonable advance notice to all Members within one week following the release of the LLP's quarterly or annual financial reports.

(l) Notwithstanding anything set forth in this Section 4.2 to the contrary, if General Motors shall conclude, in its reasonable discretion, that it is required to account for the LLP in General Motors' financial statements pursuant to the equity method of accounting in accordance with GAAP, then the LLP hereby agrees to use commercially reasonable efforts to deliver such information to General Motors in order for General Motors to account for the LLP using the equity method in a timely manner under all reporting requirements applicable to General Motors; provided that General Motors shall be responsible for any Incremental Cost associated with such reporting.

#### **Section 4.3. Certain Tax Matters.**

(a) Pursuant to Section 6231(a) of the Code, or any subsequent similar provision, the Class B Designee Managers and the Majority Class A Holders shall appoint on an annual basis by a resolution executed by such parties, the LLP's "tax matters partner" within the meaning of Section 6231(a)(7) of the Code (the "Tax Matters Member"). The Tax Matters Member shall initially be General Motors and shall have the following rights and responsibilities:

(i) The Tax Matters Member shall take such action as may be necessary to cause each of the other Members to become a "notice partner" within the meaning of Section 6231(a)(8) of the Code.

(ii) The Tax Matters Member is authorized to represent the LLP before the Internal Revenue Service (“IRS”) and any other taxing authority with jurisdiction, and to sign such consents and to enter into settlements and other agreements with such agencies as the Board of Managers deems necessary or advisable.

(iii) The Tax Matters Member shall promptly inform each Holder of 5% or more of the Class A Membership Interests, each Holder of 5% or more of the Class B Membership Interests and each Holder of 17.5% or more of the Class C Membership Interests of all significant matters that may come to its attention in its capacity as the Tax Matters Member and shall forward to such Holders copies of all significant written communications it may receive or submit in such capacity, including any written adjustment by any taxing authority which would affect such Members’ liability for taxes. The Tax Matters Member agrees to consult with such Class B Holders and such Class A Holders in good faith with respect to any written notice of any inquiries, claims, assessments, audits, controversies or similar events received from any taxing authority, and the Tax Matters Member will not settle or otherwise compromise any material tax issue with respect to the LLP without the prior written consent of a majority of the Class B Holders that received the information in accordance with this Section and, for so long as the Minimum Class A Condition is satisfied, a majority of the Class A Holders that received information in accordance with this Section, in each case which consent shall not be unreasonably withheld or delayed.

(b) Promptly following the written request of the Tax Matters Member, the LLP shall, to the fullest extent permitted by Law, reimburse and indemnify the Tax Matters Member for all reasonable expenses, including reasonable legal and accounting fees, incurred in connection with any administrative or judicial proceeding with respect to the tax liability of (i) the LLP and/or (ii) the Members in connection with the operations of the LLP.

(c) The LLP shall prepare or cause to be prepared the United States federal, state, local, foreign and any other required tax returns of the LLP and shall file or cause to be filed such returns on a timely basis, which returns may have been reviewed by the Independent Auditor.

(d) The LLP shall transmit copies of the United States federal tax returns referenced in Section 4.3(c) to each Holder of 5% or more of the Class A Membership Interests, each Holder of 5% or more of the Class B Membership Interests and each Holder of 17.5% or more of the Class C Membership Interests on or before forty-five (45) calendar days before the due date of each such return, including any valid extensions thereto. The LLP shall not cause any such tax return to be filed unless each of (i) a majority of the Class B Managers (the “Majority Class B Managers”) and (ii) for so long as any of the Release Conditions have not been satisfied, a majority of the Class A Holders that received information in accordance with this Section, have consented to its filing (with a failure to respond within thirty calendar days after receipt being deemed

consent); provided, however, that, if the Majority Class B Managers and, for so long as any of the Release Conditions have not been satisfied, a majority of the Class A Holders that received information in accordance with this Section, do not consent to the filing of any tax return at least fifteen calendar days before the due date, then the LLP (A) shall promptly notify the Majority Class B Managers and, for so long as any of the Release Conditions have not been satisfied, a majority of the Class A Holders that received information in accordance with this Section, of the disputed issues; and (B) may file such return after making a good faith effort to incorporate in such return any comments previously received from the Majority Class B Managers and, for so long as any of the Release Conditions have not been satisfied, a majority of the Class A Holders that received information in accordance with this Section.

(e) To the extent appropriate, the Majority Class B Managers, Holders of 5% or more of the Class A Membership Interests and Holders of 17.5% or more of the Class C Membership Interests shall be consulted in connection with the preparation and filing of tax returns contemplated by this Section 4.3.

**Section 4.4. Independent Auditor.** The LLP and its Subsidiaries at all times shall engage a Person to audit its financial statements (the "Independent Auditor") that (a) is an independent public accounting firm within the meaning of the American Institute of Certified Public Accountants' Code of Professional Conduct (American Institute of Certified Public Accountants, Professional Standards, vol. 2, et sec. 101), (b) is a registered public accounting firm (as defused in Section 2(a)(12) of SOX, and (c) if the LLP were an "issuer" (as defined in SOX), would not be in violation of the auditor independence requirements of SOX by reason of its acting as the auditor of the LLP and its Subsidiaries. The Independent Auditor shall be appointed by the Board of Managers and shall be a nationally recognized certified public accounting firm. The LLP shall engage the Independent Auditor from time to time to conduct such review and testing as from time to time may be necessary or reasonably required under SOX and to issue to the LLP its written opinions and recommendations with respect thereto.

**Section 4.5. LLP Policies.** At the first meeting of the Board of Managers after the Effective Date, the Members shall cause the Board of Managers (a) to reconfirm the policies, standards and procedures relating to the LLP and its Subsidiaries set forth on Exhibit C and (b) to adopt or reconfirm, as applicable, the environmental guidelines set forth on Exhibit D. It is the intent of the parties hereto that the LLP and its Subsidiaries operate in compliance with all Laws.

## ARTICLE V. DISTRIBUTIONS

### **Section 5.1. Distributions of Available Cash.**

(a) Subject to the Act, and except as set forth in this Article V, all Available Cash (and, in the case of the winding up of the LLP, subject to Section 10.2) available for distribution to the Members may be distributed to the extent approved by the

Board of Managers, in accordance with the applicable provisions of this Article V, in the following amounts and order of priority (and, for the avoidance of doubt, the parties hereto intend that for purposes of applying the following priorities, all Distributions shall be given cumulative effect):

(i) first, simultaneously, (A) 49.12 percent to the Class A Holders, (B) 38.60 percent to the Class B Holders and (C) 12.28 percent to the Class C Holders, until the aggregate amount distributed to the Holders pursuant to clauses (A), (B) and (C) of this subparagraph (i) equals \$1,000,000,000;

(ii) second, simultaneously, (A) 57.78 percent to the Class A Holders, (B) 27.78 percent to the Class B Holders and (C) 14.44 percent to the Class C Holders, until the aggregate amount distributed to the Holders pursuant to clauses (A), (B) and (C) of this subparagraph (ii) equals \$ 1,000,000,000;

(iii) third, simultaneously, (A) 61.39 percent to the Class A Holders, (B) 27.78 percent to the Class B Holders and (C) 10.83 percent to the Class C Holders, until the aggregate amount distributed to the Holders pursuant to clauses (A), (B) and (C) of this subparagraph (iii) equals \$500,000,000;

(iv) fourth, simultaneously, (A) 68.61 percent to the Class A Holders, (B) 27.78 percent to the Class B Holders and (C) 3.61 percent to the Class C Holders, until the aggregate amount distributed to the Holders pursuant to clauses (A), (B) and (C) of this subparagraph (iv) equals \$141,757,563;

(v) fifth, simultaneously, (A) 24.94 percent to the Class A Holders, (B) 73.75 percent to the Class B Holders and (C) 1.31 percent to the Class C Holders, until the aggregate amount distributed to the Holders pursuant to clauses (A), (B) and (C) of this subparagraph (v) equals \$858,242,437;

(vi) sixth, simultaneously, (A) 19.69 percent to the Class A Holders, (B) 73.75 percent to the Class B Holders and (C) 6.56 percent to the Class C Holders, until the aggregate amount distributed to the Holders pursuant to clauses (A), (B) and (C) of this subparagraph (vi) equals \$141,757,563;

(vii) seventh, simultaneously, (A) 26.25 percent to the Class A Holders, (B) 65.00 percent to the Class B Holders and (C) 8.75 percent to the Class C Holders, until the aggregate amount distributed to the Holders pursuant to clauses (A), (B) and (C) of this subparagraph (vii) equals \$358,242,437;

(viii) eighth, simultaneously, (A) 17.50 percent to the Class A Holders, (B) 65.00 percent to the Class B Holders and (C) 17.50 percent to the Class C Holders, until the aggregate amount distributed to the Holders pursuant to clauses (A), (B) and (C) of this subparagraph (viii) equals \$1,500,000,000;

(ix) ninth, simultaneously, (A) 26.25 percent to the Class A Holders, (B) 65.00 percent to the Class B Holders and (C) 8.75 percent to the Class C Holders, until the aggregate amount distributed to the Holders pursuant to clauses (A), (B) and (C) of this subparagraph (ix) equals \$500,000,000;

(x) tenth, simultaneously, (A) 31.50 percent to the Class A Holders, (B) 65.00 percent to the Class B Holders and (C) 3.50 percent to the Class C Holders, until the aggregate amount distributed to the Holders pursuant to the clauses (A), (B) and (C) of this subparagraph (x) equals \$1,000,000,000; and

(xi) thereafter, simultaneously, (A) 35.00 percent to the Class A Holders and (B) 65.00 percent to the Class B Holders.

(xii) For the avoidance of doubt, (a) once the Class C Holders have received their aggregate Distributions pursuant to clauses (i) - (x) above, they shall no longer be deemed outstanding and shall not be entitled to any rights under this Agreement and (b) the Class D Holders shall not be entitled to receive any Distributions. In addition, if the LLP redeems or repurchases any Membership Interests in accordance with this Agreement, the LLP shall make appropriate adjustments to this Section 5.1 (as determined by the Independent Managers) to reflect such redemptions or repurchases.

(b) Each Distribution to the Class A Holders under this Agreement shall be made ratably among the Class A Holders determined as of, and based on the LLP Class A Interest of such Class A Holders as of, either (A) immediately prior to such Distribution or, if applicable, (B) on the record date set by the Board of Managers pursuant to Section 7.9 with respect to such Distribution.

(c) Each Distribution to the Class B Holders under this Agreement shall be made ratably among the Class B Holders determined as of, and based on the LLP Class B Interest of such Class B Holders as of, either (A) immediately prior to such Distribution or, if applicable, (B) on the record date set by the Board of Managers pursuant to Section 7.9 with respect to such Distribution.

(d) Each Distribution to the Class C Holders under this Agreement shall be made ratably among the Class C Holders determined as of, and based on the LLP Class C Interest of such Class C Holders as of, either (A) immediately prior to such Distribution or, if applicable, (B) on the record date set by the Board of Managers pursuant to Section 7.9 with respect to such Distribution.

**Section 5.2. Successors.** For purposes of determining the amount of Distributions, each Member shall be treated as having made the Capital Contributions and as having received the Distributions made to or received by its predecessors in respect of any of such Member's Membership Interests.



**Section 5.3. Distributions of Assets other than Cash.** With the consent of the Majority Class A Holders, the Majority Class B Holders and the Majority Class C Holders in the case of Distributions to any Holders of any class of Membership Interests that are not on a ratable basis with that made to the other Holders, in each case subject to the Act, the LLP shall be permitted to distribute property consisting of assets other than cash to the Members in accordance with Section 5.1 and the other provisions of this Agreement; provided that no such consent shall be required in connection with any distribution in-kind pursuant to Section 10.2. Any property distributed pursuant to Section 5.3 shall be valued at Fair Market Value.

**Section 5.4. Limitation on Distributions.**

(a) Notwithstanding anything to the contrary herein except as set forth in Section 5.5 below, without the prior approval of the Majority Initial Class A Holders and the Majority Class B Holders, no Distributions shall be made pursuant to Section 5.1 so long as the aggregate Unreturned Original Cost of the outstanding Class A Membership Interests issued to General Motors on the Effective Date exceeds zero, unless each of the following conditions is satisfied:

- (1) there are no principal amounts outstanding under the Senior Loan Agreement;
- (ii) the distribution occurs later than 18 months following the Effective Date;
- (iii) after giving effect to such Distribution, the LLP and its Subsidiaries shall have at least \$800,000,000 of cash and cash equivalents on hand; and

(iv) the LLP's cash flow from operating activities during the six months immediately prior to the distribution date was positive and the LLP reasonably expects that its cash flow from operating activities will continue to be positive for six months following the distribution date; provided, however, if the proposed Distribution would cause the aggregate Unreturned Original Cost of the outstanding Class A Membership Interests issued to General Motors on the Effective Date to equal zero, then the conditions set forth in this clause (iv) shall be deemed satisfied.

**Section 5.5. Tax Distributions.** Notwithstanding Section 5.4 and Section 5.7, if there is Available Cash, such Available Cash shall be distributed (a "Tax Distribution") in an amount sufficient to enable the Holders to pay projected tax liabilities attributable to allocations of Tax Book Profits and Tax Book Losses by the LLP using an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for a corporation resident in New York, New York (the "Assumed Tax Rate"), assuming that taxable income or loss is equivalent to Tax Book Profits or Tax Book Losses, and assuming that such Holder does not have any

items of income, gain, loss, deductions or credits other than those attributable to its Membership Interests. Tax Distributions shall be made to each Holder within 10 days prior to April 15, June 15, September 15 and December 15 of each year based upon the determination by the Board of Managers of the excess of (x) the product of (i) the amount of Tax Book Profits, if any, allocated to such Holder for the period beginning on January 1 of such year and ending on March 31, May 31, August 31 and November 30 as if each such period were a taxable year and (ii) the Assumed Tax Rate over (y) Tax Distributions previously made to such Holder with respect to any prior period within the same taxable year. Any Tax Distribution shall be treated as an advance of amounts otherwise distributable to such Holder pursuant to Section 5.1(a) such that, in determining a Holder's right to distributions pursuant to Section 5.1(a), distributions received by such Holder pursuant to this Section 5.5 shall be taken into account as if received pursuant to Section 5.1(a).

**Section 5.6. Payments Pursuant to the Master Disposition Agreement.** In accordance with Section 3.2.3 of the MDA, if the Asset Purchase is consummated pursuant to the Plan of Reorganization, once an aggregate of \$7,200,000,000 has been paid as Distributions to the Holders pursuant to this Agreement, the LLP shall pay an amount equal to \$32.5 to a disbursement agent on behalf of the unsecured creditors of Old Delphi for every \$67.5 in excess of such \$7,200,000,000 that is distributed to the Holders pursuant to Section 5.1(a)(iv), up to a maximum amount of \$300,000,000.

**Section 5.7. Certain Offsets.** Each Class B Holder acknowledges and agrees that to the extent that the LLP makes any payment or incurs liabilities and expenses pursuant to Section 4(f)(i) of the Investment Commitment Agreement, such amounts shall be withheld from Distributions otherwise payable to the Class B Holders under Section 5.1 and available to the LLP for general corporate purposes. Any amounts withheld shall be deemed distributed to the Class B Holders for the purposes of Section 5.1.

## ARTICLE VI ALLOCATIONS

**Section 6.1. Allocations of Tax Book Profits and Tax Book Losses.** Except as otherwise provided by this Article VI, the Tax Book Profit and Tax Book Loss of the LLP for each Fiscal Year (or portion thereof) shall be determined as of the end of each such Fiscal Year (or portion thereof). For each Fiscal Year of the LLP, after adjusting each Member's Capital Account for all Capital Contributions and distributions during such Fiscal Year and all special allocations pursuant to this Article VI with respect to such Fiscal Year, all Tax Book Profits and Tax Book Losses (other than Tax Book Profits and Tax Book Losses specially allocated pursuant to Section 6.5 through Section 6.14) shall be allocated to the Holders' Capital Accounts in a manner such that, as of the end of such Fiscal Year, the Capital Account of each Holder (which have either a positive or negative balance) shall be equal to the amount which would be distributed to such

Holder, determined as if the LLP were to liquidate all of its assets for the Tax Book Value thereof and distribute the proceeds thereof pursuant to Section 10.2.

**Section 6.2. Allocations for Tax Purposes.** Except as otherwise provided herein, any allocation to a Holder for a Fiscal Year or other period of a portion of the Tax Book Profit or Tax Book Loss, or of a specially allocated item, shall be determined to be an allocation to such Holder of the same proportionate part of each item of income, gain, loss, deduction or credit, as the case maybe, as is earned, realized or available by or to the LLP for federal tax purposes.

**Section 6.3. Certain Accounting Matters.** For purposes of determining Tax Book Profit, Tax Book Loss or any other items allocable to any period, such items shall be determined on a daily, monthly or other basis, as determined by the Board of Managers using any permissible method under Section 706 of the Code and the Treasury Regulations promulgated thereunder.

**Section 6.4. Section 704(c) Allocations.**

(a) In accordance with Section 704(c) of the Code and the Treasury Regulations promulgated thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the LLP shall, solely for income tax purposes, be allocated among the Holders so as to take account of any variation between the adjusted basis of such property to the LLP for federal income tax purposes and its Fair Market Value at the time of contribution.

(b) In the event that the Tax Book Value of any LLP asset is subsequently adjusted in accordance with the last sentence of the definition of Tax Book Value, any allocation of income, gain, loss and deduction with respect to such asset shall thereafter take account of any variation between the adjusted tax basis of the asset to the LLP and its Tax Book Value in the same manner as under Section 704(c) of the Code and any Treasury Regulations promulgated thereunder. Any elections or other decisions relating to such allocations shall be made by the Board of Managers in a manner that reasonably reflects the purpose and intention of this Agreement.

(c) Allocations pursuant to this Section 6.4 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Holder's Capital Account or share of Tax Book Profit, Tax Book Loss or Distributions pursuant to any provision of this Agreement.

**Section 6.5. Qualified Income Offset.** If any Member receives an unexpected adjustment, allocation or Distribution described in Section 1.704-1(b)(2)(i)(d)(4) through (6) of the Treasury Regulations in any Fiscal Year or other period which would cause such Member to have a deficit Adjusted Capital Account Balance as of the end of such Fiscal Year or other period, items of LLP taxable income and gain as adjusted pursuant to the definition of "Tax Book Profit" shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent

required by the Treasury Regulations, the deficit in such Member's Adjusted Capital Account Balance as quickly as possible. This Section 6.5 is intended to comply with the qualified income offset provision in Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted consistently therewith.

**Section 6.6. Gross Income Allocation.** If any Member would otherwise have a deficit Adjusted Capital Account Balance as of the last day of any Fiscal Year or other period, items of Company taxable income and gain as adjusted pursuant to the definition of "Tax Book Profit" shall be specially allocated to such Member so as to eliminate such deficit as quickly as possible.

**Section 6.7. LLP Minimum Gain Chargeback.** If there is a net decrease in LLP Minimum Gain during a Fiscal Year or other period, each Member shall be allocated items of the LLP taxable income and gain as adjusted pursuant to the definition of "Tax Book Profit" for such Fiscal Year or other period (and, if necessary, for subsequent Fiscal Years or periods) in proportion to, and to the extent of, such Member's share of such net decrease, except to the extent such allocation would not be required by Section 1.704-2(f) of the Treasury Regulations. The amounts referred to in this Section 6.7, and the items to be so allocated shall be determined in accordance with Section 1.704-2 of the Treasury Regulations. This Section 6.7 is intended to constitute a "minimum gain chargeback" provision as described in Section 1.704-2(f) or 1.704-2(j)(2) of the Treasury Regulations and shall be interpreted consistently therewith.

**Section 6.8. Member Nonrecourse Debt Minimum Gain Chargeback.** If there is a net decrease in Member Nonrecourse Debt Minimum Gain during a Fiscal Year or other period, then each Member shall be allocated items of the LLP income or gain equal to such Member's share of such net decrease, except to the extent such allocation would not be required under Section 1.704-2(i)(4) or 1.704-2(j)(2) of the Treasury Regulations. The amounts referred to in this Section 6.8 and the items to be so allocated shall be determined in accordance with Section 1.704-2 of the Treasury Regulations. This Section 6.8 is intended to comply with the minimum gain chargeback requirement contained in Section 1.704-2(i)(4) of the Treasury Regulations and shall be interpreted consistently therewith.

**Section 6.9. Limitations on Tax Book Loss Allocations.** With respect to any Member, notwithstanding the provisions of Section 6.1, the amount of Tax Book Loss for any Fiscal Year or other period that would otherwise be allocated to a Member shall not cause or increase a deficit Adjusted Capital Account Balance. Any Tax Book Loss in excess of the limitation set forth in this Section 6.9 shall be allocated among the remaining Members, *pro rata* based on their respective positive Capital Account balances, to the extent such allocations would not cause such remaining Members to have a deficit Adjusted Capital Account Balance.

**Section 6.10. Member Nonrecourse Deductions.** Member Nonrecourse Deductions for any Fiscal Year or other period shall be specially allocated to the Members who bear the economic risk of loss with respect to the Member Nonrecourse

Debt to which such Member Nonrecourse Deductions are attributable in accordance with Section 1.704-2(i)(1) of the Treasury Regulations.

**Section 6.11. Nonrecourse Deductions.** Nonrecourse Deductions, other than Member Nonrecourse Deductions, for any Fiscal Year shall be allocated to the Members *pro rata* based on their respective positive Capital Account balances.

**Section 6.12. Excess Nonrecourse Liabilities.** Nonrecourse Debts of the LLP which constitute Excess Nonrecourse Liabilities shall be allocated among the Members *pro rata* based on their respective positive Capital Account balances.

**Section 6.13. Ordering Rules.** Anything contained in this Agreement to the contrary notwithstanding, allocations for any Fiscal Year or other period of Nonrecourse Deductions or Member Nonrecourse Deductions, or of items required to be allocated pursuant to the minimum gain chargeback requirements contained in this Article VI, shall be made before any other allocations hereunder.

**Section 6.14. Curative Allocations.** The allocations set forth in Section 6.5 through Section 6.12 inclusive (collectively, the "Regulatory Allocations") are intended to comply with certain requirements of Sections 1.704-1(b) and 1.704-2 of the Treasury Regulations. The Regulatory Allocations may result in allocations which are not consistent with the manner in which the Members intend to allocate Tax Book Profit and Tax Book Loss or make Distributions. Accordingly, notwithstanding the other provisions of this Agreement, Members shall reallocate items of income, gain, deduction and loss among the Members so as to eliminate the effect of the Regulatory Allocations and thereby cause the respective Capital Accounts of the Members to be in the amounts (or as close thereto as possible) they would have been if Tax Book Profit and Tax Book Loss (and such other items of income, gain, deduction and loss) had been allocated without reference to the Regulatory Allocations. In general, the Members anticipate that this will be accomplished by specially allocating other Tax Book Profit and Tax Book Loss (and such other items of income, gain, deduction and loss) among the Members so that the net amount of the Regulatory Allocations and such special allocations to each such Member is zero. In addition, if in any Fiscal Year or other period there is a decrease in LLP Minimum Gain, or in Member Nonrecourse Debt Minimum Gain, and application of the minimum gain chargeback requirements set forth in this Section would cause a distortion in the economic arrangement among the Members, the Members may, if they do not expect that LLP will have sufficient other income to correct such distortion, request the IRS to waive either or both of such minimum gain chargeback requirements. If such request is granted, this Agreement shall be applied in such instance as if it did not contain such minimum gain chargeback requirements.

## ARTICLE VII RIGHTS AND DUTIES OF MEMBERS

**Section 7.1. Members.** The Members of the LLP, and their respective class and numbers of Membership Interests, are listed on the Schedule of Members. No

Person may be a Member without the ownership of a Membership Interest. The Members shall have only such rights and powers as are granted to them pursuant to the express terms of this Agreement and the Act. Except as otherwise expressly provided in this Agreement, no Member, in such capacity, shall have any authority to bind, to act for, to sign for or to assume any obligation or responsibility on behalf of, any other Member or the LLP.

**Section 7.2. No Management or Dissent Rights.** Except as set forth herein or otherwise required by Law, the Members shall not have any right to take part in the management or operation of the LLP other than through the Managers appointed by the Members to the Board of Managers. No Member shall, without the prior written approval of the Board of Managers, take any action on behalf of or in the name of the LLP, or enter into any commitment or obligation binding upon the LLP, except for actions expressly authorized by the terms of this Agreement. Except as required by Law, Members shall not be entitled to any rights to dissent or seek appraisal with respect to any transaction, including the merger or consolidation of the LLP with any Person.

**Section 7.3. No Member Fiduciary Duties.**

(a) No Member shall, to the maximum extent permitted by the Act and other applicable Law, owe any duties (including fiduciary duties) as a Member to the other Members or the LLP, notwithstanding anything to the contrary existing at law, in equity or otherwise; provided, however, that each Member shall have the duty to act in accordance with the implied contractual covenant of good faith and fair dealing.

(b) Except as otherwise expressly provided in this Agreement or any other contractual arrangements between the LLP and one or more Members, any Member may engage in or possess any interest in another business or venture of any nature and description, independently or with others, whether or not such business or venture is competitive with the LLP or any of its Subsidiaries or any other Member, and neither the LLP nor any other Member shall have any rights in or to any such independent business or venture or the income or profits derived therefrom, and the doctrine of corporate opportunity or any analogous doctrine shall not apply to the Members and the direct and indirect members, shareholders, partners and Affiliates thereof. The pursuit of any such business or venture shall not be deemed wrongful, improper or a breach of any duty hereunder, at law, in equity or otherwise. Any Member and the members, shareholders, partners and Affiliates thereof shall be able to transact business or enter into agreements with the LLP to the fullest extent permissible under the Act, subject to the terms and conditions of this Agreement.

(c) Except as otherwise expressly provided in this Agreement or any other contractual arrangements between the LLP and one or more Members, if a Member acquires knowledge, independently from a source other than the LLP or in its capacity as a customer, of a potential transaction or matter that may be a business opportunity for both such Member and the LLP, such Member shall have no duty to communicate or offer such business opportunity to the LLP or any other Member and shall not be liable to

the LLP or the other Members for breach of any duty (including fiduciary duties) as a Member by reason of the fact that such Member pursues or acquires such business opportunity for itself, directs such opportunity to another Person, or does not communicate information regarding such opportunity to the LLP.

(d) The provisions of this Agreement, to the extent that they restrict or eliminate the duties (including fiduciary duties) and liabilities of a Member otherwise existing at law or in equity, are agreed by the Members to replace such duties and liabilities of such Member in their entirety.

#### **Section 7.4. Meetings of Members.**

(a) An annual meeting of the Holders of all classes of Membership Interests shall be held in Detroit, Michigan, New York, New York or at such other place, within or without the United Kingdom, as shall from time to time be determined by the Board of Managers. Prior to each such annual meeting, the Secretary shall circulate an agenda for such meeting, which agenda shall include a discussion of the financial reports of the LLP most recently delivered to the Members, such other matters relating to the LLP as any Holder of more than fifteen percent (15%) of the Voting Power of the Class A Membership Interests or the Class B Membership Interests shall request to be included in such agenda and such other matters relating to the LLP as the representatives of the Class A Holders and Class B Holders attending such meeting shall elect to discuss. The Managers and Officers of the LLP shall participate in the annual meeting; provided that such participation does not unreasonably interfere with the normal performance of their duties.

(b) A special meeting of the Holders of the Class A Membership Interests, the Class B Membership Interests or the Class C Membership Interests for any purpose or purposes specified by the person calling the meeting may be called at any time by (i) the Board of Managers, (ii) the Chairman or the Chief Executive Officer, or (iii) with respect to a special meeting of the Holders of the Class A Membership Interests or Class B Membership Interests, as applicable, any Holder of more than fifteen percent (15%) of the Voting Power of such class of Class A Membership Interests or Class B Membership Interests. At any such special meeting, no business shall be transacted and no action shall be taken other than that stated in the notice for such meeting. The Board of Managers may elect, in its sole discretion, that special meetings of the Holders of different classes of Membership Interests called for the same purpose or purposes may be held on the same date and/or at the same place (whether at the same time or otherwise).

(c) Each Holder of Class A Membership Interests, Class B Membership Interests or Class C Membership Interests shall have the right to attend any meeting of such class of Membership Interests. Any Holder who is not a natural person shall designate one individual to act as such Holder's legal representative for purposes of voting at any such meeting.

**Section 7.5. Notice of Meetings.** Written notice stating the place, day and time of every meeting of the Holders of any class or all classes of Membership Interests and, in case of a special meeting of the Holders of any class of Membership Interests, the purpose or purposes for which the meeting is called, shall be mailed (a) with respect to any annual meeting, to all Holders not fewer than ten nor more than sixty calendar days before the date of the meeting (or if sent by facsimile, not fewer than five Business Days before the date of the meeting) or (b) with respect to any special meeting, not fewer than five Business Days nor more than thirty calendar days before the date of the meeting (or if sent by facsimile, not fewer than five Business Days before the date of the meeting), to each Holder of such class of Membership Interests entitled to vote at such special meeting, and in each case referred to in the foregoing clauses (a) or (b) to a Holder at its notice address maintained in the records of the LLP by the Secretary. Such further notice shall be given as may be required by Law, but a special meeting may be held without notice if all the Holders of the class of the Membership Interests in respect of which the meeting is called entitled to vote at the meeting are present in person or by telephone or represented by proxy or if notice is waived in writing by those not present, either before or after the meeting.

**Section 7.6. Quorum.** Any number of Holders of at least a majority of the Membership Interests of the class of Membership Interests entitled to vote with respect to the business to be transacted at a meeting of such class of Membership Interests and who shall be present in person or by telephone or represented by proxy at the meeting duly called shall constitute a quorum for the transaction of business. If such quorum is not present within sixty minutes after the time appointed for such meeting, such meeting shall be adjourned and the Board of Managers shall reschedule the meeting no fewer than three nor more than ten Business Days thereafter. If such meeting is rescheduled two consecutive times, then those Holders of class of Membership Interests who are present or represented by proxy at the second such rescheduled meeting shall constitute a valid quorum for all purposes hereunder; provided that written notice of any rescheduled meetings shall have been delivered to all Holders of such class of Membership Interests at least three Business Day prior to the date of each rescheduled meeting.

**Section 7.7. Voting.**

(a) The Class B Holders holding Class B Membership Interests shall vote together, in their capacity as such Holders, as a separate class of Membership Interests, and except as otherwise required by Law or by the proviso in the third to the last sentence of this Section 7.7(a), the Class A Holders holding Class A Membership Interests shall vote together, in their capacity as such Holders, as a separate class of Membership Interests. Each Class B Holder shall be entitled to one vote for each Class B Membership Interest held by such Class B Holder, in each case, in connection with the election of Class B Managers and on all matters to be voted upon by the Members or the Class B Holders (in each case without prejudice to any consent rights that the holders of any class or portion of any particular class of Membership Interests have expressly been granted under this Agreement). Each Class A Holder shall be entitled to one vote for



each Class A Membership Interest held by such Class A Holder in each case, in connection with the election of Class A Managers and on all matters to be voted upon by the Members or the Class A Holder (in each case without prejudice to any consent rights that the holders of any class or portion of any particular class of Membership Interests have expressly been granted under this Agreement). Except with respect to matters where the separate vote of such class of Membership Interests is expressly required hereunder or as otherwise required by Law and subject to the following sentence, Class C Holders holding Class C Membership Interests, in their capacity as such Holders, and Class D Holders holding Class D Membership Interests, in their capacity as such Holders, shall have no voting power in connection with the election of Managers and no right or authority to vote on or approve any other matter to be voted on or approved by the Members, whether hereunder, under the Act, at law, in equity or otherwise. Each Class C Holder shall be entitled to one vote for each Class C Membership Interest held by such Holder, in each case, in connection with all matters to be voted upon by the Class C Holders as expressly required hereunder and as otherwise required by Law; provided that, with respect to all matters where the vote of the Class C Holders is required by Law, the Class C Holders shall vote together in their capacity as Holders of Class C Membership Interests together with the Class A Holders and the Class C Holders shall vote together, in their capacity as such Holders, as a separate class of Membership Interests, in connection with all matters to be voted upon by the Class C Holders as expressly required hereunder. Each Class D Holder shall be entitled to one vote for each Class D Membership Interest held by such Holder, as applicable, in connection with any matter where the separate vote of the Class D Holders is expressly required hereunder and as otherwise required by Law. The percentage of the total votes entitled to be cast by any Holder with respect to such Holder's class of Membership Interests, calculated pursuant to this Section 7.7, is herein referred to as the "Voting Power" of such Holder with respect to such class of Membership Interests.

(b) At any meeting of the Holders of each class of Membership Interests, each Holder of such class of Membership Interests entitled to vote on any matter coming before the meeting shall, as to such matter, have a vote, in person, by telephone or by proxy, equal to the Voting Power of the number of Membership Interests of such class of Membership Interests held in its name on the relevant record date established pursuant to Section 7.9 (or the date of the meeting if no record date has been set).

(c) Except as otherwise specified herein, when a quorum is present with respect to the Holders of any class of Membership Interests, the affirmative vote of the holders of a majority of the Voting Power of such class of Membership Interests present in person or represented by proxy at a duly called meeting and entitled to vote on the subject matter shall be the act of the Holders of such class of Membership Interests, unless the question is one upon which by express provisions of Law or of this Agreement a different vote is required, in which case such express provision shall govern and control the decision of such question. Where a separate vote by any class of Membership Interests is required, the affirmative vote of the Holders of at least a majority of the

Voting Power of the Membership Interests of such class present in person or represented by proxy at the meeting of such class shall be the act of such class, unless the question is one upon which by express provisions of Law or of this Agreement a different vote is required, in which case such express provision shall govern and control the decision of such question.

(d) Each Member entitled to vote at a meeting of the Holders of any class of Membership Interests or to express consent or dissent to any action in writing without a meeting may authorize another person or persons to act for him or her by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. At each meeting of the Holders of any class of Membership Interests, and before any voting commences, all proxies filed at or before the meeting shall be submitted to and examined by the Secretary or a person designated by the Secretary, and no Membership Interests may be represented or voted under a proxy that have been found to be invalid or irregular.

**Section 7.8. Action Without a Meeting; Telephonic Meetings.**

(a) Any action required to be taken at any annual or special meeting of the Holders of any class or all classes of Membership Interests, or any action that may be taken at any annual or special meeting of the Holders of any class or all classes of Membership Interests, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken and bearing the dates of signature of the Holders who signed the consent or consents, shall be signed by the Holders holding not less than a majority of the Membership Interests of such class of Membership Interests. Any such consent or consents shall be delivered to the LLP by delivery to the LLP's principal place of business, or an Officer or agent of the LLP having custody of the book or books in which proceedings of meetings of the Holders are recorded. If action is so taken without a meeting by less than unanimous written consent of the Holders of the applicable class of Membership Interests, a copy of such written consent shall be delivered promptly to all Holders of such class of Membership Interests who have not consented in writing. Any action taken pursuant to such written consent or consents of the Holders of any class of Membership Interests shall have the same force and effect as if taken by the Holders of such class of Membership Interests at a meeting of the Holders of such class of Membership Interests.

(b) The Holders of each class of Membership Interests may participate in meetings of the Holders of such class of Membership Interests by means of conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear each other. Participation in a telephonic meeting pursuant to this Section 7.8(b) shall constitute presence at such meeting and shall constitute a waiver of any deficiency of notice.

**Section 7.9. Record Date.** For the purpose of determining the Members entitled to notice of or to vote at any meeting of the Holders of any class or all classes of Membership Interests or any adjournment thereof, or entitled to receive a

Distribution or a payment of any kind, or in order to make a determination of the Holders of any class of Membership Interests for any other proper purpose, the Board of Managers may fix in advance a date as the record date for any such determination of Members, such date in any case to be not more than seventy calendar days prior to the date on which the particular meeting or action requiring such determination of the Holders of such class of Membership Interests is to be held or taken. If no record date is fixed by the Board of Managers, the date on which notices of the meetings are mailed or the date on which the resolution of the Board of Managers declaring such Distribution is adopted, as the case may be, shall be the record date. When a determination of the Holders of a class of Membership Interests has been made as provided in this Section 7.9, such determination shall apply to any adjournment thereof unless the Board of Managers fixes a new record date, which it shall do if the meeting is adjourned to a date more than one hundred twenty calendar days after the date originally fixed.

**Section 7.10. Removal or Resignation of Members.**

(a) A Member may not (a) be removed as a Member of the LLP without such Member's prior written consent or (b) resign from the LLP without the written consent of the Board of Managers, unless otherwise provided in this Agreement.

(b) A Member who holds a Class D Membership Interest but no other Membership Interest shall be deemed to have retired as a Member immediately on him ceasing to be a Manager.

**Section 7.11. Liability of Members.**

(a) Except as otherwise required by Law or as expressly set forth in this Agreement, the debts, obligations and liabilities of the LLP, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the LLP, and no Member or Manager shall be obligated personally for any such debt, obligation or liability of the LLP solely by reason of being a Member or Manager, whether to the LLP, to any of the other Members, to the creditors of the LLP or to any other third Person. Except as required by the Act, each Member (in its capacity as such) shall be liable only to make such Member's Capital Contribution to the LLP, if applicable, and the other payments provided for expressly herein.

(b) Under the Insolvency Act 1986 under the laws of England and Wales (the "Insolvency Act"), a member of a limited liability partnership may, under certain circumstances, be required to return amounts previously distributed to such member. It is the intent of the Members that no Distribution to any Member pursuant to Article V or Article X shall be deemed to constitute money or other property paid or distributed in violation of the Insolvency Act to the fullest extent permitted by Law and the Member receiving such Distribution shall not be required to return to any Person any such money or property, except as otherwise expressly set forth herein. If, however, any court of competent jurisdiction holds that, notwithstanding the provisions of this Agreement, any Member is obligated to make any such payment, such obligation shall be

the obligation of such Member and not of the other Members, and, when funded, shall constitute a Capital Contribution by such Member.

**Section 7.12. Investment Representations of Members.** Each Member hereby represents, warrants and acknowledges to the LLP that: (a) such Member has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in the LLP and is making an informed investment decision with respect thereto; (b) such Member is acquiring interests in the LLP for strategic business or investment purposes only and not with a view to, or for resale in connection with, any distribution to the public or public offering thereof; (c) such Member has read, is familiar with, and understands Rule 501 of Regulation D under the Securities Act and represents that such Member is an "accredited investor" (as defined in Rule 501(a) of Regulation D promulgated under the Securities Act) and (d) the execution, delivery and performance of this Agreement have been duly authorized by such Member. In addition, each Member transferring Membership Interests in accordance with Rule 144A agrees that it will give to each person to whom it transfers Membership Interests a notice substantially to the effect of the legend set forth in Section 3.4(b), and such transferee pursuant to Rule 144A shall be deemed to make the representations, warranties and agreements set forth in such legend.

## ARTICLE VIII. BOARD OF MANAGERS; OFFICERS

### **Section 8.1. Establishment of Board of Managers.**

(a) There is hereby established a committee of Member representatives (the "Board of Managers") comprised of natural Persons (the "Managers") having the authority and duties set forth in this Agreement. The size of the Board of Managers shall initially be nine, and may from time to time be increased or decreased by the Board of Managers, but subject to the receipt of the prior written consent required by Section 12.1. Subject to Section 8.4, (i) the Class B Managers shall be elected at the annual meeting of the Class B Holders or a special meeting of the Class B Holders called for such purpose, and (ii) the Class A Managers shall be elected at the annual meeting of the Class A Holders or a special meeting of the Class A Holders called for such purpose.

(b) Notwithstanding any other provision of this Agreement no Manager shall be elected to the Board of Managers unless that Manager is or will contemporaneously with his election become a Member. Each Manager shall be issued with one Class D Membership Interest at the time of his election as a Manager for nil capital contribution and, subject to the terms of Section 3.2(b) to the extent applicable, be admitted as a Member.

(c) If, in accordance with the terms of this Agreement, a Manager ceases to be a member of the Board of Managers for any reason then any Class D Membership Interests held by that Manager shall immediately be cancelled and, save to

the extent that such Manager holds any other Membership Interest, the Manager shall cease to be a Member.

(d) Each Manager shall be designated as a Designated Member.

(e) Each Manager elected shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as provided in this Article VIII. Notwithstanding the foregoing, the term of the Managers serving on the Effective Date shall be three years (it being understood and agreed that any such initial Manager may be re-elected at subsequent meetings).

**Section 8.2. General Powers of the Board of Managers.** The property, affairs and business of the LLP shall be managed exclusively by or with the direction of the Board of Managers, except as otherwise expressly provided in this Agreement. In addition to the powers and authority expressly conferred on it by this Agreement, subject to Section 8.3 and the consent requirement of Section 12.1, the Board of Managers may exercise all such powers of the LLP and do all such lawful acts and things as are permitted by the Act or Law. No Manager shall have any rights or powers beyond the rights and powers granted to such Manager in this Agreement. Except as such power is delegated pursuant to Section 8.12, no Manager acting alone, or with any other Managers, shall have the power to act for or on behalf of, or to bind the LLP.

**Section 8.3. Operator.**

(a) Notwithstanding any other provision of this Agreement, any duties or functions of the Board of Managers or Members in relation to the LLP which pursuant to the provisions of FSMA must be undertaken by a person who is either authorized by the UK Financial Services Authority or exempt from such authorization may only be undertaken by the Board of Managers or a Member if they are authorized to do so by the UK Financial Services Authority or exempt from such authorization.

(b) The Board of Managers shall be responsible for ensuring that, to the extent required pursuant to FSMA, that the LLP is always operated by a person permitted to do so under FSMA and shall have full discretion and authority to select and/or terminate the appointment of any such person.

(c) On and with effect from the Effective Date, the LLP shall execute and deliver the Operator's Agreement whereby the Operator shall have the overall responsibility for the matters described in the Operator's Agreement (including without limitation establishing, operating and winding up of the LLP as a collective investment scheme for the purposes of Section 235 of the FSMA).

(d) In so far as this Agreement, the Act or Law may confer on the Board of Managers, or any Member, any right, obligation, activity, function or operation for which pursuant to FSMA an authorized person or exempted person is required to be responsible, such right, obligation, activity, function or operation shall be exercised or

discharged by the Operator (or such other person permitted to do so pursuant to FSMA as determined by the Board of Managers) to the exclusion of the Board of Managers or any Member.

**Section 8.4. Election of Managers.**

(a) For so long as any of the Release Conditions have not been satisfied, the Board of Managers shall be comprised of the following Managers:

(i) Two representatives elected by the Majority Class A Holders to serve as Managers (the "Class A Designee Managers");

(ii) Two representatives elected by the Majority Class A Holders to serve as Independent Managers (the "Class A Independent Managers" and together with the Class A Designee Managers, the "Class A Managers"); provided, however, that until the third (3rd) anniversary of the Effective Date, no former Class A Designee Manager may be elected as a Class A Independent Manager (without the consent of a majority of the Class B Designee Managers);

(iii) Two representatives (A) commencing on the Effective Date and until the third (3rd) anniversary of the Effective Date, one (1) of whom shall be elected by SPCP Group, LLC and SP Auto, Ltd. (acting jointly or through their designee) and one (1) of whom shall be elected by DIP Holdco 5, Ltd., a wholly owned subsidiary of Elliott International L.P., and (B) following the third (3rd) anniversary of the Effective Date, elected by the Majority Class B Holders, to serve as Managers (the "Class B Designee Managers"); provided, however, that at any time either SPCP Group, LLC and SP Auto, Ltd. (acting jointly or through their designee) or DIP Holdco 5, Ltd. may elect to have their respective representative elected by the Majority Class B Holders; provided further, however that during such three (3) year period no former Class B Designee Manager may be elected as a Class B Independent Manager (without the consent of a majority of the Class A Designee Managers);

(iv) Two representatives (A) commencing on the Effective Date and until the third (3rd) anniversary of the Effective Date, one (1) of whom shall be elected by SPCP Group, LLC and SP Auto, Ltd. (acting jointly or through their designee) and one (1) of whom shall be elected by DIP Holdco 5, Ltd., and (B) following the third (3rd) anniversary of the Effective Date, elected by the Majority Class B Holders, to serve as Independent Managers (the "Class B Independent Managers" and together with the Class B Designee Managers, the "Class B Managers"); and

(v) One Independent Manager (the "Fifth Independent Manager") elected by the majority vote of the Class A Independent Managers and the Class B Independent Managers (or, if there are no Class A Independent Managers or Class

B Independent Managers at such time, the majority vote of the Class A Designee Managers and the Class B Designee Managers).

(b) From and after such time as all of the Release Conditions have been satisfied, the Board of Managers shall be comprised of (i) for so long as the Initial Class A Holders own at least ten percent (10%) of the Class A Membership Interests originally acquired by General Motors on the Effective Date, one representative elected by the Majority Class A Holders to serve as a Manager and (ii) the remaining Managers shall be elected by the Majority Class B Holders.

(c) A majority of the members of the Board of Managers shall elect the Chairman of the Board of Managers (who shall be an Independent Manager) (the "Chairman"). The Chairman shall preside over meetings of the Board of Managers or, in the absence of the Chairman, any other Manager chosen by the Board of Managers.

(d) Any Manager shall be removed from the Board of Managers or any committee of the Board of Managers with or without cause at the written request of the Holders that have the right to elect such Manager under this Section 8.4 (or, in the case of the Fifth Independent Manager, at the written request of a majority of the Class A Independent Managers and Class B Independent Managers), but only upon such written request and under no other circumstances; provided, however, that to the extent that the Class A Holders shall lose the right to elect one or more Class A Managers pursuant to this Section 8.4, such Class A Manager or Class A Managers shall be automatically removed from the Board of Managers following a delivery of a notice from any Class B Manager. A Manager shall be removed as Chairman with or without cause at the written request of the Holders that have the right to appoint such Manager to such position under this Section 8.4, but only upon such written request and under no other circumstances. Should an Independent Manager cease to be Independent, the majority of Holders who did not have the right to elect such Manager pursuant to this Section 8.4, may remove such formerly Independent Manager, provided, however, that in the case where the Fifth Independent Manager ceases to be Independent, the majority of the then Independent Managers may remove such Fifth Independent Manager.

(e) Any Manager may resign (and any Manager may resign as Chairman) at any time by giving written notice to the members of the Board of Managers and the Chief Executive Officer or the Secretary. The resignation of any Manager (or of any Manager as Chairman) shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

(f) If any Manager elected pursuant to Section 8.4(a) or 8.4(b) for any reason ceases to serve as a member of the Board of Managers, the resulting vacancy on the Board of Managers shall be filled, subject to the conditions of this Section 8.4, by a Manager elected by the Holders who initially elected such Manager, unless Section 8.4(a) or Section 8.4(b), as applicable, would provide for a different right of election at such time (provided that any vacancy with respect to the Fifth Independent Manager shall be

filled by the majority vote of the Class A Independent Managers and Class B Independent Managers (or, if there are no Class A Independent Managers or Class B Independent Managers at such time, the majority vote of the Class A Designee Managers and the Class B Designee Managers)). If any Manager appointed as Chairman pursuant to Section 8.4(c) for any reason ceases to serve as a member of the Board of Managers (or otherwise resigns as Chairman), the resulting vacancy as to the position of Chairman shall be filled, subject to the conditions of Section 8.4(c).

(g) The Holders entitled to elect a Manager pursuant to this Section 8.4 shall use all commercially reasonable efforts to fill a vacancy of such representative, in the case of any vacancy as of the Effective Date, within thirty calendar days, and, thereafter, within ninety calendar days after such representative ceases to serve as a member of the Board of Managers or a committee of the Board of Managers.

#### **Section 8.5. Meetings.**

(a) Regular meetings of the Board of Managers may be held in Detroit, Michigan, New York, New York or at such other place, within or without the United Kingdom, as shall from time to time be determined by the Board of Managers, but in no event fewer than (i) four times during any twelve-month period, and (ii) once during any three-month period. Special meetings of the Board of Managers may be called by or at the request of the Chairman or the Chief Executive Officer, and in any event shall be called by the Chief Executive Officer upon the written request of any Manager. Special meeting notices shall state the purposes of the proposed meeting.

(b) Any Manager or any member of a committee of the Board of Managers who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such Manager attends for the express purpose of objecting or abstaining at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Such Manager shall be conclusively presumed to have assented to any action taken unless his or her dissent or abstention shall be entered in the minutes of the meeting or unless his or her written dissent or abstention to such action shall be filed with the person acting as the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the Secretary promptly after the adjournment of the meeting. Such right to dissent or abstain shall not apply to any Manager who voted in favor of such action.

**Section 8.6. Notice of Meetings.** Written notice stating the place, day and time of every meeting of the Board of Managers and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed not less than five nor more than thirty calendar days before the date of the meeting (or if sent by facsimile, email or telephonically, not less than 24 hours before the date of the meeting), in each case to each Manager at his or her notice address maintained in the records of the LLP by the Secretary. Such further notice shall be given as may be required by Law, but meetings may be held without notice if all the Managers entitled to vote at the meeting



are present in person or by telephone or represented by proxy or if notice is waived in writing by those not present, either before or after the meeting.

**Section 8.7. Quorum.** Unless otherwise provided by Law or this Agreement, the presence of Managers constituting a majority of the then incumbent Managers (i.e., not including any Manager position that is vacant) shall be necessary to constitute a quorum for the transaction of business. If such quorum is not present within sixty minutes after the time appointed for such meeting, such meeting shall be adjourned and the President or acting Chairman shall reschedule the meeting to be held not fewer than two nor more than ten Business Days thereafter. If such meeting is rescheduled two consecutive times, then those Managers constituting a majority of the then incumbent Managers who are present at the second such rescheduled meeting shall constitute a valid quorum for all purposes hereunder; provided that written notice of any rescheduled meeting shall have been delivered to all Managers at least two Business Days prior to the date of such rescheduled meeting. Notwithstanding any provision to the contrary contained herein, interested Managers may be counted in determining the presence of a quorum at a meeting of the Board of Managers or of a committee that authorizes any interested party contract or transaction.

**Section 8.8. Voting.**

(a) Each Manager shall be entitled to cast one vote with respect to each matter brought before the Board of Managers (or any committee of the Board of Managers of which such Manager is a member) for approval. Except as otherwise provided by Section 8.8(b) below and the other provisions of this Agreement, the Act or other Law all policies and other matters to be determined by the Managers shall be determined by a majority vote of the members of the Board of Managers entitled to vote thereon (provided, that if any meeting is rescheduled two consecutive times in accordance with Section 8.7 above, then, at the second such rescheduled meeting, all such policies and other matters shall be determined by a majority vote of the members of the Board of Managers present at such second rescheduled meeting). Subject to Section 8.8(b) below, no Manager shall be disqualified from voting on matters as to which such Manager or the Persons that elected such Manager may have a conflict of interest, whether such matter is a direct conflict of interest in connection with which the Person that elected such Manager or any affiliate of such Person will engage in a transaction with the LLP or one or more of its Subsidiaries (a "Direct Conflict") or of another nature (an "Indirect Conflict"); provided that (1) prior to voting on any such matter, such Manager shall disclose the fact of any such conflict to the other Managers (other than conflicts arising from such Manager's relationship with the Persons who elected such Manager) and, if such conflict is a Direct Conflict, the material terms of such transaction and the material facts as to the relationship or interest of the Person that elected such Manager or such Person's Affiliate, (2) any Manager may determine to recuse himself or herself from voting on any matter as to which such Manager or the Person that elected such Manager may have a conflict of interest, and whether or not a Manager recuses himself or herself, if such matter is an Indirect Conflict, the Manager shall have no obligation to disclose the nature or substance of the conflict or any information related

thereto other than the fact that a conflict exists and (3) no Manager shall have any duty to disclose to the LLP or the Board of Managers confidential information in such Manager's possession (which information the Manager has determined in good faith is competitively sensitive) even if it is material and relevant information to the LLP and/or the Board of Managers and, in any such case, such Manager shall not be liable to the LLP or the other Members for breach of any duty (including the duty of loyalty and any other fiduciary duties) as a Manager by reason of such lack of disclosure of such confidential information.

(b) If a majority of the Independent Managers determine in good faith that (i) any matter to be discussed at any meeting of the Board of Managers or any committee thereof involves (A) competitively sensitive information regarding any competitor of (1) General Motors or any Class A Holder and/or their respective Affiliates or (2) any Class B Holder and its Affiliates who has or is entitled by itself, to appoint the Class B Designee Managers (such persons in (1) and (2), the "Designating Members") or (B) agreements or arrangements between the Designating Members and/or their Affiliates, on the one hand, and the LLP and/or its Affiliates, on the other hand, and (ii) as a result of the foregoing, it is appropriate that the Class A Designee Managers or any of the Class B Designee Managers, as applicable, be recused from discussion of such matters and not be provided information related thereto (the "Competitive Information"), then the Class A Designee Managers or the Class B Designee Managers, as applicable, shall be recused from discussions and shall not have access to such Competitive Information. In the event that the Class A Designee Managers or the Class B Designee Managers are so recused pursuant to this Section 8.8(b) and the matter subject to such recusal is to be acted upon by the Board of Managers, approval of such matter by the Board of Managers shall require the approval of a majority of the Managers (and not including, for the avoidance of doubt, the Class A Designee Managers or the Class B Designee Managers so recused) present and entitled to vote thereon.

(c) Any determination or approval required hereunder to be made by the Independent Managers shall be made by a majority vote of the Independent Managers then in office.

#### **Section 8.9. Action Without a Meeting; Telephonic Meetings.**

(a) On any matter requiring an approval or consent of Managers under this Agreement or the Act, the Managers may take such action without a meeting, without prior notice, and without a vote if a consent or consents in writing, setting forth the action so taken, shall be signed by all of the Managers.

(b) Managers may participate in meetings of the Board of Managers by means of conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear each other. Participation in a telephonic meeting pursuant to this Section 8.9(b) shall constitute presence at such meeting and shall constitute a waiver of any deficiency of notice.

**Section 8.10. Compensation of Managers; Expense Reimbursement.**

Managers that are also Officers of the LLP or employees of any of the Members or their Affiliates shall not receive any stated fee for services in their capacity as Managers; provided, however, that nothing herein contained shall be construed to preclude any Manager from serving the LLP or any Subsidiary in any other capacity and receiving compensation therefor. Independent Managers may receive a stated salary for their services as Managers, in each case as determined from time to time by the Board of Managers. Managers shall be reimbursed by the LLP for any reasonable out-of-pocket expenses related to attendance at each regular or special meeting of the Board of Managers subject to the LLP's requirements with respect to reporting and documentation of such expenses.

**Section 8.11. Committees of the Board of Managers.**

(a) The Board of Managers shall have an Audit Committee (which, for so long as the Class A Holders shall have the right to elect a Class A Designee Manager pursuant to Section 8.4), shall be comprised of (i) one Class A Independent Manager, (ii) one Class B Independent Manager and (iii) the Fifth Independent Manager, one of whom shall be an "audit committee financial expert" as such term is defined under the Exchange Act and (b) a Compensation Committee (which, for so long as the Class A Holders shall have the right to elect a Class A Designee Manager pursuant to Section 8.4), shall be comprised of (i) one Class A Independent Manager, (ii) one Class B Designee Manager and (iii) the Fifth Independent Manager. Additionally, the Board of Managers, with the affirmative vote of at least one Class A Designee Manager (for so long as the Class A Holders shall have the right to elect a Class A Designee Manager pursuant to Section 8.4) and one Class B Designee Manager, may by resolution designate one or more additional committees, each of which shall be comprised of one or more Managers. The Board of Managers may designate one or more of the Managers as alternate members of any committee, who may, subject to any limitations imposed by the Board of Managers (with the affirmative vote of at least one Class A Designee Manager (for so long as the Class A Holders shall have the right to elect a Class A Designee Manager pursuant to Section 8.4) and one Class B Designee Manager), replace absent or disqualified Managers at any meeting of any committee. To the extent not prohibited by Law, any Manager may attend the meetings of any committee of the Board of Managers on which he or she does not serve, as a non-voting observer.

(b) Any committee of the Board of Managers, to the extent provided in any resolution of the Board of Managers, shall have and may exercise all of the authority of the Board of Managers, subject to the limitations set forth in Article XII and Section 14.1 or in the one or more resolutions of the Board of Managers establishing such committee. Any committee members may be removed, or any authority granted thereto may be revoked, at any time for any reason by a majority of the Board of Managers. Each committee of the Board of Managers may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided in this Agreement or by a resolution of the Board of Managers establishing such committee.

**Section 8.12. Delegation of Authority.** The Board of Managers may, from time to time (acting in any applicable case with any required consent under this Agreement, including, without limitation, Section 12.1), delegate to any Person (including any Member, Officer or Manager) such authority and powers to act on behalf of the LLP as it shall deem advisable in its discretion, subject to the approval rights of the Majority Class B Holders or the Majority Class A Holders, as applicable, specified in this Agreement. Any delegation pursuant to this Section 8.12 may be revoked at any time and for any reason or no reason by the Board of Managers.

**Section 8.13. Officers.**

(a) The officers of the LLP (the "Officers") shall consist of a Chief Executive Officer, a Chief Financial Officer, a President, a Secretary and such other Officers as may be appointed in accordance with the terms of this Agreement. One Person may hold, and perform the duties of, any two or more of such offices.

(b) Subject to Section 12.4, all of the Officers shall be appointed by the Board of Managers. Any Officer may be removed, with or without cause, at any time by the Board of Managers.

(c) No Officer shall have any rights or powers beyond the rights and powers granted to such Officers in this Agreement or by action of the Board of Managers. The Chief Executive Officer, President, Chief Financial Officer and Secretary shall have the following duties and responsibilities:

(i) Chief Executive Officer. The Chief Executive Officer of the LLP (the "Chief Executive Officer") shall perform such duties as may be assigned to him or her from time to time by the Board of Managers. Subject to the direction of the Board of Managers, he or she shall have, and exercise, direct charge of, and general supervision over, the business and affairs of the LLP. He or she shall from time to time report to the Board of Managers all matters within his or her knowledge that the interest of the LLP may require to be brought to its notice, and shall also have such other powers and perform such other duties as may be specifically assigned to him or her from time to time by the Board of Managers. The Chief Executive Officer shall see that all resolutions and orders of the Board of Managers are carried into effect, and in connection with the foregoing, shall be authorized to delegate to the President and the other Officers such of his or her powers and such of his or her duties as the Board of Managers may deem to be advisable.

(ii) President. The President of the LLP (the "President") shall perform such duties as may be assigned to him or her from time to time by the Board of Managers or as may be designated by the Chief Executive Officer.

(iii) Chief Financial Officer. The Chief Financial Officer of the LLP (the "Chief Financial Officer") shall have the custody of the LLP's funds and

securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the LLP and shall deposit all monies and other valuable effects in the name and to the credit of the LLP, in such depositories as may be designated by the Board of Managers or by any Officer authorized by the Board of Managers to make such designation. The Chief Financial Officer shall exercise such powers and perform such duties as generally pertain or are necessarily incident to his or her office and shall perform such other duties as may be specifically assigned to him or her from time to time by the Board of Managers or the Chief Executive Officer.

(iv) Secretary. The Secretary of the LLP (the "Secretary") shall attend all meetings of the Members of each class of Membership Interests and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for any committee when required. He or she shall give, or cause to be given, notice of all meetings of the Members of each class of Membership Interests and, when necessary, of the Board of Managers. The Secretary shall exercise such powers and perform such duties as generally pertain or are necessarily incident to his or her office, and he or she shall perform such other duties as may be assigned to him or her from time to time by the Board of Managers or the Chief Executive Officer. To the greatest extent possible, the Secretary shall vote, or cause to be voted, all of the Equity Securities of any Subsidiary of the LLP as directed by the Board of Managers.

For the avoidance of doubt, nothing contained herein shall confer on any Officer the authority to take any action which requires the consent of the Majority Initial Class A Holders or the Class B Designee Managers pursuant to Section 12.1 without the prior written consent of those Persons required under Section 12.1.

**Section 8.14. Standard of Care; Fiduciary Duties; Liability of Managers and Officers.**

(a) Any Member, Manager or Officer, in the performance of such Member's, Manager's or Officer's duties, shall be entitled to rely in good faith on the provisions of this Agreement and on opinions, reports or statements (including financial statements, books of account any other financial information, opinions, reports or statements as to the value or amount of the assets, liabilities, profits or losses of the LLP and its Subsidiaries) of the following other Persons or groups: (i) one or more Officers or employees of such Member or the LLP or any of its Subsidiaries, (ii) any legal counsel, certified public accountants or other Person employed or engaged by such Member, the Board of Managers or the LLP or any of its Subsidiaries, or (iii) any other Person who has been selected with reasonable care by or on behalf of such Member, Manager, Officer or the LLP or any of its Subsidiaries, in each case as to matters which such relying Person reasonably believes to be within such other Person's professional or expert competence.

(b) On any matter involving a conflict of interest not provided for in this Agreement, each Manager and Officer shall be guided by its reasonable judgment as

to the best interests of the LLP and its Subsidiaries and shall take such actions as are determined by such Person to be necessary or appropriate to ameliorate such conflict of interest.

(c) To the fullest extent permitted by the Act and the laws of England and Wales the Managers and the Officers, in the performance of their duties as such, shall not owe to the LLP and or its Members duties of loyalty and due care but subject to, and as limited by the provisions of this Agreement (including Section 8.8), the Managers and the Officers, in the performance of their duties as such, shall owe to the LLP and its Members duties of loyalty and due care of the type owed under Law by directors and officers of a business corporation incorporated under the General Corporation Law of the State of Delaware; provided that, except as expressly set forth in this Agreement, the doctrine of corporate opportunity or any analogous doctrine shall not apply to the Managers; and provided, further, that, other than in connection with a Direct Conflict, no Manager and no Holder that elected such Manager shall have any duty to disclose to the LLP or the Board of Managers confidential information in such Manager's or Holder's possession (which information the Manager has determined in good faith is competitively sensitive) even if it is material and relevant information to the LLP and/or the Board of Managers and neither such Manager nor such Holder shall be liable to the LLP or the other Members for breach of any duty (including the duty of loyalty and any other fiduciary duties) as a Manager or Member by reason of such lack of disclosure of such confidential information. The provisions of this Agreement, to the extent that they restrict or eliminate the duties (including the duty of loyalty and other fiduciary duties) and liabilities of a Manager or Officer otherwise existing at Law or in equity or by operation of the preceding sentence, are agreed by the Members to replace such duties and liabilities of such Manager or Officer. Notwithstanding the foregoing provisions and Section 8.14(f), except as otherwise expressly provided in this Agreement or any other written agreement entered into by the LLP or any of its Subsidiaries and any Manager, if a Manager acquires knowledge of a potential transaction or matter that may be a business opportunity for both the Holder that has the right to designate such Manager hereunder and the LLP or another Member, such Manager shall have no duty to communicate or offer such business opportunity to the LLP or any other Member and shall not be liable to the LLP or the other Members for breach of any duty (including the duty of loyalty and any other fiduciary duties) as a Manager by reason of the fact that such Manager directs such opportunity to the Holder that has the right to designate such Manager or any other Person, or does not communicate information regarding such opportunity to the LLP, and any such direction of an opportunity by such Manager, and any action with respect to such an opportunity by such Holder, shall not be wrongful or improper or constitute a breach of any duty hereunder, at law, in equity or otherwise; provided, however, that to the extent the Manager acquires knowledge in his role as a Manager of a potential transaction or other matter that could reasonably be a business opportunity for both the Holder that has the right to designate such Manager hereunder and the LLP, such Manager shall have an affirmative duty not to communicate or offer such business opportunity to the Holder that designated such Manager or such Holder's Affiliates and

the failure to comply with the foregoing shall constitute a breach of such Manager's fiduciary duties to the LLP.

(d) Except as required by the Act or otherwise provided in this Agreement, no individual who is a Manager or an Officer, or any combination of the foregoing, shall be personally liable under any judgment of a court, or in any other manner, for any debt, obligation or liability of the LLP, whether that liability or obligation arises in contract, tort or otherwise solely by reason of being a Manager or an Officer or any combination of the foregoing.

(e) No Manager or Officer shall be liable to the LLP or any Member for any act or omission (including any breach of duty (fiduciary or otherwise)), including any mistake of fact or error in judgment taken, suffered or made by such Person if such Person acted in good faith and in a manner such Person reasonably believed to be in or not opposed to the best interests of the LLP and which act or omission was within the scope of authority granted to such Person; provided that (x) such act or omission did not constitute fraud, willful misconduct, bad faith or gross negligence in the conduct of such Person's office and (y) nothing contained in this Section 8.14(e) shall relieve any Manager of its obligations under Section 8.14(c) (including, without limitation, the last proviso thereto) other than the duty of care referred to therein.

(f) No Manager shall be liable to the LLP or any Member for monetary damages for breach of fiduciary duty as a Manager provided that the foregoing shall not eliminate or limit the liability of a Manager: (i) for any breach of such Manager's duty of loyalty (including, without limitation, the duty provided in the last proviso of Section 8.14(c) hereof) to the LLP or its Members (but only to the extent such duty is modified pursuant to the terms of this Agreement); (ii) for acts or omissions of fraud or that are in bad faith or which involve willful misconduct or a knowing violation of Law; or (iii) for any transaction from which such Manager derived an improper personal benefit.

## ARTICLE IX.

### TRANSFER OF MEMBERSHIP INTERESTS; SUBSTITUTED MEMBERS

**Section 9.1. Limitations on Transfer of Membership Interests.** From and after the Effective Date, no Holder may Transfer any Membership Interests (or any portion thereof), unless the Person to whom such Membership Interests are Transferred, executes, simultaneously with such Transfer, (a) an instrument of transfer in substantially the form attached hereto as Exhibit F (which may be amended from time to time by the Board of Managers except in a manner that would inhibit Transfer unless otherwise required by Law) or (b) such other form of agreement or document acceptable to the Board of Managers in its sole discretion setting forth such Person's agreement to be bound by the terms and conditions of this Agreement, and assuming all obligations of the assignor with respect to the acquired Membership Interest, on terms reasonably satisfactory to the LLP (acting through its Board of Managers) (each of (a) and (b), a "Transfer Instrument"). There shall be no restriction or limitation on the Transfer of

Membership Interests except as set forth in this Agreement (including the Exhibits hereto) and except as required by applicable Law.

**Section 9.2. Void Transfers.** To the greatest extent permitted by the Act and other Law, any Transfer by any Member of any Membership Interests or other interest in the LLP in contravention of this Agreement shall be void and ineffective and shall not bind or be recognized by the LLP or any other Person. In the event of any Transfer in contravention of this Agreement, to the greatest extent permitted by the Act and other Law, the purported Transferee shall have no right to any profits, losses or Distributions of the LLP or any other rights of a Member.

**Section 9.3. Substituted Member.** Each Person to whom any Membership Interest is Transferred in accordance with the provisions of this Article IX shall agree in writing to be bound by the provisions of this Agreement as a holder of such Membership Interests as set forth in Section 9.1. Upon such agreement, such Person shall become a Substituted Member entitled to all the rights of a Member with respect to such Membership Interest, and the Schedule of Members shall be amended to reflect the name, notice address, Membership Interests and other interests in the LLP of such Substituted Member and to eliminate the name and notice address of and other information relating to the Transferor with regard to the Transferred Membership Interests.

**Section 9.4. Effect of Transfer.**

(a) Following a Transfer of any Membership Interests that is permitted under this Article IX, the Transferor of such Membership Interests shall cease to be a Member with respect to such Membership Interests and the Transferee of such Membership Interests shall be treated as having made all of the Capital Contributions in respect of, and received all of the Distributions made in respect of, such Membership Interests, and shall receive allocations and Distributions under Article V, Article VI and Article X in respect of such Membership Interests as if such Transferee were a Member.

(b) The rights of SPCP Group, LLC and SP Auto, Ltd. and DIP Holdco 5, Ltd. set forth in Section 8.4(a) of this Agreement are assignable or transferable by such Holders to any Person in connection with the transfer of Class B Membership Interests to such Person pursuant to the terms of this Agreement.

**Section 9.5. Additional Transfer Restrictions.**

(a) Any Member proposing to make a Transfer of its Membership Interest pursuant to this Article IX and the proposed Transferee shall obtain (at its sole cost and expense, but with all reasonable cooperation from the LLP) any waivers, consents or approvals from any third Person (including any Governmental Entity) that may be necessary in connection with the proposed Transfer and the admission of the proposed Transferee as a Substitute Member, if applicable.



(b) Notwithstanding any other provisions of this Article IX, no Transfer of Membership Interests subject to this Article IX may be made (i) if such Transfer would subject the LLP to the reporting requirements of the Exchange Act, if it is not already subject to such reporting requirements and (ii) unless in the opinion of counsel (who may be counsel for the LLP), reasonably satisfactory in form and substance to the Board of Managers, which opinion requirement may be waived, in whole or in part, at the discretion of the Board of Managers, such Transfer would not violate any federal securities Laws or, if such opinion is requested by the Board of Managers, any state securities or "blue sky" Laws (including any investor suitability standards) applicable to the LLP or the Membership Interests to be Transferred.

(c) Notwithstanding any other provisions of this Article IX, unless otherwise waived, in whole or in part, at the discretion of the Board of Managers, no Transfer of Membership Interests subject to this Article IX may be made unless such Transfer would not (i) violate any federal securities Laws or any state securities or "blue sky" Laws (including any investor suitability standards) applicable to the LLP or the Membership Interests to be Transferred and (ii) to the transferor's and transferee's knowledge, have a material and adverse effect on the LLP as a result of any requirement of applicable Law in connection with or as a result of such Transfer.

(d) Notwithstanding any other provisions of this Article IX, unless otherwise approved by the Board of Managers, no Transfer of Membership Interests subject to this Article IX may be made to a Person which is a Competitor. For purposes of this paragraph, (W) "Competitor" shall mean any Business Competitor or any Affiliate thereof other than a Financial Affiliate of a Business Competitor that derives less than 10% of its Value from one or more Business Competitors; provided that neither Silver Point Capital, L.P. or any of its Affiliates, or Elliott Associates, L.P., Elliott International, L.P. or any of their Affiliates, shall be considered a Competitor so long as they own any Membership Interests; (X) "Business Competitor" shall mean any Person whose revenues, together with that of its Affiliates, from businesses directly competitive with the LLP during the preceding twelve months exceed \$250 million; (Y) "Financial Affiliate" shall mean any bank, investment company, insurance company, pension, hedge or other investment fund or other financial institution that implements appropriate information screening procedures reasonably designed to prevent any director, officer or employee of its Affiliate Business Competitor from having access to information of the LLP made available to the Financial Affiliate on a confidential basis hereunder; and (Z) "Value" shall mean: (i) for hedge funds, investment companies or pension or other funds, its net asset value, (ii) for public companies (that are not otherwise included in the preceding subclause (i)), its equity value based on the most recent trading price and (iii) for other companies, its book value as of the date of its most recent balance sheet.

**Section 9.6. Transfer Fees and Expenses.** The Transferor and Transferee of any Membership Interests shall be jointly and severally obligated to reimburse the LLP for all reasonable expenses (including attorneys' fees and expenses) incurred on behalf of the LLP in connection with any Transfer or proposed Transfer, whether or not consummated.

**Section 9.7. Effective Date.** Any Transfer and any related admission of a Person as a Member in compliance with this Article IX shall be deemed effective on such date that the Transfer complies with the requirements of this Agreement and the Transfer Instrument.

**Section 9.8. Acceptance of Prior Acts.** A Transferee of the Membership Interest of a Member who is admitted to the LLP in place and stead of a Member accepts, ratifies and agrees to be bound by all actions duly taken pursuant to the terms and provisions of this Agreement by the LLP prior to the date it was admitted to the LLP and, without limiting, the generality of the foregoing, specifically ratifies and approves all agreements and other instruments as may have been executed and delivered on behalf of the LLP prior to such date and which are in force and effect on such date.

## ARTICLE X. DISSOLUTION

**Section 10.1. In General.** The LLP shall dissolve and its affairs shall be wound up upon the first to occur of the following: (a) the written consent of (i) the Majority Class A Holders, (ii) the Majority Class B Holders and (iii) unless such dissolution and winding up has been approved by an Independent Manager who meets the criteria to be considered Independent without regard to any agreement by the Class A Designee Managers (or Class A Members) and Class B Designee Managers (or Class B Members) pursuant to the last paragraph of the definition of "Independent" set forth in Section 1.1, the Majority Class C Holders; (b) at such time as there are no Members of the LLP unless the LLP is continued in accordance with the Act; or (c) the entry of a decree of judicial dissolution.

**Section 10.2. Liquidation and Termination.** On the dissolution of the LLP, the Board of Managers shall appoint a suitable qualified person to act as liquidator or. The liquidator shall proceed diligently to wind up the affairs of the LLP and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a LLP expense. Until final distribution, the liquidator shall continue to operate the LLP with all of the power and authority of the Board of Managers. The steps to be accomplished by the liquidator are as follows:

(a) the liquidator shall pay, satisfy or discharge from the LLP funds all of the debts, liabilities and obligations of the LLP (including all expenses incurred in liquidation and all such debts, liabilities and obligations owed to any Member other than with respect to such Member's Membership Interests) or otherwise make adequate provision for payment and discharge thereof (including the establishment of a cash fund for contingent liabilities in such amount and for such term as the liquidators may reasonably determine); and

(b) after payment or provision for payment of all of the LLP's liabilities has been made in accordance with Section 10.2(a), all remaining assets of the LLP shall be distributed in accordance with Section 5.1.

(c) For the purposes of Section 74 of the Insolvency Act as it is applied to LLPs under the Act, no Member is liable to contribute any amount to the assets of the LLP on liquidation to cover any of the matters set out in that section..

**Section 10.3. Complete Distribution.** The distribution to a Member in accordance with the provisions of Section 10.2 constitutes a complete return to the Member of its Capital Contributions and a complete distribution to the Member of its interest in the LLP and all the LLP's property. If a Member returns funds to the LLP and such funds exceed such Member's *pro rata* share of all funds required to be returned to the LLP, then such Member shall have a claim against the other Members for an amount equal to such excess. Each other Member shall be liable for a *pro rata* portion of such excess equal to the amount such Member would have paid had the amount paid by the Member seeking recovery been recovered from all Members *pro rata* based on the relative amount of funds to be returned by each such Member.

**Section 10.4. Filing of Certificate of Cancellation.** Immediately following the completion of the distribution of the LLP's assets as provided in this Article X, the Board of Managers (or such other Person or Persons as the Act may require or permit) shall take such actions as may be necessary to wind up the LLP. The LLP shall be deemed to continue in existence for all purposes of this Agreement until such actions are taken pursuant to this Section 10.4.

**Section 10.5. Reasonable Time for Winding Up.** A reasonable time shall be allowed for the orderly winding up of the business and affairs of the LLP and the liquidation of its assets pursuant to Section 10.2 to minimize any losses otherwise attendant upon such winding up.

**Section 10.6. Return of Capital.** The liquidators shall not be personally liable for the return of Capital Contributions or any portion thereof to the Members (it being understood that any such return shall be made solely from LLP assets).

**Section 10.7. Antitrust Laws.** Notwithstanding any other provision in this Agreement, in the event that any Antitrust Law is applicable to any Member by reason of the fact that any assets of the LLP shall be distributed to such Member in connection with the winding up of the LLP, such Distribution shall not be consummated until such time as the applicable waiting periods (and extensions thereof) under such Antitrust Law have expired or otherwise been terminated with respect to each such Member.

**Section 10.8. Other Remedies.** Nothing in this Article X shall limit any Member's right to enforce any provision of this Agreement by an action at Law or equity, nor shall an election to dissolve the LLP pursuant to this Article X relieve any Member of any liability for any prior or subsequent breach of this Agreement or another document referred to herein.

**ARTICLE XI.  
INDEMNIFICATION**

**Section 11.1. General Indemnity.**

(a) To the fullest extent permitted by the Act, except as otherwise contemplated in Article VIII hereof, the LLP, to the extent of its assets legally available for that purpose, shall indemnify and hold harmless each Person who was or is made a party or is threatened to be made a party to or is involved in or participates as a witness with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative (each a "Proceeding"), by reason of the fact that he or she, or a Person of whom he or she is the legal representative, is or was a Manager, Tax Matters Member or an Officer, or is or was serving at the request of the LLP as a manager, director, officer, employee, fiduciary or agent of another Entity (collectively, the "Indemnified Persons") from and against any and all loss, cost, damage, fine, expense (including reasonable fees and expenses of attorneys and other advisors and any court costs incurred by any Indemnified Person) or liability actually and reasonably incurred by such Indemnified Person in connection with such Proceeding if such Indemnified Person acted in good faith and in a manner such Indemnified Person reasonably believed to be in or not opposed to the best interests of the LLP and except that no indemnification shall be made in respect of any claim, issue or matter as to which such Indemnified Person shall have been adjudged to be liable to the LLP unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such Indemnified Person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the Indemnified Person did not act in good faith or in a manner such Indemnified Person reasonably believed to be in or not opposed to the best interests of the LLP.

(b) Except as otherwise contemplated in Article VIII hereof, the LLP may pay in advance or reimburse reasonable expenses (including advancing reasonable costs of defense) incurred by an Indemnified Person who is or is threatened to be named or made a defendant or a respondent in a Proceeding; provided, however, that as a condition to any such advance or reimbursement, such Indemnified Person shall agree that it shall repay the same to the LLP if such Indemnified Person is finally judicially determined by a court of competent jurisdiction not to be entitled to indemnification under this Article XI.

(c) The LLP shall not be required to indemnify a Person in connection with a Proceeding initiated by such Person against the LLP or any of its Subsidiaries if the Proceeding was not authorized by the Board of Managers. The ultimate determination of entitlement to indemnification of any Indemnified Person shall be made by the Board of Managers.

(d) Any and all indemnity obligations of the LLP with respect to any Indemnified Person shall survive any termination of this Agreement. The indemnification and other rights provided for in this Article XI shall inure to the benefit of the heirs, executors and administrators of any Person entitled to such indemnification.

**Section 11.2. Fiduciary Insurance.** Unless otherwise agreed by the Board of Managers, the LLP shall maintain, at its expense, insurance (a) to indemnify the LLP for any obligations which it incurs as a result of the indemnification of Indemnified Persons under the provisions of this Article XI and (ii) to indemnify Indemnified Persons in instances in which they may not otherwise be indemnified by the LLP under the provisions of this Article XI.

**Section 11.3. Rights Non-Exclusive.** The rights to indemnification and the payment of expenses incurred in defending any Proceeding in advance of its final disposition conferred in this Article XI shall not be exclusive of any other right which any Person may have or hereafter acquire under any Law, provision of this Agreement, any other agreement, any vote of Members or disinterested Managers or otherwise.

**Section 11.4. Merger or Consolidation; Other Entities.** For purposes of this Article XI, references to “the LLP” shall include, in addition to the resulting company, any constituent company (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its managers, directors, officers, employees or agents, so that any Person who is or was a manager, director, officer, employee or agent of such constituent company, or is or was serving at the request of such constituent company as a director, officer, employee or agent of another company, partnership, limited liability partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article XI with respect to the resulting or surviving company as he or she would have with respect to such constituent company if its separate existence had continued. For purposes of this Article XI, references to “another Entity” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a Person with respect to any employee benefit plan; and references to “serving at the request of the LLP” shall include any service as a manager, director, officer, employee or agent of the LLP that imposes duties on, or involves services by, such manager, director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a Person who acted in good faith and in a manner such Person reasonably believed to be in or not opposed to the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the LLP” as referred to in this Article XI.

**Section 11.5. No Member Recourse.** Anything herein to the contrary notwithstanding, any indemnity by the LLP relating to the matters covered in this Article XI shall be provided out of and to the extent of LLP assets only and no Member shall have personal liability on account thereof or shall be required to make additional Capital Contributions to help satisfy such indemnity of the LLP.

**ARTICLE XII.  
OTHER AGREEMENTS**

**Section 12.1. Matters Requiring Class A Holders/Class B Designee Managers Consent.** For so long as any of the Release Conditions have not been satisfied (or, with respect to clauses (b), (c), and (h) below, until the earlier of (i) such time as the Release Conditions have been satisfied or (ii) such time as the Initial Class A Holders no longer hold any of the Class A Membership Interests originally acquired by General Motors on the Effective Date), in addition to the approval of the Board of Managers, the LLP shall not take any of the actions listed below nor permit or cause any of its Subsidiaries to do so (directly or indirectly) without the prior written consent of the Majority Initial Class A Holders (or, with respect to clauses (c) and (e), the Majority Class A Holders if there are no Majority Initial Class A Holders) and the Class B Designee Managers:

(a) increase or decrease the number of Managers constituting the Board of Managers;

(b) amend or restate (including by recapitalization, merger or otherwise other than in connection with a Qualified Sale of the LLP or Initial Public Offering in each case, to the extent not prohibited by Section 12.1(h) hereof), modify or waive any provision of this Agreement except as necessary to reflect additional equity issuances approved in accordance with clause (c) below;

(c) create, issue or sell any additional Membership Interests or any New Securities of the LLP (other than on the Effective Date to General Motors, the Class B Holders and the Class C Holders, and other than the Equity Securities described in clause (iii) of the definition of New Securities), except for Equity Securities that do not adversely affect the Class A Membership Interests or the Class B Membership Interests in any manner (including, without limitation, with respect to Distributions to the holders of Class A Membership Interests and Class B Membership Interests);

(d) authorize or consent to the filing of any bankruptcy petition or appointment of a receiver;

(e) enter into any transaction after the date hereof outside of the ordinary course of business with any of the Class B Holders, Class A Holders or any of their Affiliates that is on terms which in the aggregate are materially less favorable to the LLP than would be obtainable in a comparable arms-length transaction with a Person that is not a Member or an Affiliate of the LLP except in instances where the LLP first obtains a fairness opinion from an independent financial advisor;

(f) effect any acquisition (including by means of purchase of equity interests, purchase of assets, merger or otherwise) or sale or other disposal (including by means of sale of equity interests, sale of assets, merger or otherwise) of any business or assets of any Person (other than in the ordinary course of business) that requires

payments by or to the LLP in excess of \$200 million unless the LLP obtains a fairness opinion from an independent financial advisor reasonably acceptable to General Motors and the Class B Designee Managers in respect of such proposed acquisition, sale or disposition. In addition, General Motors shall have the right to approve the buyer in connection with any sale or other disposal of any business as to which the revenues received by such business from General Motors represent more than 15% of such business' total revenue for the twelve month period immediately preceding such sale or disposal (provided, that General Motors' approval shall not be unreasonably withheld, such determination to be based upon General Motors' reasonable assessment of the potential buyer solely in General Motors' capacity as a customer of the LLP (provided, further, that nothing herein and no consent by General Motors hereunder shall modify General Motors' rights under, or be deemed to constitute General Motors' consent to the assignment of, its purchase orders and commercial agreements));

(g) fail to comply with the provisions set forth in Article VII of the Senior Loan Agreement as in effect on the Effective Date (whether or not such agreements remains in effect) (provided, however, that this Section 12.1(g) shall not prevent the LLP from incurring or suffering to exist a working capital debt facility on market terms with an aggregate maximum principal amount of \$1.0 billion or from creating or suffering to exist any liens or encumbrances securing such indebtedness); and

(h) (i) effect a public offering of the equity securities of the LLP or its successor, other than on or after the date that is eighteen (18) months after the Effective Date an Initial Public Offering approved by the Board of Managers and undertaken in accordance with Section 14.13(b) or (ii) effect a sale of all or substantially all of the assets or ownership interests in the LLP (by merger or otherwise) other than a Qualified Sale effected on or after the second anniversary of the Effective Date. For the avoidance of doubt, the parties acknowledge a Qualified Sale shall be subject to the provisions of Section 12.1(f), if applicable.

Notwithstanding anything to the contrary contained herein, any consent right to be exercised by the Class B Designee Managers under Section 4.3(a) and this Article XII may, at the option of SPCP Group, LLC and SP Auto, Ltd. (acting jointly or through their designee) and DIP Holdco 5, Ltd. (for so long as SPCP Group, LLC, SP Auto, Ltd. and DIP Holdco 5, Ltd. have the right to elect the Class B Designee Managers under Section 8.4), be exercised by SPCP Group, LLC and SP Auto, Ltd. (acting jointly or through their designee) and DIP Holdco 5, Ltd. in their capacity as Class B Holders.

**Section 12.2. Further Matters Requiring Additional Class A Holder Consent.** In addition to the approval of the Board of Managers, the LLP shall not take (directly or indirectly) any of the actions listed below nor permit any of its Subsidiaries to do so (directly or indirectly) without the consent of the Majority Initial Class A Holders (and, with respect to clause (b) below, the Class B Designee Managers):

(a) from and after such time as the Release Conditions have been satisfied and until such time as the Initial Class A Holders no longer hold any of the Class

A Membership Interests originally acquired by General Motors on the Effective Date, amend or restate (including by recapitalization, merger or otherwise other than in connection with a Qualified Sale or other sale of the LLP not otherwise prohibited under this Agreement), or modify or waive any provision of this Agreement if such amendment, restatement modification or waiver would adversely affect General Motors, in its capacity as a Member, disproportionately as compared to any other Members; or

(b) for so long as the Initial Class A Holders own at least ten percent (10%) of the Class A Membership Interests originally acquired by General Motors on the Effective Date, redeem, purchase or otherwise acquire for value (or pay into or set aside for a sinking fund for such purpose), any Membership Interests other than on a proportionate basis (except to repurchase Membership Interests owned by former directors, officers or employees of the LLP or any of its Subsidiaries) (for purposes hereof, "proportionate" shall mean the proceeds of such event are paid to Members in the same proportions as if such amounts were distributed in accordance with Section 5.1).

**Section 12.3. Matters Requiring Class C Holders Consent.** In addition to the approval of the Board of Managers, the LLP shall not take (directly or indirectly) any of the actions listed below nor permit any of its Subsidiaries to do so (directly or indirectly) without the consent of the Majority Class C Holders (which shall not be unreasonably withheld or delayed):

(a) create, issue or sell any additional Membership Interests or any New Securities of the LLP (other than on the Effective Date to General Motors and the Class B Holders) that have a Disproportionate Class C Economic Effect, provided, that so long as there is a Major Initial Class C Holder, the LLP shall not create, issue or sell any additional Membership Interests or any New Securities of the LLP (other than on the Effective Date to General Motors and the Class B Holders, and other than the Equity Securities described in clause (iii) of the definition of New Securities that would not have a Disproportionate Class C Economic Effect) that would adversely affect, in any material respect, the economic rights of the Class C Membership Interests, without the consent of the Major Initial Class C Holder (which shall not be unreasonably withheld or delayed);

(b) authorize or consent to the filing of any bankruptcy petition or appointment of a receiver except where such filing or appointment has been approved by an Independent Manager who meets the criteria to be considered Independent without regard to any agreement by the Class A Designee Managers (or Class A Members) and Class B Designee Managers (or Class B Members) pursuant to the last paragraph of the definition of "Independent" set forth in Section 1.1;

(c) unless the LLP first obtains a fairness opinion from an independent financial advisor acceptable to the Independent Managers, enter into any transaction after the date hereof outside of the ordinary course of business with any of the Class B Holders, Class A Holders or any of their Affiliates that is on terms which in the aggregate are materially less favorable to the LLP than would be obtainable in a comparable arms-length transaction with a Person that is not a Member or such an Affiliate, provided, that



no consent of the Majority Class C Holders shall be required with respect to (A) any transaction involving payments of less than \$10 million per annum or (B) with Holders of less than ten percent (10%) of any class of Membership Interests or their Affiliates;

(d) unless the LLP first obtains a fairness opinion from an independent financial advisor acceptable to the Independent Managers, effect any acquisition (including by means of purchase of equity interests, purchase of assets, merger or otherwise) or sale or other disposal (including by means of sale of equity interests, sale of assets, merger or otherwise) of any business or assets of any Person (other than in the ordinary course of business) that requires payments by or to the LLP in excess of \$200 million;

(e) redeem, purchase or otherwise acquire for value (or pay into or set aside for a sinking fund for such purpose), any Membership Interests other than on a proportionate basis (except to repurchase Membership Interests owned by former directors, officers or employees of the LLP or any of its Subsidiaries) (for purposes hereof, "proportionate" shall mean the proceeds of such event are paid to Members in the same proportions as if such amounts were distributed in accordance with Section 5.1);

(f) unless the LLP first obtains a fairness opinion from an independent financial advisor acceptable to the Independent Managers, effect a sale of all or substantially all of the assets of or ownership interests in the LLP (by merger or otherwise) other than a Qualified Sale; and

(g) effect a public offering of the equity securities of the LLP or its successor, other a public offering effected or approved in accordance with Section 14.13(b).

**Section 12.4. Appointment of Chief Executive Officer.** For so long as any of the Release Conditions have not been satisfied, the Board of Managers shall appoint the Chief Executive Officer, subject to the prior approval of the Majority Initial Class A Holders and the Class B Designee Managers.

**Section 12.5. Preemptive Rights.**

(a) The LLP shall give each Class A Holder and Class B Holder, and in the event of an Adverse Issuance, each Class C Holder, that is an "accredited investor" (as defined in Rule 501(a) of Regulation D promulgated under the Securities Act) written notice (an "Issuance Notice") of any proposed issuance by the LLP of any New Securities at least five (5) Business Days prior to the proposed issuance date. The Issuance Notice shall specify the number and class of such New Securities and the price at which such New Securities are to be issued and the other material terms and conditions of the issuance. If any proposed purchaser will purchase any such New Securities, each Class A Holder, Class B Holder and Class C Holder, if applicable, shall be entitled to purchase up to its Preemptive Share of the New Securities proposed to be issued at the price and on the other terms and conditions specified in the Issuance Notice.

(b) A Class A Holder, Class B Holder or Class C Holder, if applicable, may exercise its rights under this Section 12.5 by delivering notice of its election to purchase such New Securities to the LLP within ten (10) Business Days of receipt of the Issuance Notice. A delivery of such notice (which notice shall specify the number (or amount) of New Securities to be purchased by a Class A Holder, Class B Holder or Class C Holder) by a Class A Holder, Class B Holder or Class C Holder (an "Electing Member") shall constitute a binding agreement of such Holder to purchase, at the price and on the terms and conditions specified in the Issuance Notice, the number (or amount) of New Securities specified in such Holder's notice. If, at the termination of such ten (10) Business Day-period, a Class A Holder, Class B Holder or Class C Holder shall not have exercised its rights to purchase its Preemptive Shares of such New Securities, the Holder shall be deemed to have waived all of its rights under this Section 12.5 with respect to, and only with respect to, the purchase of such New Securities. If less than 100% of the Class A Holders, Class B Holders or Class C Holders shall have exercised their rights to purchase their respective Preemptive Shares of such New Securities (the "Non-Exercising Members") then the LLP shall give each Electing Member which shall have exercised its right to purchase 100% of such Electing Member's Preemptive Share of such New Securities, notice of the aggregate number or amount of New Securities not being purchased by the Non-Exercising Members. Each such Electing Member shall have the right to elect to purchase a number or amount of such New Securities equal to the percentage obtained by dividing (x) such Electing Member's Preemptive Share by (y) the sum of such Electing Member's Preemptive Shares plus the Preemptive Shares of all such Electing Members (the "Additional Purchase Right"). A Class A Holder, Class B Holder or Class C Holder may exercise its Additional Purchase Rights under this Section 12.5 by delivering notice of its election to purchase such additional New Securities to the LLP within five (5) Business Days of receipt of the Issuance Notice. A delivery of such notice (which notice shall specify the number (or amount) of such additional New Securities to be purchased by such Electing Member) by an Electing Member shall constitute a binding agreement of such Member to purchase, at the price and on the terms and conditions specified in the Issuance Notice, the number (or amount) of additional New Securities specified in such Electing Member's notice. If, at the termination of such five (5) Business Day-period, a Class A Holder, Class B Holder or Class C Holder that is an Electing Member shall not have exercised its Additional Purchase Right, the Electing Member shall be deemed to have waived all of its rights under this Section 12.5 with respect to, and only with respect to, such Additional Purchase Right.

(c) The LLP shall have 100 days from the date of the Issuance Notice to consummate the proposed issuance of any or all of such New Securities that the Class A Holders Class B Holders and Class C Holders, if applicable, have elected not to purchase at the price and upon terms and conditions that are not less favorable to the LLP than those specified in the Issuance Notice, provided that, if such issuance is subject to regulatory approval, such 100-day period shall be extended until the expiration of five (5) Business Days after all such approvals have been received, but in no event later than 120 days from the date of the Issuance Notice. At the consummation of such issuance, the LLP shall issue the New Securities to be purchased by the Class A Holders, Class B

Holders and Class C Holders should they exercise their preemptive rights pursuant to this Section 12.5 (and to any third party) and register such New Securities in the name of each such Holder (and to any third party), against payment by such Holder (and to any third party) of the purchase price for such New Securities. If the LLP proposes to issue any class of New Securities after such 100-day period or on other terms less favorable to the issuer, it shall again comply with the procedures set forth in this Section 12.5.

(d) The Class A Holders, Class B Holders and Class C Holders hereby acknowledge and agree that the LLP, due to timing constraints, confidentiality considerations, or other reasons, may request that a Class A Holder, Class B Holder or Class C Holder, if applicable (the "Purchasing Member"), acquire New Securities in advance of complying with the requirements of this Section 12.5, and each Class A Holder, Class B Holder and Class C Holder consents to such issuance, provided that, as promptly as practicable thereafter, either (i) the LLP complies with the requirements of this Section 12.5 with respect thereto or (ii) the Purchasing Member offers the other Class A Holders, Class B Holders and Class C Holders, if applicable, the right to acquire from the Purchasing Member that number (or amount) of New Securities that such Holder would have been offered by the LLP under this Section 12.5.

(e) The LLP shall not be under any obligation to consummate any proposed issuance of New Securities, nor shall there be any liability on the part of the LLP to the Class A Holders, Class B Holders and Class C Holders if the LLP has not consummated any proposed issuance of New Securities pursuant to this Section 12.5 for whatever reason, regardless of whether it shall have delivered an Issuance Notice in respect of such proposed issuance.

(f) Notwithstanding the foregoing, the provisions contained in this Section 12.5 shall not apply to any Initial Public Offering made pursuant to an effective registration statement filed under the Securities Act.

### ARTICLE XIII. CONFIDENTIALITY

**Section 13.1. Non-Disclosure.** Each Member other than PBGC agrees that it will use, and will cause each of its Affiliates, and each of its and their respective partners, members, managers, shareholders, directors, officers, employees and agents (collectively, "Agents") to use, all commercially reasonable efforts to maintain the confidentiality of all Confidential Information disclosed to it by any other party or the definitive agreements contemplated herein or through its interest in the LLP or the operation of its business or the use or ownership of its assets, by limiting internal disclosure of any such information to those Persons who have an actual need to know such information in connection with the business of the LLP and will not, without the prior written consent of the disclosing party, use such Confidential Information other than in connection with the transactions contemplated herein. Without limiting the generality of the foregoing, in no event shall any Member other than PBGC knowingly use any Confidential Information regarding the LLP or its business acquired by such Member

(directly or indirectly) in its capacity as a Member (including as a result of electing any Manager to the Board) in any manner adverse to the LLP's business (including the LLP's customers) or which would result in a competitive disadvantage to the LLP.

**Section 13.2. Exceptions.** Notwithstanding Section 13.1, any Member may make disclosure of Confidential Information contemplated by clauses (a), (c) and (e) below and the LLP may make the disclosure of Confidential Information contemplated by (a) through (e) below: (a) to any Governmental Entity in connection with applications for approval of the transactions contemplated hereby and the other Transaction Documents (or, in the case of any regulated-Affiliate of a Member, in connection with audits by the applicable Governmental Entities), (b) to financial institutions in connection with the financing transactions contemplated hereby, (c) in the case of any Member, (i) to a *bona fide* potential Transferee who is not a Competitor (as defined in Section 9.5) if such Member desires to undertake any Transfer of its Membership Interests permitted by this Agreement (provided that such potential Transferee first executes a confidentiality agreement in such form reasonably acceptable to the LLP), and (ii) to its direct and indirect stockholders, limited partners, members or other equityholders, as the case may be, all materials made available to such Member pursuant to the terms of this Agreement, (d) to any rating or similar agency in connection with its analysis or review of the LLP or any of its Subsidiaries and (e) to any other Person if such party becomes compelled by Law (including by deposition, interrogatory, request for documents, subpoena, civil investigative demand, mandatory provision of Law, regulation or stock exchange rule) to disclose any of the Confidential Information. In addition, each Member may report to its stockholders, limited partners, members or other equityholders, as the case may be, the general status of such Member's investment in the LLP (without disclosing specific Confidential Information). A disclosing Member other than PBGC shall be responsible for a breach by any third Person to whom such disclosing Member discloses Confidential Information in accordance with the terms of Section 13.1 and subclause (c)(ii) of this Section 13.2. In the case of clause (e) above, the disclosing party shall (i) provide the other parties hereto with prompt written notice of such requirement so that such non-disclosing parties may seek a protective order or other appropriate remedy or waive compliance with the terms of this Article XIII and (ii) take such reasonable legally available steps as the non-disclosing parties may reasonably request to resist or narrow such requirement (at the expense of the non-disclosing parties). In the event that such protective order or remedy is not obtained, or that the non-disclosing parties waive compliance with the terms hereof, the disclosing party agrees to furnish only that portion of the Confidential Information that it is advised by counsel is required to be furnished, and to exercise commercially reasonable efforts (at the LLP's expense) to obtain assurance that confidential treatment shall be accorded such Confidential Information. The obligations with respect to Confidential Information in Section 13.1 and this Section 13.2 shall terminate two (2) years after a Person ceases to be a Member; provided, however, that the obligation to maintain the confidentiality of "trade secrets" shall not terminate.

**Section 13.3. PBGC Confidentiality Provisions.** PBGC agrees not to disclose the Confidential Information to anyone other than the Executive Branch of the United States, the PBGC and PBGC Board of Directors, officials, advisors, consultants, and representatives who have a need to know the information as part of their job responsibilities ("Officials"), except as required by law or as may be necessary in connection with any court or administrative proceedings, request of Congress or any committee, joint committee or subcommittee thereof, or request of the Comptroller General. PBGC will inform all Officials having access to the Confidential Information subject to this Agreement, that the Confidential Information is confidential commercial and financial information, and PBGC will use its best efforts to protect the Confidential Information as confidential commercial and financial information for purposes of 29 C.F.R. Section 4901.24. Excepting such litigation as PBGC may initiate in the future on its own behalf or on behalf of any pension plan, PBGC agrees to notify the LLP in writing of any proceeding or request in which the disclosure of such information may be compelled, including any request made pursuant to the Freedom of Information Act ("FOIA") or litigation based on FOIA. Pursuant to 29 C.F.R. Section 4901.24, the LLP will have the opportunity to object to any FOIA disclosure, and if it is determined that disclosure is required, will be notified in advance a reasonable number of days before the disclosure date. Except with respect to a request of Congress or any committee, joint committee or subcommittee thereof, or request of the Comptroller General, PBGC will afford the LLP the timely opportunity to seek a protective order or to take such other legal action to preserve the confidentiality of such information as the LLP may deem appropriate. In addition, with respect to any litigation brought by PBGC, PBGC will use reasonable efforts to have any Confidential Information placed under seal, or afford the LLP the timely opportunity to have any Confidential Information placed under seal. The obligations with respect to Confidential Information in this Section 13.3 shall terminate two (2) years after PBGC ceases to be a Member.

#### ARTICLE XIV. MISCELLANEOUS PROVISIONS

**Section 14.1. Amendments.** Except as otherwise expressly provided herein, this Agreement may only be amended, modified or waived by the Board of Managers with the (a) written consent of the (i) Majority Class A Holders and (ii) Majority Class B Holders and (b) the consents required under Section 12.1 or Section 12.2; provided that, with respect to the Class A Holders and Class B Holders, if any such amendment, modification or waiver would adversely affect in any material respect any such Member(s) who have comparable rights under this Agreement disproportionately to the other Members having such comparable rights, such amendment, modification, or waiver shall also require the written consent of a majority in interest of such Member(s) so disproportionately adversely affected; and provided, further, that, with respect to the Class C Holders, if any such amendment, modification or waiver would (x) amend clause (iii) of the definition of "New Securities" set forth in Section 1.1 to remove the approval requirement of the Board of Managers or Independent Managers, (y) amend Section 12.3 or (z) adversely affect in any material respect (1) the economic rights of a Class C Holder

(including rights of transferability), (2) the other rights of a Class C Member disproportionately as compared to other Members or (3) except upon the consummation of an Initial Public Offering approved by the Board of Managers, the information rights of a Class C Holder, such amendment, modification or waiver shall require the written consent of the Majority Class C Holders, such consent not to be unreasonably withheld or delayed, provided that no consent of the Majority Class C Holders shall be required to effectuate the creation or issuance of Membership Interests or New Securities made in compliance with Section 12.3 or in connection with an Initial Public Offering in compliance with Section 14.13. Notwithstanding the foregoing, (i) any amendment that would require any Member to contribute or lend additional funds to the LLP or impose personal liability upon any Member shall not be effective against such Member without its written consent and (ii) no consent of any Member shall be required for any amendment, modification or waiver of this Agreement to effectuate the creation or issuance of Membership Interests or New Securities made in compliance with Section 12.1, Section 12.2, Section 12.3 and Section 12.5, as applicable, or to effectuate the creation or issuance of Membership Interests or New Securities under a compensatory equity plan that are described in clause (iii) of the definition of "New Securities" set forth in Section 1.1 that does not adversely affect Class A Membership Interests, Class B Membership Interests or Class C Membership Interests disproportionately.

**Section 14.2. Remedies.** Each Member shall have all rights and remedies set forth in this Agreement and all rights and remedies that such Person has been granted at any time under any other agreement or contract and all of the rights that such Person has under any Law. Any Person having any rights under any provision of this Agreement or any other agreements contemplated hereby shall be entitled to enforce such rights specifically (without posting a bond or other security) to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by Law.

**Section 14.3. Notice Addresses and Notices.** All notices, demands, financial reports, other reports and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given or made when (a) delivered personally to the recipient, (b) sent by facsimile to the recipient (with hard copy sent to the recipient by reputable overnight courier service (charges prepaid) that same day) if sent by facsimile before 5:00 p.m. New York time on a Business Day, and otherwise on the next Business Day, or (c) one Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid). Such notices, demands and other communications shall be sent to the notice address for such recipient set forth on the Schedule of Members, or in the LLP's books and records, or to such other notice address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Any notice to the Board of Managers or the LLP shall be deemed given if received by the Board of Managers at the registered office of the LLP designated pursuant to Section 2.2(b).

**Section 14.4. Counterparts.** This Agreement may be executed in several counterparts, each of which will be deemed an original but all of which will constitute one and the same instrument.

**Section 14.5. Assignment.** Subject to the provisions of this Agreement relating to transferability, this Agreement shall be binding upon and inure to the benefit of the Members and their respective permitted assigns, but no rights, interests, or obligations of any Member herein may be assigned except Transfers of Membership Interests in compliance with the terms of Article IX; provided, however, that no assignment of this Agreement or any rights hereunder shall be made without the assignee, as a condition of such assignment, assuming in writing its assignor's obligations under this Agreement, to the extent applicable to such assignment. Notwithstanding the foregoing, General Motors may assign this Agreement and any or all rights or obligations hereunder (i) to any of its Affiliates and (ii) to any Person in connection with the direct or indirect transfer, sale, merger, consolidation or similar reorganization of a substantial portion of General Motors, business; provided that each such assignee agrees in writing to be bound by all of the terms, conditions and provisions contained herein.

**Section 14.6. Entire Agreement; Waiver.** Subject to Section 14.7, this Agreement and the other documents referred to herein, constitute the entire agreement among the parties and contain all of the agreements among the parties with respect to the subject matter hereof and supersede all prior agreements and negotiations between the parties concerning the subject matter herein. Failure by any party hereto to enforce any covenant, duty, agreement, term or condition of this Agreement, or to exercise any right hereunder, shall not be construed as thereafter waiving such covenant, duty, term, condition or right; and in no event shall any course of dealing, custom or usage of trade modify, alter or supplement any term of this Agreement.

**Section 14.7. Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any Law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

**Section 14.8. Governing Law.** This Agreement shall be governed by, and construed and enforced in accordance with, the Laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware.

**Section 14.9. Independent Contractors; Expenses.** This Agreement does not constitute any party hereto the partner, agent or legal representative of any other party hereto, except to the extent that LLP is classified as a partnership for United States federal income tax purposes and the Members are treated as "partners" for such tax

purposes. Each party hereto is independent and responsible for its own expenses (except as otherwise agreed pursuant to Article XI), including attorneys' and other professional fees incurred in connection with the transactions contemplated by this Agreement.

**Section 14.10. Press Release.** Each of the Members shall consult with the LLP before issuing any press releases or otherwise making any public statements with respect to the execution of this Agreement, and no Member shall issue any such press release or make any such public statement without the prior written consent, such consent not to be unreasonably withheld, of the LLP except as may be required by Law and then only with such prior consultation with the LLP to the extent practicable.

**Section 14.11. Survival.** The provisions of Article X, Article XI, Article XIII, Section 14.7, Section 14.8, Section 14.11, Section 14.14, Section 14.16 and Section 14.17 shall survive and continue in full force in accordance with its terms, notwithstanding any termination of this Agreement or the dissolution of the LLP.

**Section 14.12. Creditors.** None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Members, the LLP or any of its Affiliates (other than Indemnified Persons), and no creditor who makes a loan to any Member, the LLP or any of its Affiliates may have or acquire (except pursuant to the terms of a separate agreement executed by the LLP in favor of such creditor) at any time as a result of making the loan any direct or indirect interest in LLP profits, losses, Distributions, capital or property other than as a secured creditor.

**Section 14.13. Further Action; Initial Public Offering.**

(a) The parties hereto agree to execute and deliver all documents, provide all information and take or refrain from taking such actions as may be necessary or reasonably requested by the LLP to achieve the purposes of this Agreement. Additionally, the parties hereto will work in good faith to ensure that the governance structure and other arrangements do not impair the LLP's commercial prospects.

(b) Notwithstanding anything contained in this Agreement to the contrary but subject to Section 12.1(h) hereof, the Board of Managers may determine at any time that the LLP should engage in an Initial Public Offering of the Issuer's (as defined below) common equity securities. In connection with any such Initial Public Offering, and upon the request of the Board of Managers, each of the Members hereby agrees that it will take such action and execute such documents as may reasonably be necessary to effect such Initial Public Offering, at the LLP's expense, including, without limitation, taking such actions and executing such documents as may reasonably be necessary to amend this Agreement, contribute or transfer its respective Membership Interests to a newly formed corporation or the LLP's assets to the Issuer (as defined below) or sanction a reconstruction pursuant to section 110 of the Insolvency Act or in connection with such other structure approved by the Board of Managers (such entity, in any such case, the "Issuer"), in each case substantially concurrently with the closing of the Initial Public Offering. For the purposes of this Section 14.13, a reconstruction under



Section 110 of the Insolvency Act may be sanctioned by the Board of Managers with the agreement of the Majority Class A Holders, the Majority Class B Holders and, unless otherwise approved by an Independent Manager who meets the criteria to be considered Independent without regard to any agreement by the Class A Designee Managers (or Class A Members) and Class B Designee Managers (or Class B Members) pursuant to the last paragraph of the definition of "Independent" set forth in Section 1.1, the Majority Class C Holders. In connection with any such amendment, contribution, transfer, reconstruction or other structure approved by the Board of Managers, unless otherwise agreed by (w) the Majority Class A Holders, (x) the Majority Class B Holders, (y) if such Initial Public Offering would adversely affect, in any material respect, the economic rights of the Class C Membership Interests, the Major Initial Class C Holder for so long as there is a Major Initial Class C Holder (which consent shall not be unreasonably withheld or delayed) and (z) if there is no Major Initial Class C Holder, if such Initial Public Offering would have a Disproportionate Class C Economic Effect, the Majority Class C Holders (which consent shall not be unreasonably withheld or delayed), the Members shall be entitled to receive, (1) one or more series of participating preferred equity securities of the Issuer with preferences reflecting the amount of distributions set forth in Sections 5.1(a)(i)-(vi) to the extent distributions were not previously made under such Sections (the "Preferred Securities") and (2) common equity securities of the Issuer to be distributed 65% to the Class B Holders and 35% in the aggregate to the Class A Holders and Class C Holders together, as shall be diluted by any other outstanding Membership Interests and such additional common equity securities being sold in connection with such Initial Public Offering. In such event, as between the Class A Holders and the Class C Holders, such Holders shall be entitled to receive a portion of the 35% of the common equity securities of the Issuer contemplated by the immediately preceding sentence (the "Class A and C Common Equity Securities") in accordance with the following steps: (i) a calculation of the value of the common equity securities to be issued to all of the Members pursuant to the immediately preceding sentence shall be made based on the initial offering price to the public of the common equity securities issued in the Initial Public Offering (the "Pre-Offering Common Equity Value"), (ii) a calculation of the value of the common equity securities to be issued to each Member shall be made, assuming that the common equity securities of the Issuer, valued in the aggregate at the Pre-Offering Common Equity Value, were distributed to all of the Members under Sections 5.1(a)(vii)-(x) of this Agreement, and (iii) each Class A Holder and each Class C Holder shall be entitled to receive in connection with such contribution, transfer or reconstruction, in addition to the Preferred Securities described above, the number of Class A and C Common Equity Securities equal to the total number of Class A and Class C Common Equity Securities multiplied by a fraction, the numerator of which is the value of common equity securities to be issued to such Member under clause (ii) of this sentence and the denominator of which is the value of common equity securities to be issued to all Class A Holders and all Class C Holders under clause (i) of this sentence.

(c) Each Member hereby appoints each of the Managers of the Board of Managers (acting separately) as his lawful attorney to execute any and all documents of transfer or otherwise and to take any and all steps in the name of such Member which

the Board of Managers considers, acting reasonably, to be necessary to give effect to the provisions of this Section 14.13.

(d) In the event that the Board of Managers authorizes the LLP to consummate such an Initial Public Offering, (1) the LLP and the Members shall enter into a customary registration rights agreement providing that stockholders of the Issuer holding in excess of 10% of the Issuer's registrable common securities shall be entitled to an aggregate of four demand registrations (one of which shall be allocated to General Motors if it holds in excess of 10% of the Issuer's registrable common securities) and customary S-3 registration rights, and will provide the Members customary piggyback registration rights, (2) the terms of the Preferred Securities, to the extent issued in connection with the Initial Public Offering, shall grant the Holders thereof (i) customary class voting rights regarding modification to such Preferred Securities and (ii) the right to designate members of the Issuer's board of directors in the same number as nearly as practicable as such Holder was entitled to designate pursuant to Section 8.4(a)(i) hereof and Section 8.4(a)(iii) hereof as applicable, and Section 8.4(b) hereof, prior to the Initial Public Offering, subject to any applicable listing standards, and (3) the rights contained in Article XII hereof, shall terminate upon the consummation of such Initial Public Offering; provided, however, that if such Initial Public Offering occurs prior to twenty four (24) months after the date hereof, the rights provided pursuant to the second sentence of Section 12.1(f) hereof shall survive until the expiration of such twenty four (24) month period.

**Section 14.14. Delivery by Facsimile or Email.** This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or email with scan or facsimile attachment, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or email to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or email as a defense to the formation or enforceability of a contract, and each such party forever waives any such defense.

**Section 14.15. Strict Construction.** The parties hereto have participated collectively in the negotiation and drafting of this Agreement, accordingly, if any ambiguity or question of intent or interpretation arises, then it is the intent of the parties hereto that this Agreement shall be construed as if drafted collectively by the parties hereto, and it is the intent of the parties hereto that no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of the authorship of any provisions of this Agreement.

**Section 14.16. Consent to Jurisdiction.** Each Member hereby irrevocably and unconditionally (a) agrees that any suit, action or proceeding, at law or equity, arising out of or relating to this Agreement shall only be brought in the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware lacks jurisdiction, then in the applicable Delaware state court), or if under applicable Law exclusive jurisdiction of such suit, action or proceeding is vested in the federal courts, then the United States District Court for the District of Delaware, (b) expressly submits to the personal jurisdiction and venue of such courts for the purposes thereof and (c) waives and agrees not to raise (by way of motion, as a defense or otherwise) any and all jurisdictional, venue and convenience objections or defenses that such party may have in such suit, action or proceeding. Each party hereto hereby irrevocably and unconditionally consents to the service of process of any of the aforementioned courts. Nothing herein contained shall be deemed to affect the right of any party hereto to serve process in any manner permitted by Law or commence legal proceedings or otherwise proceed against any other party hereto in any other jurisdiction to enforce judgments obtained in any suit, action or proceeding brought pursuant to this Section 14.16.

**Section 14.17. Waiver of Jury Trial.** EACH MEMBER HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUR OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF ANY PARTY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT OF THIS AGREEMENT.

**Section 14.18. Specific Performance.** Each of the parties hereto acknowledges and agrees that the other parties hereto would be damaged irreparably in the event that any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each of the parties hereto agrees that the other parties hereto shall be entitled to seek an injunction or injunctions to prevent breaches of the provisions hereof in any action instituted in any court of the United States or any state thereof having jurisdiction over the parties hereto and the matter (subject to the provisions set forth in Section 14.16 above), in addition to any other remedy to which they may be entitled, at law or in equity.

**Section 14.19. Unfair Prejudice.** Each of the Members hereby agrees that Section 459 of the Companies Act 1985 shall not apply to the LLP, and accordingly that any rights conferred on the Members by Section 459(1) of the Companies Act 1985 are entirely excluded. To the extent that Section 994 of the Companies Act 2006 is applied to LLPs following the Effective Date, each of the Members hereby agrees that that Section shall not apply to the LLP and accordingly that any rights conferred on the Members by 994 of the Companies Act 2006 are entirely excluded.

## ARTICLE XV. DESIGNATED MEMBERS

**Section 15.1. Designated Members.**

(a) The LLP shall ensure that at all times not less than two Members are designated as Designated Members for the purposes of Section 8 of the Act; provided that no Class C Member shall be designated as a Designated Member without its prior written consent, for so long as there are Class A Holders, Class B Holders or Class D Holders.

(b) The LLP shall ensure that each Manager shall be designated and registered as a Designated Member.

(c) The Designated Members shall be responsible (among other things) for:

(i) notifying the Registrar of Companies at Companies House of changes in the name of the LLP, Members, the Designated Members and Registered Office in accordance with the Act;

(ii) preparing and filing the LLP's annual return to the Registrar of Companies at Companies House; and

(iii) otherwise complying with all the duties and obligations imposed upon designated members by the Act.

**Section 15.2. Written Notice.** Within ten Business Days following (i) the taking of any action requiring consent under Section 12.1 or Section 12.2 (other than any immaterial amendment, modification or waiver of any provision of this Agreement) or (ii) the issuance of New Securities entitling any Holder to an Issuance Notice, the LLP shall give written notice of such action to each Member who has not been required to consent to such action and written notice of the securities issuance to each Member to the extent such Member has not been previously notified. Any failure to so notify any Member shall not affect the validity of such action or issuance. The LLP may provide the written notice required hereunder by posting such notice to a protected website to which all Members are provided access.

[END OF PAGE]  
[SIGNATURE PAGES FOLLOW]

**SIGNATURE PAGES TO LIMITED LIABILITY PARTNERSHIP AGREEMENT**

IN WITNESS WHEREOF, the undersigned have executed or caused to be executed on their behalf this Agreement as of the date first written above.

**GENERAL MOTORS COMPANY**

By: \_\_\_\_\_



Name: Walter Borst

Title: Vice President and Treasurer

**SIGNATURE PAGES TO LIMITED LIABILITY PARTNERSHIP AGREEMENT**

IN WITNESS WHEREOF, the undersigned have executed or caused to be executed on their behalf this Agreement as of the date first written above.

**PENSION BENEFIT GUARANTY  
CORPORATION**

By: \_\_\_\_\_



Name: Terrence Dencen

Title: Chief Insurance Program Officer

**SCHEDULE OF MEMBERS**  
(As of October 6, 2009)

Name and Notice Address of Member	Initial Capital Account Balance	Number of Class A Membership Interests	Number of Class B Membership Interests	Number of Class C Membership Interests	Number of Class D Membership Interests	Capital Contributions
[Class B Holders]	\$	0	354,500 Class B	0		
<p>General Motors Company 300 Renaissance Center Detroit, Michigan 48265-3000 Facsimile: (313) 665-4978 Attention: Director of Business Development</p> <p>with copies (which shall not constitute notice to General Motors) to:</p> <p>General Motors Company 300 GM Renaissance Center Detroit, MI 48265 Facsimile: (313) 665-4960 Attn: General Counsel</p>		1,750,000 Class A	0	0		
<p>Pension Benefit Guaranty Corporation 1200 K Street, N.W., Suite 340 Washington, D.C. 20005-4026 Att: Chief Counsel</p>		0	0	100,000 Class C		
[Class D Holders]	[Nil]					[Nil]

**EXHIBIT A**  
**CLASS B SUBSCRIBERS**



**EXHIBIT B**  
**TRANSACTION DOCUMENTS**

1. Master Disposition Agreement
2. Investment Commitment Agreement
3. Loan Agreements

**EXHIBIT C**  
**LLP POLICIES**

1. The LLP shall, and shall cause each of its Subsidiaries and require each of its Officers, employees and other agents to at all times conduct its business in accordance with the U.S. Foreign Corrupt Practices Act and applicable anti-bribery laws in other jurisdictions.
2. Unless otherwise determined by the Board of Managers, the LLP shall, and shall cause each of its Subsidiaries to, obtain, maintain and preserve and take all necessary action to timely renew all permits, licenses, authorizations, approvals, entitlements and accreditations which are necessary in the proper conduct of its business.
3. Unless otherwise determined by the Board of Managers, the LLP shall, and shall cause each of its Subsidiaries to, (a) maintain and preserve its existence, rights and privileges, and become or remain duly qualified and in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary, (b) maintain insurance with financially sound, responsible and reputable insurance companies or associations (including comprehensive general liability, hazard, rent and business interruption insurance) with respect to its properties (including all real properties leased or owned by it) and business, in such amounts and covering such risks as is carried by any Governmental Entity having jurisdiction with respect thereto and as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated, and (c) maintain and preserve all its intellectual property which is necessary in the proper conduct of its business.
4. The LLP shall, and shall cause each of its Subsidiaries to, pay, before the same shall become delinquent, all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or upon any of its properties, except to the extent contested in good faith by proper proceedings which stay the enforcement of any Lien resulting from the non-payment thereof and with respect to which adequate reserves have previously been set aside for the payment thereof in accordance with GAAP.
5. The LLP shall notify each Manager promptly (and in any event within five Business Days) after (a) discovery by the LLP or any of its Subsidiaries of the occurrence of (i) any material default under any material agreement to which the LLP or such Subsidiary is a party, (ii) any condition or event that could reasonably be expected to result in any material liability to the LLP or such Subsidiary under any Law relating to public health and safety, worker health and safety or pollution or protection of the environment, or (iii) any other material adverse change, event or circumstance affecting the LLP or such Subsidiary (including the filing of any material litigation against the LLP or such Subsidiary or the existence of any dispute with any Person that involves any likelihood of such litigation being commenced), or (b) receipt by the LLP or any of its Subsidiaries of any report, management letter or other detailed

information concerning material aspects of the LLP's or such Subsidiary's operations or financial affairs given to the LLP or such Subsidiary by the Independent Auditor. Any such event or information shall be discussed at the next scheduled regular or special, as applicable, meeting of the Board of Managers.

**EXHIBIT D**  
**ENVIRONMENTAL GUIDELINES**

1. Written environmental management guidelines for the LLP and its Subsidiaries establishing the overall environmental practices and policies of the LLP and its Subsidiaries, including an environmental policy statement, which shall be signed by the Chief Executive Officer, to ensure that the LLP and its Subsidiaries, and their respective directors, officers and employees at all times act so as to comply with all Laws relating to the environment.
  
2. Environmental performance standards that are consistent with General Motors' Environmental Performance Criteria (as in effect on the date of the first meeting of the Board of Managers after the Effective Date).

**EXHIBIT E**  
**GENERAL MOTORS CONSOLIDATION REQUIREMENTS**

Section 1.1 Financial Information and Related Matters.

(a) Books and Records. The LLP shall keep at its principal place of business books and records consistent with the LLP's prior practice, to permit the preparation of financial statements as may be required by applicable law and in accordance with GAAP.

(b) Financial Information. The LLP shall:

(i) deliver to General Motors as soon as practicable, but in any event within forty (40) days after the close of each Fiscal Year of the LLP, financial statements, including (1) a balance sheet as of the end of such year, and (2) statements of income, changes in members' or stockholders' equity and cash flows for such year, and (3) notes to such financial statements, all such financial statements prepared in accordance with GAAP and audited and certified by an internationally recognized accounting firm that is registered with the Public Company Accounting Oversight Board (PCAOB);

(ii) deliver to General Motors as soon as practicable, but in any event within fifteen (15) days after the close of each fiscal month and quarter of the LLP (including without limitation any such end that is also a calendar quarter end or Fiscal Year end), an internally prepared balance sheet, income statement, statement of changes in members' or stockholders' equity and statement of cash flows, prepared in accordance with GAAP (except for notes to the financial statements) as of the end of and for such month or quarter, together with comparable year-to-date amounts by the above-mentioned fifteen (15) day due date. For each calendar quarter end, within twenty five (25) days after the close of each quarter of the LLP, the financial statements provided should (1) include notes to such financial statements as required by Article 10 of Regulation S-X and (2) contain a review report provided by an internationally recognized accounting firm that is registered with the PCAOB. In addition, with the balance sheet and income statement for the months of November, February, May, and August, the LLP will also provide an accompanying forecasted balance sheet and income statement as of the end of and for the quarterly period ending December 31, March 31, June 30 and September 30, respectively, by the above-mentioned fifteen (15) day due date. For example, the financial statements delivered as of the end of and for the month of November will also include a forecasted balance sheet and income statement as of the end of the quarter ending December;

(iii) deliver to General Motors prior to the end of each Fiscal Year, a annual business plan for the next fiscal year, which shall be broken out by month and include balance sheets, income statements, statements of changes in members

or stockholders equity and statements of cash flows, and deliver to General Motors as soon as practicable any other revised budgets prepared by the LLP; and

(iv) cooperate with General Motors with respect to, and provide General Motors with, such additional information as General Motors shall reasonably request, such as footnote information, in connection with the preparation of (1) the consolidated financial statements of General Motors (2) the Annual Report on Form 10-K of General Motors and (3) the Quarterly Reports on Form 10-Q of General Motors. Such information may include the components of financial statement balances, financial policies and procedures, information pertaining to off-balance sheet obligations and contingent obligations, information relating to actual and projected research and development expenditures, as well as other information necessary for General Motors' consolidated financial reporting purposes, including any SEC periodic reporting requirements. Such information shall be provided within reasonable timeframes to permit the meeting of General Motors reporting deadlines. (v) deliver, if required, to General Motors any audited annual and unaudited interim financial statements of the LLP required by Rule 3-05 of Regulation S-X within sixty (60) days of the Closing Date.

(c) Internal Controls. The LLP shall establish and maintain internal controls over its financial reporting that provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with GAAP. As required, to permit General Motors to comply with the requirements of Section 404 of SOX, the LLP will complete a management assessment of its internal control over financial reporting consistent with the SEC's rules and staff guidance implementing Section 404 of the act and the LLP's internal control over financial reporting shall be audited and certified by an internationally recognized accounting firm.

The LLP shall use all commercially reasonable efforts to assure that the financial information delivered pursuant to clause (b)(i), b(ii), b(iii), or b(iv) above shall be in accordance with the books and records of the LLP, have been prepared in accordance with GAAP consistently applied throughout the periods covered thereby, except for absence of footnote disclosure for any monthly statements, and fairly and accurately present the consolidated assets and liabilities (including all reserves) of the LLP, as of their respective dates, and the consolidated revenues, expenses, results of operations and cash flows for the periods covered thereby and consolidated changes in financial position of the LLP as of their respective dates and for the periods covered thereby. For the avoidance of doubt, if, for any period, the LLP has any subsidiary whose accounts are consolidated with those of the LLP, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the LLP and all such consolidated subsidiaries.

Section 1.2 SEC Reporting. The LLP shall use all commercially reasonable efforts provide all information needed for General Motors to comply with its

SEC reporting requirements, including the filing of periodic reports in accordance with the SEC's rules and regulations.

Section 1.3 Inspection and Audio Rights.

(a) The LLP shall (i) provide General Motors and its representatives reasonable access, upon reasonable notice and during normal business hours, to all of the facilities, properties, books, and records (including, but not limited to, access to the LLP's transaction detail, contracts, and other information that supports the LLP's financial statements), (ii) make the officers, employees and representatives of the LLP, and the LLP's independent public accountants, available to General Motors and its representatives, upon reasonable notice and during normal business hours, and (c) furnish General Motors and its representatives with any and all information concerning the LLP that is reasonably available to the LLP, or that the LLP can produce using reasonable efforts but without incurring any material additional expense; provided that the LLP may limit access to any information that the LLP determines in its reasonable judgment is of a commercially sensitive nature (other than the information provided to General Motors pursuant to Section 1.1 of this Exhibit E). The LLP and General Motors will negotiate in good faith to determine a method to provide such information to General Motors in a manner that protects the confidentiality and commercial sensitivity of the LLP's information so that the same cannot be used to the LLP's detriment and provides access to such information to satisfy a bona fide financial reporting need of General Motors. Any employee of General Motors who is provided access to such information shall execute a customary confidentiality agreement to maintain the confidentiality of the information and to specify the restrictions on the use of the information.

(b) If it deems it to be necessary, General Motors may engage another accounting firm of international standing to audit the financial accounting or internal control over financial reporting of the LLP, at General Motors' expense. General Motors shall ensure that such other auditor shall keep confidential all information audited by him. The LLP shall permit such other auditor to have reasonable access to the books and records of the LLP, will provide the necessary office space and facilities to enable such examination to be carried out effectively and will otherwise provide any cooperation reasonably requested in connection therewith. In addition, General Motors may (at its own expense) send its internal auditors to the LLP to audit the LLP's financial accounting or controls over financial reporting, and the LLP shall provide any cooperation reasonably requested in connection therewith.

Section 1.4 Termination. The requirements set forth in this Exhibit E shall terminate and be of no further force or effect on a prospective basis at such time as General Motors concluding that it is no longer required to consolidate the LLP in accordance with GAAP such that the information, and reasonable access thereto, is no longer required by General Motors to prepare its consolidated financial statement in accordance with GAAP.

**EXHIBIT F**  
**FORM OF TRANSFER INSTRUMENT**



## Attachment B.6

# Copy of JP Morgan Memo Recommending Unsecured Claims

*CONCUR Kelly  
Pic*

**To: Franklin G. Tate, Jr.**

**From: James P. Shanahan, Jr.; W. Scott Telford III**

**Date: April 12, 2011**

**Re: Delphi Automotive LLP – Unsecured Claims valuation as of March 31, 2011**

Pension Benefit Guaranty Corporation (“PBGC”) holds \$3.0 billion of general unsecured claims against the bankruptcy estate of Delphi Corporation (now known as DPH Holdings Corporation). In 2009, Delphi Automotive LLP (“Delphi LLP”) was organized to purchase certain assets from the bankruptcy estate of Delphi Corporation. General Motors Company (“GM”) received Class A Membership Interests, other creditors received Class B Membership Interests, and PBGC received Class C Membership Interests as part of a settlement with GM regarding the Delphi Corporation pension plan. General unsecured creditors of Delphi Corporation did not receive membership interests, but are entitled to participate in certain payments from Delphi LLP. After the reorganization, the management team received Class E-1 Membership Interests and a withholding percentage. Delphi LLP’s limited liability partnership agreement (the “LLP Agreement”), most recently amended on June 30, 2010, provides that the Board of Delphi LLP will have nine members, four appointed by the Class B holders, four appointed by the Class A holders (GM), and one to be agreed upon. This effectively divided control of Delphi LLP between the GM and the major holders of the Class B Membership Interests.

The Class B Membership Interests trade in the over-the-counter market. On March 31, 2011, the Class B Membership Interests traded at approximately \$21,000 per unit, which implies market value of approximately \$13 billion, substantially higher than the estimated value of Delphi LLP used in connection with the Plan of Reorganization and confirmation process.

On March 31, 2011, PBGC closed on a sale of all of its Class C Membership Interests to Delphi LLP for total proceeds of \$594.0 million. Concurrent with the closing of PBGC’s sale of the Class C Membership Interests, GM closed on a sale of all of its Class A Membership Interests to Delphi LLP for total proceeds of \$3.8 billion. These transactions affect the distribution of proceeds among the equity holders as well as the control of the Board discussed above.

### **General Unsecured Claims**

In satisfaction of general unsecured claims against the bankruptcy estate of Delphi Corporation, unsecured creditors received a participation in certain payments by Delphi LLP after certain distributions of assets, either cash or securities, are made by Delphi LLP to its members according to the waterfall structure established by the LLP Agreement. The waterfall structure is outlined below.

\$000s

<u>Incremental</u> <u>Distribution</u>	<u>Cumulative</u> <u>Distribution</u>	<u>Class A %</u>	<u>Class B %</u>	<u>Class C %</u>	<u>Class E-1 %</u>	<u>Mgt</u> <u>Withholding</u> <u>%</u>	<u>Unsecured</u> <u>Claims</u> <u>%</u>
\$1,000,000	\$1,000,000	48.00%	37.72%	12.00%	0.33%	1.94%	0
1,000,000	2,000,000	56.47%	27.15%	14.11%	0.33%	1.94%	0
500,000	2,500,000	59.99%	27.15%	10.58%	0.33%	1.94%	0
141,758	2,641,758	67.05%	27.15%	3.53%	0.33%	1.94%	0
858,242	3,500,000	24.37%	72.07%	1.28%	0.33%	1.94%	0
141,758	3,641,758	19.24%	72.07%	6.41%	0.33%	1.94%	0
358,242	4,000,000	25.65%	63.52%	8.55%	0.33%	1.94%	0
1,500,000	5,500,000	17.10%	63.52%	17.10%	0.33%	1.94%	0
500,000	6,000,000	25.65%	63.52%	8.55%	0.33%	1.94%	0
1,000,000	7,000,000	30.78%	63.52%	3.42%	0.33%	1.94%	0
200,000	7,200,000	34.20%	63.52%	0.00%	0.33%	1.94%	0
923,077	8,123,077	22.83%	42.40%	0.00%	0.33%	1.94%	32.50%
Thereafter		34.20%	63.52%	0.00%	0.33%	1.94%	0

Although membership interests or other securities were not issued to the holders of general unsecured claims, the LLP Agreement stipulates that the general unsecured claims will receive payments from Delphi LLP when distributions are made to the equity holders (Classes A, B, C and E-1 Membership Interests) in the amount of 32.5% of all distributions once cumulative distributions reached \$7.2 billion; however the aggregate distributions to the general unsecured creditors will not exceed \$300 million. As a result, the total payments to the general unsecured claims are capped at \$300 million at a value for Delphi LLP of approximately \$8.1 billion, substantially less than the current value of Delphi LLP. Given that the general unsecured claims do not have any valuation upside and do not participate in the first \$7.2 billion of distributions, whereas the Class B Membership Interests (the Class A and C Membership Interests were retired on March 31, 2011) share the upside of Delphi LLP's equity value and participate in the first \$7.2 billion of distributions, the general unsecured claims are far more sensitive to the timing of distributions than to marginal changes in the valuation of Delphi LLP. This is a major difference in the interests of the general unsecured claims relative to the Class B Membership Interests, which are more concerned about the value of Delphi LLP rather than the timing of the realization of the value. Delphi LLP and its equity owners are likely to view the obligation to the general unsecured creditors as interest-free financing that they have no incentive to pay and some incentive to avoid paying in determining how to operate Delphi and structure financing and other transactions.

In addition to not receiving securities from the bankruptcy, the general unsecured claims have a purely passive interest in Delphi LLP with no right to appoint or vote on board members or management or any other voting or veto rights related to the management or business of Delphi LLP.

There were a large number of unliquidated claims against Delphi Corporation that have not yet been resolved, so the total size of the pool of general unsecured claims that have the right to share in the payments described above is not yet determined. The bankruptcy estate is processing claims, and the unsecured claims pool currently is expected to be within the range of

approximately \$6.0 billion to \$6.9 billion. Of this total, PBGC's unsecured claims amount is \$3.0 billion, senior unsecured notes represent \$2.5 billion and other trade claims comprise the remainder. Based on the possible range of the final allowed claims pool, PBGC will have an approximately 43.5% to 50.0% interest in the recovery of the general unsecured claims.

### Scenarios

In analyzing the value of the Class C Membership Interests, we ran the valuation under three scenarios: 1) a sale of the Company's assets for cash or securities and a distribution of the proceeds; 2) an IPO under Section 14.13 of the LLP Agreement and 3) the indefinite operation of the Company under its current capital structure and regular payment of dividends to membership interest holders. These scenarios also are appropriate for evaluating the general unsecured claims, although the treatment of the unsecured claims can vary significantly from that accorded to the Class C Membership Interests.

#### **Scenario One:**

Scenario One contemplates a sale of Delphi LLP's assets for either cash or securities of the acquiring entity, the proceeds of which would be distributed to the classes of membership interests according to the waterfall created in the LLP Agreement, adjusted for recent transactions involving the Class A and C Membership Interests. Given that the current value of Delphi LLP is substantially higher than the approximately \$8.2 billion point in the waterfall at which the general unsecured claims cease to participate in any additional distributions, we believe that any sale of Delphi LLP's assets and distribution of the proceeds would result in the maximum recovery to the general unsecured claims under the LLP Agreement of \$300 million. Note however, that the general unsecured claims are much more sensitive to the precise structure of a sale of Delphi than were the Class C Membership Interests. For example, a sale of all the LLP membership interests in the secondary market would not result in a distribution under the waterfall, although a sale of assets followed by a distribution of the proceeds of the asset sale would be a distribution under the waterfall. Given this, we believe that this scenario is unlikely to produce a distribution to the general unsecured creditors.

In addition to the transaction structure issues described above, the other primary risk of the general unsecured creditors under this scenario is time because the maximum amount to be received by them is fixed, and we are unable to estimate the likely timing of a sale of Delphi LLP's assets. Another risk affecting the timing of distributions under this scenario is the possibility that cash generated from Delphi LLP's operations or proceeds from any asset sale might be retained and reinvested in Delphi LLP as opposed to being distributed to the equity holders.

Given that Delphi LLP's equity value implied by the current market value of the Class B Membership Interests exceeds by approximately 60% the equity value necessary for the general unsecured claims to receive the maximum distribution, we do not believe that volatility in the equity value represents a material risk to the value of the general unsecured claims.

In our valuation under Scenario One, we estimated that the general unsecured claims would realize their full distribution amount of \$300 million within one to four years, although there is no assurance that a sale of Delphi LLP's assets would occur at all or the time at which such a sale would occur, so this estimate of value necessarily is highly speculative. In order to estimate a present value of this amount, we discounted the value using a discount rate calculated below.

Five-year Risk-Free Rate	2.28%
Equity Risk Premium	5.09%
Liquidity Discount	5.00%
Discount for Passive Investment and Uncertainty of Resolution	5.00%
Total Discount Rate	17.37%

Years Assumed Until Distribution	Assumed Total Allowed General Unsecured Claims			
	\$6,900,000	\$6,600,000	\$6,300,000	\$6,000,000
1	3.70%	3.87%	4.06%	4.26%
2	3.16%	3.30%	3.46%	3.63%
3	2.69%	2.81%	2.94%	3.09%
4	2.29%	2.39%	2.51%	2.63%

Discounting the full recovery amount at a discount rate of 17.37%, we arrived at a range of present values of PBGC's interest in the general unsecured claims of 2.29%, assuming that Delphi LLP's assets were sold in four years, to 4.26%, assuming Delphi LLP's assets were sold in one year. If the sale and distribution under the waterfall were to occur more than four years away, the present value of this scenario would decline depending on the timing of the actual transaction. In addition, as noted above, we view this outcome as unlikely.

### Scenario Two:

Scenario Two contemplates Delphi LLP completing an IPO, in which case, under the LLP Agreement, the Class B Membership Interests would receive preferred shares with liquidation preferences equal to the amounts due under the first six tranches of the distribution waterfall structure established in the LLP Agreement and common stock valued at the IPO price for the remaining tranches of the distribution waterfall. However, after extensive review of the LLP Agreement we believe that Delphi LLP likely would assert that the receipt of preferred securities and common stock under an IPO would not constitute a distribution of value for purposes of the waterfall structure, and therefore would not result in an obligation to make payments to the general unsecured claims, regardless of Delphi LLP's value implied by the IPO.

Although it is impossible to know when an IPO of Delphi LLP might be completed, we do believe that an IPO of Delphi LLP is significantly more likely to occur than a sale of Delphi LLP or its assets, and that it is more likely that an IPO of Delphi LLP would be completed in the relatively near term than a sale would be completed in the near term. We believe an IPO that resulted in a simpler, more traditional ownership structure and capital structure likely would optimize both the corporate opportunities of Delphi LLP and the value of the equity interests in Delphi LLP compared to the current complex equity structure, even after the redemption of the

Class A and Class C Membership Interests. Therefore, we believe that the timing of the IPO is likely a less significant risk to the recovery of the general unsecured claims than the legal risks in the IPO scenario.

Because it is unlikely that Delphi LLP would treat an IPO as a distribution to equity holders that might trigger payments to unsecured creditors, general unsecured creditors might possibly decide to litigate the issue. We note that there does not appear to be a middle ground interpretation of the documents so that the litigation likely would have a binary outcome of complete success or complete failure. We believe that a court would be reluctant to make what would likely be a binary decision (a judgment of \$300 million if the unsecured claims holders were successful and a judgment of \$0 if Delphi LLP were successful) based on an interpretation of documents that are as unclear and difficult to analyze as are the documents relevant to this issue. Therefore, we believe that the court likely would pressure the parties to reach a settlement of the litigation, which we believe likely would be towards the midpoint of the range of disputed values. Assuming that the range would be approximately 45.0% to 55.0% of the \$300 million in question, we estimated the gross recovery to the general unsecured claims to be between \$135.0 million and \$165.0 million.

In valuing the general unsecured claims under Scenario Two, we ran a sensitivity analysis on the assumed timing of a settlement, which we assumed would occur within one and four years, and the size of the allowed claims pool. We note that it can take much longer to conclude litigation, particularly in a case in which one party has little incentive to settle quickly unless it can obtain a very favorable outcome. In this case, Delphi LLP has the cash and is able to use it without cost until it must distribute the cash to general unsecured creditors, and we believe that Delphi LLP views this as "free financing." Based on our experience in the trading of bankruptcy claims involved in litigation, we believe that the market would discount any estimated recovery at rates ranging from 15.0% to 20.0%, with an average of 17.5%, in the current market environment of low interest rates, high yield credit spreads moderately above average and relatively few large distressed debt opportunities in the corporate market.

Two Year Recovery

Assumed Discount Rate	15.00%		17.50%		20.00%	
	Low	High	Low	High	Low	High
Present Value of Recovery	\$102,079	\$124,764	\$97,782	\$119,511	\$93,750	\$114,583
Assumed Total Allowed General Unsecured Claims						
\$6,000,000	1.70%	2.08%	1.63%	1.99%	1.56%	1.91%
\$6,300,000	1.62%	1.98%	1.55%	1.90%	1.49%	1.82%
\$6,600,000	1.55%	1.89%	1.48%	1.81%	1.42%	1.74%
\$6,900,000	1.48%	1.81%	1.42%	1.73%	1.36%	1.66%

Three Year Recovery

Assumed Discount Rate	15.00%		17.50%		20.00%	
	Low	High	Low	High	Low	High
Present Value of Recovery	\$88,765	\$108,490	\$83,219	\$101,712	\$78,125	\$95,486
Assumed Total Allowed General Unsecured Claims						
\$6,000,000	1.48%	1.81%	1.39%	1.70%	1.30%	1.59%
\$6,300,000	1.41%	1.72%	1.32%	1.61%	1.24%	1.52%
\$6,600,000	1.34%	1.64%	1.26%	1.54%	1.18%	1.45%
\$6,900,000	1.29%	1.57%	1.21%	1.47%	1.13%	1.38%

Four Year Recovery

Assumed Discount Rate	15.00%		17.50%		20.00%	
	Low	High	Low	High	Low	High
Present Value of Recovery	\$77,187	\$94,339	\$70,824	\$86,563	\$65,104	\$79,572
Assumed Total Allowed General Unsecured Claims						
\$6,000,000	1.29%	1.57%	1.18%	1.44%	1.09%	1.33%
\$6,300,000	1.23%	1.50%	1.12%	1.37%	1.03%	1.26%
\$6,600,000	1.17%	1.43%	1.07%	1.31%	0.99%	1.21%
\$6,900,000	1.12%	1.37%	1.03%	1.25%	0.94%	1.15%

This analysis resulted in a range of present values of the recovery to the general unsecured claims under Scenario Two of 1.03% to 1.99%. However, because we have no way of making a credible estimate of possible legal fees associated with this potential litigation, this analysis does not take into account the legal fees that would be incurred if a holder of the general unsecured claims wished to be part of the litigation against Delphi LLP. If the litigation were to take longer than four years to result in a settlement, the present value of the settlement would be lower and potentially much lower.

However, there is no assurance that an IPO of Delphi LLP would occur at all or within the timeframe contemplated by our analysis. There is also no assurance, although we believe it likely, that the general unsecured claims holders would begin litigation against Delphi LLP or that the sides would reach a settlement. The ability to estimate the timing of a settlement between the parties is further complicated by the fact that the \$300 million is essentially free capital to Delphi LLP, and Delphi LLP can incur significant legal fees in the litigation and still generate a "positive carry" on the \$300 million of capital in question by leaving it invested in Delphi LLP

during the duration of the litigation. Despite this uncertainty, we believe that a Delphi LLP IPO followed by litigation as contemplated by this scenario is by far the most likely of the three discussed in this memorandum.

### Scenario Three:

Scenario Three contemplates either Delphi LLP maintaining its current capital structure indefinitely or the general unsecured creditors choosing not to litigate or completely losing the litigation after a Delphi IPO. This scenario contemplates Delphi LLP continuing operations and distributing half of its forecast free cash flow to the membership interests according to the waterfall structure created in the LLP Agreement, adjusted for the recent redemptions of the Class A and Class C Membership Interests, and retaining the second half of its free cash flow for general corporate purposes. Because of the recent transactions by which Delphi LLP acquired the Class A and C Membership Interests, we do not believe Delphi LLP currently has any additional cash on its balance sheet to distribute to its equity holders.

Under this scenario, the general unsecured claims receive payouts under the LLP Agreement in 2024 and 2025. Discounting these cash flows back at a ten-year discount rate of

18.56%, the discount rate calculated in Scenario One adjusted for a ten-year risk-free rate, we arrived at a present value for the entire general unsecured claims pool of approximately \$25.5 million.

Taking into account the potential range of the allowed claims pool, we arrived at a value of the unsecured claims of 0.37% to 0.42%.

Assumed Allowed Claims Pool	Value as %	
	Face Value	
\$6,000,000		0.42%
\$6,300,000		0.40%
\$6,600,000		0.39%
\$6,900,000		0.37%

Although we have calculated a value for general unsecured claims under Scenario Three, we believe that continuing the status quo under Scenario Three is not a likely scenario because we do not believe that the current complex ownership structure optimizes either the corporate opportunities for Delphi LLP or the value of the equity interests in Delphi LLP, although it is a possible scenario following a Delphi LLP IPO and unsuccessful litigation by the general unsecured creditors. In addition, the valuation under this scenario is also much more speculative than the other two scenarios because it requires both forecasting Delphi LLP's cash flow generation over a long period of time and the assumption that Delphi LLP would distribute to its equity owners half of its future cash flow, which is a significantly higher dividend rate than employed by most industrial companies. If Delphi LLP were more conservative in distributing cash, the present value of the general unsecured claims declines, possibly significantly.



## Conclusion

Through the analysis of these three general scenarios we have arrived at the following ranges of value for the unsecured claims.

	Low	High
Implied value under Scenario One	2.29%	4.26%
Implied value under Scenario Two	1.03%	1.99%
Implied value under Scenario Three	0.37%	0.42%

Although the range of values under Scenario One are the highest of the three scenarios, we believe this scenario is the least likely of the three discussed above for two primary reasons. First is that we estimate that a sale of Delphi LLP is unlikely because of the very large size of Delphi relative to other auto parts companies, which leaves few buyers with the market capitalization to be likely to be able to acquire Delphi LLP. Second is the relatively narrow transaction structure required to trigger the distributions under the waterfall: essentially an asset sale followed by a distribution of the proceeds. As a result, we believe there is no more than a 10.0% chance that Scenario One would occur.

We believe that a restructuring of Delphi LLP's capital structure into a more traditional corporate structure followed by an IPO would allow Delphi LLP to simplify its capital structure, which would allow Delphi LLP to maximize its operating opportunities and the value of its equity. Also, Delphi LLP's recent redemptions of the Class A and Class C Membership Interests remove significant points of contention between the three equity classes in an IPO scenario, including the terms of the preferred securities contemplated by the LLP Agreement. As a result, we believe there is an approximately 70.0% chance that Scenario Two would occur.

Although Scenario Three is the status quo, we do not believe that Delphi LLP will maintain its current capital structure of the Class B and Class E-1 Membership Interests because it does not allow Delphi LLP to maximize its corporate opportunities and the value of its equity. We also believe that management is highly unlikely to pursue Scenario Three since Delphi LLP did not distribute any of the \$3.8 billion of cash on its balance sheet as of December 31, 2010 pro rata to all its equity holders but instead used part of the cash balance to partially fund a redemption of the Class A and Class C Membership Interests. As a result, we believe there is an approximately 20.0% chance that Scenario Three would occur.

Applying the probabilities of each of the three scenarios to the range values under each, we arrived at a blended range of values for the general unsecured claims of approximately 1.02% to 1.90% of face value, or approximately \$30.6 million to \$57.1 million for PBGC's \$3.0 billion of unsecured claims. The average of this range is 1.46% of face value or \$43.90 million for PBGC's \$3.0 billion of unsecured claims as of March 31, 2011.

In late March 2011, JPMIM began to explore a possible sale of the PBGC general unsecured creditors' claims, including discussions with Wall Street firms that actively traded Delphi pre-petition unsecured bonds that also are part of the general unsecured creditors class. After conducting initial investigations into possible counterparties with who to trade the PBGC

position, JPMIM entered into discussions with the distressed debt team at (b)(4) with a view towards assembling a group of buyers for the PBGC claims, which represent as much as 50% of the entire pool of general unsecured creditor claims. Through these negotiations, JPMIM and (b)(4) agreed on a transaction by which (b)(4) would acquire all of the PBGC general unsecured creditor claims for 1.78% of face value, \$53.4 million in cash, with the trade to be done on a principal basis with (b)(4) as the counterpart on the trade. The trade was conditioned on negotiating assignment documentation satisfactory to both parties, which is customary in a purchase and sale of claims (as distinct from securities). JPMIM also received a second, unsolicited, bid for the entire position from a boutique firm for 1.76% of face value.

We believe a cash transaction at 1.78% of face value is an attractive resolution for PBGC for the following reasons.

- The transaction level is at the upper level of the range of values under Scenario Two, which we believe to be the most likely scenario, and well above the value under Scenario Three discussed above.
- We believe that a sale of all Delphi's assets followed by a liquidating distribution is highly unlikely given the short list of probable acquirers of Delphi and the incentive on the part of Delphi to maximize equity values and take advantage of the free financing available from deferring distributions that would trigger an obligation to make a distribution to the general unsecured creditors.
- We believe that an IPO of Delphi is a highly probable scenario and that Delphi is very likely to take the position that an IPO is not a distribution that would trigger a distribution to general unsecured creditors, which means that general unsecured creditors will be forced to litigate the issue, which is a time-consuming, expensive and highly uncertain process.
- The transaction provides PBGC with immediate liquidity for its general unsecured creditors claim in a situation in which PBGC has no control or influence over when Delphi LLP might take some action that would result in a liquidity event. The PBGC claims represent as much as 50% of the total pool of general unsecured creditors claims, and previously there has been no active market for general unsecured claims other than pre-petition bonds that trade in small quantity relative to the size of the PBGC claims and are more liquid and easier and cheaper to trade than claims.
- The transaction allows for the complete liquidation of the PBGC general unsecured creditors claims in a single transaction as opposed to possible transactions with several parties over a possibly extended and uncertain period of time with the possibility for lower prices.

## Attachment B.7

# Copy of JP Morgan's Memo Recommending Sale of Class C Interests

**To: Franklin G. Tate, Jr.**

**From: James P. Shanahan, Jr.; W. Scott Telford III**

**Date: DRAFT**

**Re: Delphi LLP – bid for Class C Membership Interests**

---

Pension Benefit Guaranty Corporation owns all of the 100,000 Class C Membership Interests issued by Delphi Automotive LLP (“Delphi LLP”), which was organized on August 19, 2009 to purchase certain assets from the bankruptcy estate of Delphi Corporation. Other creditors received Class B Membership Interests, General Motors (“GM”) received Class A Membership Interests, and unsecured creditors did not receive membership interests, but are entitled to participate in certain distributions from Delphi LLP. After the reorganization, the management team received Class E-1 Membership Interests and a withholding percentage. Delphi LLP’s limited liability partnership agreement (the “LLP Agreement”), most recently amended on June 30, 2010, provides that the Board of Delphi LLP will have nine members, four appointed by the Class B holders, four appointed by the Class A holders (GM), and one to be agreed upon. This effectively divides control of Delphi LLP between the GM and the major holders of the Class B Membership Interests.

The Class B Membership Interests trade in the over-the-counter market, recently in the range of approximately \$19,000-21,000 per unit, which implies market value of approximately \$13 billion, substantially higher than the estimated value of the reorganized company used in connection with the Plan of Reorganization and confirmation process. Neither the Class A or Class C Membership Interests have traded.

(b)(4)



### Class C Membership Units

The Class C Membership Interests were issued in the form of 100,000 individual units, all of which were issued to PBGC. The Class C Membership Interests share in certain distributions of assets, either cash, securities or other, by Delphi LLP to the membership interest equity holders according to the waterfall structure established by the LLP Agreement. The waterfall structure is outlined below.

\$000s						Management
<u>Incremental</u>	<u>Cumulative</u>					<u>Withholding %</u>
<u>Distribution</u>	<u>Distribution</u>	<u>Class A %</u>	<u>Class B %</u>	<u>Class C %</u>	<u>Class E-1 %</u>	
\$1,000,000	\$1,000,000	47.92%	37.65%	11.98%	0.33%	2.12%
1,000,000	2,000,000	56.36%	27.10%	14.09%	0.33%	2.12%
500,000	2,500,000	59.88%	27.10%	10.56%	0.33%	2.12%
141,758	2,641,758	66.93%	27.10%	3.52%	0.33%	2.12%
858,242	3,500,000	24.33%	71.94%	1.28%	0.33%	2.12%
141,758	3,641,758	19.21%	71.94%	6.40%	0.33%	2.12%
358,242	4,000,000	25.61%	63.41%	8.54%	0.33%	2.12%
1,500,000	5,500,000	17.07%	63.41%	17.07%	0.33%	2.12%
500,000	6,000,000	25.61%	63.41%	8.54%	0.33%	2.12%
1,000,000	7,000,000	30.73%	63.41%	3.41%	0.33%	2.12%
Thereafter		34.14%	63.41%	0.00%	0.33%	2.12%

In the case of an initial public offering ("IPO"), the LLP Agreement provides that the first six tranches of the waterfall, which total a cumulative amount of \$3.64 billion, would be distributed to the membership interests will be in the form of preferred stock, and the remaining distributions will be in the form of common stock. Notably, the terms of the preferred stock are not described in the LLP Agreement with the exception that the cumulative preference of the preferred stock should equal the cumulative distributions satisfied by the preferred stock and certain voting rights and board representation. Also, note that the Class A, Class B and Class C receive very different percentages of the preferred relative to the total value of their distributions at current market values, with Class B receiving a materially lower percentage of its distribution amount in the preferred stock. Given this disparity and the lack of clarity in the LLP Agreement regarding the terms of the preferred stock, the Class B holders (and apparently Delphi LLP management) have asserted that the preferred is intended to be a perpetual preferred with no dividend that likely would have a market value much less than its preference value, an interpretation disputed by PBGC's counsel and apparently by GM. This ambiguity and the very different understandings of how the provisions related to the preferred in an IPO scenario create a potential for conflict between the different classes of membership interests that would affect the terms and resulting market value of the preferred stock in the event of an IPO. At current valuation levels, the Class C Membership Interests receive a substantially higher percentage of their recovery in the form of the preferred stock in an IPO scenario than do the other classes of membership interests, this potential range of recoveries from the market value of the preferred stock disproportionately affects the value of the Class C Membership Interests compared to the other classes. At current valuation levels for Delphi LLP, each 10% drop in the value of the preferred securities from its stated liquidation preference would dilute the value of the recovery to GM's Class B Membership Interests by approximately 1% (approximately \$44 million) and dilute the value of the recovery to PBGC's Class C Membership Interests by approximately 5% (approximately \$33 million), while adding approximately 1% (approximately \$77 million) to the value of the recovery to the Class B Membership Interests.

Also of importance is that distributions to the Class C Membership Interests are capped at approximately \$702 million at a value for Delphi LLP of \$7.0 billion, substantially less than the current value of Delphi LLP. Given that the Class C Membership Interests do not have any valuation upside, whereas the Class A and Class B share the upside, the Class C is far more

sensitive to the timing of distributions. This is a major difference in the interests of the Class C Membership Interests relative to the Class A Membership Interests and Class B Membership Interests, which are more concerned about the value of Delphi rather than the timing of the realization of the value.

The Class C Membership Interests have very limited voting rights and do not have the right to appoint or vote on board members or management. The voting rights of the Class C Membership Interests are further limited to the issuance of securities by Delphi LLP that would have a disproportionate economic effect on the Class C Membership Interests, Delphi LLP's filing of any bankruptcy petition or appointment of a receiver, transactions outside the normal course of business with holders of the Class A or Class B Membership Interests, acquisitions or sales of assets involving payments or proceeds exceeding \$200 million, purchases of membership units other than on a proportionate basis, and initial public offering according to terms other than those outlined by the LLP agreement.

The Class C Membership Interests are transferable as long as the transferee executes an instrument of transfer provided by the Company. However, restrictions on transfers to entities deemed to be competitors of the Company and other general restrictions under the LLP Agreement do exist.

### Scenarios

In analyzing the value of the Class C Membership Interests, we ran the valuation under three scenarios: 1) a cash sale of the Company or all of its assets; 2) an IPO under Section 14.13 of the LLP Agreement and 3) the indefinite operation of the Company under its current capital structure and regular payment of dividends to membership interest holders.

#### **Scenario One:**

Scenario One contemplates a sale of the Delphi LLP as an entity or all of Delphi LLP's assets for either cash or securities of the acquiring entity, the proceeds of which would be distributed to the classes of membership interests according to the waterfall created in the LLP Agreement. Given that the current value of Delphi LLP is substantially higher than the \$7.0 billion point in the waterfall at which the Class C Membership Interests cease to participate in any additional distributions, the primary risk of the Class C Membership Interests under this scenario is time, because the amount to be received is fixed and we are unable to estimate the likely timing of a sale of Delphi LLP. Because of the size of Delphi LLP's equity value currently exceeds \$13.0 billion, which is a large market capitalization relative to the universe of likely strategic buyers possibly making an acquisition of Delphi LLP, we expect that any acquisition would likely be for common equity or other securities as opposed to cash. As a result, we are unable to estimate with certainty the liquidity of the securities the Delphi LLP may receive and distribute to the membership interests or the time necessary for the Class C Membership Interests to realize cash for the distributed securities. Given that Delphi LLP's equity value implied by the current market value of the Class B Membership Interests exceeds by approximately 85% the equity value necessary for the Class C Membership Interests to receive its maximum distribution, we do

not believe that volatility in the equity value represents a material risk to the value of the Class C Membership Interests.

In our valuation under Scenario One, we estimated that the Class C Membership Interests would realize their full distribution amount of \$701.8 million within one to three years, although there is no assurance that a sale of Delphi would occur at all or the time at which such a sale would occur, so this estimate of value necessarily is highly speculative. In order to estimate a present value of this amount, we discounted the value using a discount rate calculated below.

Five-year Risk-Free Rate	2.05%
Equity Risk Premium	5.14%
Liquidity Discount	5.00%
Discount for Lack of Board Representation	3.00%
Total Discount Rate	<u>15.19%</u>

Years Assumed Until Distribution	Present Value of Class C Membership Interests (\$000s)
1	\$609,274
2	538,290
3	459,180

Discounting the full recovery amount at a discount rate of 15.19%, we arrived at a range of present values of \$459.2 million, assuming that Delphi LLP was sold in three years, to \$609.3 million, assuming Delphi LLP was sold in one year.

#### Scenario Two:

Scenario Two contemplates Delphi LLP completing an IPO, in which case each of the classes of membership interests would receive preferred shares with liquidation preferences equal to the amounts due under the first six tranches of the distribution waterfall structure established in the LLP Agreement and common stock valued at the IPO price for the remaining tranches of the distribution waterfall. Given that the current value of Delphi LLP is substantially higher than the \$7.0 billion point in the waterfall at which the Class C Membership Interests cease to participate in any additional distributions, the primary risks in the second scenario are the value of the preferred stock and time, because the amount to be received is fixed and we do not know when an IPO of Delphi LLP might be completed. As described above, the lack of clarity in the LLP Agreement regarding the terms of the preferred stock creates a potential for conflict between the different classes of membership interests as to what market value the preferred stock should approximate upon its issuance. In an IPO scenario at Delphi LLP's current value, the Class C Membership Interests receive a higher percentage of their recovery in the form of the preferred stock than do the other classes of membership interests, so a reduction in the market value of the preferred stock reduces the value of the Class C Membership Interests disproportionately to the other classes of membership interests. At current valuation levels for Delphi, each 10% drop in the value of the preferred from its stated liquidation preference would dilute the value of the recovery of GM's Class B Membership Interests by approximately 1% (approximately \$44 million) and dilute the value of the recovery to PBGC's Class C Membership Interests by

approximately 5% (approximately \$33 million), while adding approximately 1% (approximately \$77 million) to the value of the recovery of the Class B Membership Interests.

Although it is impossible know when an IPO of Delphi LLP might be completed, we do believe that an IPO of Delphi LLP is more likely to occur than a sale of Delphi LLP, and that it is more likely that an IPO of Delphi LLP would be completed in the relatively near term than a sale would be completed in the near term. We believe an IPO that resulted in a simpler, more traditional ownership structure and capital structure likely would optimize both the corporate opportunities of Delphi LLP and the value of the equity interests in Delphi LLP compared to the current complex equity structure. Therefore, we believe that timing is likely a less significant risk in the IPO scenario than in the sale scenario. Given that Delphi LLP's equity value implied by the current market value of the Class B Membership Interests exceeds by approximately 85% the equity value necessary for the Class C Membership Interests to receive the maximum distribution, we do not believe that volatility in the equity value represents a material risk to the value of the Class C Membership Interests.

In valuing the Class C Membership Interest under Scenario Two, we ran a sensitivity analysis on the assumed market values of the preferred stock to determine a range of resulting values of the Class C Membership Interests that the Class C Membership Interests would receive in an IPO. Because of the ambiguity in the LLP Agreement regarding the terms of the preferred stock, we believe that the market value of preferred stock will likely be negotiated between the Class B Membership Interests, which disproportionately benefit from a lower preferred stock market value, and the Class A Membership Interests and the Class C Membership Interests, the value of which are disproportionately hurt by a decline in the market value of the preferred stock. Although this issue could be litigated, litigation likely would result in a significant delay in a successful IPO, which likely would damage the present value of the Class C Membership Interests, which have a capped distribution amount, whereas the Class A Membership Interests and Class B Membership Interests benefit from any ongoing appreciation in the value of Delphi LLP. As a result, we believe the market value of the preferred stock would likely be set at a negotiated level. We expect the negotiated market value of the preferred stock likely would be within the range of 70% and 90% of face value, although there can be no assurance that the value would not be lower or higher. In addition, we note that a sale by GM of its Class A Membership Interests to holders of the Class B Membership Interests or to Delphi LLP could weaken the relative negotiating position of the holders of the Class C Membership Interests in an IPO scenario under Section 14.13 of the LLP Agreement. Currently, GM has appointed four of Delphi's nine directors, likely making it very difficult for Delphi to propose terms for the preferred that would result in an extremely large discount to its preference value. Without this board influence, it seems more likely that Delphi, controlled by the holders of the Class B Membership Interests that stand to directly benefit from any dilution in value of the preferred shares, might take a predatory position with regard to the preferred.



(\$000s)		90.0%	80.0%	70.0%
Assumed Market Value of Preferred Stock				
Value of Preferred Securities	\$304,768	\$271,007	\$237,218	
Face Value of Common Equity	363,610	363,748	363,881	
Implied Value of Class C Membership Interests at IPO	668,378	634,755	601,099	

In our valuation under Scenario Two, we estimated that Delphi LLP would complete an IPO within two years and calculated the present value of the distributions at periods of six months, one year, eighteen months and two years, using the 15.19% discount rate described in Scenario One above. However, there is no assurance that an IPO of Delphi LLP would occur at all or the time at which such a sale would occur, so this estimate of value necessarily is highly speculative.

(\$000s)		90.0%	80.0%	70.0%
Assumed Market Value of Preferred Stock				
PV Class C Recovery Assuming Discount Rate of 15.19%				
Six Month	\$621,198	\$589,949	\$558,668	
Twelve Months	580,240	551,051	521,833	
Eighteen Months	540,630	513,434	486,210	
Twenty-four Months	503,724	478,384	453,019	

This resulted in a range of present values of the recovery to the Class C Membership Interests under Scenario Two of \$453.02 million to \$621.2 million.

### Scenario Three:

Scenario Three contemplates Delphi LLP maintaining its current capital structure indefinitely, continuing operations, and distributing half of its forecast free cash flow to the membership interests according to the waterfall structure created in the LLP Agreement and retaining the second half of its free cash flow for general corporate purposes. We also assumed that Delphi LLP paid out \$1.77 billion of cash that it held on its balance sheet as of December 31, 2010 with the 2011 dividend while retaining \$2.00 billion for general corporate purposes.

Under this scenario, the Class C Membership Units received a final payout of the \$702 million recovery in 2021. Discounting these cash flows back at a ten-year discount rate of 16.49%, the discount rate calculated in Scenario One adjusted for a ten-year risk-free rate, we arrived at a present value for the Class C Membership Interests of approximately \$411.3 million.

Although we have calculated a value for Class C Membership Interests under Scenario Three, we believe that a recovery under Scenario Three is the least likely scenario because we do not believe that the current complex ownership structure optimizes either the corporate opportunity for Delphi or the value of the equity interest in Delphi LLP. In addition, the valuation of this scenario is also much more speculative than the other two scenarios because it requires both forecasting Delphi LLP's cash flow generation over a long period of time and the assumption that Delphi LLP would distribute to its equity owners almost half of its current cash balance and

half of its future cash flow. If Delphi were more conservative in distributing cash, the present value of the Class C Membership Interests declines, possibly significantly. In addition, this scenario likely would be the least attractive to Delphi LLP's management and the holders of the Class A Membership Interests and Class B Membership Interests, who would be losing the opportunity to reinvest the cash to build the value of Delphi, in which they participate 100%, while distributions dilute their value by sharing them on a present value basis with the holders of the Class C Membership Interests who do not participate in any increase in the value of Delphi LLP.

**Conclusion**

Through the analysis of these three general scenarios we have arrived at the following ranges of value for the Class C Membership Interests.

\$000s	<u>Low</u>	<u>Median</u>	<u>High</u>
Scenario One - Sale of Delphi LLP	\$459,180	\$534,227	\$609,274
Scenario Two - IPO	453,019	537,109	621,198
Scenario Three - Dividend Stream		411,298	

\*A single value was calculated for Scenario Three as opposed to a range of values.

Although the range of values under Scenarios One and Two are similar, we continue to believe that Scenario Two is the most likely outcome under which PBGC would realize value if PBGC did not sell the Class C Membership Interests. As a result, we have relied more heavily on our analysis under Scenario Two for negotiating purposes.

**(b)(4)** [REDACTED] Through these negotiations, JPMIM and Delphi LLP agreed on a transaction by which Delphi LLP would acquire all of the Class C Membership Interests from PBGC for \$594.0 million in cash, which reflects an equivalent percentage discount from the maximum distribution to the Class C Membership Interests as was negotiated for the GM Class A Membership Interests.

We believe a cash transaction at \$594.0 million is an attractive resolution for PBGC for the following reasons.

- The transaction level is at the upper level of the range of values under Scenarios One and Two and well above the value under Scenario Three discussed above.
- The transaction level represents a discount of 15.3% to the recovery the Class C Membership Interests would receive through a cash distribution under Scenario One, an equivalent discount to that negotiated with GM under the Class A Membership Interest transaction, despite the Class C Membership Interests being more exposed than the Class A Membership Interests to the preferred security valuation risk under an IPO scenario,

not sharing in future increases in the value of Delphi LLP and having significantly fewer voting rights, including the Class A Membership Interests' direct board representation.

- The transaction provides PBGC with immediate liquidity for the Class C Membership Interests in a situation in which PBGC has no control or influence over when Delphi might take some action that would result in a liquidity event. The Class C Membership Interests are very large block of securities for which no other market exists, although it is likely that some other buyer could be found at what JPMIM believes likely would be a lower price.
- The transaction allows for the complete liquidation of the Class C Membership Interests in a single transaction as opposed to possible transactions with several parties over a possibly extended and uncertain period of time.
- The Class C Membership Interests' economic interests are partially protected under the current holdings distribution of the capital structure by the Class A Membership Interests' participation on the board of directors due the Class A Membership Interests' economic interests within the waterfall being more closely aligned with those of the Class C Membership Interests than with the Class B Membership Interests. If the Class A Membership Interests are acquired by Delphi LLP and the Class C Membership Interests remain outstanding, we believe Delphi LLP will be more likely to attempt to enact capital structure events that would disproportionately benefit the Class B Membership Interests at the expense of the Class C Membership Interests.

In addition, we believe that no group of potential buyers of the Class C Membership Interests exists that would value the Class C Memberships Interests as high as Delphi LLP and the significant holders of Class B Membership Interests (collectively the "Acquirers") for the following reasons.

- The Class C Membership Interests do not have the same timing risk for the Acquirers as for a third-party investor, including PBGC, since the Acquirers control the ultimate timing of future liquidity events, such as an IPO.
- In addition to the Class C Membership Interests' fundamental value, ownership of the Class C Membership Interests provide value to the Acquirers in that the acquisition of the Class C Membership Interests, in tandem with the acquisition of the Class A Membership Interests, will allow Delphi LLP to restructure its current capital structure into a structure that would allow the Class B Membership Interests to increase as well as realize the value of their current investment.
- The Class C Membership Interests are not a passive investment for the Acquirers, which the Class C Membership Interests would be for any third-party, since the Class B Membership Interests already have the right to name members to the board of directors as well as possessing other voting rights.

**Delphi LLP**  
**Class C Membership Interests Valuation**  
**Scenario One**  
**Exhibit A**

**Scenario One**

**Valuation of Class C Membership Units**

\$000s; except per share values

Class B Share Count (Second Lien DIP)

Class B Share Price

Implied Equity Value of Class B Shares

Implied Equity Value of Delphi Automotive LLP

Implied Recovery to Class C Shares (PBGC)

Class C Share Count

Implied Recovery per Class C Share

Implied Total Management Withholding Value

294,000
21,000,000
7,444,600
2,641,758
3,701,622
100,000
37,016,221
263,742

Five-year Risk-Free Rate

Equity Risk Premium

Liquidity Discount

Discount for Lack of Board Representation

Total Discount Rate

2.05%
6.14%
6.00%
3.00%
16.19%

**Assumed Time Until Distribution**

1.00	\$806,273	66.81%
2.00	\$538,289	76.70%
3.00	\$466,179	65.43%

**Scenario 1**

0% Discount to Face Value of Preferred Securities

Increment	Cumulative	Class A %	Class A Value	Class B %	Class B Value	Class C %	Class C Value	Class E-1 %	Class E-1 Value	Mgt Withholding %	Mgt Withholding Value	Unsecured Claims %	Unsecured Claims Value
\$1,000,000	\$1,000,000	47.91%	\$479,051	37.65%	\$376,453	11.88%	\$119,763	0.33%	\$3,333	2.14%	\$21,400	0.00%	\$0
1,000,000	2,000,000	56.35%	663,513	27.09%	270,831	14.08%	140,829	0.33%	3,333	2.14%	21,394	0.00%	0
600,000	2,600,000	69.87%	289,360	27.09%	135,465	10.56%	52,811	0.33%	1,667	2.14%	10,697	0.00%	0
141,758	2,641,758	86.81%	94,855	27.09%	38,406	3.52%	4,891	0.33%	473	2.14%	3,033	0.00%	0
858,242	3,500,000	24.32%	208,753	71.83%	817,303	1.28%	10,665	0.33%	2,861	2.14%	19,361	0.00%	0
141,758	3,641,758	19.20%	27,222	71.83%	101,861	6.40%	9,069	0.33%	473	2.14%	3,033	0.00%	0
358,242	4,000,000	25.60%	91,713	63.39%	227,100	8.54%	30,582	0.33%	1,194	2.14%	7,864	0.00%	0
1,500,000	5,500,000	17.07%	256,009	63.39%	950,891	17.07%	256,009	0.33%	5,000	2.14%	32,091	0.00%	0
600,000	6,000,000	25.60%	126,005	63.39%	316,864	8.53%	42,666	0.33%	1,667	2.14%	10,697	0.00%	0
1,000,000	7,000,000	30.72%	307,211	63.39%	633,927	3.41%	34,135	0.33%	3,333	2.14%	21,394	0.00%	0
200,000	7,200,000	34.13%	68,269	63.39%	126,785	0.00%	0	0.33%	667	2.14%	4,279	0.00%	0
923,077	8,123,077	22.76%	210,088	42.27%	380,164	0.00%	0	0.33%	3,077	2.14%	19,746	32.50%	300,000
5,139,628	13,262,705	34.13%	1,754,389	63.39%	3,258,150	0.00%	0	0.33%	17,132	2.14%	109,957	0.00%	0

**Delphi LLP**  
**Class C Membership Interests Valuation**  
**Scenario Two**  
**Exhibit B**

**Class E-1 and Management Withholdings In Like Securities**  
**Scenario Two**

Preferred Securities Value Level	100.0%	90.0%	80.0%	70.0%	60.0%	50.0%	40.0%	30.0%	20.0%	10.0%	0.0%
<b>JPMorgan Analysis</b>											
Class B Trading Level (\$/Unit)	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000
Total Preferred Face	\$3,641,768	\$3,641,768	\$3,641,768	\$3,641,768	\$3,641,768	\$3,641,768	\$3,641,768	\$3,641,768	\$3,641,768	\$3,641,768	\$3,641,768
Total Preferred Value	3,641,768	3,277,682	2,913,406	2,549,230	2,185,055	1,820,879	1,456,703	1,092,527	728,352	364,176	0
Discount to Face Value of Preferred Securities	0.0%	10.0%	20.0%	30.0%	40.0%	50.0%	60.0%	70.0%	80.0%	90.0%	100.0%
Face Value of Common Equity	9,310,946	9,549,348	9,787,916	10,026,639	10,265,510	10,504,521	10,743,666	10,982,937	11,222,330	11,461,837	11,701,455
Total Value To be Distributed	12,952,702	12,826,930	12,701,322	12,575,869	12,450,564	12,325,400	12,200,369	12,075,464	11,950,681	11,826,013	11,701,455
<b>Value of Class A Membership Interest</b>											
Face Value of Preferred Securities	\$1,673,087	\$1,673,754	\$1,674,388	\$1,675,001	\$1,675,592	\$1,676,164	\$1,676,718	\$1,677,253	\$1,677,772	\$1,678,274	\$1,678,761
Value of Preferred Securities	1,673,087	1,506,379	1,339,511	1,172,500	1,005,355	838,082	670,687	503,176	335,554	167,827	0
Face Value of Common Equity	\$2,815,439	\$2,897,971	\$2,980,583	\$3,063,269	\$3,146,027	\$3,228,853	\$3,311,743	\$3,394,695	\$3,477,705	\$3,560,771	\$3,643,880
Value of Common Equity	2,126,903	2,293,621	2,460,489	2,627,500	2,794,645	2,961,918	3,129,313	3,296,824	3,464,446	3,632,173	3,800,000
Implied Discount on Common Equity	24.5%	20.9%	17.4%	14.2%	11.2%	8.3%	5.5%	2.9%	0.4%	-2.0%	-4.3%
Total Value of Class A Membership Interest	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000
Implied Blended Discount on Class A Membership Interest	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%
<b>Value of Class B Membership Interest</b>											
Face Value of Preferred Securities	\$1,540,835	\$1,541,441	\$1,542,026	\$1,542,589	\$1,543,133	\$1,543,660	\$1,544,170	\$1,544,663	\$1,545,141	\$1,545,603	\$1,546,052
Value of Preferred Securities	1,540,835	1,387,286	1,233,620	1,079,812	925,880	771,830	617,668	463,399	309,028	154,580	0
Face Value of Common Equity	\$5,903,665	\$6,057,204	\$6,210,880	\$6,364,688	\$6,518,620	\$6,672,670	\$6,826,832	\$6,981,101	\$7,135,472	\$7,289,940	\$7,444,500
Value of Common Equity	5,903,665	6,057,204	6,210,880	6,364,688	6,518,620	6,672,670	6,826,832	6,981,101	7,135,472	7,289,940	7,444,500
Implied Discount on Common Equity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Value of Class B Membership Interest	7,444,500	7,444,500	7,444,500	7,444,500	7,444,500	7,444,500	7,444,500	7,444,500	7,444,500	7,444,500	7,444,500
Implied Blended Discount on Class B Membership Interest	0.0%	2.0%	4.0%	5.9%	7.7%	9.4%	11.1%	12.7%	14.2%	15.7%	17.2%
<b>Value of Class C Membership Interest</b>											
Face Value of Preferred Securities	\$338,498	\$338,631	\$338,769	\$338,883	\$339,003	\$339,119	\$339,231	\$339,339	\$339,444	\$339,545	\$339,644
Value of Preferred Securities	338,498	304,768	271,007	237,218	203,402	169,559	135,692	101,802	67,889	33,955	0
Face Value of Common Equity	\$363,467	\$363,510	\$363,748	\$363,881	\$364,010	\$364,134	\$364,254	\$364,370	\$364,483	\$364,592	\$364,698
Value of Common Equity	274,579	287,782	300,276	312,117	323,353	334,030	344,189	353,865	363,093	371,903	380,322
Implied Discount on Common Equity	24.5%	20.9%	17.4%	14.2%	11.2%	8.3%	5.5%	2.9%	0.4%	-2.0%	-4.3%
Total Value of Class C Membership Interest	613,077	592,550	571,284	549,335	526,755	503,590	479,881	455,667	430,982	405,858	380,322
Implied Blended Discount on Class C Membership Interest	12.7%	15.6%	18.7%	21.8%	25.1%	28.4%	31.8%	35.2%	38.8%	42.4%	46.0%
<b>Analysis of IPO Scenario</b>											
Recovery to Class C Membership Units Under IPO											
Value of Preferred Securities	\$338,498	\$304,768	\$271,007	\$237,218	\$203,402	\$169,559	\$135,692	\$101,802	\$67,889	\$33,955	\$0
Face Value of Common Equity	363,467	363,510	363,748	363,881	364,010	364,134	364,254	364,370	364,483	364,592	364,698
Implied Recovery to Class C Membership Interest	\$701,966	\$669,378	\$634,755	\$601,099	\$567,411	\$533,693	\$499,946	\$466,172	\$432,372	\$398,547	\$364,698
<b>PV Class C Recovery Assuming Discount Rate of 15.19%</b>											
Six Month	\$652,415	\$621,190	\$589,949	\$558,688	\$527,358	\$496,020	\$464,656	\$433,266	\$401,851	\$370,414	\$338,954
Twelve Months	609,398	600,240	551,051	521,833	492,587	463,315	434,019	404,698	375,355	345,991	316,606
Eighteen Months	597,798	640,630	513,434	486,210	458,961	431,697	404,391	377,072	349,732	322,372	294,983
Twenty-four Months	528,037	503,721	478,384	453,019	427,630	402,219	376,785	351,331	325,858	300,365	274,855

**Delphi LLP**  
**Class C Membership Interests Valuation**  
**Scenario Three**  
**Exhibit C**

	Year 12/31/2011 Est.	Year 12/31/2012 Est.	Year 12/31/2013 Est.	Year 12/31/2014 Est.	Year 12/31/2015 Est.	Year 12/31/2016 Est.	Year 12/31/2017 Est.	Year 12/31/2018 Est.	Year 12/31/2019 Est.	Year 12/31/2020 Est.	Year 12/31/2021 Est.
Revenue	\$14,659	\$16,213	\$16,775	\$17,194	\$17,624	\$18,065	\$18,516	\$18,979	\$19,454	\$19,940	\$20,438
EBITDAR	1,895	2,123	2,197	2,251	2,308	2,365	2,425	2,485	2,547	2,611	2,676
EBITDAR margin	12.9%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%
Cash interest expense	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)	(32)
Cash taxes	(360)	(597)	(622)	(642)	(661)	(682)	(702)	(724)	(745)	(768)	(790)
Capital expenditures	(600)	(663)	(663)	(663)	(663)	(663)	(663)	(663)	(663)	(663)	(663)
Net free cashflow	903	831	879	915	951	989	1,027	1,067	1,107	1,148	1,191
Beginning cash	3,769										
Estimated dividend payments	2,220	416	440	457	476	494	514	533	554	574	595
Cumulative dividend payments	2,220	2,636	3,075	3,533	4,008	4,503	5,017	5,550	6,103	6,678	7,273
Est. Depreciation	426	450	450	450	450	450	450	450	450	450	450
Assumed revenue growth		10.6%	3.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Recovery to Class C Membership Interests	282	32	6	7	38	84	88	85	21	20	40
Ten-year Risk-Free Rate	3.38%										
Equity Risk Premium	5.74%										
Liquidity Discount	6.00%										
Discount for Lack of Board Representation	3.00%										
Total Discount Rate	16.49%										
Est. Present Value of Individual Cash Flows	\$251	\$24	\$4	\$4	\$18	\$35	\$31	\$26	\$5	\$4	\$8
Est. Total Present Value	\$411.3										
Value as % Total Recovery	58.5%										

## Attachment B.8

Copy of Greenhill's May 21,  
2010 Discussion Materials

**DRAFT**



---

## **Discussion Materials**

**May 21, 2010**

---



**DRAFT**

## **Table of Contents**

---

- 1. Executive Summary**
2. Business Plan Overview and Summary Projections
3. Updated Valuation
  - A. Current Delphi Valuation and Recovery Analysis
  - B. Future Delphi Valuation and Recovery Analysis

### Appendix

- A. Supporting Valuation Material

**DRAFT**

**Executive Summary**

## **Executive Summary**

**The following presentation provides a summary review of Delphi's Plan of Reorganization and the January 2010 business plan and updated valuation analyses for Delphi Automotive LLP ("New Delphi" or the "Company")**

- Reorganized Delphi emerged from its lengthy chapter 11 proceedings in October 2009
  - The PBGC successfully negotiated plan treatment comparable to that of Delphi's secured lenders, which was vastly superior to the unsecured creditors' recovery in these cases
- The following presentation provides a summary review of the Company's plan of reorganization, its 2010 business plan (the "Business Plan"), an updated consolidated valuation analysis based on recent results and revised projections and an updated view on the value of PBGC's stake from prospective future distributions from New Delphi
- We consider the value of PBGC's stake in New Delphi in two distinct ways:
  - As a portion of New Delphi's current standalone value
  - As a share of distributions over time (including a hypothetical future monetization of New Delphi), discounted back to present value today
- Our valuation analysis concludes that New Delphi's value today ranges from \$6.5 billion to \$8.0 billion
  - This compares with our view in October 2009 of an enterprise value range of \$5 billion to \$6 billion
  - This implies a total recovery to the PBGC of \$772 million to \$907 million – a recovery of approximately 11-13% for PBGC
- Assuming New Delphi will not be monetized before 2011 or 2012, our future value of the Company as of FYE 2011 implies an enterprise value range of \$7.5 billion to \$9.0 billion
  - This compares to our view in October 2009 of an enterprise value of \$6 billion to \$7 billion as of FYE 2011
  - This implies a present value recovery of 9.0% to 10.0%. This level of recovery is also consistent with the valuation implied by the current secondary market trading levels of New Delphi's Class B equity units
- In light of the market's recognition of Delphi's improved performance and prospects, the timing of a Delphi monetization is becoming more important to the ultimate value of the PBGC's recovery

**DRAFT**

**Executive Summary**

**Executive Summary**

The following materials summarize Greenhill's valuation analyses of the PBGC's stake in New Delphi

Value to be administered by a distribution trust and be used over time to make distributions on account of certain administrative claims, secured claims, priority claims, priority tax claims and "flow-through" claims based upon employee-related obligations

The PBGC's recovery on account of its unsecured claims in Delphi's chapter 11 is comparable to a secured lender's and is comprised of:

- ▶ A \$70 million cash payment
- ▶ Distributions on account of the PBGC's Class C Membership Interest in Holdco under the New Delphi "waterfall" (the "Waterfall," shown on the next slide); and
- ▶ 45% of any distributions made from New Delphi to general unsecured creditors under the Waterfall

- On July 30, 2009, the United States Bankruptcy Court confirmed Delphi's plan of reorganization (the "POR"), resulting in a three-way division of Delphi's assets and operations:

Company	Ownership	Assets Acquired
GM Components Holdings, LLC	GM	Steering business and four U.S. manufacturing plants
DPH Holding Co.	To be wound down, sold or liquidated	Non-core assets
Delphi Automotive LLP	GM, Delphi's Tranche C DIP Lenders and the Pension Benefit Guaranty Corporation (the "PBGC"). In contrast, Delphi's unsecured creditors received only a contingent right to limited distributions from New Delphi after distributable value exceeds \$7.2bn	All of Delphi's other key rest-of-world assets and operations. Is expected to operate under a Delphi name

- In addition to \$1.75 billion cash and a \$500 million delayed draw term loan that GM provided to New Delphi, GM also provided the Delphi estate with \$996 million (a) to pay off approximately \$380 million of Delphi's Tranche A and B DIP, \$170 million of hedging obligations, \$291 million of Delphi's Tranche C DIP and \$155 million in other Delphi claims and expenses, including certain administrative claims and estate wind-down costs, (b) to waive administrative claims of approximately \$2 billion related to the portion of the hourly pension plan transferred in 2008 and GM's liquidity arrangement with Delphi (the "GM Arrangement") and (c) to provide, subject to certain conditions, an additional \$250 million of availability under the GM Arrangement

- The transactions closed on October 6, 2009

DRAFT

## Executive Summary

# Situation Overview

## Summary of Delphi's Confirmed POR

### Key Parties

- PBGC
- Delphi
- Holdco – Holding company formed to acquire substantially all of Delphi's rest-of-world continuing operations ("New Delphi")
- GM – Delphi's former parent and largest customer and a major investor in New Delphi; GM will acquire substantially all of Delphi's continuing U.S. operations
- Treasury
- Tranche Cs – Holders of Delphi's \$2.75 billion Tranche C DIP
- Unsecured Creditors Committee ("UCC") – The official statutory vehicle representing the unsecured creditors of Delphi (approximately \$3.5 billion, not including the PBGC)

### New Delphi Capitalization

- GM – \$1.75 billion equity, plus a \$500 million delayed-draw term loan (L + 6%)
- DIP Lenders – \$500 million delayed-draw term loan (L + 6%)
- DIP Lenders – \$41 million 12% notes due July 2014
- DIP Lenders – \$355 million equity infusion
- Minimum Cash on Balance Sheet – \$800 million<sup>(1)</sup>

### New Delphi Waterfall

- As outlined on the following page, the New Delphi transaction provides for a "waterfall" for the distribution of any cash from New Delphi (e.g., cash dividends or proceeds from the sale or IPO of New Delphi)
- New Delphi Waterfall is the result of successive rounds of multi-lateral negotiations among the various key parties based upon either new money investments via Holdco or claims against Delphi and/or its affiliates

### PBGC Treatment

- Release asserted liens and joint-and-several claims against foreign non-debtor subsidiaries
- Receive \$70 million in cash up front
- Participate in distributions under the New Delphi Waterfall
- Receive a \$3 billion unsecured claim in Delphi's U.S. chapter 11 case (which will share *pro rata* with any distributions to unsecured creditors)
- Obtained treatment superior to that of other general unsecured creditors and similar in certain respects to that of the secured Tranche C DIP

**DRAFT**

**Executive Summary**

**New Delphi Waterfall**

This transaction provides for the Waterfall distribution of any cash from New Delphi (e.g., cash dividends or proceeds from a sale or IPO)

Resulting value waterfall varies ownership stake for GM, DIP, UCC and PBGC based upon the total value of New Delphi distributions

The PBGC's recovery is capped at \$720 million plus the \$70mm cash payment and the PBGC's 45% share of the general unsecured creditor distribution – *note that this represents an outcome for the PBGC that is far better than for other unsecured creditors and comparable to the treatment of the secured Tranche C DIP Lenders*

GM will receive the greatest percentage of recovery at lower valuations, with DIP Lenders capturing the benefit of any large upside in New Delphi's value

GM-DIP-PBGC Agreement (including UCC settlement)

Increment	Cum	GM	DIP	PBGC <sup>(1)</sup>	UCC	Total
1,000.0	1,000.0	49.12%	38.60%	12.28%	-	100.00%
1,000.0	2,000.0	57.78%	27.78%	14.44%	-	100.00%
500.0	2,500.0	61.39%	27.78%	10.83%	-	100.00%
141.8	2,641.8	68.61%	27.78%	3.61%	-	100.00%
858.2	3,500.0	24.94%	73.75%	1.31%	-	100.00%
141.8	3,641.8	19.69%	73.75%	6.56%	-	100.00%
358.2	4,000.0	26.25%	65.00%	8.75%	-	100.00%
1,500.0	5,500.0	17.50%	65.00%	17.50%	-	100.00%
500.0	6,000.0	26.25%	65.00%	8.75%	-	100.00%
1,000.0	7,000.0	31.50%	65.00%	3.50%	-	100.00%
200.0	7,200.0	35.00%	65.00%	-	-	100.00%
923.1	8,123.1	23.63%	43.88%	-	32.50%	100.00%
> 8,123.1	> 8,123.1	35.00%	65.00%	-	-	100.00%

Cumulative Distributions

Increment	Cum	GM	DIP	PBGC <sup>(1)</sup>	UCC	Total
1,000.0	1,000.0	491.2	386.0	122.8	-	1,000.0
1,000.0	2,000.0	1,069.0	663.8	267.2	-	2,000.0
500.0	2,500.0	1,375.9	802.7	321.4	-	2,500.0
141.8	2,641.8	1,473.2	842.1	326.5	-	2,641.8
858.2	3,500.0	1,687.2	1,475.0	337.8	-	3,500.0
141.8	3,641.8	1,715.1	1,579.6	347.1	-	3,641.8
358.2	4,000.0	1,809.1	1,812.4	378.4	-	4,000.0
1,500.0	5,500.0	2,071.6	2,787.4	640.0	-	5,500.0
500.0	6,000.0	2,202.9	3,112.4	684.7	-	6,000.0
1,000.0	7,000.0	2,517.9	3,762.4	719.7	-	7,000.0
200.0	7,200.0	2,587.9	3,892.4	719.7	-	7,200.0
923.1	8,123.1	2,806.0	4,297.4	719.7	300.0	8,123.1

Distributions to the general unsecured creditors are capped at \$300 million and do not begin until total distributions reach \$7.2 billion

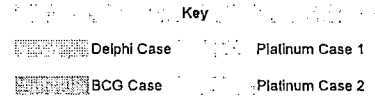
Note:  
 (1) Does not include upfront payment of \$70M by GM to the PBGC  
 Source: General Motors

**DRAFT**

**Executive Summary**

**Summary Projections**

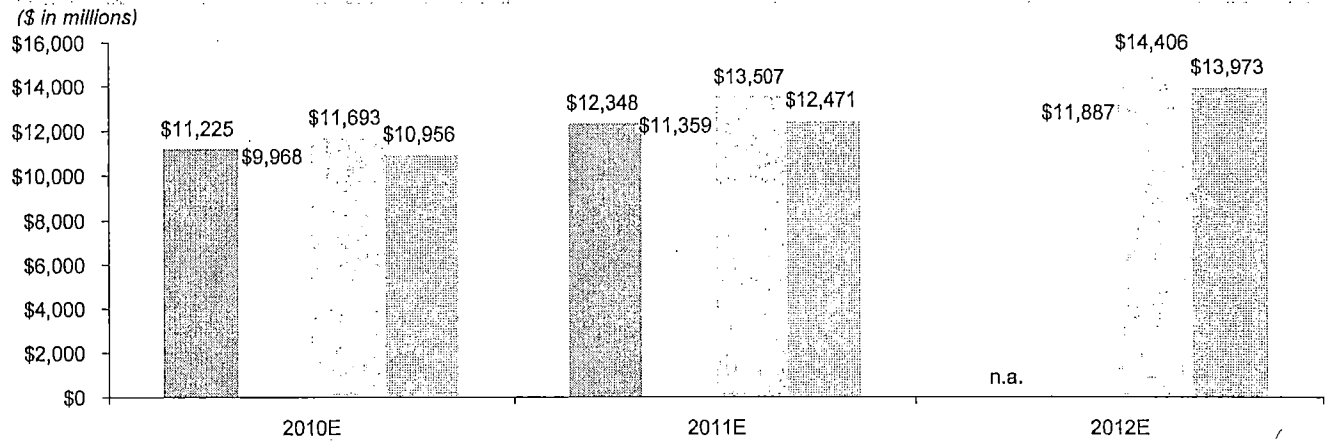
**Comparison of Projected Cases**



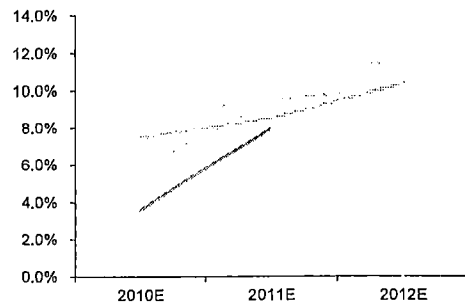
The Business Plan revenue projections for Delphi are within the range of the prior projections from both BCG and Platinum that we discussed in October

On an EBITDAR basis, each set of projections assumes a different ramp-up. With the exception of 2010, the New Delphi projections are still below Platinum Case 2

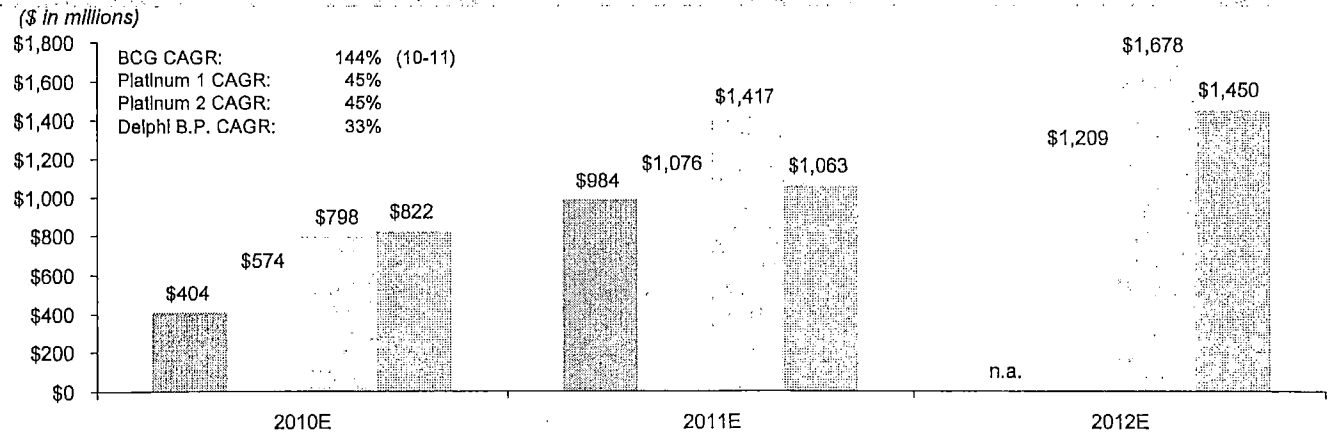
**Projected Revenue**



**Projected EBITDAR Margin**



**Projected EBITDAR**



**DRAFT**

**Executive Summary**

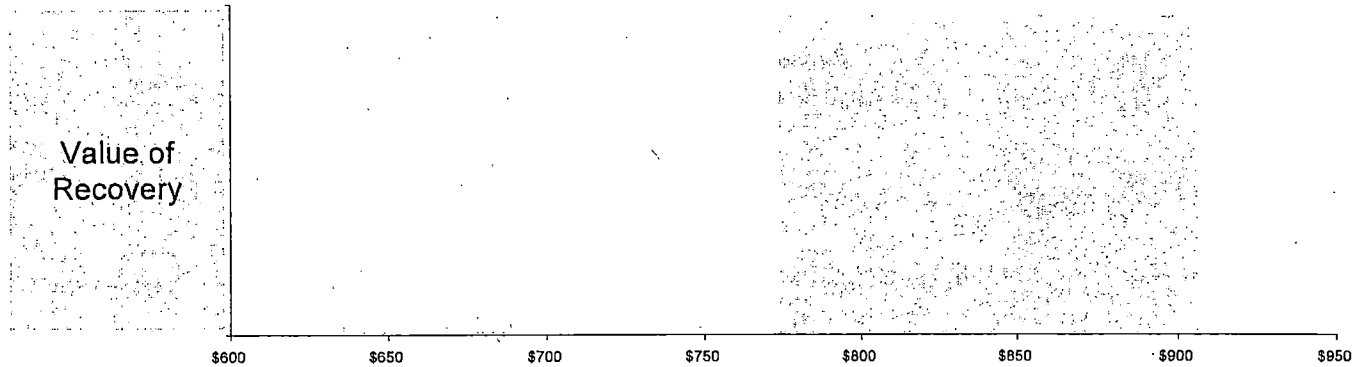
# Valuation Summary

The following materials consider the value of PBGC's share of the New Delphi Waterfall in two distinct ways:

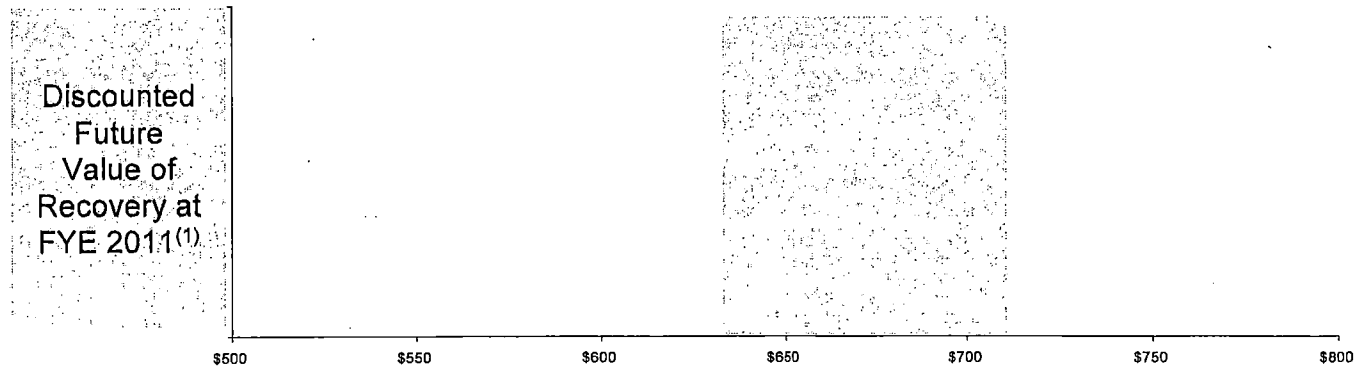
- As a portion of New Delphi's current value, assuming monetization today
- As a share of distributions over time (including a hypothetical future monetization of New Delphi), discounted back to present value today

**Value of PBGC Recovery**

(\$ in millions)



**Discounted Future Value of Recovery at FYE 2011 (1)**



**Key**

Valuation Range Determined in October 2009

Valuation Range Determined in May 2010

**DRAFT**

**Executive Summary**

**Recovery Implications of Business Plan Projections**

For the current valuation, we estimate equity value at \$6.5 to \$8.0 billion, which implies a distribution to the PBGC under the New Delphi Waterfall of \$702 - \$837 million; when added to the \$70 million cash payment, this would result in a PBGC recovery today of approximately 11.0% – 13.0% on a \$7 billion claim

With respect to the future equity valuation, we estimate the future equity value to be \$7.5 to \$9.0 billion as of the end of 2011

The present value of future distributions, when added to the \$70 million up-front cash payment, results in a PBGC recovery of approximately 9.2% to 10.1%

**Current Equity Valuation**

(\$ in millions)

Equity Value	\$6,500	\$7,250	\$8,000
<b>PBGC Recovery Contributions:</b>			
Cash	\$70	\$70	\$70
Equity Stake	702	720	720
\$3bn Unsecured Claim	0	7	117
<b>Total Recovery</b>	<b>\$772</b>	<b>\$797</b>	<b>\$907</b>
% total recovery of \$7bn claim	11.0%	11.4%	13.0%

Ranged from 8.9% to 10.8% based on BCG and Platinum projections in October 2009

**Discounted Future Equity Valuation**

(\$ in millions)

Equity Value	\$7,500	\$8,250	\$9,000
<b>PBGC Recovery Contributions:</b>			
Cash	\$70	\$70	\$70
Equity Stake	720	720	720
\$3bn Unsecured Claim	44	135	135
<b>Total Recovery</b>	<b>\$833</b>	<b>\$925</b>	<b>\$925</b>
% total recovery of \$7bn claim	11.9%	13.2%	13.2%
<b>PV of Recovery at 20%<sup>(1)</sup></b>	<b>\$642</b>	<b>\$710</b>	<b>\$710</b>
% total recovery of \$7bn claim	9.2%	10.1%	10.1%

Ranged from 7.4% to 7.7% based on BCG and Platinum projections in October 2009



**DRAFT**

**Executive Summary**

**Recovery Waterfall**

Based on Class B Equity Unit Pricing

As an additional reference point, we also have assessed the valuation implied by the current secondary market trading levels of New Delphi's Class B equity units

The current Class B equity unit pricing of ~\$14,000 implies that if a Delphi monetization event occurred today PBGC could recover as much as 13% on its claims

By comparison, Class B units were trading at approximately \$6,900 in late October 2009

(\$ in millions)

Class B Unit Price	Current Class B Value	Current Value		Implied Value in 2011 at 20% Required Return			Implied Value in 2012 at 20% Required Return		
		Equity Value		FV Equity	PV Equity		FV Equity	PV Equity	
\$6,900	\$2,446	\$4,975		\$5,797	\$4,758		\$6,714	\$4,592	
\$12,123	\$4,297	\$8,123		\$9,567	\$7,852		\$11,178	\$7,645	
\$14,000	\$4,963	\$9,147		\$10,814	\$8,876		\$12,675	\$8,669	

Class B Unit Price	Current Class B Value	Current Value		Implied Value in 2011 at 20% Required Return			Implied Value in 2012 at 20% Required Return		
		Value to PBGC	PBGC Recovery	FV to PBGC	PV to PBGC	PBGC Recovery	FV to PBGC	PV to PBGC	PBGC Recovery
\$6,900	\$2,446	\$549	7.8%	\$667	\$547	7.8%	\$710	\$485	6.9%
\$12,123	\$4,297	\$855	12.2%	\$855	\$701	10.0%	\$855	\$585	8.4%
\$14,000	\$4,963	\$855	12.2%	\$855	\$701	10.0%	\$855	\$585	8.4%

Class B Unit Price	Current Class B Value	Current Value		Implied Value in 2011 at 20% Required Return			Implied Value in 2012 at 20% Required Return		
		Value to PBGC Incl. GM Payment <sup>(1)</sup>	PBGC Recovery	FV to PBGC	PV to PBGC Incl. GM Payment <sup>(1)</sup>	PBGC Recovery	FV to PBGC	PV to PBGC Incl. GM Payment <sup>(1)</sup>	PBGC Recovery
\$6,900	\$2,446	\$619	8.8%	\$667	\$617	8.8%	\$710	\$555	7.9%
\$12,123	\$4,297	\$925	13.2%	\$855	\$771	11.0%	\$855	\$655	9.4%
\$14,000	\$4,963	\$925	13.2%	\$855	\$771	11.0%	\$855	\$655	9.4%

**Class B Equity Price**

October 2009	May 19, 2010
\$6,900	+/- \$14,000

DRAFT

## Table of Contents

---

1. Executive Summary
2. **Business Plan Overview and Summary Projections**
3. Updated Valuation
  - A. Current Delphi Valuation and Recovery Analysis
  - B. Future Delphi Valuation and Recovery Analysis

### Appendix

- A. Supporting Valuation Material

DRAFT

**Business Plan Overview and Summary Projections**

**New Delphi**

**Company Profile**

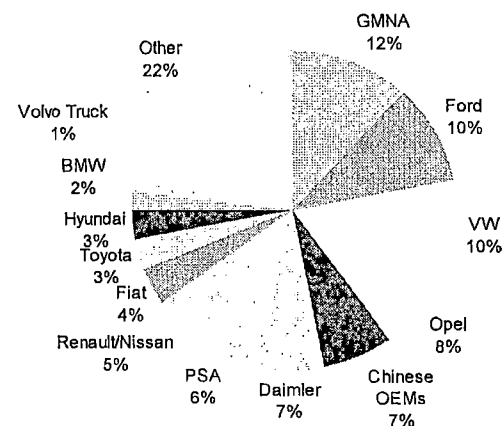
On October 6, 2009, New Delphi completed the acquisition of Delphi Corp's core global business and emerged from bankruptcy as a leading diversified auto parts supplier

As a result of the reorganization, New Delphi only has 32% exposure to North American markets (down from 68% in 2005) and 12% exposure to GM North America (down from 40% in 2005)

**Description**

- New Delphi is a leading global supplier of mobile electronics and transportation systems, including:
- Delphi's operating structure consists of its core business within four segments that previously identified strategic product lines (excluding Corporate & Other)
  - These include:
    - Electronics & safety
    - Powertrain systems
    - Electric / Electronic architecture
    - Thermal systems
- The Company has an expansive global network, with nearly 270 facilities in 33 countries

**2010E Sales by Customer**



**Projected Financial Performance**

(\$ in millions)	2010E	2011E	2012E
Net Sales <sup>(1)</sup>	\$10,956	\$12,471	\$13,973
Growth % <sup>(2)</sup>	10.7%	13.8%	12.0%
EBITDA	\$625	\$934	\$1,402
% Margin	5.7%	7.5%	10.0%
EBITDAR	\$822	\$1,063	\$1,450
% Margin	7.5%	8.5%	10.4%
Capital Expenditure	\$424	\$472	\$492
% Margin	3.9%	3.8%	3.5%

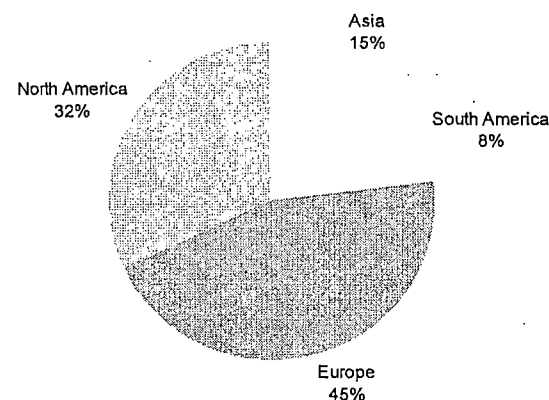
Notes:

(1) 2010 to 2012 booked revenue at 97%, 91% and 77%, respectively

(2) 2010E growth based on pro-forma 2009 revenue of \$9.9bn. Actual 2009 revenue was \$11.8bn, not pro-forma for businesses not acquired by New Delphi prior to 10/6/09

Source: 1/14/10 Delphi Overview presentation by Rodney O'Neal, 1/14/10 Delphi Investor Day Presentation: 2010 to 2012 Outlook

**2010E Geographic Sales Contributions**



DRAFT

Business Plan Overview and Summary Projections

New Delphi

Diversified Customer Base

No single customer accounts for more than 20% of global sales

New Delphi has also diversified away from GM's North American operations

New Delphi's ten customers that are projected to exceed \$300mm annually in 2012

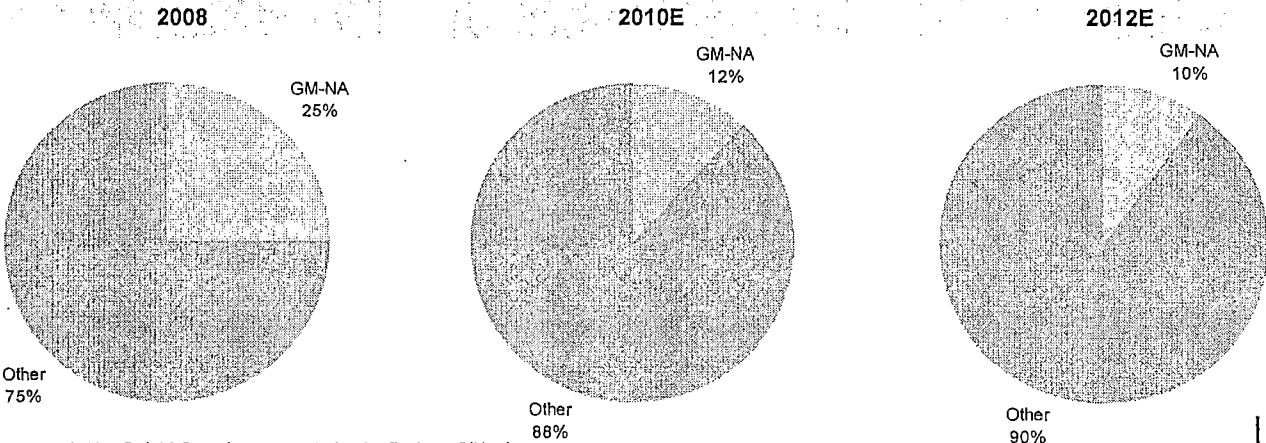
Global Customer Base



New Delphi's 10 Largest Markets

- 1. U.S.
- 2. Germany
- 3. China
- 4. France
- 5. Brazil
- 6. Sweden
- 7. South Korea
- 8. Italy
- 9. India
- 10. UK

Diversification Away from GMNA



Source: 1/14/10 Delphi Overview presentation by Rodney O'Neal

**DRAFT**

**Business Plan Overview and Summary Projections**

**Summary Projections**

(\$ in millions)

**Income Statement:**

Revenue<sup>(1)</sup>

Growth %<sup>(2)</sup>

Total Operating Expenses

Operating Income

% Margin

EBITDAR

% Margin

EBITDA

% Margin

**Balance Sheet:**

Total Cash

Total Debt

Net Cash

Net Working Capital

Net Working Capital % Sales

	2010E	2011E	2012E
	12.2% CAGR from 2009 to 2012E		
Revenue	\$10,956	\$12,471	\$13,973
Growth %	10.7%	13.8%	12.0%
Total Operating Expenses	(\$10,862)	(\$12,087)	(\$13,144)
Operating Income	\$94	\$384	\$829
% Margin	0.9%	3.1%	5.9%
EBITDAR	\$822	\$1,063	\$1,450
% Margin	7.5%	8.5%	10.4%
EBITDA	\$625	\$934	\$1,402
% Margin	5.7%	7.5%	10.0%
Total Cash	\$2,518	\$2,606	\$3,027
Total Debt	527	518	438
Net Cash	\$1,991	\$2,088	\$2,589
Net Working Capital	\$1,258	\$1,415	\$1,552
Net Working Capital % Sales	11.5%	11.3%	11.1%

For purposes of its Business Plan, New Delphi has used global volume projections that are approximately 9% less than DRI's November 2009 projection for 2010-2012

2010 revenue growth expected to be driven by volume growth and new business, accounting for ~51% and ~43% of the increase in revenue, respectively

Projected EBITDAR is expected to grow \$1.2bn from \$210mm in 2009E to \$1.45bn in 2012E

New Delphi is projected to return to profitability and positive cash flow in 2010

**Notes:**

(1) 2010 to 2012 booked revenue at 97%, 91% and 77%, respectively

(2) 2010E growth based on pro-forma 2009 revenue of \$9.9bn. Actual 2009 revenue was \$11.8bn, not pro-forma for businesses not acquired by New Delphi prior to 10/6/09

Source: 1/14/10 Delphi Investor Day Presentation: 2010 to 2012 Outlook

**DRAFT**

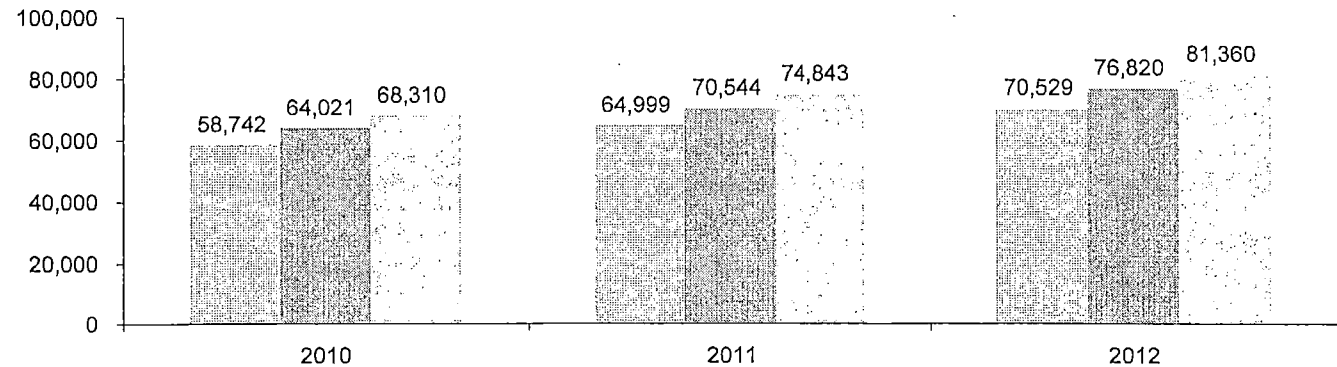
**Business Plan Overview and Summary Projections**

**Volume Projections**

Delphi utilized conservative volume assumptions in developing its projections

(000s of Units)	Delphi Projections			November DRI Projections			April 2010 IHS Forecast		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
GMNA	2,009	2,368	2,656	2,145	2,443	2,770	2,588	2,901	3,209
Other NA	8,131	9,601	10,844	8,281	9,723	11,226	8,611	9,627	11,085
North America	10,140	11,969	13,499	10,425	12,166	13,996	11,199	12,527	14,294
Asia	28,220	31,163	33,312	32,218	35,169	37,628	34,891	38,567	41,489
China	10,426	11,396	12,238	13,658	14,579	15,539	15,459	16,707	17,857
Eastern Europe	5,230	5,591	6,234	5,224	5,774	6,367	5,294	5,789	6,351
Western Europe	11,568	12,460	13,491	12,139	13,232	14,412	12,701	13,599	14,633
Europe	16,799	18,051	19,725	17,363	19,005	20,779	17,995	19,388	20,984
South America	3,583	3,816	3,992	4,015	4,203	4,416	4,225	4,361	4,593
<b>Global</b>	<b>58,742</b>	<b>64,999</b>	<b>70,529</b>	<b>64,021</b>	<b>70,544</b>	<b>76,820</b>	<b>68,310</b>	<b>74,843</b>	<b>81,360</b>

**Global Volume Projections**



**Key**

- Delphi Business Plan Projections
- November DRI Projections
- April 2010 IHS Forecast

DRAFT

Business Plan Overview and Summary Projections

## Overview of Recent Performance

### Recent Operating Results

Delphi significantly outperformed its plan in Q1.

(\$ in millions)	Q4 2009		Q1 2010
	Actual	Forecast <sup>(1)</sup>	Actual
Net Sales	\$3,421	\$3,000 – \$3,200	\$3,410
D&A	139		106
Restructuring	184		33
Other Opex	3,108		2,954
Operating Income	(\$10)		\$317
% Sales	(0.3%)		9.3%
EBITDA	\$129	\$160 – \$225	\$423
% Sales	3.8%	5% ~ 6%	12.4%
EBITDAR	\$313	\$240 – \$300	\$456
% Sales	9.1%	8% ~ 9%	13.4%

**DRAFT**

**Business Plan Overview and Summary Projections**

**Overview of Recent Performance**

**Recent Cash Flows**

(\$ in millions)

	Pro-Forma Q4 2009	Q1 2010	
Cash From Operating Activities	\$220	\$246	<ul style="list-style-type: none"> <li>Includes (\$162)mm of cash restructuring charges</li> <li>Includes positive \$75mm due to change in GM payment terms</li> <li>Includes \$23mm payment from GM to Delphi for former UAW sites, returned in January</li> </ul>
Cash From Investing Activities	23	(98)	
Cash From Financing Activities	1,899	52	<ul style="list-style-type: none"> <li>Includes (\$81)mm of cash restructuring</li> </ul>
Effect of Exchange Rates	1	(11)	
Increase in Cash and Cash Equivalents	\$2,143	\$189	<ul style="list-style-type: none"> <li>Includes \$67mm of proceeds from divestitures less (\$100)mm of cash invested in time deposits</li> </ul>
Cash and Cash Equivalents at Beginning of Period	964	3,107	<ul style="list-style-type: none"> <li>Includes \$74mm of proceeds from divestitures</li> </ul>
Cash and Cash Equivalents at End of Period	\$3,107	\$3,296	
Restricted Cash	96	178	<ul style="list-style-type: none"> <li>Includes \$1.8bn of proceeds from membership interests</li> <li>Includes \$135mm Plan Investor settlement proceeds</li> </ul>
Cash Balance Including Restricted Cash	\$3,203	\$3,474	



DRAFT

Business Plan Overview and Summary Projections

## Global Liquidity Summary

<i>(\$ in millions)</i>	3/31/10	12/31/09
Cash	\$3,474	\$3,203
Debt	\$438	\$396
Net Cash	\$3,036	\$2,807
Delayed Draw Term Loan (undrawn)	\$890	\$890
Total Availability	\$3,926	\$3,697

DRAFT

Business Plan Overview and Summary Projections

Q2 Performance Guidance

Delphi expects to continue to outperform its plan in Q2

(\$ in millions)	Q2 2010	
	Budget	Outlook
Sales	\$2,751	\$3,200 - \$3,400
EBITDA	\$158	\$250 - \$300
% Sales	5.8%	8% ~ 9%
EBITDAR	\$213	\$350 - \$400
% Sales	7.8%	11% ~ 12%
Cash Flow Before Financing	(\$19)	\$25 - \$75
Net Cash	\$2,573	\$3,050 - \$3,100

**DRAFT**

**Business Plan Overview and Summary Projections**

**New Delphi**

**Business Overview**

**New Delphi**

Total 2010E Sales: \$11.0bn

	<b>Electronic and Safety</b>	<b>Powertrain Systems</b>	<b>Thermal Systems</b>	<b>Electrical / Electronic Architecture</b>	<b>Delphi Product and Service Solutions</b>
<b>Description</b>	Provides electronic and safety equipment	Provides products for engine management systems to optimize performance, emissions and fuel economy	Provides products for powertrain and cabin temperature control	Offers complete electric / electronic architecture including connectors and electrical centers	Produces original equipment ("OE") replacement parts and diesel aftermarket OE replacement parts
<b>Key Products</b>	Controls, security, entertainment, communications, safety, mechatronics and high power electronics	Fuel injection control, valve train, ignition, sensors and diesel EMS	Condensers, radiators, fan modules, HVAC modules and heater core components	Connection systems, electrical systems and wiring assemblies	Full service life-cycle management parts including electronics, thermal; electronic unit injectors and engine maintenance systems
<b>2010E Sales (% Total)</b>	\$2.2bn 19%	\$2.9bn 25%	\$1.2bn 11%	\$4.1bn 36%	\$1.0bn 9%
<b>Headcount</b>	15,103	14,000	6,100	78,000	1,319
<b>Number of Manufacturing Sites</b>	15	33	11	63	1
<b>Primary Geographic Presence</b>	43% sales for North America and 45% from Europe	Diesel EMS has 78% exposure to Europe and Gasoline EMS has 43% sales from North America	32% sales from Europe and 28% from North America	40% exposure to Europe for DEEDS and 50% sales from North America for DCS	80% of sales from North America and Europe

**DRAFT**

**Business Plan Overview and Summary Projections**

## New Delphi

### Geographic Overview

Only 6% of New Delphi's employees are located in the US, significantly less than 27% at the time of Old Delphi's bankruptcy filing

The Company has shifted the majority of its work force and operations to lower cost geographic regions

	At Bankruptcy Filing		Current	
Global Employees	>180,000		104,800	
	<u>Count</u>	<u>%</u>	<u>Count</u>	<u>%</u>
US Employees	50,600	27%	6,288	6%
Foreign Employees	134,000	73%	98,512	94%
Headquarters	Troy, MI		Troy, MI	
# of Countries with Operations <sup>(1)</sup>	34		32	
Total Manufacturing Sites, Technical Centers, Customer Centers and Sales Offices				
Global <sup>(1)</sup>	303		226	
US and Canada <sup>(1)</sup>	89		32	
Non-US and Canada <sup>(1)</sup>	214		194	

Note: (1) Statistics at bankruptcy filing are based on 12/31/05 statistics  
Source: Delphi annual reports, Delphi bankruptcy filings

DRAFT

**Business Plan Overview and Summary Projections**

**Electronics and Safety**

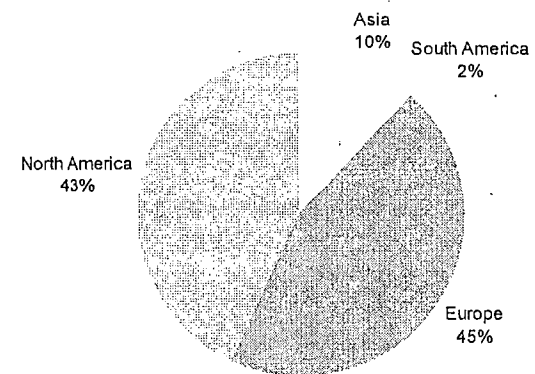
**Segment Profile**

New Delphi maintains leading market share in key product business unit areas within the Electronics and Safety Division

**Description**

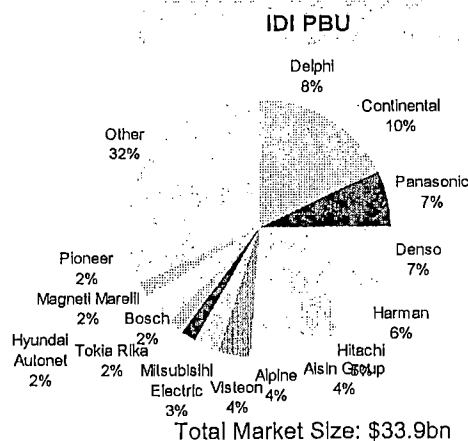
- Offers a wide range of electronic and safety equipment in the areas of controls, security, entertainment, communications, safety systems, mechatronics and high power electronics
  - Controls and security products consist of body computers, security systems, displays and mechatronics
  - Entertainment and communications consist of reception systems, receivers and wireless connectivity
  - Safety systems primarily consist of airbags, collision warning systems and occupant detection systems
  - High power electronics primarily consist of power modules, inverters, converters and battery packs
- Has 15 manufacturing sites and 15 technical centers

**2010E Geographic Sales Contributions**



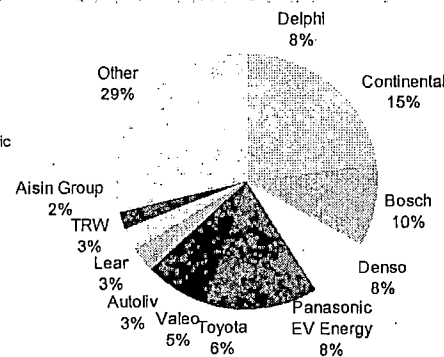
Total Sales: \$2.2bn

**2010E Global Market Share**



Total Market Size: \$33.9bn

**Electronic Controls PBU**

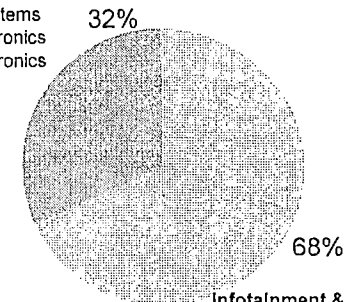


Total Market Size: \$14.5bn

**2010E Sales by Products**

**Electronic Controls:**

- Body Computers
- Security Systems
- Safety Electronics
- Power Electronics



**Infotainment & Driver Interface:**

- Receivers
- Reception Systems
- Mechatronics
- Displays

**DRAFT**

**Business Plan Overview and Summary Projections**

**Powertrain Systems**

**Segment Profile**

New Delphi has a strong market position in both gasoline and diesel engine management systems

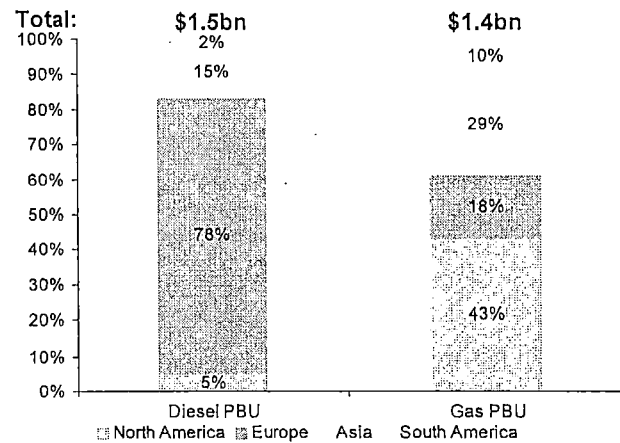
Diesel EMS has a high growth, diversified customer base and a strong Western European footprint

Gasoline EMS has undergone major business restructuring and its turnaround is on track to show strong margins

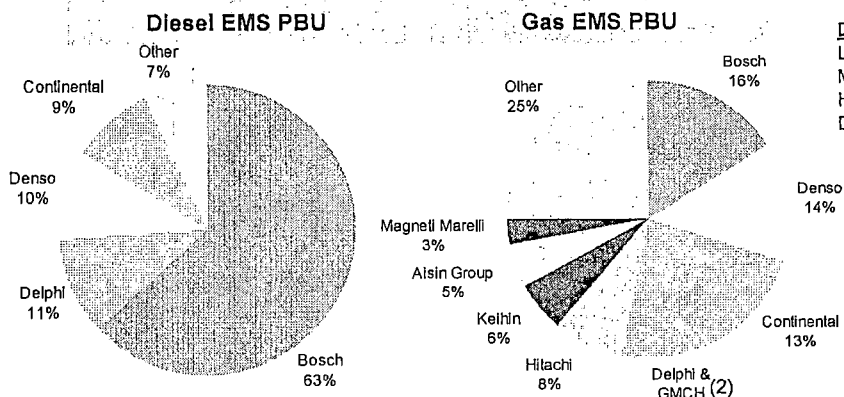
**Description**

- Offers high quality products for complete engine management systems ("EMS") to help optimize performance, emissions and fuel economy
- Powertrain division consists of 2 segments:
  - Gasoline EMS
  - Diesel EMS
- Supplies integrated fuel handling systems for gasoline, diesel, flexfuel and biofuel configurations
- Innovative evaporative emissions systems are recognized as industry-leading technologies
- Powertrain Systems operates in 22 countries and has 33 manufacturing sites

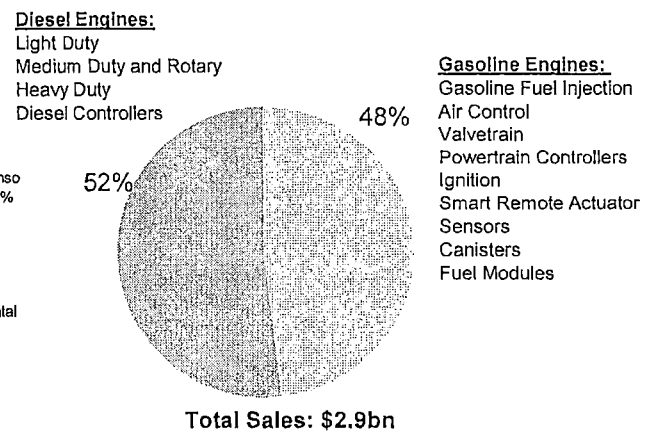
**2010E Geographic Sales Contributions**



**2010E Global Market Share**



**2010E Sales by Products**



- Diesel Engines:**
- Light Duty
  - Medium Duty and Rotary
  - Heavy Duty
  - Diesel Controllers

- Gasoline Engines:**
- Gasoline Fuel Injection
  - Air Control
  - Valvetrain
  - Powertrain Controllers
  - Ignition
  - Smart Remote Actuator
  - Sensors
  - Canisters
  - Fuel Modules

Total Market Size: \$15bn<sup>(1)</sup>

Total Market Size: \$20bn

Total Sales: \$2.9bn

Notes:  
 (1) Includes aftermarket and non-consolidated JV  
 (2) GM Component Holdings licenses Delphi technology  
 Source: New Delphi Information Memorandum dated 9/9/09, 1/14/10 Delphi Powertrain Systems Divisional Overview Presentation by Ron Pirtle

**DRAFT**

**Business Plan Overview and Summary Projections**

**Thermal Systems**

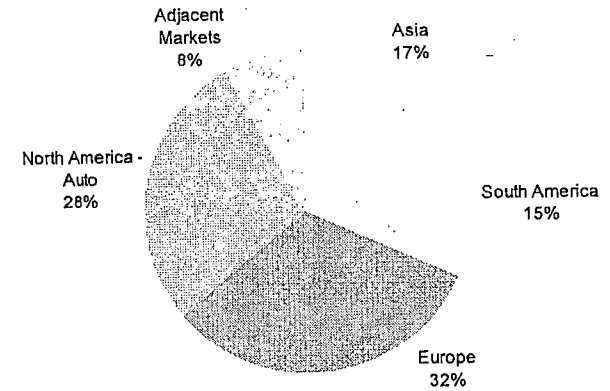
**Segment Overview**

Thermal Systems provides HVAC systems, components for multiple transportation and other adjacent markets and powertrain cooling and related technologies

**Description**

- Offers energy efficient thermal system and component solutions for the automotive market and continues to develop applications for the non-automotive market
- Thermal Systems division products are designed to meet 3 customer needs:
  - Powertrain cooling products
  - Cabin thermal comfort (climate control)
  - Adjacent markets (non-automotive)
- The division operates across 12 countries and has 11 manufacturing sites

**2010E Geographic Sales Contributions**

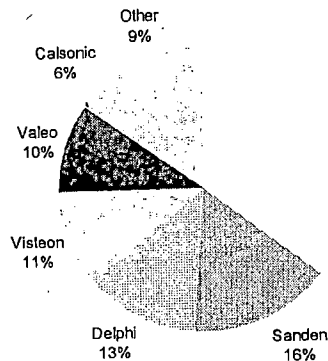


Total Sales: \$1.2bn

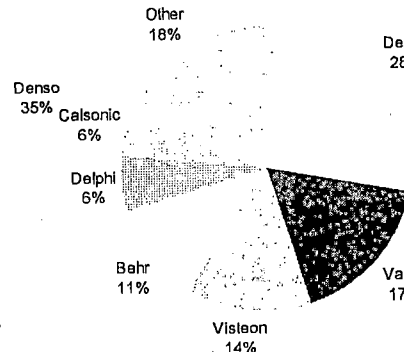
**Market Share**

**2010E Sales by Product**

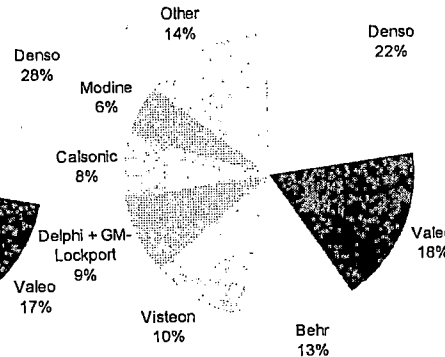
**AC Compressor Units**



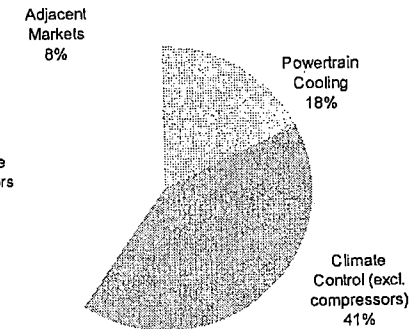
**Automotive HVAC Units**



**Heat Exchanger Units**



**2010E Sales by Product**



Total Sales: \$1.2bn

**DRAFT**

**Business Plan Overview and Summary Projections**

**Electrical / Electronic Architecture**

**Segment Overview**

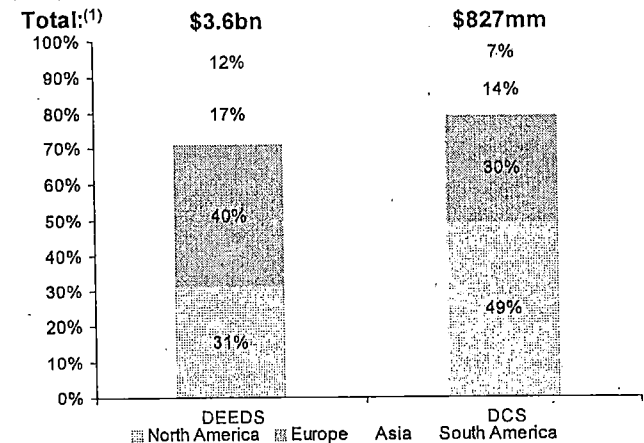
**Delphi Electrical / Electronic Architecture division is the world's largest electronic architecture supplier**

**The division has an extensive global footprint, operating in 29 countries and having 63 manufacturing sites**

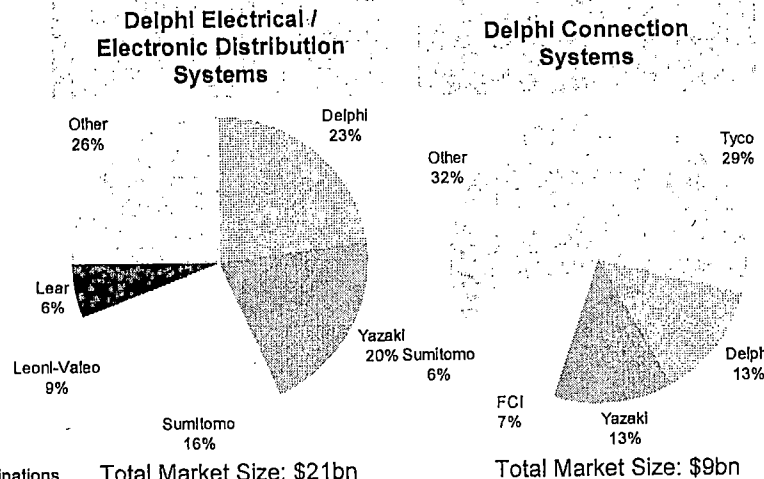
**Description**

- Offers complete electrical and electronic architecture for customer-specific needs to help reduce production cost, weight and mass, and improve reliability and ease of assembly
- Produces high quality connectors for use in automotive and related markets, also with applications in aerospace, military and telematics sectors
- Produces electrical centers which provide centralized electrical power and signal distribution to optimize the overall vehicle electrical system

**2010E Geographic Sales Contributions**



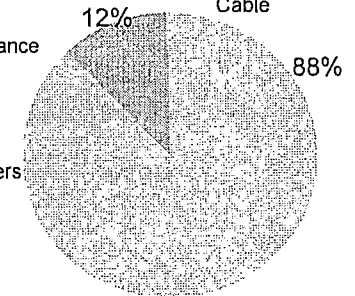
**Market Share**



**2010E Sales by Product**

- Delphi Connection Systems:**
- Connection systems:
    - Standard automotive
    - Device connections
    - Data connectivity
    - High power / high performance
    - Non-circuit bearing
- Electrical centers:**
- Battery electrical centers
  - Underhood electrical centers
  - Interior electrical centers

- Distribution Systems**
- Wiring assemblies
  - High power wiring assemblies
  - Cable



**Total Sales: \$4.1bn<sup>(2)</sup>**

Notes:  
(1) Excludes eliminations  
(2) Includes eliminations  
Source: New Delphi Information Memorandum dated 9/9/09, 1/14/10 Delphi Electric/Electronic Architecture Divisional Overview Presentation by Jim Spencer



**DRAFT**

**Business Plan Overview and Summary Projections**

**Delphi Product and Service Solutions**

**Segment Profile**

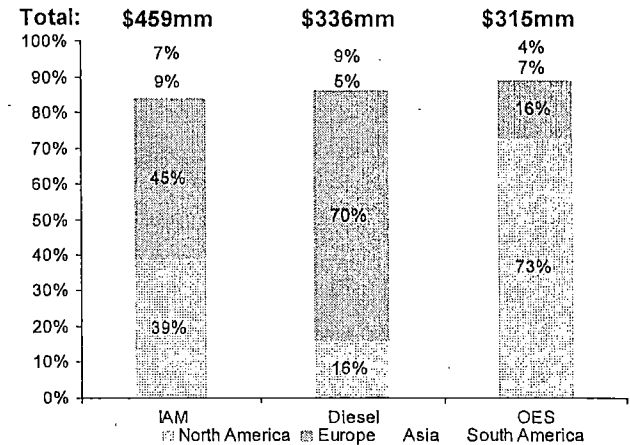
DPSS provides products and services solutions primarily in the independent and diesel aftermarkets

The division views Asia and South America as significant potential growth opportunities in the future

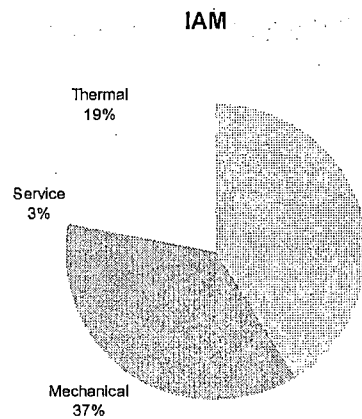
**Description**

- Delphi Product and Services Solutions ("DPSS") operates in three main product areas:
  - ▶ Original equipment replacement parts for full service life cycle management ("OES")
  - ▶ Independent aftermarket ("IAM") OE replacement parts for vehicle electronics, thermal, chassis and service solutions
  - ▶ Diesel aftermarket original equipment replacement parts including common rail, electronic unit injectors and electronic engine management systems
- Currently engaged in cash flow management including restructuring plan for \$16mm/year annual savings

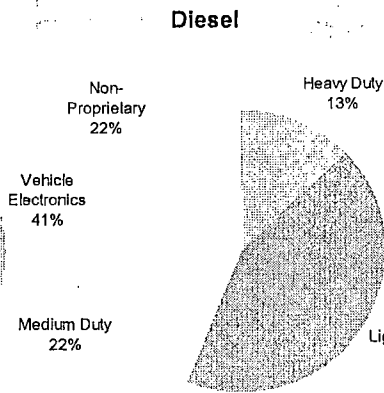
**2010E Geographic Sales Contributions**



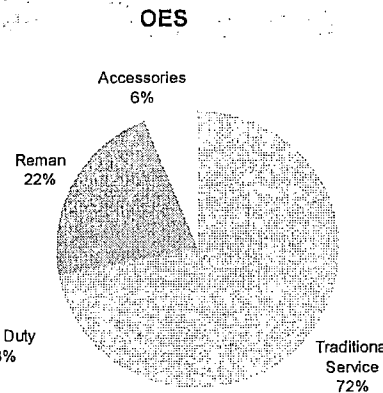
**2010E Sales by Product**



IAM Sales: \$459mm

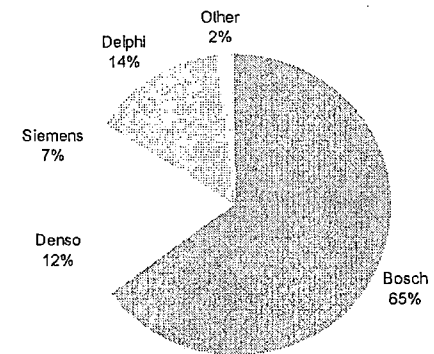


Diesel Sales: \$336mm



OES Sales: \$315mm

**Diesel Aftermarket Market Share**



DRAFT

## Table of Contents

---

1. Executive Summary
2. Business Plan Overview and Summary Projections
3. **Updated Valuation**
  - A. **Current Delphi Valuation and Recovery Analysis**
  - B. Future Delphi Valuation and Recovery Analysis

### Appendix

- A. Supporting Valuation Material

DRAFT

## Valuation Methodology

We have conducted a comprehensive valuation for New Delphi using traditional methodologies

We used the same methodology we employed in the fall updated for current market prices and Delphi's 2010 plan

### ■ Comparable company analysis

- ▶ Greenhill has identified comparable companies based on the following criteria:
  - Product diversification similar to New Delphi
  - Geographic mix with strong international presence
  - Classified as a Tier I supplier
  - Currently trades on one of the major U.S. or foreign exchanges
  - Currently not in bankruptcy
- ▶ Eight companies meet the above criteria, all of which are U.S.-based, with the exception of one Canadian firm
- ▶ Given the distressed valuations across this sector, we have relied on market value of debt as opposed to book value of debt as a better proxy for the observed enterprise value of each comparable company
- ▶ We have applied these enterprise value calculations against projected 2011 and 2012 analyst consensus estimates
  - 2011 and 2012 projections are used for valuation purposes as 2011 is expected to be the first full year post-recovery in the auto-supplier and overall markets
  - 2010 still reflects a significant amount of disruption from the reorganization process and operational restructuring; 2011 is more of a "normalized" earnings level

### ■ Discounted cash flow analysis

- ▶ For purposes of our discounted cash flow analysis of New Delphi, we have relied on the New Delphi business plan provided in January 2010 (in October 2009, we used Platinum Equity's projections provided to the UCC in June 2009 and BCG's projections provided to the U.S. Treasury in April 2009)
  - New Delphi business plan assumes ~9% lower volumes than the November 2009 DRI volume projections
- ▶ Our analysis considers an exit in 2012 under the New Delphi Case (In October 2009, we assumed a 2012 exit under Platinum Cases 1 and 2; the BCG projections ended in 2011)
- ▶ Our base case assumes a 6.2x exit EV/EBITDA multiple, in line with the five-year median of precedent transaction multiples to account for a change of control premium assuming a sale of New Delphi

### ■ Precedent transaction analysis

- ▶ Greenhill reviewed a range of auto parts and equipment-related transactions from the period January 2004 to present to derive historic acquisition multiples
- ▶ No LTM EBITDAR is available for New Delphi; therefore, as a proxy, we looked at the transaction multiple premium relative to trading levels over a comparable period. We then applied this premium to forward trading multiples to determine an approximate transaction multiple range
- ▶ Historic transaction multiples are arguably less relevant in the current distressed auto-supplier market, making the application of a premium to current trading multiples a more appropriate proxy

**DRAFT**

**Current Delphi Valuation and Recovery Analysis**

**Summary Financial Projections**

The Business Plan revenue projections for New Delphi are within the range of the prior projections from both BCG and Platinum

On an EBITDAR basis, each set of projections assumes a different ramp-up. With the exception of 2010, the New Delphi projections are still below Platinum Case 2

New Delphi Business Plan				BCG Case			
(\$ in millions)	2010E	2011E	2012E	(\$ in millions)	2010E	2011E	2012E
Net Sales <sup>(1)</sup>	\$10,956	\$12,471	\$13,973	Revenue	\$11,225	\$12,348	n.a.
Growth % <sup>(2)</sup>	10.7%	13.8%	12.0%	Growth %	10.0%	10.0%	n.a.
EBITDAR	\$822	\$1,063	\$1,450	EBITDAR	\$404	\$984	n.a.
% Margin	7.5%	8.5%	10.4%	% Margin	3.6%	8.0%	n.a.
EBITDA	\$625	\$934	\$1,402	EBITDA	\$404	\$984	n.a.
% Margin	5.7%	7.5%	10.0%	% Margin	3.6%	8.0%	n.a.

Platinum Case 1				Platinum Case 2			
(\$ in millions)	2010E	2011E	2012E	(\$ in millions)	2010E	2011E	2012E
Revenue	\$9,968	\$11,359	\$11,887	Revenue	\$11,693	\$13,507	\$14,406
Growth %	(0.4%)	14.0%	4.6%	Growth %	8.8%	15.5%	6.7%
EBITDAR	\$574	\$1,076	\$1,209	EBITDAR	\$798	\$1,417	\$1,678
% Margin	5.8%	9.5%	10.2%	% Margin	6.8%	10.5%	11.6%
EBITDA	\$78	\$913	\$1,154	EBITDA	\$293	\$1,263	\$1,625
% Margin	0.8%	8.0%	9.7%	% Margin	2.5%	9.4%	11.3%

**Notes:**

(1) 2010 to 2012 booked revenue at 97%, 91% and 77%, respectively

(2) 2010E growth based on pro-forma 2009 revenue of \$9.9bn. Actual 2009 revenue was \$11.8bn, not pro-forma for businesses not acquired by New Delphi prior to 10/6/09

Source: 1/14/10 Delphi Investor Day Presentation: 2010 to 2012 Outlook, Platinum Equity projections provided to UCC advisors (6/4/09), BCG due diligence presentation (4/30/09)

**DRAFT**

**Current Delphi Valuation and Recovery Analysis**

**Valuation Summary**

(\$ in millions)

Methodology	Comments	Indicative Enterprise Value
Trading Comparables	<ul style="list-style-type: none"> <li>2011E EV / EBITDAR                             <ul style="list-style-type: none"> <li>&gt; 4.0x - 5.0x</li> </ul> </li> <li>Based on current peer auto parts supplier multiples, assuming the market value of debt in the EV calculation</li> </ul>	\$6,488 - \$7,551
	<ul style="list-style-type: none"> <li>2012E EV / EBITDAR                             <ul style="list-style-type: none"> <li>&gt; 3.5x - 4.5x</li> </ul> </li> <li>Based on current peer auto parts supplier multiples, assuming the market value of debt in the EV calculation</li> </ul>	\$7,311 - \$8,761
DCF	<ul style="list-style-type: none"> <li>Projections provided by New Delphi management, Platinum and BCG</li> <li>Cost of Equity: 20.0% to 22.5%</li> <li>EBITDAR exit multiple: 5.5x – 6.5x</li> </ul>	\$6,464 - \$7,739
Transaction Comparables	<ul style="list-style-type: none"> <li>2011E EV / LTM EBITDAR                             <ul style="list-style-type: none"> <li>&gt; 4.1x – 5.2x</li> </ul> </li> <li>Multiples represent a 3.3% premium to trading comparable multiples, based on historic precedent transaction multiple premium to trading multiples</li> </ul>	\$6,630 - \$7,728

\$5,000 \$5,500 \$6,000 \$6,500 \$7,000 \$7,500 \$8,000 \$8,500 \$9,000

**DRAFT**

**Current Delphi Valuation and Recovery Analysis**

**Comparable Company Analysis**

**Valuation Statistics**

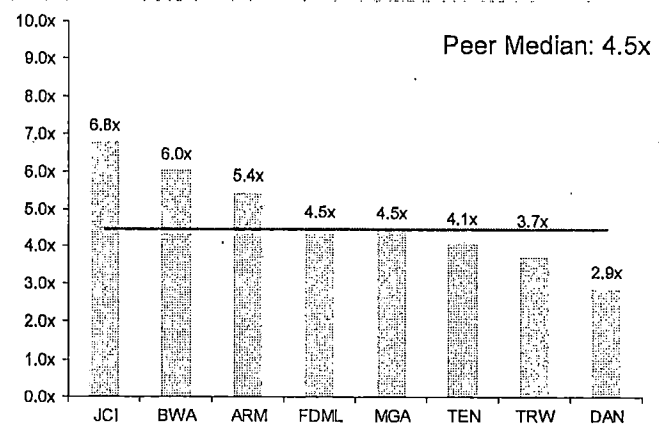
Based on current debt and equity market prices, auto suppliers trade at medians of 4.5x 2011E EBITDAR and at 3.7x 2012E EBITDAR

**Legend**

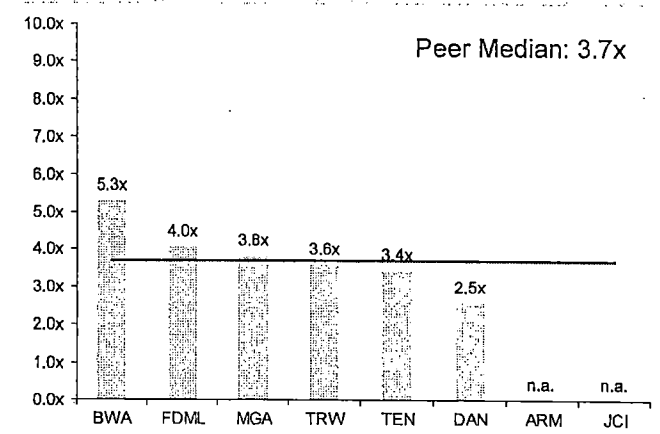
JCI	Johnson Controls
BWA	BorgWarner
ARM	ArvinMeritor
FDML	Federal-Mogul
MGA	Magna International
TEN	Tenneco
TRW	TRW Automotive
DAN	Dana

(\$ in millions)

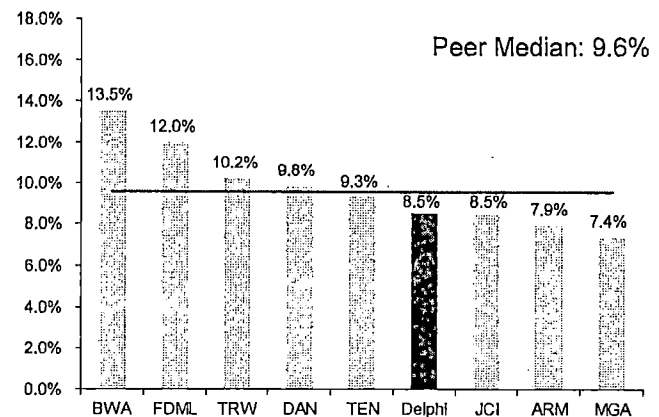
**2011E EV/EBITDAR<sup>(1)</sup>**



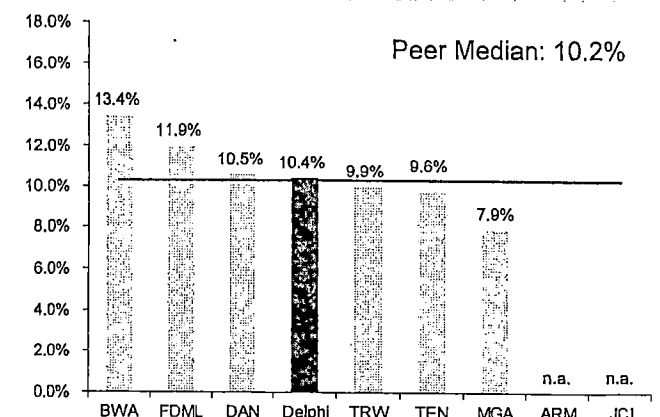
**2012E EV/EBITDAR<sup>(1)</sup>**



**2011E EBITDAR Margin**



**2012E EBITDAR Margin**



Note: Financials calendarized for year ended December 31. Medians exclude Delphi

(1) Market value represents market value of debt and equity less excess cash plus liquidation value of preferred stock plus book value of minority interest less equity in affiliates. Enterprise value excludes underfunded pension liabilities. Minimum cash defined as the lesser of total cash balance and 5% of 2010E sales

Source: FactSet IBES, Company filings, CapitalIQ

DRAFT

## Current Delphi Valuation and Recovery Analysis

### Comparable Company Analysis

#### Implied Valuation

(\$ in millions)

Based on the current New Delphi projections, comparable company trading statistics suggest an equity value of \$6.9 to \$8.2 billion based on a 2011E EBITDAR multiple

Prior analysis had suggested a valuation of equity value of \$5.3 to \$6.5 billion (based upon the averages of the Low, Mid and High values from the BCG and 2 Platinum cases)

2011E EV/EBITDAR				2012E EV/EBITDAR			
(\$ in millions)	Low	Mid	High	(\$ in millions)	Low	Mid	High
2011E EBITDAR Multiple Range	4.0x	4.5x	5.0x	2012E EBITDAR Multiple Range	3.5x	4.0x	4.5x
2011E EBITDAR	\$1,063	\$1,063	\$1,063	2012E EBITDAR	\$1,450	\$1,450	\$1,450
Implied Enterprise Value	\$4,252	\$4,784	\$5,315	Implied Enterprise Value	\$5,075	\$5,800	\$6,525
Plus: Net Cash (Debt) <sup>(1)</sup>	\$2,236	\$2,236	\$2,236	Plus: Net Cash (Debt) <sup>(1)</sup>	\$2,236	\$2,236	\$2,236
Implied Equity Value	\$6,488	\$7,020	\$7,551	Implied Equity Value	\$7,311	\$8,036	\$8,761

Note: (1) Represents \$3,474mm of cash net of \$438 of debt as of 3/31/10 less an assumed minimum cash balance of \$800mm  
Source: 1/14/10 Delphi Investor Day Presentation: 2010 to 2012 Outlook

DRAFT

2006-2007 "bull market" M&A multiples are unlikely to be appropriate in the current market environment

To adjust, we apply a 3.3% precedent transaction multiple premium to trading multiples to the 2011E EBITDA multiple range

This suggests an equity valuation range of \$6.6 to \$7.7 billion under the current Delphi projections, in line with the previous range of \$5.6 to \$6.8 billion based on the Platinum and BCG projections

## Current Delphi Valuation and Recovery Analysis

# Precedent Transaction Analysis

## Implied Valuation

(\$ In millions)

	2011E EV/EBITDAR		
(\$ In millions)	Low	Mid	High
Precedent Transaction Multiple Range	4.1x	4.7x	5.2x
2011E EBITDAR	\$1,063	\$1,063	\$1,063
Implied Enterprise Value	\$4,394	\$4,943	\$5,492
Plus: Net Cash (Debt)	\$2,236	\$2,236	\$2,236
Implied Equity Value	\$6,630	\$7,179	\$7,728

	Appropriate Multiple Range		
	Low	Mid	High
Peer Group LTM Avg Trading Multiple <sup>(1)</sup>	6.0x	6.0x	6.0x
Precedents LTM EBITDA Multiple	6.2x	6.2x	6.2x
Precedents Premium / (Discount)	3.3%	3.3%	3.3%
Current Peer Group 2011E EBITDA Multiples	4.0x	4.5x	5.0x
Forward 2011 Multiple After Premium	4.1x	4.7x	5.2x

Source: 1/14/10 Delphi Investor Day Presentation: 2010 to 2012 Outlook

Note: (1) Represents peer LTM average trading multiple from January 2004 to March 2008, the period corresponding to the first and last transaction in the precedent transaction screen



DRAFT

## Current Delphi Valuation and Recovery Analysis

# Discounted Cash Flow Analysis

## Assumptions

For purposes of the discounted cash flow analysis of the New Delphi Business Plan, we maintained the same key assumptions as shown previously

### Exit Year

- Analysis for the current Delphi case assumes a 2012 exit year
- Previously, we ran the analysis assuming an exit of 2011 for the BCG Case and 2011 and 2012 for the Platinum Case 1 and Platinum Case 2

### Terminal Value

- We assumed a five-year median historic precedent transaction multiple of 6.2x for the terminal value of New Delphi
- Given that terminal value reflects nearly all of New Delphi's discounted cash flow valuation, we also ran a sensitivity analysis on the implied exit multiples of our terminal value range:
  - Median five-year EV / LTM EBITDA trading multiples for peers <sup>(1)</sup>
    - ▾ Delphi's peers have traded at a median EV / LTM EBITDA multiple of 6.3x over last 5 years

### Discount Rate

- We assumed a 20.0% to 22.5% cost of equity (a range of 15.0% to 25.0% is shown for reference)
  - The lower end of our range is derived from a cost of equity analysis using an unlevered beta of 1.5 and a target debt to capital ratio of 40% in line with peers
  - The higher end of the range is more reflective of current market conditions

### Operating Model Assumptions

- Assume depreciation is in line with capital expenditures
  - Capital expenditure projections are provided for all cases

### Taxes

- Delphi commented recently that it expects its tax rate to be ~25%, given its limited exposure to U.S. markets
- The analysis in October had assumed 35% corporate tax rate, resulting in lower valuations

Note:  
(1) Calculated on a book value basis  
Source: Company filings, FactSet IBES, CapitalIQ

**DRAFT**

**Current Delphi Valuation and Recovery Analysis**

## Discounted Cash Flow Sensitivities

### Implied Equity Values

The discounted cash flow analysis implies a valuation of \$6.5 to \$7.7 billion based on the New Delphi Business Plan, more bullish than the BCG and Platinum's Cases

		Terminal Value Multiple		
		5.5x	6.0x	6.5x
Cost of Equity	15.0%	\$7,373	\$7,915	\$8,457
	17.5%	\$7,050	\$7,568	\$8,086
	20.0%	\$6,748	\$7,244	\$7,739
	22.5%	\$6,464	\$6,939	\$7,414
	25.0%	\$6,198	\$6,653	\$7,108

Approximates 6.2x median precedent transaction multiple over the past 5 years

DRAFT

Current Delphi Valuation and Recovery Analysis

## Recovery Waterfall

Based on Valuation Range for Delphi Projections

Based on the Delphi projections, New Delphi's equity value is expected to fall in the \$6.5 to \$8.0 billion range

Hypothetically, distributing that value through the waterfall today would imply an ~11%-13% recovery for PBGC

The previous projections had implied a valuation range of \$5.0 to \$6.0 billion and a recovery of 9% to 11%

(\$ in millions)	Low	Mid	High
Equity Value	\$6,500	\$7,250	\$8,000
<u>Recovery Analysis:</u>			
PBGC	\$772	\$797	\$907
GM	2,290	2,530	2,707
DIP	3,437	3,914	4,243
UCC	0	9	143
<u>PBGC Recovery Contributions:</u>			
Cash from GM	\$70	\$70	\$70
Equity Stake	702	720	720
\$3bn Unsecured Claim	0	7	117
<b>Total Recovery</b>	<b>\$772</b>	<b>\$797</b>	<b>\$907</b>
<i>% total recovery of \$7bn claim</i>	11.0%	11.4%	13.0%

DRAFT

## Table of Contents

---

1. Executive Summary
2. Business Plan Overview and Summary Projections
3. **Updated Valuation**
  - A. Current Delphi Valuation and Recovery Analysis
  - B. Future Delphi Valuation and Recovery Analysis**

### Appendix

- A. Supporting Valuation Material

**DRAFT**

**Future Delphi Valuation and Recovery Analysis**

**Valuation Summary**

Methodology	Comments	Indicative Enterprise Value (\$ in millions)
<p><b>Forward Trading Comparables</b></p>	<ul style="list-style-type: none"> <li>2012E EV / EBITDAR                             <ul style="list-style-type: none"> <li>4.5x - 5.5x</li> </ul> </li> <li>Based on five-year historic EV / NTM EBITDA peer auto parts supplier multiple of 5.2x, assuming the book value of debt outstanding</li> <li>BCG and Platinum cases as of October 2009 included for comparison purposes</li> </ul>	<p>\$7,813 - \$9,263</p>
<p><b>Trailing Trading Comparables</b></p>	<ul style="list-style-type: none"> <li>2011E EV / EBITDAR                             <ul style="list-style-type: none"> <li>6.0x - 7.0x</li> </ul> </li> <li>Based on five-year historic EV / LTM EBITDA peer auto parts supplier multiple of 6.3x, assuming the book value of debt outstanding</li> <li>BCG and Platinum cases as of October 2009 included for comparison purposes</li> </ul>	<p>\$7,666 - \$8,729</p>
<p><b>Precedent Transactions</b></p>	<ul style="list-style-type: none"> <li>2011E EV / EBITDAR                             <ul style="list-style-type: none"> <li>5.7x - 6.7x</li> </ul> </li> <li>Based on five-year median precedent transaction multiple of 6.2x</li> <li>BCG and Platinum cases as of October 2009 included for comparison purposes</li> </ul>	<p>\$7,347 - \$8,410</p>

Note: Concluded equity values have not been reduced to reflect approximately \$739 million of long-term foreign pension liabilities as of 3/31/10

(1) Multiples assume a measurement at FYE 2011. LTM valuation based upon 2011E EBITDAR. NTM valuation based on 2012E EBITDAR

Source: 1/14/10 Delphi Investor Day Presentation: 2010 to 2012 Outlook, Amended and restated operating agreement, June 2009 Investment Commitment Agreement, Credit facility and loan documents

**DRAFT**

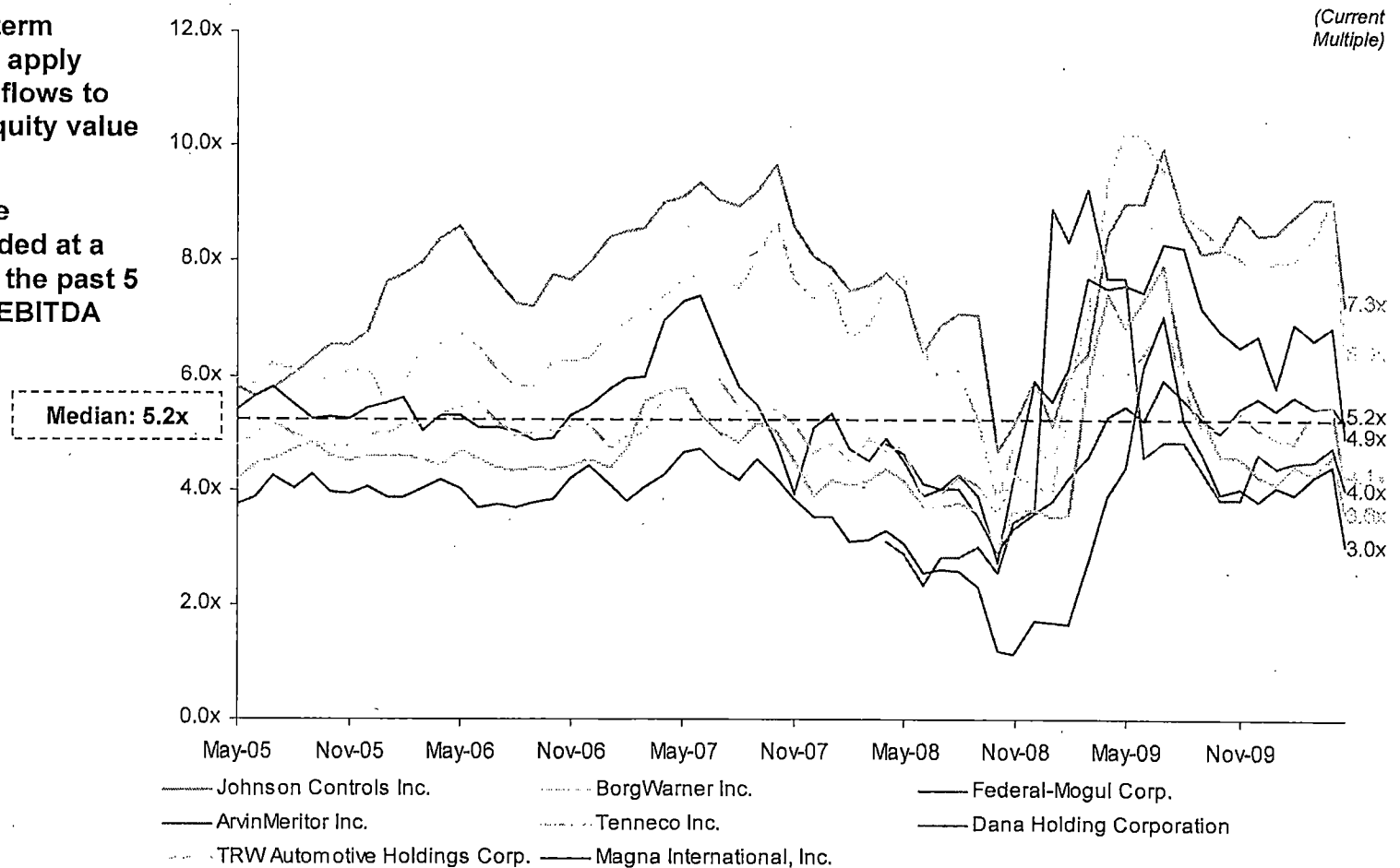
**Future Delphi Valuation and Recovery Analysis**

# Comparable Company Analysis

## 5 Year EV/NTM EBITDA Multiples

We evaluated long-term median multiples to apply against future cash flows to project the future equity value for New Delphi

Delphi's comparable companies have traded at a median of 5.2x over the past 5 years on a EV/NTM EBITDA basis



**DRAFT**

**Future Delphi Valuation and Recovery Analysis**

## Comparable Company Analysis

### NTM EV/EBITDA Valuation

We applied a multiple range based on the five-year historic EV / NTM EBITDA to estimate the future equity value of New Delphi, resulting in an estimated equity value range in 2011 of \$7.8 to \$9.3 billion under the New Delphi projections, versus \$5.9 to \$7.3 billion under the previously employed Platinum cases

	2012E EV/EBITDAR		
(\$ in millions)	Low	Mid	High
NTM Multiple Range	4.5x	5.0x	5.5x
2012E EBITDAR	\$1,450	\$1,450	\$1,450
<b>Implied Enterprise Value</b>	<b>\$6,525</b>	<b>\$7,250</b>	<b>\$7,975</b>
Plus: Net Cash (Debt) <sup>(1)</sup>	\$1,288	\$1,288	\$1,288
<b>Implied Equity Value</b>	<b>\$7,813</b>	<b>\$8,538</b>	<b>\$9,263</b>

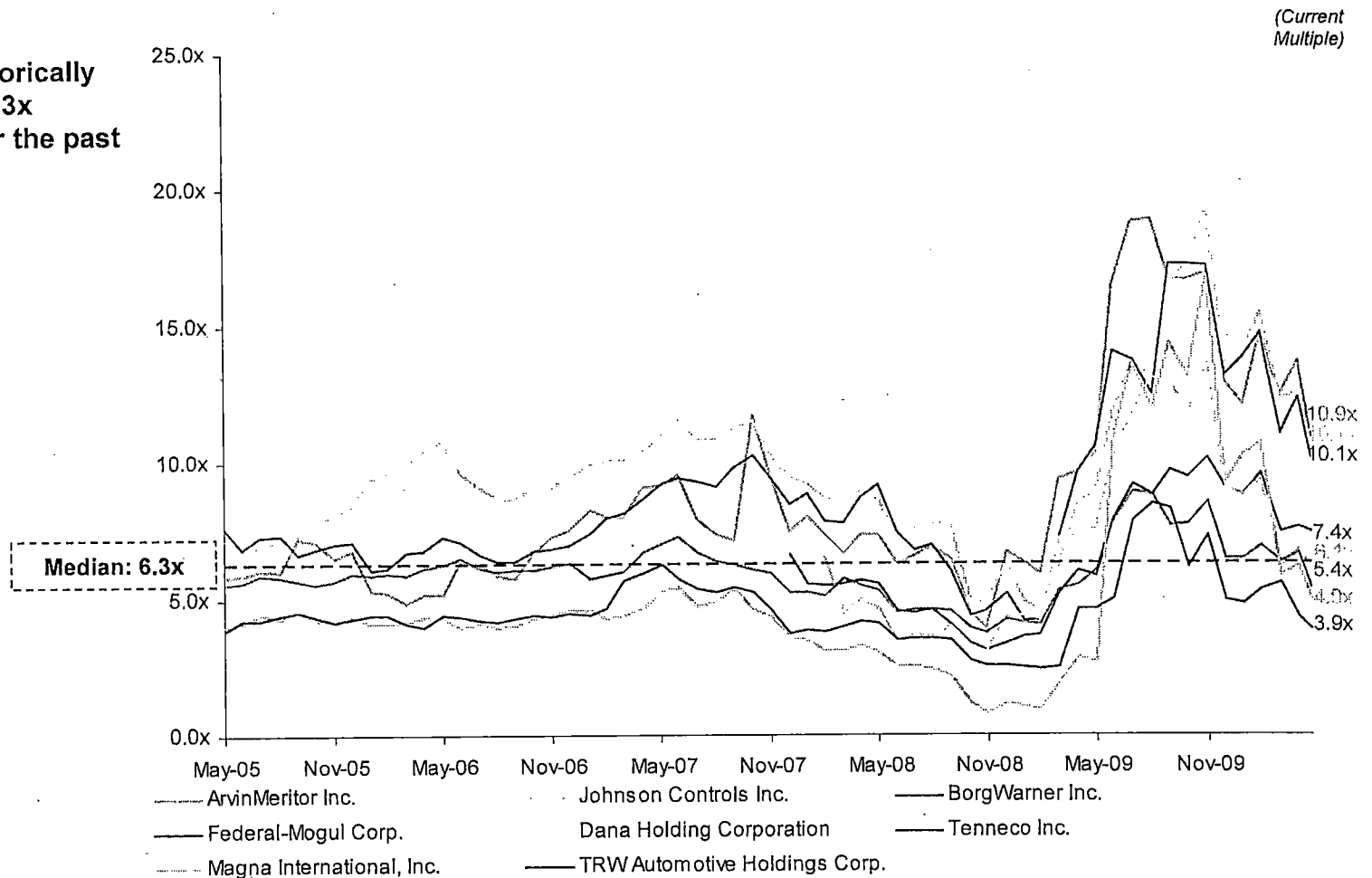
**DRAFT**

**Future Delphi Valuation and Recovery Analysis**

**Comparable Company Analysis**

**5 Year EV/LTM EBITDA Multiples**

Delphi's comparable companies have historically traded at a median 6.3x EV/LTM EBITDA over the past 5 years





DRAFT

Future Delphi Valuation and Recovery Analysis

## Comparable Company Analysis

### LTM EV/EBITDA Valuation

Applying a multiple range based on the five-year historic EV / LTM EBITDA of 6.3x results in an equity value range in 2011 of \$7.7 to \$8.7 billion under the New Delphi projections, versus \$6.0 to \$7.1 billion under the Platinum and BCG cases

	2011E EV/EBITDAR		
<i>(\$ in millions)</i>	Low	Mid	High
LTM Multiple Range	6.0x	6.5x	7.0x
2011E EBITDAR	\$1,063	\$1,063	\$1,063
<b>Implied Enterprise Value</b>	<b>\$6,378</b>	<b>\$6,910</b>	<b>\$7,441</b>
Plus: Net Cash (Debt)	\$1,288	\$1,288	\$1,288
<b>Implied Equity Value</b>	<b>\$7,666</b>	<b>\$8,198</b>	<b>\$8,729</b>

**DRAFT**

**Future Delphi Valuation and Recovery Analysis**

## Precedent Transaction Analysis

Implied Valuation

We base the multiple range of 5.7x to 6.7x on the five-year median precedent transaction multiple 6.2x

Precedent transaction multiples suggest an equity value in 2011 of \$7.3 to \$8.4 billion under the New Delphi projections, versus \$6.2 to \$7.3 billion under the Platinum and BCG cases

	2011E EV/EBITDAR		
(\$ in millions)	Low	Mid	High
Precedent Transaction Multiple Range	5.7x	6.2x	6.7x
2011E EBITDAR	\$1,063	\$1,063	\$1,063
<b>Implied Enterprise Value</b>	<b>\$6,059</b>	<b>\$6,591</b>	<b>\$7,122</b>
Plus: Net Cash (Debt)	\$1,288	\$1,288	\$1,288
<b>Implied Equity Value</b>	<b>\$7,347</b>	<b>\$7,879</b>	<b>\$8,410</b>

DRAFT

## Future Delphi Valuation and Recovery Analysis

### Recovery Waterfall

Based upon a concluded equity value range using the New Delphi projections of \$7.5 to \$9.0 billion as of the end of 2011, the PBGC would recover ~9% to 10% of its claim (When discounted to present value at 20%)

The previous Platinum and BCG cases yielded an equity value range of \$6 to \$7 billion. This implied PBGC would recover ~7% to 8% of its claim

(\$ in millions)	Low	Mid	High
Equity Value	\$7,500	\$8,250	\$9,000
<u>Recovery Analysis:</u>			
PBGC	\$833	\$925	\$925
GM	2,589	2,780	3,043
DIP	4,024	4,380	4,867
UCC	54	165	165
<u>PBGC Recovery Contributions:</u>			
Cash from GM	\$70	\$70	\$70
Equity Stake	720	720	720
\$3bn Unsecured Claim	44	135	135
<b>Total Recovery</b>	<b>\$833</b>	<b>\$925</b>	<b>\$925</b>
% total recovery of \$7bn claim	11.9%	13.2%	13.2%
PV of Recovery at 20% <sup>(1)</sup>	\$642	\$710	\$710
% total recovery of \$7bn claim	9.2%	10.1%	10.1%

Note:

(1) \$70mm in upfront cash payment is not discounted

Source: 1/14/10 Delphi Investor Day Presentation; 2010 to 2012 Outlook, Platinum Equity projections provided to UCC advisors (6/4/09), BCG due diligence presentation (4/30/09), General Motors, Amended and restated operating agreement, June 2009 Investment Commitment Agreement, Credit facility and loan documents

**DRAFT**

## **Table of Contents**

---

1. Business Plan Overview and Summary Projections
2. Updated Valuation
  - A. Current Delphi Valuation and Recovery Analysis
  - B. Future Delphi Valuation and Recovery Analysis

### **Appendix**

- A. Supporting Valuation Material

**DRAFT****Appendix****Comparable Company Analysis****Trading Statistics**

(\$ in millions, except per share data)

Company	Share Price 5/19/10	Discount to 52-Wk High	Equity Value	Enterprise Value		Book Value EV / EBITDA			Market Value EV / EBITDA			Long Term Growth
				Book Value	Market Value	2010E	2011E	2012E	2010E	2011E	2012E	
Johnson Controls	\$28.71	(18.0%)	\$19,549.3	\$21,607.3	\$21,765.9	8.0x	6.7x	n.a.	8.1x	6.8x	n.a.	15.0%
Magna International	69.97	(7.8%)	7,909.5	7,745.0	7,721.8	5.2x	4.5x	3.8x	5.1x	4.5x	3.8x	9.0%
TRW Automotive	29.29	(15.0%)	3,580.9	5,311.9	5,351.0	4.0x	3.7x	3.5x	4.0x	3.7x	3.6x	n.a.
BorgWarner	35.74	(18.9%)	4,314.5	4,877.9	4,963.7	7.3x	5.9x	5.2x	7.4x	6.0x	5.3x	25.4%
Federal-Mogul	17.07	(20.3%)	1,688.3	3,669.8	3,411.2	5.8x	4.8x	4.3x	5.4x	4.5x	4.0x	n.a.
Tenneco	20.99	(22.3%)	1,292.0	2,469.0	2,480.1	5.1x	4.1x	3.4x	5.1x	4.1x	3.4x	28.3%
ArvinMeritor	14.06	(15.8%)	1,348.5	2,232.5	2,250.9	8.0x	5.4x	n.a.	8.1x	5.4x	n.a.	204.9%
Dana	10.88	(20.9%)	1,596.4	2,556.3	1,933.1	5.2x	3.8x	3.4x	4.0x	2.9x	2.5x	n.a.
<b>Median</b>						<b>5.5x</b>	<b>4.7x</b>	<b>3.7x</b>	<b>5.3x</b>	<b>4.5x</b>	<b>3.7x</b>	<b>25.4%</b>
<b>Mean</b>						<b>6.1x</b>	<b>4.9x</b>	<b>3.9x</b>	<b>5.9x</b>	<b>4.7x</b>	<b>3.8x</b>	<b>56.5%</b>

DRAFT

Appendix

## Comparable Company Analysis

### Operating Statistics

(\$ in millions)

Calendarized to Dec-31 Year-End; Prices as of May-19-10

Company	Equity Value	Enterprise Value		Revenue Growth			EBITDA Growth			EBITDA Margin		
		Book Value	Market Value	2010E	2011E	2011E	2010E	2011E	2011E	2010E	2011E	2011E
Johnson Controls	\$19,549.3	\$21,607.3	\$21,765.9	17.1%	8.8%	n.a.	67.9%	19.4%	n.a.	7.8%	8.5%	n.a.
Magna International	7,909.5	7,745.0	7,721.8	23.6%	9.7%	9.3%	n.m.	15.5%	16.7%	7.0%	7.4%	7.9%
TRW Automotive	3,580.9	5,311.9	5,351.0	12.7%	8.0%	7.0%	45.4%	8.6%	4.3%	10.1%	10.2%	9.9%
BorgWarner	4,314.5	4,877.9	4,963.7	29.9%	18.7%	14.9%	84.3%	23.9%	13.8%	13.0%	13.5%	13.4%
Federal-Mogul	1,688.3	3,669.8	3,411.2	10.1%	7.8%	11.8%	67.1%	19.4%	11.3%	10.8%	12.0%	11.9%
Tenneco	1,292.0	2,469.0	2,480.1	17.9%	19.1%	15.4%	37.3%	24.5%	20.2%	8.9%	9.3%	9.6%
ArvinMeritor	1,348.5	2,232.5	2,250.9	18.4%	9.2%	n.a.	87.5%	48.9%	n.a.	5.8%	7.9%	n.a.
Dana	1,596.4	2,556.3	1,933.1	9.4%	20.1%	5.5%	90.5%	38.5%	12.6%	8.5%	9.8%	10.5%
<b>Median</b>				<b>17.5%</b>	<b>9.4%</b>	<b>10.6%</b>	<b>67.9%</b>	<b>21.7%</b>	<b>13.2%</b>	<b>8.7%</b>	<b>9.6%</b>	<b>10.2%</b>
<b>Mean</b>				<b>17.4%</b>	<b>12.7%</b>	<b>10.6%</b>	<b>68.6%</b>	<b>24.8%</b>	<b>13.1%</b>	<b>9.0%</b>	<b>9.8%</b>	<b>10.5%</b>

DRAFT

Appendix

# Selected Auto Supplier M&A Transactions

## Last Five Years

(\$ in millions)

Date Announced	Target	Acquirer	% Acquired	Implied EV	Implied EV/EBITDA	Comments
17-Mar-08	Beru	BorgWarner Germany	13.8% Stake	\$920.6	8.2x	BorgWarner Germany acquired the stake in Beru that it did not own under a domination and profit transfer agreement
21-Nov-07	Federal-Mogul	Carl C. Icahn	43% Stake	\$4,006.2	5.9x	As part of Federal Mogul's chapter 11 plan of reorganization, Carl Icahn received a call option to purchase the majority of equity allocated to the Asbestos Trust for \$775mm. Icahn was a major holder of the Notes which were to be equalized for the remaining 50% control of Federal Mogul
28-Mar-07	Tower Automotive	Cerberus	Substantially All Assets	\$973.8	5.2x	Cerberus entered into an asset purchase agreement to acquire substantially all assets as part of Tower Automotive's chapter 11 plan of reorganization
15-Jan-07	Koninklijke Nedschroef	Gilde and Parcom Ventures	100.0%	\$359.8	6.3x	Gilde and Parcom Ventures acquired Koninklijke Nedschroef, a Netherlands producer of fasteners for the auto industry
13-Nov-06	Spectra Premium Industries	Fonds de Solidarité, Desjardins Capital Régional et Coopératif, Camada Group and Management	100.0%	\$112.4	6.4x	Fonds de Solidarité, Desjardins Capital Régional et Coopératif, Camada Group along with the management agreed to acquire Spectra Premium Industries. Spectra Premium is the world leader in manufacturing of fuel tanks and related components for the auto and light-truck aftermarkets
18-Oct-06	Pacifica Group	Robert Bosch	75.3% Stake	\$403.4	4.8x	Robert Bosch made a cash offer to acquire Pacifica Group. During the process, the offer was revised upward by 15%
31-Aug-06	Metaldyne Corp.	Asahi Tec Corporation	100.0%	\$1,200.0	7.6x	Asahi Tec acquired Metaldyne from Heartland Industrial Partners, Masco, Long Point Capital, Wachovia Capital Partners and CSFB Private Equity in an all-cash transaction
15-Nov-04	Finnveden AB	Nordic Capital	100.0%	\$447.5	6.0x	Nordic Capital acquired all the outstanding shares of Finnveden, a Sweden based autoparts supplier
25-Oct-04	Tesma International	Magna International	56.0%	\$1,070.5	5.7x	Magna International acquired the 56% interest it did not hold in its public subsidiary Tesma International
9-Jul-04	Dana Corp aftermarket business	The Cypress Group	100.0%	\$1,024.5	6.1x	The Cypress Group acquired the Dana Corp's aftermarket business for \$950 million in cash and a note issued to Dana Corp with an initial face amount of \$74.5 million
23-Jun-04	Stanadyne Corporation	Kohlberg & Company	100.0%	\$330.0	6.6x	An affiliate of Kohlberg & Company acquired Stanadyne Corporation from American Industrial Partners. Consideration was funded by \$105 million of equity, \$160 million of new senior subordinated notes and \$65 million of borrowings under a new term loan
2-Jan-04	New Castle Machining	Metaldyne Corporation	80.0%	\$268.8	7.2x	Metaldyne purchased DaimlerChrysler's 80% stake in a joint-venture between the 2 companies

Mean	6.3x	Precedents premium: 3.3% Corresponding Period Peer Group LTM EBITDA Multiple: 6.0x
Median	6.2x	

Note: Includes deals with transaction values greater than \$100mm. Values are calculated using exchange rates as of date of announcement (Beru/BorgWarner = 1.576 EUR/USD, Koninklijke Nedschroef/Gilde and Parcom = 1.293 EUR/USD, Spectra/Fonds de Solidarité, et. al. = .879 CAD/USD, Pacifica/Robert Bosch = .754 AUD/USD)  
Source: CapitalIQ, Company filings

DRAFT

Appendix

## Cost of Equity Analysis

With an assumed target debt to capital ratio of 40% in line with peers and median unlevered beta for peers of 1.5, cost of equity is estimated to be ~17%

Company	Predicted Equity Beta <sup>(1)</sup>	Net Debt/Market Equity	Unlevered Beta	Credit Rating <sup>(2)</sup>	Cost of Equity
Johnson Controls	1.361	14.2%	1.227	BBB	12.5%
Magna International	1.251	0.0%	1.251	BBB	11.8%
TRW Automotive	2.109	45.4%	1.705	BB-	17.5%
BorgWarner	1.333	20.3%	1.178	BBB	12.3%
Federal-Mogul	2.504	110.3%	1.458	B+	20.1%
Tenneco	3.499	89.6%	2.212	B	26.8%
ArvinMeritor	2.445	75.3%	1.642	CCC+	19.7%
<b>Mean</b>	2.072	50.7%	1.525	n.m.	17.2%
<b>Median</b>	2.109	45.4%	1.458	n.m.	17.5%

### Relevering of Asset Beta Based on the Following Target Capital Structures

Target Capital Structure		Relevered Beta	Cost of Equity	Formulas:
Net Debt/Capital	Debt/Market Equity			
20.0%	25.0%	1.695	14.7%	Unlevered Beta = $\frac{\text{Levered Beta}}{1 + (D/E)(1-t)}$
30.0%	42.9%	1.865	15.9%	Relevered Beta = Unlevered Beta * [1+(D/E)(1-t)]
40.0%	66.7%	2.090	17.4%	Cost of Equity = Risk Free + Lev. Beta * Risk Prem.
50.0%	100.0%	2.406	19.5%	
60.0%	150.0%	2.880	22.7%	

Assumptions:	Value
US Risk Free Rate <sup>(3)</sup>	3.36%
Canadian Risk Free Rate <sup>(3)</sup>	3.40%
Market Risk Premium <sup>(4)</sup>	6.70%
Marginal Tax Rate (t)	35.0%

Notes

(1) Source: Bloomberg predicted based on 5 year history or maximum history since IPO

(2) Source: S&P

(3) 10 year government rate as of 5/19/10

(4) Source: Ibbotson Associates

Source: Bloomberg, Ibbotson Associates, Company filings