

FORM 10-K

GENERAL MOTORS CORP - GM

Filed: February 28, 2008 (period: December 31, 2007)

Annual report which provides a comprehensive overview of the company for the past year

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549-1004

Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the year ended December 31, 2007

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission file number 1-143

GENERAL MOTORS CORPORATION

(Exact Name of Registrant as Specified in its Charter)

STATE OF DELAWARE *(State or other jurisdiction of Incorporation or Organization)*	**38-0572515** *(I.R.S. Employer Identification No.)*
300 Renaissance Center, Detroit, Michigan *(Address of Principal Executive Offices)*	**48265-3000** *(Zip Code)*

Registrant's telephone number, including area code
(313) 556-5000

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on which Registered
Common, $1 2/3 par value	New York Stock Exchange, Inc.

Note: The $1 2/3 par value common stock of the Registrant is also listed for trading on the following exchanges:

Bourse de Bruxelles	Brussels, Belgium
Euronext Paris	Paris, France

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "small reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐
Do not check if smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of June 30, 2007, the aggregate market value of GM $1 2/3 par value common stock held by nonaffiliates of GM was approximately $21.4 billion. The closing price on June 30, 2007 as reported on the New York Stock Exchange was $37.80 per share.

As of February 25, 2008, the number of shares outstanding of GM $1 2/3 par value common stock was 566,059,249 shares.

Documents incorporated by reference are as follows:

Document	Part and Item Number of Form 10-K into which Incorporated
General Motors Notice of Annual Meeting of Stockholders and Proxy Statement for the Annual Meeting of Stockholders to be held June 3, 2008	Part III, Items 10 through 14

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GENERAL MOTORS CORPORATION

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Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

PART I

General Motors Corporation, incorporated in 1916 under the laws of the State of Delaware, is sometimes referred to in this Annual Report on Form 10-K as "we," "our," "us," "ourselves," the "Registrant," the "Corporation," "General Motors," or "GM."

Item 1. *Business*

General

We are engaged primarily in the worldwide development, production and marketing of cars, trucks and parts. We develop, manufacture and market vehicles worldwide through our four automotive regions: GM North America (GMNA), GM Europe (GME), GM Latin America/Africa/Mid-East (GMLAAM) and GM Asia Pacific (GMAP). Also, our finance and insurance operations are primarily conducted through GMAC LLC, the successor to General Motors Acceptance Corporation (GMAC LLC and General Motors Acceptance Corporation are referred to in this Annual Report on Form 10-K as GMAC). GMAC was a wholly owned subsidiary until November 30, 2006, when we sold a 51% controlling ownership interest in GMAC to a consortium of investors (GMAC Transaction). Since the GMAC Transaction, we have accounted for our 49% ownership interest in GMAC using the equity method. GMAC provides a broad range of financial services, including consumer vehicle financing, automotive dealership and other commercial financing, residential mortgage services, automobile service contracts, personal automobile insurance coverage and selected commercial insurance coverage.

Our total worldwide car and truck deliveries were 9.4 million, 9.1 million and 9.2 million, in 2007, 2006 and 2005, respectively. Substantially all of our cars, trucks and parts are marketed through retail dealers in North America, and through distributors and dealers outside of North America, the substantial majority of which are independently owned. GMNA primarily meets the demands of customers in North America with vehicles developed, manufactured and/or marketed under the following brands:

- Chevrolet
- Buick
- Saab
- GMC
- Pontiac
- Cadillac
- HUMMER
- Saturn

The demands of customers outside North America are primarily met with vehicles developed, manufactured and/or marketed under the following brands:

- Opel
- Saab
- GMC
- HUMMER
- Vauxhall
- Buick
- Cadillac
- Isuzu
- Holden
- Chevrolet
- Daewoo
- Suzuki

As of December 31, 2007, we also had equity ownership stakes directly or indirectly through various regional subsidiaries, including GM Daewoo Auto & Technology Company (GM Daewoo), New United Motor Manufacturing, Inc. (NUMMI), Shanghai General Motors Co., Ltd. (Shanghai GM), SAIC-GM-Wuling Automobile Company Ltd. (SGMW) and CAMI Automotive Inc. These companies design, manufacture and market vehicles under the following brands:

- Pontiac
- Wuling
- Chevrolet
- Buick
- Suzuki
- Daewoo
- Cadillac
- Holden

In addition to the products we sell to our dealers for consumer retail sales, we also sell cars and trucks to fleet customers, including daily rental car companies, commercial fleet customers, leasing companies and governments. Sales to fleet customers are completed through our network of dealers and in some cases directly by us.

Our retail and fleet customers can obtain a wide range of aftersale vehicle services and products through our dealer network, such as maintenance, light repairs, collision repairs, vehicle accessories and extended service warranties.

In addition to the information about us and our subsidiaries contained in this Annual Report on Form 10-K for the year ended December 31, 2007, extensive information about us can be found on our website located at www.gm.com, including information about our management team, our brands and products and our corporate governance principles.

The following information is incorporated herein by reference to the indicated pages:

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Vehicle Unit Sales

Total industry sales of new motor vehicle units of domestic and foreign makes and our competitive position in 2007, 2006 and 2005 were as follows:

	Vehicle Unit Sales(a) Years Ended December 31,								
	2007			2006			2005		
	Industry	GM	GM as a % of Industry	Industry	GM	GM as a % of Industry	Industry	GM	GM as a % of Industry
	(Units in thousands)								
United States									
Cars									
Small	2,748	381	13.9%	2,617	426	16.3%	2,478	490	19.8%
Midsize	3,410	884	25.9%	3,595	946	26.3%	3,632	1,007	27.7%
Sport	345	66	19.1%	436	80	18.3%	424	58	13.6%
Luxury	1,169	158	13.6%	1,206	173	14.4%	1,208	197	16.3%
Total cars	7,672	1,489	19.4%	7,854	1,625	20.7%	7,742	1,752	22.6%
Trucks									
Pickups	2,710	979	36.1%	2,874	1,022	35.6%	3,201	1,163	36.3%
Vans	1,119	219	19.6%	1,326	245	18.5%	1,468	328	22.4%
Utilities	4,651	1,136	24.4%	4,505	1,174	26.0%	4,586	1,212	26.4%
Medium Duty	322	44	13.6%	501	59	11.8%	459	63	13.8%
Total trucks	8,802	2,378	27.0%	9,206	2,500	27.1%	9,714	2,766	28.5%
Total United States	16,474	3,867	23.5%	17,060	4,125	24.2%	17,456	4,518	25.9%
Canada, Mexico, and Other	3,118	649	20.8%	3,131	682	21.8%	3,111	730	23.5%
Total GMNA	19,592	4,516	23.0%	20,191	4,807	23.8%	20,567	5,248	25.5%
GME	23,069	2,182	9.5%	21,876	2,003	9.2%	21,092	1,984	9.4%
GMLAAM	7,181	1,236	17.2%	6,104	1,035	17.0%	5,310	883	16.6%
GMAP	20,808	1,436	6.9%	19,231	1,248	6.5%	18,115	1,064	5.9%
Total Worldwide (b)	70,649	9,370	13.3%	67,401	9,093	13.5%	65,084	9,179	14.1%

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

	Vehicle Unit Sales(a) Years Ended December 31,								
	2007			2006			2005		
	Industry	GM	GM as a % of Industry	Industry	GM	GM as a % of Industry	Industry	GM	GM as a % of Industry
	(Units in thousands)								
United States	16,474	3,867	23.5%	17,060	4,125	24.2%	17,456	4,518	25.9%
Canada	1,691	404	23.9%	1,666	421	25.3%	1,630	456	28.0%
Mexico	1,146	230	20.1%	1,179	245	20.8%	1,164	250	21.5%
Other	281	15	5.4%	286	16	5.5%	317	24	7.6%
Total GMNA	19,592	4,516	23.0%	20,191	4,807	23.8%	20,567	5,248	25.5%
United Kingdom	2,800	427	15.2%	2,734	391	14.3%	2,828	416	14.7%
Germany	3,483	330	9.5%	3,772	380	10.1%	3,615	389	10.8%
Russia	2,709	259	9.6%	2,028	133	6.5%	1,655	76	4.6%
Spain	1,939	170	8.8%	1,953	183	9.4%	1,959	180	9.2%
France	2,586	125	4.8%	2,499	123	4.9%	2,548	131	5.1%
Other	9,552	871	9.1%	8,890	793	8.9%	8,487	792	9.3%
Total GME	23,069	2,182	9.5%	21,876	2,003	9.2%	21,092	1,984	9.4%
China	8,549	1,032	12.1%	7,102	871	12.3%	5,747	664	11.6%
Australia	1,050	149	14.2%	963	148	15.4%	988	176	17.8%
South Korea	1,271	131	10.3%	1,202	129	10.7%	1,171	108	9.2%
Other	9,938	124	1.2%	9,964	100	1.0%	10,209	116	1.1%
Total GMAP	20,808	1,436	6.9%	19,231	1,248	6.5%	18,115	1,064	5.9%
Brazil	2,463	499	20.3%	1,928	410	21.3%	1,715	365	21.3%
Argentina	573	92	16.1%	454	75	16.5%	390	70	17.8%
Venezuela	491	151	30.8%	343	92	26.7%	228	65	28.6%
Colombia	251	93	36.9%	192	74	38.6%	143	54	37.6%
Other	3,403	401	11.8%	3,187	384	12.0%	2,834	329	11.6%
Total GMLAAM	7,181	1,236	17.2%	6,104	1,035	17.0%	5,310	883	16.6%
Total Worldwide (b)	70,649	9,370	13.3%	67,401	9,093	13.5%	65,084	9,179	14.1%

(a) Our vehicle unit sales primarily represent vehicles we manufacture, sell under a GM brand or through a GM-owned distribution network. Under a contractual agreement with SGMW we also report SGMW global sales as part of our global market share. Consistent with industry practice, vehicle unit sales information includes estimates of industry sales in certain countries where public reporting is not legally required or otherwise available on a consistent basis.

(b) Total Worldwide may include rounding differences.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Fleet Sales and Deliveries

The sales and market share data provided above includes both retail and fleet vehicle unit sales. Our fleet sales are comprised of vehicle unit sales to daily rental car companies, as well as leasing companies and commercial fleet and government customers. Certain fleet transactions, particularly daily rental, are less profitable than average retail sales. In addition, in some sales to daily rental fleets we guarantee to repurchase the vehicles at contractually agreed upon values.

The table below reflects our fleet unit sales and the amount of those unit sales as a percentage of our total vehicle unit sales for the last three years.

	Years Ended December 31,		
	2007	2006	2005
	(Units in thousands)		
GMNA	1,152	1,270	1,334
GME	833	792	814
GMLAAM	362	289	259
GMAP	229	227	217
Total fleet units	2,576	2,578	2,624
Daily rental units	950	1,027	1,149
Other fleet units	1,626	1,551	1,475
Total fleet units	2,576	2,578	2,624
Fleet unit sales as a percentage of total vehicle unit sales			
Cars	32.9%	33.9%	35.2%
Trucks	19.5%	20.5%	19.6%
Total	27.5%	28.3%	28.6%

Product Pricing

Historically, we have used a number of methods to promote our products, including the use of dealer, retail and fleet incentives such as rebates, finance incentives and special lease programs. The level of incentives is dependent in large part upon the level of competition in the markets in which we operate and the level of demand for our products.

Since early 2006, we have executed a strategy, particularly in the United States, that combines an emphasis on value pricing (including reduced prices on most 2006 model year vehicles), enhanced vehicle content and improved powertrain warranties and the selective use of financial incentives. Additionally, as part of this strategy, in 2007 we sold almost 184,000 fewer vehicles to daily rental companies than in 2005 in the U.S., while steadily improving our profit margin on those sales. During 2008, we will continue to price vehicles competitively, including offering strategic and tactical incentives as required. We believe this strategy builds the reputation of our products and brands and enhances residual value for our products, while supporting improved pricing per transaction.

Seasonal and Cyclical Nature of Business

In the automotive business, retail sales are seasonal and production varies from month to month. Changeovers occur throughout the year for reasons such as new market entries and vehicle model changeovers. Production is typically lower during the third quarter due to annual product changeovers and the fact that annual plant shutdowns are planned during this time to facilitate other plant and product changes. These lower production rates in the third quarter cause operating results to be, in general, less favorable than those in the other three quarters of the year.

The market for vehicles is cyclical and depends on general economic conditions and consumer spending. If general economic conditions deteriorate, consumers may defer purchasing or leasing new vehicles or opt for used vehicles, which would decrease the total number of new cars and light trucks sold. Fluctuations in the price of fuel also affect consumer preferences and spending.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Relationship with Dealers

Globally we market our vehicles through a network of independent retail dealers and distributors. At December 31, 2007, there were 6,776 GM vehicle dealers in the United States, 729 in Canada and 330 in Mexico. Additionally, there were a total of 14,052 distribution outlets throughout the rest of the world for vehicles manufactured by us and our affiliates. These outlets include distributors, dealers and authorized sales, service and parts outlets.

Authorized dealers operated the following number of GM dealerships:

	As of December 31,		
	2007	2006	2005
GMNA	7,835	8,096	8,440
GME	8,902	8,802	8,557
GMLAAM	1,763	1,681	1,671
GMAP	3,387	3,649	3,329
Total Worldwide	21,887	22,228	21,997

We enter into a contract with each authorized dealer agreeing to sell the dealer one or more specified product lines at wholesale prices and granting the dealer the right to sell those vehicles to retail customers from a GM approved location. GM dealers often offer more than one GM brand of vehicle in a single dealership. In fact, we actively promote this for several of our brands in a number of our markets in order to enhance dealer profitability. In some instances an authorized GM dealer may also be an authorized dealer for another manufacturer's vehicles. Authorized GM dealers offer parts, accessories, service and repairs for GM vehicles in the product lines that they sell, primarily using genuine GM vehicle accessories and service parts. GM dealers are authorized to service GM vehicles under our limited warranty program, and those repairs are to be made only with genuine GM parts. In addition, GM dealers generally provide their customers access to credit or lease financing, vehicle insurance and extended service contracts provided by GMAC or its subsidiaries.

Because dealers maintain the primary sales and service interface with the ultimate consumer of our products, the quality of GM dealerships and our relationship with our dealers and distributors are significant to our success. In addition to the terms of our contracts with our dealers, we are regulated by various country and state franchise laws that supersede those contractual terms and impose specific regulatory requirements and standards for initiating dealer network changes, pursuing terminations for cause and other contractual matters.

Research, Development and Intellectual Property

In 2007, we incurred $8.1 billion in costs for research, manufacturing engineering, product engineering, design and development activities related primarily to developing new products or services or improving existing products or services, including activities related to vehicle emissions control, improved fuel economy and the safety of drivers and passengers in our vehicles. We incurred costs of $6.6 billion and $6.7 billion for similar company-sponsored research and other product development activities in 2006 and 2005, respectively.

Research

Our top priority for research is to continue to develop and advance our alternative propulsion strategy, as energy diversity and environmental leadership are critical elements of our overall business strategy. In addition to continuing to improve the efficiency of our internal combustion engines, we are focused on introducing propulsion technologies that use alternative fuels as we intensify our efforts to offer consumer products powered by alternatives to traditional petroleum-based fuels. At the same time, we continue to pursue leadership in strategic technology such as active fuel management, variable valve timing, six-speed transmissions, advanced diesel engines, electronics and controls, battery technology, advanced materials, hydrogen fuel cell technology and hybrid and electrically-driven vehicles in order to improve the environmental performance of our vehicles, diversify energy sources for vehicles and provide fuel economy and efficiency around the world.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

We introduced four hybrids in 2007, the Saturn Aura Green Line, Chevrolet Malibu Hybrid, Chevrolet Tahoe and GMC Yukon Hybrids. We have announced plans for additional hybrid vehicles that will debut in the next few years. These vehicles will be equipped with one of two different hybrid systems designed to meet different American driving patterns and needs. The systems vary in fuel economy savings and cost, providing an opportunity for more consumers to own a hybrid vehicle and to benefit from increased fuel economy savings.

Following a November 2006 meeting with President George Bush, we along with DaimlerChrysler AG (now Chrysler LLC) and Ford Motor Company (Ford), announced that the three of us intend to make at least half of the vehicles we produce capable of operating on biofuels by 2012, as part of an overall national energy strategy. Biofuels, like ethanol, are renewable fuels that are manufactured from biomass substances such as corn, sugar cane, soy bean and timber. We recently entered into an agreement with Coskata on cellulosic ethanol development and production. Coskata's process maximizes ethanol production from a variety of feedstocks. We are partnering with governmental agencies, fuel providers and fuel retailers across the United States to help promote availability and distribution of E85 ethanol, an alternative fuel used in flex fuel vehicles that is a combination of 15% unleaded gasoline and 85% ethanol, including supporting an infrastructure of fueling stations.

Our research into flexible fuels is demonstrated in vehicles produced around the world. In Brazil, substantially all of our domestic fleet is available with our "FlexPower" and "Econo Flex" flexible-fuel engines, which accept a variety of fuels and accounted for more than 96% of the vehicles sold domestically by GM do Brasil in 2007. In Sweden, Saab's "BioPower" flexible-fuel engine can run on E85 ethanol, petroleum or a mixture of the two. Saab offers BioPower variants throughout its core product lineup and Saab's 9-5 BioPower is the best-selling FlexFuel vehicle in Europe.

In addition, we are significantly expanding and accelerating our commitment to electrically driven vehicles, including those powered by fuel cells, which convert hydrogen into electricity and emit only water. In the fall of 2007, we began placing 100 Chevrolet Equinox Fuel Cell prototype vehicles with customers as part of "Project Driveway," the first large-scale market test of fuel cell vehicles. The Equinox Fuel Cell vehicle is equipped with our fourth-generation fuel cell propulsion system.

We have also announced that we have begun production engineering of the Saturn VUE plug-in hybrid vehicle and the Chevrolet Volt Extended-Range Electric Vehicle (E-REV). The Volt is the first vehicle to be built using our E-Flex family of electrically driven propulsion systems. Production engineering has started on a fuel cell variant of the E-Flex system. Advanced lithium-ion battery technology is the key enabling technology for the Volt E-REV and the Saturn VUE plug-in hybrid but is not yet commercially viable. During 2007, we signed contracts with a number of supplier groups to develop advanced lithium-ion battery technology for both vehicles.

We are also supporting the development of biodiesel, a clean-burning alternative diesel fuel that is produced from renewable sources. We currently approve the use of certified biodiesel blends of up to 5% (B5) in our 2008 Duramax engine that we sell in the U.S., available on Chevrolet Silverado and GMC Sierra heavy-duty pick-up trucks, Chevrolet Express and GMC Savanna fullsize vans, and the Chevrolet Kodiak and GMC Top Kick commercial vehicles. B5 is also approved for all GM diesels in Europe. We also developed a Special Equipment Option on the 6.6-liter Duramax for a 20% biodiesel blend (B20). The Special Equipment Option is available on certain configurations of the GMC Savana and Chevy Express Vans and the Chevy Silverado and GMC Sierra Heavy-Duty One-Ton Pickups.

Other examples of our technology leadership include telematics, stability control and other safety systems. Our OnStar in-vehicle security, communications and diagnostic system is the automotive industry's leading telematics provider, available on more than 50 GM vehicles. The third generation of our StabiliTrak electronic stability control system debuted on the 2008 Cadillac STS. In addition to controlling brakes and reducing engine power, this latest iteration of the system combines active front steering to turn the front wheels into the skid when the rear wheels lose traction. Our Lane Departure Warning System and Side Blind Zone Alert System, which extend and enhance driver awareness and vision, also debuted on the 2008 Cadillac STS, DTS and 2008 Buick Lucerne.

We generate and hold a significant number of patents in a number of countries in connection with the operation of our business. While none of these patents by itself is material to our business as a whole, these patents are very important to our operations and continued technological development. In addition, we hold a number of trademarks and service marks that are very important to our identity and recognition in the marketplace.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

See Environmental and Regulatory Matters below for a discussion of vehicle emissions requirements, vehicle noise requirements, fuel economy requirements and safety requirements, which also affect our research and development.

Product Development

Over the past few years, we have integrated our vehicle development activities into a single global organization. This strategy built on earlier efforts to consolidate and standardize our approach to vehicle development.

For example, during the 1990s we merged 11 different engineering centers in the United States into a single organization. In 2005, GM Europe Engineering was created, following a similar consolidation from three separate engineering organizations. At the same time, we have grown our engineering operations in emerging markets in our GMAP and GMLAAM regions.

In this integrated process, product development activities are fully integrated on a global basis under one budget and one decision-making group. Similar approaches have been in place for a number of years in other key functions, such as powertrain, purchasing and manufacturing, to take full advantage of our global capabilities and resources.

Under our global vehicle architecture strategy, future vehicles are developed by a network of global and regional development teams. We generally define architecture to include a specific range of performance characteristics and dimensions supporting a common set of major underbody components and subsystems with common interfaces.

Global architecture development teams are responsible for, in general, most of the non-visible parts of the vehicle, for example, steering, suspension, brake system, HVAC system and electrical system. These global teams work very closely with regional development teams, who are responsible for components that are unique to each brand, such as fascias and interior design, tuning of the vehicle to meet the brand character requirements and final validation to meet applicable government requirements.

We have eight different global architectures that are currently managed by global leadership teams in global engineering centers. Some vehicle architectures are focused on a single region or a limited number of regions, and we generally locate those global engineering centers in the most relevant regions.

The eight global architectures are:

- Mini Vehicles
- Small Vehicles
- Compact Vehicles
- Midsize Vehicles
- Rear-Wheel-Drive (RWD) Vehicles
- Luxury RWD Vehicles
- Compact Crossover Vehicles
- Midsize Trucks

We believe that this integrated global product development process will result in better cars and trucks across all of our markets and brands, developed faster and at a lower cost.

Raw Materials, Services and Supplies

We purchase a wide variety of raw materials, parts, supplies, energy, freight, transportation and other services from numerous suppliers for use in the manufacture of our products. The raw materials primarily consist of steel, aluminum, resins, copper, lead and platinum group metals. We have not experienced any significant shortages of raw materials and normally do not carry substantial inventories of such raw materials in excess of levels reasonably required to meet our production requirements. Over the past three years the global automotive industry has experienced increases in commodity costs, most notably for raw materials such as steel, aluminum, copper, lead and platinum group metals. These price increases have been driven by increased global demand largely reflecting strong demand in emerging markets, higher energy prices and a weaker U.S. Dollar. We attempt to manage our commodity price risk by using derivatives to economically hedge a portion of raw material purchases.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

In some instances, we purchase systems, components, parts and supplies from a single source, and may be at an increased risk for supply disruptions. Furthermore, the inability or unwillingness of our largest supplier, Delphi Corporation (Delphi), to supply us with parts and supplies could adversely affect us because our production capacity would be impacted without those parts and supplies. In 1999, we spun-off Delphi as a separate, U.S. publicly traded corporation; since 2005 Delphi has been in bankruptcy proceedings under Chapter 11 of the Bankruptcy Code.

Based on our standard payment terms with our systems, components and parts suppliers, we are generally required to pay most of these suppliers on the second day of the second month following delivery.

Competitive Position

The global automotive industry is growing, especially in emerging markets such as China and India, and highly competitive. The principal factors that determine consumer vehicle preferences in the markets in which we operate include price, quality, style, safety, reliability, fuel economy and functionality. Our estimated global market share was 13.3% for 2007, 13.5% for 2006 and 14.1% for 2005. Market leadership in individual countries in which we compete varies widely and we do not lead in every country.

We have had the largest market share in our largest market, the United States, for 77 years. The table below sets forth the respective U.S. market shares for 2007 and 2006 for us and our principal competitors in passenger cars and trucks in the United States:

	2007	2006
GM	23.5%	24.2%
Toyota	15.9%	14.9%
Ford	15.6%	17.1%
Chrysler	12.6%	12.6%
Honda	9.4%	8.8%
Nissan	6.5%	6.0%

Environmental and Regulatory Matters

Automotive Emissions Control

The U.S. federal government imposes stringent emission control requirements on vehicles sold in the United States, and additional requirements are imposed by various state governments, most notably California. These requirements include pre-production testing of vehicles, testing of vehicles after assembly, the imposition of emission defect and performance warranties and the obligation to recall and repair customer owned vehicles that do not comply with emissions requirements. We must obtain certification that the vehicles will meet emission requirements from the U.S. Environmental Protection Agency (EPA) before we can sell vehicles in the United States and from the California Air Resources Board (CARB) before we can sell vehicles in California and other states that have adopted the California emissions requirements.

The EPA and the CARB both continue to emphasize testing customer owned vehicles for compliance. We believe that our vehicles meet currently applicable EPA and CARB requirements. If our vehicles do not comply with the emission standards or if defective emission control systems or components are discovered during such testing, or as part of government required defect reporting, we could incur substantial costs related to emissions recalls. New CARB and federal requirements will increase the time and mileage periods over which manufacturers are responsible for a vehicle's emission performance.

Both the EPA and the CARB emission requirements will become even more stringent in the future. In addition, in 2002 California passed legislation regulating the emissions of greenhouse gases. Since we believe this regulation is effectively a form of fuel economy requirement, it is discussed below under Automotive Fuel Economy. A new tier of exhaust emission standards for cars and light-duty trucks, the Low-Emission Vehicles II standards, began phasing in for vehicles in states that have California requirements in the 2004 model year. Similar federal Tier 2 standards began phasing in during 2004. In addition, both the CARB and the EPA have adopted more stringent standards applicable to heavy-duty trucks.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

California law requires that a specified percentage of cars and certain light-duty trucks sold in the state must be zero emission vehicles (ZEVs), such as electric vehicles or hydrogen fuel cell vehicles. This requirement started at 10% in model year 2005 and increases in subsequent years. Manufacturers have the option of meeting a portion of this requirement with partial ZEV credit for vehicles that meet very stringent exhaust and evaporative emission standards and have extended emission system warranties. An additional portion of the ZEV requirement can be met with vehicles that meet these partial ZEV requirements and incorporate advanced technology, such as a hybrid electric propulsion system meeting specified criteria. We are complying with the ZEV requirements using a variety of means, including introducing products certified to the partial ZEV requirements beginning in the 2007 model year and placing Chevrolet Equinox Fuel Cell Vehicles powered by hydrogen into service.

The Clean Air Act permits states that have areas with air quality compliance issues to adopt the California car and truck emission standards in lieu of the federal requirements. Seven states, New York, Massachusetts, Maine, Vermont, Connecticut, Pennsylvania and Rhode Island, have these standards in effect now. New Jersey, Oregon and Washington have adopted the California standards effective beginning in the 2009 model year, and Maryland and New Mexico have adopted the California standards effective beginning in the 2011 model year. Additional states could also adopt the California standards in the future.

In addition to the exhaust emission programs described above, advanced onboard diagnostic (OBD) systems, used to identify and diagnose problems with emission control systems, have been required under federal and California law since the 1996 model year. This system has the potential of increasing warranty costs and the chance for recall. OBD requirements become more challenging each year as vehicles must meet lower emission standards, and new diagnostics are required. Beginning with the 2004 model year, California adopted more stringent OBD requirements, including new design requirements and corresponding enforcement procedures, and we have implemented hardware and software changes to comply with these more stringent requirements. In addition, California has recently adopted technically challenging new OBD requirements that take effect from the 2008 through the 2013 model years.

New evaporative emission control requirements for cars and trucks began phasing in with the 1995 model year in California and the 1996 model year federally. Systems are being further modified to accommodate onboard refueling vapor recovery (ORVR) control standards. ORVR was phased in on passenger cars in the 1998 through 2000 model years, and phased in on light-duty trucks in the 2001 through 2006 model years. Beginning with the 2004 model year, federal and California evaporative emission standards have become more stringent, and we have implemented changes to comply with these more stringent requirements.

We are subject to similar laws and regulations, including vehicle exhaust emission standards, vehicle evaporative emission standards and OBD requirements, in other regions and countries throughout the world in which we sell cars and trucks. Two different regulatory regimes apply in Europe: the European Union (EU) imposes stringent emission control requirements on vehicles sold in all 27 EU Member States, and other countries apply regulations under the framework of the United Nations Economic Commission for Europe — Working Party 29 (UN ECE). A minority of countries in Eastern Europe, which currently do not require compliance with the latest limited standards, are considering convergence to those standards by the end of the decade. In addition, EU Member States can give incentives to environmentally friendly vehicles through tax benefits. This could result in specific market requirements rewarding different technical equipment in various markets, despite the fact there is only one European wide emission requirement. The current EU requirements include type approval of preproduction testing of vehicles, testing of vehicles after assembly and the obligation to recall and repair customer owned vehicles that do not comply with emissions requirements. EU requirements and UN ECE requirements are equivalent in terms of stringency and implementation. We must demonstrate that vehicles will meet emission requirements during witness tests and obtain type approval from an approval authority before we can sell vehicles in the EU.

Emission requirements in Europe will become even more stringent in the future. A new level of exhaust emission standards for cars and light-duty trucks, Euro 5 standards (Euro 5), will apply from September 2009, while Euro 6 standards (Euro 6) are expected to apply from 2014. The OBD requirements associated with these new standards will become more challenging as well. The new European emission standards focus particularly on reducing emissions from diesels. Diesel vehicles have become important in the European marketplace and surpassed 50% market share in 2007. The new requirements will require additional technologies and further increase the cost of diesel engines, which currently cost more than gasoline engines. To comply with Euro 6, we expect that technologies need to be implemented which are similar to those being developed to meet U.S. emission standards. The technologies available today are not cost effective and would therefore not be suitable for the European market for small and midsize diesel vehicles, which typically are under high cost pressure. Further, measures to reduce exhaust pollutant emissions have detrimental effects on vehicle fuel economy which drives additional technology cost to maintain fuel economy.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

In the long-term, notwithstanding the already low vehicle emissions in Europe, regulatory discussions in Europe are expected to continue. Regulators will continue to refine the testing requirements addressing issues such as test cycle, durability, OBD, in-service conformity and alternative fuels.

Within the Asia Pacific region, our vehicles are subject to a broad range of vehicle emission laws and regulations. Japan sets specific exhaust emission and durability standards, test methods and driving cycles. In Japan, OBD is required and evaporative emissions follow the EU. South Korea is transitioning to California style exhaust emission standards and considering adopting other aspects of the California emission program. In South Korea, OBD is required and evaporative emissions follow the EPA standard. China is implementing European standards, with Euro 4 first applying in Beijing starting January 1, 2008, then in other major cities such as Shanghai and Guangzhou by 2009, and then rolling out nationwide as the required fuel becomes available. China plans to adopt Euro 5 standards after 2010. All other countries in which we conduct operations within the Asia Pacific region either require or allow some form of EPA, EU or UN ECE style emission requirements with or without OBD.

Within Latin America, Africa and the Mid-East regions, some countries follow the U.S. test procedure and some follow the EU test procedure, with different levels of requirements.

Industrial Environmental Control

Our operations are subject to a wide range of environmental protection laws including those laws regulating air emissions, water discharges, waste management and environmental cleanup. We are in various stages of investigation or remediation for sites where contamination has been alleged. We are involved in a number of remediation actions to clean up hazardous wastes as required by federal and state laws. Such statutes require that responsible parties fund remediation actions regardless of fault, legality of original disposal or ownership of a disposal site.

The future impact of environmental matters, including potential liabilities, is often difficult to estimate. We record an environmental reserve when it is probable that a liability has been incurred and the amount of the liability is reasonably estimable. This practice is followed whether the claims are asserted or unasserted. Management expects that the amounts reserved will be paid out over the periods of remediation for the applicable sites, which typically range from five to 30 years. Expenditures for site remediation actions, including ongoing operations and maintenance, aggregated $104 million and $107 million in 2007 and 2006, respectively. It is possible that such remediation actions could require average annual expenditures in the range of $80 million to $110 million over the next five years.

For many sites, the remediation costs and other damages for which we ultimately may be responsible are not reasonably estimable because of uncertainties with respect to factors such as our connection to the site or to materials located at the site, the involvement of other potentially responsible parties, the application of laws and other standards or regulations, site conditions and the nature and scope of investigations, studies and remediation to be undertaken (including the technologies to be required and the extent, duration and success of remediation). As a result, we are unable to determine or reasonably estimate the amount of costs or other damages for which we are potentially responsible in connection with these sites, although that total could be substantial.

We pay annual Title V Operating Permit emission inventory fees of $1.3 million. We have costs of on-going source emission testing ranging from $.4 million to $2.5 million per year. We anticipate a similar range of costs in 2008 to comply with the Clean Air Act Amendments under the Title V Renewable Operating Permit Program. Additionally, we incurred costs of $38.1 million between 2005 and 2007 to comply with the Maximum Achievable Control Technology (MACT) Standards for Hazardous Air Pollutants under the Clean Air Act. Cost to comply with MACT standards for 2008 are estimated to be $2.7 million. We also expend over $5 million per year to comply with all regulatory reporting requirements, and we spend $1.5 million annually specifically for air quality reporting.

We are implementing and publicly reporting on various voluntary initiatives to reduce energy consumption and greenhouse gas emissions from our worldwide operations. We set a 2006 target of an 8% reduction in carbon dioxide (CO_2) emissions from our worldwide facilities compared to 2005 emission levels. By 2006, we had reduced CO_2 emissions from our worldwide facilities by 22% compared to 2000 levels. Several of our facilities are included in the European emissions trading regime, which is being implemented to meet the European Community's greenhouse gas reduction commitments under the Kyoto Protocol. We have reported in accordance with the Global Reporting Initiative, the Carbon Disclosure Project, and the Department of Energy 1605(b) program since the inception of the

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

programs. Global Environment and Energy goals and progress made on all voluntary programs are available in our Corporate Responsibility Report at www.gmresponsibility.com.

Vehicular Noise Control

Vehicles we manufacture and sell may be subject to noise emission regulations.

In the United States, passenger cars and light-duty trucks are subject to state and local motor vehicle noise regulations. We are committed to designing and developing our products to meet these noise requirements. Since addressing different vehicle noise regulations established in numerous state and local jurisdictions is not practical, we attempt to identify the most stringent requirements and validate to those requirements. In the rare instances where a state or local noise regulation is not covered by the composite requirement, a waiver of the requirement is requested. Medium to heavy-duty trucks are regulated at the federal level. Federal truck regulations preempt all United States state or local noise regulations for trucks over 10,000 lbs. gross vehicle weight rating.

Outside the United States, noise regulations have been established by authorities at the national and supranational level (e.g., EU or UN ECE for Europe). We believe that our vehicles meet all applicable noise regulations in the markets where they are sold.

Automotive Fuel Economy

The 1975 Energy Policy and Conservation Act provided for average fuel economy requirements for passenger cars built for the 1978 model year and thereafter, weighted by production volumes under a complex formula. Based on the EPA combined city-highway test data, our 2007 model year domestic passenger car fleet achieved a Corporate Average Fuel Economy (CAFE) of 29.9 miles per gallon (mpg), which exceeded the requirement of 27.5 mpg. The estimated CAFE for our 2008 model year domestic passenger cars is projected to be 29.2 mpg, which would also exceed the applicable requirement.

For our imported passenger cars, the 2007 model year CAFE was 31.9 mpg, which exceeded the requirement of 27.5 mpg. The CAFE estimate for 2008 model year GM imported passenger cars is 30.7 mpg, which would also exceed the applicable requirement.

Fuel economy standards for light-duty trucks became effective in 1979. Our light-duty truck CAFE for the 2007 model year was 22.6 mpg, which exceeds the requirement of 22.2 mpg. The National Highway Traffic Safety Administration (NHTSA) adopted new fuel economy standards for trucks beginning with 2008 models. These new rules include substantial changes to the structure of the truck CAFE program, including reformed standards based upon truck size. In November 2007, the U.S. Court of Appeals for the 9th Circuit ruled that the new truck rules were deficient and remanded the rules to the NHTSA. However, due to statutory timing constraints, the standards are effectively locked in for 2008, 2009 and 2010. The 2011 standards are expected to be reconsidered due to federal legislation and subsequent regulation. Under the existing truck rules, reformed standards are optional for 2008-2010. We plan to comply with these optional reform-based standards for 2008. Our reform standard for light-duty trucks for the 2008 model year is 21.9 mpg and our projected performance to this standard is 22.8 mpg. The rule sets the traditional (unreformed) truck CAFE standard at 22.5 mpg for 2008, 23.1 mpg for 2009 and 23.5 mpg for 2010.

As a result of the adoption of the Energy Independence and Security Act of 2007 (EISA) in 2007, the NHTSA is expected to finalize new CAFE requirements beginning with the 2011 model year. The CAFE provisions in the energy legislation include instructions to the NHTSA to set stepped fuel economy standards separately for cars and trucks beginning in the 2011 model year which would increase to 35 mpg by 2020 on a combined car and truck fleet basis. These levels will effectively require a 40% increase in fuel economy by 2020. Complying with these new standards is likely to require us to sell a significant national volume of hybrids or electrically powered vehicles across our portfolio as well as introduce new technologies for our conventional internal combustion engines.

In addition, in 2002 California passed legislation known as Assembly Bill 1493 (AB 1493) requiring the CARB to regulate greenhouse gas emissions from new motor vehicles sold in the state beginning in the 2009 model year. Since CO_2 is the primary greenhouse gas emitted by automobiles, CO_2 emissions are directly proportional to the amount of fuel consumed by motor vehicles, and as a result, CO_2 emissions per mile are inextricably linked to fuel consumption per mile. We believe that AB 1493 by attempting to regulate CO_2 emissions per mile, is taking action tantamount to establishing state level fuel economy standards, which is prohibited by

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

the U.S. federal fuel economy law. Nonetheless, the CARB promulgated rules under AB 1493 (AB 1493 Rules) establishing standards that effectively require about a 40% increase in new vehicle fuel economy for passenger cars by 2016. We have challenged these standards in court along with the Alliance of Automobile Manufacturers, Chrysler Corporation (Chrysler) and several dealers. Rulings adverse to the industry's position were handed down in U.S. District Courts in Burlington, Vermont and Fresno, California. An appeal has been filed in the Vermont decision. The AB 1493 Rules cannot be enforced in any state unless the EPA grants a waiver of federal preemption. On December 19, 2007, the EPA denied California's request for a waiver of the AB 1493 Rules.

Since the CARB has characterized the AB 1493 Rules as an "emission" regulation, other states have adopted the California CO_2 requirements pursuant to claimed authority under the U.S. Clean Air Act. As of December 2007, the following states have adopted the AB 1493 Rules imposing CO_2 requirements on new motor vehicles: Connecticut, Maine, Massachusetts, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Vermont, Washington, Maryland and New Mexico. Other states are also considering adopting the AB 1493 Rules.

We do not believe that it is technically possible to comply with the requirements of the AB 1493 Rules, given our current product portfolio and the extent of the technical improvements that we believe are possible in the near future. If the EPA grants a waiver of federal preemption of the AB 1493 Rules, and the lawsuits do not provide relief, we could be forced to cease selling certain vehicles in those states where the AB 1493 Rules are in effect. Depending upon how widely the AB 1493 Rules are applied, we might curtail production of certain popular and profitable vehicles that do not comply with the AB 1493 Rules.

In Europe, the EU has issued a regulatory proposal to regulate CO_2 emissions/fuel consumption by 2012. It will require manufacturers to meet an average CO_2 emission target depending on the average weight of its fleet. According to the current regulatory proposal, we will be required to reduce the average CO_2 emissions of our fleet by 20%. We do not expect the regulation to be finalized before 2009, so that we will know the terms of the final regulation only three years before we must begin to comply. We are developing a compliance plan by adopting operational CO_2 targets for each market entry in Europe.

In addition, the political discussion on CO_2 regulation in Europe is complicated by national initiatives to introduce CO_2 based taxation programs. Financial budgets are within the sovereignty of the EU Member States and therefore tax laws are different in all EU Member States. We are faced with significant challenges relative to the predictability of future tax laws and the introduction of thresholds that in some case are modified annually.

Potential Impact of Regulations

We continue to improve the fuel efficiency of our vehicles, even as we enhance utility and performance, address environmental aspects of our products and add more safety features and customer convenience options, which add mass to a vehicle and therefore tend to lower its fuel economy. Our product lineup of 2008 models in the United States includes 15 models that get an EPA estimated 30 miles per gallon or better on the highway, more than any other vehicle manufacturer. Overall fuel economy and CO_2 emissions from cars and light-duty trucks on the road are determined by a number of factors, including what products customers select and how they use them, traffic congestion, transit alternatives, fuel quality and availability and land use patterns.

As described above under Research, Development and Intellectual Property, we have established aggressive near-, mid- and long-term plans to develop and bring to market technologies designed to further improve fuel efficiency, reduce emissions, and provide additional value and benefits to our customers. These include enhancements to conventional internal combustion engine technology such as Active Fuel Management, variable valve timing systems and six-speed automatic transmissions. In addition, we currently provide hybrid-electric buses that are capable of improving the fuel efficiency of city buses by up to 50% and reducing some emissions by as much as 90%. In 2007, we launched the Saturn Aura Green Line and introduced the Chevrolet Malibu Hybrid, and will launch the Chevrolet Tahoe and GMC Yukon Hybrids in 2008. The Chevrolet Tahoe and GMC Yukon represent hybrids in the large sport utility vehicle market. In 2006, we launched the Saturn VUE Green Line with a GM hybrid system. By the end of 2008 we plan to offer eight different hybrid models. In addition, for the 2008 model year we offer 12 flex-fuel capable models that can run on E85 ethanol, gasoline or a combination of the two fuels. In Europe, Saab offers the 9-5 BioPower FlexFuel model and plans to extend its BioPower model offerings, and Opel sells several models that operate on compressed natural gas. We are also committed to biodiesel, through our 2008 Duramax engine sold in the U.S. Our diesel powertrains in Europe are approved for B5 biodiesel blends. In 2007, we demonstrated our commitment to electrically driven vehicles powered by fuel cells by launching "Project Driveway" which will place 100 fuel cell

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

prototype vehicles with customers. We have extensive efforts underway to develop production fuel cell vehicles designed to run on hydrogen and emit only water. We believe that the development and global implementation of new, cost-effective energy technologies in all sectors, such as hydrogen fuel cells, is the most effective way to improve energy efficiency and reduce greenhouse gas emissions.

Despite these advanced technology efforts, our ability to satisfy fuel economy/CO_2 requirements in major markets such as the United States, Europe and China is contingent on various future economic, consumer, legislative and regulatory factors that we cannot control and cannot predict with certainty. If we are not able to comply with specific new fuel economy requirements, which include higher U.S. CAFE standards and state CO_2 requirements such as those imposed by the AB 1493 Rules, then we could be subject to sizeable civil penalties or have to restrict product offerings drastically to remain in compliance. In turn, any such actions could have substantial adverse impacts on our operations, including plant closings, reduced employment and loss of sales revenue.

Safety

New vehicles and equipment sold in the United States are required to meet certain safety standards promulgated by the NHTSA. The National Traffic and Motor Vehicle Safety Act of 1966 (the Act) authorizes the NHTSA to determine these standards and the schedule for implementing them. In addition, in the case of a vehicle defect that creates an unreasonable risk to motor vehicle safety or does not comply with a safety standard, the Act generally requires that the manufacturer notify owners and provide a remedy. The Transportation Recall Enhancement, Accountability and Documentation Act requires us to report certain information relating to certain customer complaints, warranty claims, field reports and lawsuits in the United States and fatalities and recalls outside the United States.

We are subject to certain safety standards and recall regulations in the markets outside the United States in which we operate. These standards often have the same purpose as the U.S. standards, but may differ in their requirements and test procedures. From time to time, other countries pass regulations which are more stringent than U.S. standards. Most countries require type approval while the U.S. and Canada require self-certification.

Pension Legislation

We are subject to a variety of federal rules and regulations, including the Employee Retirement Income Security Act of 1974 (ERISA) and the Pension Protection Act of 2006 (PPA), which govern the manner in which we administer our pensions for our retired employees and their spouses. The PPA is designed, among other things, to more appropriately reflect the value of pension assets and liabilities to determine funding requirements. Our U.S. hourly and salaried pension plans are overfunded under current rules and also under the PPA guidelines, many of which are not yet in effect. Given the amount of surplus and the investment strategy for the pension assets, we expect to maintain a surplus without making additional contributions to our U.S. hourly and salaried pension plans for the foreseeable future, assuming there are no material changes in present market conditions. We also maintain pension plans for employees in a number of countries outside the United States, which are subject to local laws and regulations.

Export Control

We are subject to a number of domestic and international export control requirements. Our Office of Export Compliance (OEC) is responsible for addressing export compliance issues that are specified in regulations issued by the U.S. Department of State, the U.S. Department of Commerce, and the U.S. Department of Treasury, as well as issues relating to export control laws of other countries. Export control laws of countries other than the United States are likely to be increasingly significant to our business as we develop our research and development operations on a global basis. The OEC works with export compliance officers in our business units who address export compliance issues on behalf of the units. If we fail to comply with applicable export compliance regulations, we and our employees could be subject to criminal and civil penalties and, under certain circumstances, suspension and debarment from doing business with the government.

Significant Transactions

In August 2007, we completed the sale of the commercial and military operations of Allison. The negotiated purchase price of $5.6 billion in cash plus assumed liabilities was paid at closing. The purchase price was subject to adjustment based on the amount of

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Allison's net working capital and debt on the closing date, which resulted in an adjusted purchase price of $5.4 billion. A gain on the sale of Allison in the amount of $5.3 billion ($4.3 billion after-tax), inclusive of the final purchase price adjustments, was recognized in 2007. Allison, formerly a division of our Powertrain Operations, is a global leader in the design and manufacture of commercial and military automatic transmissions and a premier global provider of commercial vehicle automatic transmissions for on-highway, including trucks, specialty vehicles, buses and recreational vehicles, off-highway and military vehicles, as well as hybrid propulsion systems for transit buses. We retained our Powertrain Operations' facility near Baltimore, which manufactures automatic transmissions primarily for our trucks and hybrid propulsion systems. The results of operations and cash flows of Allison have been reported in the consolidated financial statements as discontinued operations for all periods presented. Historically, Allison had been reported in the North America Automotive business. Refer to Note 3 to the consolidated financial statements for more information on this transaction.

In April 2006, we along with our wholly owned subsidiaries GMAC and GM Finance Co. Holdings Inc. entered into a definitive agreement pursuant to which we agreed to sell a 51% controlling interest in GMAC for a purchase price of $7.4 billion to FIM Holdings LLC (FIM Holdings). FIM Holdings is a consortium of investors, including Cerberus FIM Investors, LLC, Citigroup Inc., Aozora Bank Limited and a subsidiary of the PNC Financial Services Group, Inc. The GMAC Transaction was completed on November 30, 2006. We have retained a 49% interest in GMAC's Common Membership Interests.

As part of the GMAC Transaction, we entered into a number of agreements with GMAC governing aspects of our relationship in the future, including agreements related to consumer and dealer financing by GMAC for the purchase and lease of our products in the United States (GMAC Services Agreement). Under the GMAC Services Agreement, GMAC will continue to finance a broad spectrum of consumer credits, consistent with current and historical practice, and will receive a negotiated return. GMAC will also continue to provide full consideration to consumer credit applications received from GM-franchised dealers and purchase consumer financing contracts from GM dealers in accordance with GMAC's usual standards for creditworthiness, consistent with current and historical practice.

The GMAC Services Agreement also provides that, subject to certain conditions and limitations, we will offer vehicle financing and leasing incentives to U.S. customers, except for Saturn-brand products, exclusively through GMAC. We have the right to set the terms and conditions and eligibility of all such incentive programs. In consideration of GMAC's exclusive relationship with us for vehicle financing and leasing incentives for consumers, GMAC has agreed to certain targets, and if it does not meet these targets, we could impose certain fees and other monetary consequences or even revoke GMAC's exclusivity in whole or in part. As long as GMAC's exclusivity remains in effect, GMAC will pay us $105 million annually.

The GMAC Services Agreement also provides that we will make certain upfront residual support payments to GMAC with respect to leased vehicles and vehicles sold pursuant to balloon retail installment sale contracts to increase the vehicle's contract residual value above certain thresholds set by an independently published guide.

We have entered into agreements with GMAC giving GMAC the right to use the GM name on certain insurance products. In exchange, GMAC will pay us a minimum guaranteed royalty fee of $15 million annually.

For further information about the business relationship between us and GMAC, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Key Factors Affecting Future and Current Results — GMAC — Sale of 51% Controlling Interest" and Note 1, Note 3 and Note 27 to the consolidated financial statements.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Employees

As of December 31, 2007, we employed 266,000 employees, of whom 190,000 (71%) were hourly employees and 76,000 (29%) were salaried employees. The following represents our employment by region at December 31:

	2007	2006	2005
		(In thousands)	
GMNA	139	152	173
GME	57	60	63
GMLAAM	34	32	31
GMAP	34	34	31
GMAC(a)	—	—	34
Other	2	2	3
Total	266	280	335

(a) Amounts for 2007 and 2006 exclude GMAC employees, who were removed from the consolidated payroll as a result of the GMAC Transaction in November 2006.

Approximately 78,000 of our U.S. employees (71%) were represented by unions at December 31, 2007. The International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) represents the largest portion of our U.S. employees who are union members, representing 75,000 employees. In addition, many of our hourly employees outside the United States are represented by various unions. As of December 31, 2007, we had 365,000 U.S. hourly retirees and 114,000 U.S. salaried retirees. In 2007 we entered into a new collective bargaining agreement with the UAW (2007 National Agreement), which includes among other terms a two-tiered wage structure, with lower wages and benefits for employees newly hired into certain non-core jobs. The 2007 National Agreement included the Memorandum of Understanding — Post-Retirement Medical Care (Retiree MOU) under which we agreed to fund a new independent Voluntary Employee Beneficiary Association Trust (New VEBA) that will be operated by the UAW and responsible for establishing and funding a new benefit plan that will permanently assume certain healthcare obligations for UAW retirees and others. On February 21, 2008, the UAW and the class representatives in the class action relating to the Retiree MOU filed on September 26, 2007 by the UAW and putative class representatives entered into a settlement agreement (Settlement Agreement) with us. If the Settlement Agreement is approved by the court hearing this class action, it will effect the transactions contemplated by the Retiree MOU.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Executive Officers of the Registrant

The names and ages, as of January 1, 2008, of our executive officers and their positions and offices with GM are as follows:

Name and (Age)	Positions and Offices
G. Richard Wagoner, Jr. (54)	Chairman and Chief Executive Officer
Frederick A. Henderson (49)	Vice Chairman and Chief Financial Officer
Robert A. Lutz (75)	Vice Chairman, Global Product Development
Bo I. Andersson (52)	Group Vice President, Global Purchasing and Supply Chain
Kathleen S. Barclay (52)	Vice President, Global Human Resources
Walter G. Borst (46)	Treasurer
Lawrence D. Burns (56)	Vice President, Research & Development and Strategic Planning
Troy A. Clarke (52)	Group Vice President and President, North America
Gary L. Cowger (60)	Group Vice President, Global Manufacturing and Labor Relations
Nicholas S. Cyprus (54)	Controller and Chief Accounting Officer
Carl-Peter Forster (53)	Group Vice President and President, GM Europe
Steven J. Harris (62)	Vice President, Global Communications
Maureen Kempston-Darkes (59)	Group Vice President and President, GM Latin America, Africa and Middle East
Robert S. Osborne (53)	Group Vice President and General Counsel
David N. Reilly (58)	Group Vice President and President, GM Asia Pacific
Thomas G. Stephens (59)	Group Vice President, GM Powertrain and Global Quality
Ralph J. Szygenda (59)	Group Vice President and Chief Information Officer
Ray G. Young (46)	Group Vice President, Finance

There are no family relationships, as defined in Item 401 of Regulation S-K, between any of the officers named above, and there is no arrangement or understanding between any of the officers named above and any other person pursuant to which he or she was selected as an officer. Each of the officers named above was elected by the Board of Directors or a committee of the Board to hold office until the next annual election of officers and until his or her successor is elected and qualified or until his or her earlier resignation or removal. The Board of Directors elects the officers immediately following each annual meeting of the stockholders and may appoint other officers between annual meetings.

G. Richard Wagoner, Jr. has been associated with General Motors since 1977. In October 1998, he was elected a director and President and Chief Operating Officer of General Motors. On June 1, 2000, Mr. Wagoner was named Chief Executive Officer and became Chairman of the Board of Directors on May 1, 2003. He is currently a director of GMAC.

Frederick A. Henderson became Vice Chairman and Chief Financial Officer for General Motors on January 1, 2006. Prior to his promotion, Mr. Henderson was a GM Group Vice President and Chairman of GME. Mr. Henderson has been associated with General Motors since 1984. He was named GM Group Vice President and President of GMAP effective January 1, 2002. Effective June 1, 2004, he was appointed Group Vice President and Chairman of GME. He is currently a director of GMAC.

Robert A. Lutz was named Vice Chairman, Product Development of General Motors, effective September 1, 2001. He was named Chairman of GMNA on November 13, 2001, and served in that capacity until April 4, 2005, when he assumed responsibility for Global Product Development. He also served as president of GME on an interim basis from March to June 2004.

Bo I. Andersson began his career with GM in 1987. He was appointed GM Vice President, Worldwide Purchasing, Production Control and Logistics on December 1, 2001 and GM Vice President, Global Purchasing and Supply Chain on March 1, 2005. He was appointed Group Vice President, Global Purchasing and Supply Chain on April 1, 2007.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Kathleen S. Barclay has been associated with General Motors since 1985 and has been Vice President in charge of Global Human Resources since 1998.

Walter G. Borst has been associated with General Motors since 1980. He was named Treasurer in February 2003. Prior to that, Mr. Borst was Executive Director of Finance and Chief Financial Officer for our German subsidiary, Adam Opel AG, since October 2000. He is currently a director of GMAC.

Lawrence D. Burns has been associated with General Motors since 1969 and has been Vice President of Research and Development and Strategic Planning since 1998.

Troy A. Clarke joined General Motors in 1973. He was appointed Group Vice President and President, GMNA in July 2006. He was named Group Vice President and Executive Vice President, GMAP on February 4, 2004, and President of GMAP, effective June 1, 2004. Mr. Clarke was named GM Group Vice President of Manufacturing and Labor Relations in June 2002, and had been Vice President of Labor Relations since January 2001.

Gary L. Cowger was appointed Group Vice President, Global Manufacturing and Labor Relations in April 2005 and had previously been GM Group Vice President and President, GMNA since November 13, 2001. He has been associated with General Motors since 1965. Mr. Cowger became Group Vice President in charge of GM Manufacturing and Labor Relations on January 1, 2001.

Nicholas S. Cyprus joined General Motors as Controller and Chief Accounting Officer in December 2006. Mr. Cyprus was Senior Vice President, Controller and Chief Accounting Officer for the Interpublic Group of Companies from May 2004 to March 2006. Prior to that, he was Vice President, Controller and Chief Accounting Officer from 1999 to 2004 at AT&T Corporation.

Carl-Peter Forster has been GM Vice President and President, GME since June 2004 and was appointed GM Group Vice President and President, GME effective January 1, 2006. He has been Chairman of the Opel Supervisory Board since June 2004 and Chairman of Saab since April 2005. Mr. Forster was Chairman and Managing Director of Adam Opel AG from April 2001, and before that date he was responsible for vehicle development projects for BMW AG.

Steven J. Harris was elected General Motors Vice President, Global Communications February 1, 2006, when he returned to GM from retirement. He previously served as Vice President of GM Communications from 1999 until his retirement on January 1, 2004.

Maureen Kempston-Darkes has been associated with General Motors since 1975. She was named GM Group Vice President and President, GMLAAM effective January 1, 2002. She was president and general manager of GM Canada and Vice President of General Motors Corporation, from 1994 to 2001. She is a member of the Board of Directors of Thomson Corporation and the Canadian National Railway.

Robert S. Osborne joined General Motors as Group Vice President and General Counsel in September 2006. Prior to joining GM, he had been a senior partner in the law firm of Jenner & Block since 2002. He is also responsible for the Office of the Secretary and the Office of Export Compliance and is chair of our Senior Management Compliance Committee.

David N. Reilly was appointed Group Vice President and President, GMAP in July 2006 and had previously been President and Chief Executive Officer of GM Daewoo after leading GM's transition team in the formation of GM Daewoo beginning in January 2002. Mr. Reilly joined General Motors in 1975 and served as Vice President — GM Europe for Sales, Marketing, and Aftersales beginning in 2001.

In December 2006, Mr. Reilly was charged with regard to certain alleged violations of South Korean labor laws. The criminal charges are based on the alleged illegal engagement of certain workers employed by an outsourcing agency in production activities at GM Daewoo, in which we own a majority interest. The charges were filed against Mr. Reilly in his capacity as the most senior GM executive in South Korea and the company's Representative Director, who under South Korean law is the most senior member of management of a stock corporation, and is the person typically named as the individual respondent or defendant in any legal action brought against such

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

company. These charges constitute a criminal offense under the laws of South Korea but would not constitute a criminal offense in the United States. Mr. Reilly has filed a formal request for trial to defend against the charges.

Thomas G. Stephens is the Group Vice President responsible for GM Global Powertrain and Global Quality. He joined General Motors in 1969 and was named Group Vice President for GM Powertrain in 2001. On January 2, 2007, Mr. Stephens was appointed global process leader for quality in addition to his Global Powertrain responsibilities.

Ralph J. Szygenda was named Group Vice President and Chief Information Officer on January 7, 2000. Mr. Szygenda is a member of the Board of Directors of the Handleman Company. He has been associated with GM since 1996.

Ray G. Young was appointed Group Vice President, Finance, on November 1, 2007. He joined General Motors at our Canadian headquarters in Oshawa, Ontario in 1986. In his previous post, Mr. Young was President and Managing Director of GM do Brasil and Mercosur Operations, beginning in January 2004, and prior to that served as chief financial officer of GMNA.

Segment Reporting Data

Operating segment and principal geographic area data for 2007, 2006 and 2005 are summarized in Note 29 to the consolidated financial statements.

Website Access to GM's Reports

Our internet website address is www.gm.com.

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (Exchange Act), are available free of charge through our website as soon as reasonably practicable after they are electronically filed with, or furnished to, the U.S. Securities and Exchange Commission (SEC).

In addition to the information about us and our subsidiaries contained in this Annual Report on Form 10-K for the year ended December 31, 2007, extensive information about the Corporation can be found on our website, including information about our management team, our brands and products and our corporate governance principles.

Item 1A. ***Risk Factors***

We face a number of significant risks and uncertainties in connection with our operations. Our business, results of operations and financial condition could be materially adversely affected by the factors described below.

While we describe each risk separately, some of these risks are interrelated and certain risks could trigger the applicability of other risks described below. Also, the risks and uncertainties described below are not the only ones that we may face. Additional risks and uncertainties not presently known to us, or that we currently do not consider significant, could also potentially impair our business, results of operations and financial condition.

Risks related to us and our automotive business

New laws, regulations or policies of governmental organizations regarding increased fuel economy requirements and reduced greenhouse gas emissions, or changes in existing ones, may have a significant negative impact on how we do business.

We are affected significantly by a substantial amount of governmental regulations that increase costs related to the production of our vehicles. We anticipate that the number and extent of these regulations, and the costs to comply with them, will increase significantly in the future. In the United States and Europe, for example, governmental regulation is primarily driven by concerns about the environment,

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

vehicle safety and fuel economy. These government regulatory requirements complicate our plans for global product development and may result in substantial costs, which can be difficult to pass through to our customers.

The CAFE requirements mandated by the U.S. government pose special concerns. In December 2007, the United States enacted the EISA, a new energy bill that will require significant increases in CAFE requirements applicable to cars and light trucks beginning in the 2011 model year in order to increase the combined U.S. fleet average for cars and light trucks to 35 mpg by 2020, a 40% increase. The estimated cost to the automotive industry of complying with this new standard will likely exceed $100 billion, and our compliance cost could require us to alter our capital spending and research and development plans, curtail sales of our higher margin vehicles, cease production of certain models or even exit certain segments of the vehicle market.

In addition, a growing number of states are adopting regulations that establish CO_2 emission standards that effectively impose similarly increased fuel economy standards for new vehicles sold in those states. If stringent CO_2 emission standards are imposed on us on a state-by-state basis, the result could be even more disruptive to our business than the higher CAFE standards discussed above. The automotive industry has filed legal challenges to these state standards in California, Vermont and Rhode Island. On September 12, 2007, the U.S. District Court for the District of Vermont rejected the industry's position that such state regulation of CO_2 emissions is preempted by federal fuel economy and air pollution laws. While the plaintiffs including us have appealed this decision, there can be no assurance that the Court of Appeals will reverse the lower court's order.

On December 12, 2007, the U.S. District Court for the Eastern District of California ruled against the federal preemption arguments made by the automotive industry but did not lift its order enjoining California from enforcing the AB 1493 Rules in the absence of an EPA waiver. A response to the ruling is under consideration. A related challenge in California state court is pending. On December 21, 2007, the U.S. District Court for the District of Rhode Island denied the state's motion to dismiss the industry challenge and announced steps for the case to proceed to trial. Also on December 27, 2007, several New Mexico auto dealers filed a challenge under U.S. law to New Mexico's adoption of the standards. There can be no assurance that these legal challenges to the AB 1493 Rules will succeed.

Shortages and increases in the price of fuel can result in diminished profitability due to shifts in consumer vehicle demand.

Continued high gasoline prices in 2007 contributed to weaker demand for some of our higher margin vehicles, especially our fullsize sport utility vehicles, as consumer demand shifted to smaller, more fuel-efficient vehicles, which provide lower profit margins and in recent years represent a smaller proportion of our sales volume in North America. Fullsize pick-up trucks, which are generally less fuel efficient than smaller vehicles, provided more than 21% of our North American sales in 2007, compared to a total industry average of 14% of sales. Demand for traditional sport utility vehicles and vans also declined in 2007. Any future increases in the price of gasoline in the United States or in our other markets or any sustained shortage of fuel could further weaken the demand for such vehicles, which could lower profitability and have a material adverse effect on our business.

Our continued ability to achieve structural and materials cost reductions and to realize production efficiencies for our automotive operations is critical to our ability to achieve our turnaround plan and return to profitability.

We are continuing to implement a number of structural and materials cost reduction and productivity improvement initiatives in our automotive operations, including substantial restructuring initiatives for our North American operations, as more fully discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our future competitiveness depends upon our continued success in implementing these restructuring initiatives throughout our automotive operations, especially in North America. In addition, while some of the elements of structural cost reduction are within our control, others such as interest rates or return on investments, which influence our expense for pension and postretirement health care and life insurance benefits (OPEB), depend more on external factors, and there can be no assurance that such external factors will not adversely affect our ability to reduce our structural costs.

Delphi may not be able to obtain sufficient financing to finalize its Plan of Reorganization for approval by the Bankruptcy Court.

In January 2008, the U.S. Bankruptcy Court entered an order confirming Delphi's filed plan of reorganization (Delphi POR) and related agreements including a master restructuring agreement, as amended (MRA) and a global settlement agreement, as amended (GSA) with us. Delphi is pursuing exit financing in support of the Delphi POR, which may be particularly difficult in light of the

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

weakness and decline in capacity in the credit markets. If Delphi cannot secure the financing it needs, the Delphi POR would not be consummated on the terms negotiated with us and with other interested parties. We believe that Delphi would likely seek alternative arrangements, but there can be no assurance that Delphi would be successful in obtaining any alternative arrangements. The resulting uncertainty could disrupt our ability to plan future production and realize our cost reduction goals, and could result in our providing additional financial support to Delphi, receiving less than the distributions that we expect from the resolution of Delphi's bankruptcy proceedings or assuming some of Delphi's obligations to its workforce and retirees.

Financial difficulties, labor stoppages or work slowdowns at key suppliers could result in a disruption in our operations and have a material adverse effect on our business.

We rely on many suppliers to provide us with the systems, components and parts that we need to manufacture our automotive products and operate our business. In recent years, a number of these suppliers, including but not limited to Delphi, have experienced severe financial difficulties and solvency problems and some have reorganized under the U.S. Bankruptcy Code. Financial difficulties or solvency problems at these or other suppliers could materially adversely affect their ability to supply us with the systems, components and parts that we need, which could disrupt our operations including production of certain of our higher margin vehicles. Similarly, a substantial portion of many of these suppliers' workforces are represented by labor unions. Workforce disputes that result in work stoppages or slowdowns at these suppliers could also have a material adverse effect on their ability to continue meeting our needs.

Economic and industry conditions constantly change, and the anticipated near-term negative economic outlook in the United States and elsewhere will create challenges for us that could have a material adverse effect on our business and results of operations.

Our business and results of operations are tied to general economic and industry conditions. The number of cars and trucks sold industry-wide varies from year to year, and sales in the United States declined in 2007 from 2006. Overall vehicle sales, including demand for our vehicles, depend largely on general economic conditions, including the strength of the global and local economies, unemployment levels, consumer confidence levels, the availability of credit and the availability and cost of fuel. Cars and trucks are durable items, and consumers can choose to defer their acquisition or replacement. Difficult economic conditions may also cause consumers to shift to new models that are less expensive and yield lower margins, or to used vehicles. The significant decline in the housing market and the related weakness in the availability and affordability of consumer credit during 2007 affected customers' ability to purchase new vehicles. The decline in housing construction further reduced demand for our vehicles, particularly fullsize pickups, which are among our most popular and profitable models. We believe that the slowdown in the housing market and the constriction of consumer credit are likely to continue into 2008. Moreover, leading economic indicators such as employment levels and income growth predict a downward trend in the United States economy during 2008, and some commentators have predicted a recession. Reflecting these factors, the overall market for new vehicle sales in the United States is expected to decline in 2008, possibly significantly. As a result, we have reduced our projected vehicle production in North America for the first quarter of 2008. If U.S. vehicle sales do not met our expectations, we may choose to reduce our production further. We anticipate that this will have a negative impact on our revenues and profits, at least early in 2008.

These trends can have a material adverse effect on our business. Because our business is characterized by relatively high fixed costs and high unit contribution margins, relatively small changes in the number of vehicles sold can have a significant effect on our business regardless of marketing measures such as price adjustments. Consequently, if declines in industry demand continue to decrease our business, results of operations and financial condition may be materially adversely affected. There can be no assurance that current levels of vehicle sales by the industry or us will continue.

We operate in a highly competitive industry that has excess manufacturing capacity.

The automotive industry is highly competitive, and despite historically high global demand overall, manufacturing capacity in the automotive industry exceeds demand. We expect competition to increase over the next few years due primarily to aggressive investment by manufacturers in established markets in the United States and Western Europe and the presence of local manufacturers in key emerging markets like China and India. Many manufacturers including us have relatively high fixed labor costs as well as significant limitations on their ability to close facilities and reduce fixed costs. Our competitors may respond to these relatively high fixed costs by attempting to sell more vehicles by adding vehicle enhancements, providing subsidized financing or leasing programs, offering option package discounts or other marketing incentives or reducing vehicle prices in certain markets. Manufacturers in lower cost countries such as China and India have

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

announced their intention of exporting their products to established markets as a bargain alternative to entry-level automobiles. These actions have had, and are expected to continue to have, a significant negative impact on our vehicle pricing, market share and operating results particularly on the low end of the market, and present a significant risk to our ability to enhance our revenue per vehicle.

Our long term growth and success is dependent upon our ability to grow and operate profitably in emerging markets.

We are committed to an aggressive global growth strategy focusing on emerging markets such as China, India and the Southeast Asia region (ASEAN), as well as Russia, Brazil, the Middle East and the Andean region, where in recent years we have experienced significant growth in revenue and profits. In recent years our market share in more mature markets such as North America and Western Europe has been flat or declining. Our long-term growth and success depends on our ability to develop market share and operate profitably in these key emerging markets. In many cases, these countries have a more volatile political and economic landscape, greater vulnerability to infrastructure disruptions from natural causes or terrorism and/or a less robust legal, accounting or regulatory environment. At the same time, these emerging markets are becoming more competitive as other international automobile companies enter these markets and local low cost producers expand their capacities. We are taking steps to integrate our operations around the world and manage our business increasingly on a global basis. If due to greater competition or negative economic conditions, we are unable to profitably operate in these key emerging markets, our long-term growth and success may be materially adversely affected.

A significant amount of our operations are conducted by joint ventures that we cannot operate solely for our benefit.

Many of our operations, particularly in emerging markets, are carried on by joint ventures such as GM Daewoo or Shanghai GM. In joint ventures we share ownership and management of a company with one or more parties who may not have the same goals, strategies, priorities or resources as we do. In general, joint ventures are intended to be operated for the equal benefit of all co-owners, rather than for our exclusive benefit. Operating a business as a joint venture often requires additional organizational formalities as well as time-consuming procedures for sharing information and making decisions. In joint ventures, we are required to pay more attention to our relationship with our co-owners as well as with the joint venture, and if a co-owner changes, our relationship may be adversely affected. In addition, the benefits from a successful joint venture are shared among the co-owners, so that we do not receive all the benefits from our successful joint ventures.

Increase in cost, disruption of supply or shortage of raw materials could harm our business.

We use various raw materials in our business including steel, non-ferrous metals such as aluminum and copper and precious metals such as platinum and palladium. The prices for these raw materials fluctuate depending on market conditions. In recent years, we have experienced significant increases in freight charges and raw material costs. Substantial increases in the prices for our raw materials increase our operating costs, and could reduce our profitability if we cannot recoup the increased costs through vehicle prices. In addition, some of these raw materials, such as corrosion-resistant steel, are available from a limited number of suppliers. We cannot guarantee that we will be able to maintain favorable arrangements and relationships with these suppliers. An increase in the cost or a sustained interruption in the supply or shortage of some of these raw materials that may be caused by a deterioration of our relationships with suppliers or by events such as natural disasters, power outages or labor strikes could negatively impact our net revenues and profits.

A decline in consumer demand for our higher margin vehicles could result in diminished profitability.

Our results of operations depend not only on the number of vehicles we sell, but also the product mix of our vehicle sales. For example, in the United States sales of luxury and fullsize vehicles are generally more profitable for us than sales of our smaller and lower-priced vehicles. Our sales tend to be concentrated in a relatively small number of models. If customer preferences shift to product segments in which our competitors offer strong portfolios, our sales could be disproportionately affected. Moreover, shifts in demand away from higher margin sales could materially adversely affect our business.

The pace of introduction and market acceptance of new vehicles is important to our success.

Customers have come to expect new and improved vehicle models to be introduced frequently. In order to meet these expectations, we must introduce on a regular basis new vehicle models as well as enhanced versions of existing vehicle models. Our competitors have

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

introduced, and likely will continue to introduce, new and improved vehicle models designed to meet consumer expectations. Because product lifecycles do not all coincide, some competitors' vehicles are newer than some of our existing models in the same market segments. This puts pricing and vehicle enhancement pressure on our vehicles and, in some vehicle segments, results in market share declines. In addition, consumer preferences for vehicles in certain market segments change over time. Vehicles in less popular segments may have to be discounted in order to be sold in similar volumes. Further, the pace of our development and introduction of new and improved vehicles depends on our ability to successfully implement improved technological innovations in design, engineering, and manufacturing. Our profit margins, sales volumes and market shares may decrease if we are unable to produce models that compare favorably to competing models, particularly in our higher margin vehicle lines such as fullsize pick-up trucks and sport utility vehicles. In 2008 and 2009 we expect to introduce fewer new models than in 2007 and to focus instead on variations on recently launched models, which may not attract the same degree of consumer attention or premium pricing.

Our significant investment in new technology may not result in successful vehicle applications.

We intend to invest up to $9 billion per year in the next few years to support our products and to develop new technology. In some cases, such as hydrogen fuel cells, the technologies are not yet commercially practical and depend on significant future technological advances by us and by suppliers, especially in the area of advanced battery technology. For example, we have announced that we intend to produce the Chevrolet Volt, an electric car, which requires battery technology that has not yet proven to be commercially viable. There can be no assurance that these advances will occur in a timely or feasible way, that the funds that we have budgeted for these purposes will be adequate or that we will be able to establish our right to these technologies. Moreover, our competitors and others are pursuing the same technologies and other competing technologies, in some cases with more money available, and there can be no assurance that they will not acquire similar or superior technologies sooner than we do or on an exclusive basis or at a significant price advantage.

We have agreed to fund a trust pursuant to the Settlement Agreement that will require us to contribute significant assets in a relatively short time period.

If the arrangements contemplated by the Settlement Agreement are approved and implemented, we will be required to contribute more than $25 billion in assets to the New VEBA in a relatively short time period, plus $5.6 billion immediately or in payments through 2020 and up to 19 annual payments of $165 million as necessary to support the New VEBA's future solvency. There can be no assurance that we will be able to obtain all of the necessary funding that has not been set aside in existing VEBA trusts on terms that will be acceptable. If we are unable to obtain funding on terms that are consistent with our business plans, we may have to delay or reduce other planned expenditures.

If we are not be able to implement the terms of the Settlement Agreement, including the terms of the New VEBA, our extensive OPEB obligations will remain a competitive disadvantage to us.

We are relying on the implementation of the Settlement Agreement to make a significant reduction in our OPEB liability. Under certain circumstances, however, it may not be possible to implement the Settlement Agreement. The implementation of the Settlement Agreement is contingent on our securing satisfactory accounting treatment for our obligations to the covered group for retiree medical benefits, which we plan to discuss with the staff of the SEC. If, based on those discussions, we believe that the accounting may be some treatment other than settlement or a substantive negative plan amendment that would be reasonably satisfactory to us, we will attempt to restructure the Settlement Agreement with the UAW to obtain such accounting treatment, but if we cannot accomplish such a restructuring the Settlement Agreement will terminate. Moreover, there can be no assurance that the terms of the Settlement Agreement will not be changed through negotiations with the UAW or UAW retiree class counsel in order to secure court approval or that the Settlement Agreement will be approved by the court.

Our OPEB obligations for employees and retirees are $60 billion at December 31, 2007, and could grow even larger on a global basis. In recent years, we have paid our OPEB obligations from operating cash flow, which reduces our liquidity and cash flow from operations. Our U.S. healthcare cash spending was $4.6 billion in 2007 (before the effect of amounts incurred or paid on certain benefit guarantees related to Delphi and contributions to a VEBA Trust for paying healthcare costs established in 2005 (Mitigation VEBA). Failure to adequately control our healthcare costs is likely to result in materially higher expenses and have a material adverse effect on our results of operations and financial condition. This is a competitive disadvantage to us since we have a greater number of retirees for whom we have OPEB obligations than our competitors. Trend rates for healthcare costs are expected to continue to increase, due to a number of factors

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

not within our control, such as an aging population, greater ability to manage serious chronic illness at an increasingly high cost and new procedures and technologies to prevent illness and disease that extend life expectancies.

Even if we are able to successfully implement the terms of the Settlement Agreement by establishing and making the required contributions to the New VEBA, the earliest we will be able to benefit from associated cash savings would be 2010.

Because the arrangements contemplated by the Settlement Agreement require court approval, we will not be able to implement the Settlement Agreement until at least 2010, and implementation may be delayed further or even denied by the court. Until the Settlement Agreement is implemented we will continue to incur substantial costs for OPEB obligations related to retired UAW employees, and delays in implementation or changes in the terms could adversely affect the benefits that we anticipate receiving from the Settlement Agreement.

Our pension and OPEB expenses are affected by factors outside our control, including the performance of plan assets, interest rates, actuarial data and experience and changes in laws and regulations.

Our future funding obligations for our U.S. defined benefit pension plans qualified with the Internal Revenue Service and our estimated liability related to OPEB plans depend upon changes in healthcare inflation trend rates, the level of benefits provided for by the plans, the future performance of assets set aside in trusts for these plans, the level of interest rates used to determine funding levels, actuarial data and experience and any changes in government laws and regulations. In addition, our employee benefit plans hold a significant amount of equity securities. If the market values of these securities decline, our pension and OPEB expenses would increase and, as a result, could materially adversely affect our business. Decreases in interest rates that are not offset by contributions and asset returns could also increase our obligations under such plans. We may be legally required to make contributions to our U.S. pension plans in the future, and those contributions could be material. In addition, if local legal authorities increase the minimum funding requirements for our pension plans outside the United States, we could be required to contribute more funds, which would negatively affect our cash flow.

Our extensive pension obligations to retirees are a competitive disadvantage for us.

We believe that we are competitively disadvantaged because we provide pension benefits to more than 400,000 retirees and surviving spouses in the United States. As a result, we believe our pension payments as a percentage of revenues are significantly greater than our competitors, particularly those operating outside the United States. In addition to our large number of U.S. retirees, we have mature manufacturing operations in Canada and Western Europe including Germany and the United Kingdom, and as result have pension and similar obligations to significant numbers of current retirees and employees who will retire in the near future. Although our U.S. pension plans are now fully funded, certain of our pension plans outside the United States are partially or fully unfunded. As a result of funding our worldwide pension obligations, we have relatively less available cash to invest in product development and capital projects than some of our competitors.

We could be materially adversely affected by changes or imbalances in currency exchange and other rates.

Because we sell products and buy materials globally over a significant period of time, we are exposed to risks related to the effects of changes in foreign currency exchange rates, commodity prices and interest rates, which can have material adverse effects on our business. In recent years, the relative weakness of certain currencies has provided competitive advantages to certain of our competitors. Specifically, the weakness of the Japanese Yen has provided pricing advantages for vehicles and parts imported from Japan to markets with more robust currencies like the United States and Western Europe. Moreover, the relative strength of other currencies has negatively impacted our business. For example, the relative strength of the currencies of Western Europe, where we manufacture vehicles, compared to the currencies of Eastern Europe, where we import vehicles made in Western Europe, has had an adverse effect on our results of operations in Europe. Similarly, parts or products manufactured in Canada and sold in the United States no longer enjoy the advantage of a Canadian Dollar that is substantially weaker than the U.S. Dollar. In addition, in preparing our financial statements we translate our revenue and expenses outside the United States into U.S. Dollars using the average exchange rate for the period and the assets and liabilities using the exchange rate at the balance sheet date. As a result, currency fluctuations and the associated currency translations could have a material adverse effect on our results of operation.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Our liquidity position could be negatively affected by a variety of factors, which in turn could have a material adverse effect on our business.

Our ability to meet our capital requirements over the long-term (as opposed to the short and medium-term) will require substantial liquidity and will depend on the continued successful execution of our turnaround plan to return our North American operations to profitability and positive cash flow. We are subject to numerous risks and uncertainties that could negatively affect our cash flow and liquidity position in the future. These include, among other things, the high capital costs relating to new technology research and implementation, the effects of proposed and new legislation regarding increased fuel economy requirements and greenhouse gas emissions and pressure from suppliers to agree to changed payment or other contract terms. The occurrence of one or more of these events could weaken our liquidity position and materially adversely affect our business, for example by curtailing our ability to make important capital expenditures. The current weakness of the credit markets and the general economic downturn could have a significant negative effect on our ability to borrow funds to meet our anticipated cash needs.

Further reduction of our credit ratings, or failure to restore our credit ratings to higher levels, could have a material adverse effect on our business.

Our credit ratings have been downgraded to historically low levels. Our unsecured debt is currently assigned a non-investment grade rating by each of the four nationally recognized statistical rating organizations. The decline in our credit ratings reflects the agencies' concerns over our competitive and financial strength. Our current credit ratings have substantially reduced our access to the unsecured debt markets and have unfavorably impacted our overall cost of borrowing. Certain of the financing arrangements we entered into in 2007 included collateral.

Further downgrades of our current credit ratings or significant worsening of our financial condition could also result in increased demands by our suppliers for accelerated payment terms or other more onerous supply terms.

The U.S. federal government is currently investigating certain of our accounting practices. The final outcome of these investigations could require us to restate prior financial results or result in other adverse consequences.

We have received subpoenas from the SEC in connection with some of its investigations related to various matters including our financial reporting concerning pension and OPEB, certain transactions between us and Delphi, supplier price reductions or credits, any obligation we may have to fund pension and OPEB costs in connection with Delphi's Chapter 11 proceedings and certain transactions in precious metal raw materials used in our automotive manufacturing operations. The SEC is also investigating our accounting for certain foreign exchange derivative transactions and commodities contracts under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." We have produced documents and provided testimony in response to the subpoenas and we are continuing to cooperate in connection with all these investigations. A negative outcome of one or more of these investigations could require us to restate prior financial results and could result in fines, penalties or other remedies being imposed on us, which under certain circumstances could have a material adverse effect on our business.

We have determined that our internal controls over financial reporting are currently not effective. The lack of effective internal controls could adversely affect our financial condition and ability to carry out our strategic business plan.

As discussed in Item 9A, Controls and Procedures, our management team for financial reporting, under the supervision and with the participation of our chief executive officer and chief financial officer, conducted an evaluation of the effectiveness of the design and operation of our internal controls. As of December 31, 2007, they concluded that our disclosure controls and procedures and our internal control over financial reporting were not effective. Until we are successful in our effort to remediate the weaknesses in our internal control over financial reporting, they may adversely impact our ability to report accurately our financial condition and results of operations in the future in a timely manner.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Our indebtedness and other obligations of our automotive operations are significant and could have a material adverse effect on our business.

We have a significant amount of indebtedness. As of December 31, 2007, we had $39.4 billion in loans payable and long-term debt outstanding for our automotive operations, in addition to funding requirements of more than $30 billion under the Settlement Agreement. Our significant indebtedness may have several important consequences. For example, it could:

- Require us to dedicate a significant portion of our cash flow from operations to the payment of principal and interest on our indebtedness, which will reduce the funds available for other purposes such as product development;
- Make us more vulnerable to adverse economic and industry conditions;
- Limit our ability to withstand competitive pressures; and
- Reduce our flexibility in responding to changing business and economic conditions.

Any one or more of these consequences could have a material adverse effect on our business.

Our businesses outside the United States expose us to additional risks that may materially adversely affect our business.

Approximately 59% of our automotive unit sales in 2007 were generated outside the United States, and we intend to continue to pursue growth opportunities for our business in a variety of business environments outside the United States. Operating in a large number of different regions and countries exposes us to multiple foreign regulatory requirements that are subject to change, including foreign regulations restricting our ability to sell our products in those countries; differing local product preferences and product requirements, including fuel economy, vehicle emissions and safety; differing labor regulations and union relationships and tax laws and planning. The effects of these risks may, individually or in the aggregate, materially adversely affect our business.

New laws, regulations or policies of governmental organizations regarding safety standards, or changes in existing ones, may have a significant negative impact on how we do business.

Our products must satisfy legal safety requirements. Meeting or exceeding government-mandated safety standards is difficult and costly, because crashworthiness standards tend to conflict with the need to reduce vehicle weight in order to meet emissions and fuel economy standards. While we are managing our product development and production operations on a global basis to reduce costs and lead times, unique national or regional standards or vehicle rating programs can result in additional costs for product development, testing and manufacturing. Governments often require the implementation of new requirements during the middle of a product cycle, which can be substantially more expensive than accommodating these requirements during the design of a new product.

We are subject to significant risks of litigation.

We are currently subject to numerous matters in litigation, including a number of stockholder and bondholder class actions and derivative lawsuits. We cannot provide assurance that we will be successful in defending any of these matters, and adverse judgments could materially adversely affect our business or financial condition. We are also routinely named a defendant in purported class actions alleging a variety of vehicle defects, in product liability cases seeking damages for personal injury and in suits alleging our responsibility for claims of asbestos related illnesses. Some of these matters are described in greater detail in our Legal Proceedings section below. Since the outcomes of such pending or future litigation are not predictable, we cannot provide assurance that such litigation will not materially adversely affect our business, results of operations or cash flows.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Risks related to our 49% ownership interest in GMAC

General business, economic and market conditions as well as continuing weakness in the residential mortgage market may significantly affect the operating results of GMAC's business and earnings and may require us to record an impairment of our equity investment in GMAC.

In recent years, GMAC contributed consistently and substantially to our revenues and profits. Following the GMAC Transaction in November 2006, we hold a 49% ownership interest in GMAC, which is accounted for in our consolidated financial statements using the equity method. GMAC's business and earnings are sensitive to general business and economic conditions in the United States. These conditions include short-term and long-term interest rates, inflation, fluctuations in both debt and equity capital markets and the strength of the U.S. economy, as well as the local economies in which they conduct business. If any of these conditions worsens, GMAC's business and earnings could be adversely affected and significantly affect our equity investment. For example, a rising interest rate environment could decrease the demand for loans or business, and economic conditions that negatively impact household incomes could decrease the demand for loans and increase the number of customers who become delinquent or default on their loans. GMAC's portfolio of loans held for investment grew in 2007, which increases the risk to GMAC of borrower defaults. At December 31, 2007 we had an equity investment of $8.1 billion in GMAC based on our Common Membership Interests and Preferred Membership Interests. We are required by generally accepted accounting principles to review the carrying value of our assets periodically, including our equity investments. If economic conditions decline in 2008 and GMAC's earnings continue to be negatively affected, we may be required to record an impairment of our equity investment in GMAC.

A significant proportion of GMAC's revenues and profits in recent years came from originating, servicing and securitizing residential mortgages, including subprime loans. In 2007 the real estate market in the United States declined significantly, with falling residential sales, decreased housing construction and rising rates of defaults and foreclosures. GMAC's revenues and profits have been adversely affected by this decline, particularly at its residential mortgage subsidiary Residential Capital LLC (ResCap). GMAC had a net loss of $2.3 billion in 2007, compared to net income of $2.1 billion in 2006. ResCap's 2006 net income of $705 million decreased in 2007 to a net loss of $4.3 billion, and in the third quarter of 2007, GMAC recognized an impairment loss of $455 million. Our consolidated financial results have been adversely affected by this decline in GMAC's revenues and profits. Moreover, GMAC may request GM and its other equity holder to provide financial support for its operations and strategic planning during this period of stress. While we do not have any legal obligation to provide additional capital to GMAC, we may determine that such an investment is necessary or advisable to maintain the value of our current interest in GMAC. For example, effective November 1, 2007, we converted 533,236 shares of Preferred Membership Interests in GMAC into Common Membership Interests, in the interest of strengthening GMAC's capital position.

If GMAC's equity capital decreases, it may not be able to pay dividends or may pay partial dividends on the Preferred Membership Interests that we hold.

GMAC's Operating Agreement provides that the Preferred Membership Interests are entitled to receive a quarterly distribution equal to 10% per annum of the related capital account. GMAC's Board of Managers, and under certain circumstances the Independent Managers, may reduce this distribution, however, to the extent necessary to maintain the contractually required level of minimum book equity. GMAC's revenues and profits declined significantly during 2007, and we believe that the weakness in its Mortgage business unit is likely to continue for the foreseeable future. If GMAC's financial results continue to be significantly adversely affected by challenges in the mortgage market, GMAC's equity capital may decrease to the point that its Board of Managers or its Independent Managers determine that distributions on the Preferred Membership Interests should be reduced or cancelled. Since distributions on the Preferred Membership Interests are not cumulative under the Operating Agreement, such a reduction in distributions would not be reimbursed if and when GMAC's financial results improve. Moreover, we have not received dividends on our Common Membership Interests in GMAC.

GMAC's automotive finance business is critical to our operations and provides financing support to a significant share of our global sales; if GMAC is unable to provide financial support in its current form our business will be materially adversely affected.

GMAC's automotive finance business for North American Operations and International Operations supports a significant share of our global sales through lending, leasing and financing arrangements with dealers and retail and fleet customers. If GMAC is unable to provide this financial support to our dealers and customers at the current level we may need to seek a replacement issuer or originator for

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

our automotive financing operations. This process would be complicated by the existing contractual arrangements that GM and GMAC entered into in connection with the GMAC Transaction, such as the exclusive use of GMAC to provide leasing and financing incentives to U.S. customers (other than Saturn buyers). We may not be able to find a replacement in a timely and cost efficient manner and the ensuing interruption to our sales process could materially affect our business.

Rating agencies have recently downgraded their ratings for GMAC and ResCap, and there could be further downgrades in the future. Future downgrades would further adversely affect GMAC's ability to raise capital in the debt markets at attractive rates and increase the interest that GMAC pays on new borrowings, which could have a material adverse effect on GMAC's results of operations and financial condition.

Each of Standard & Poor's Rating Services; Moody's Investors Service, Inc.; Fitch, Inc.; and Dominion Bond Rating Service rate GMAC's debt. There have been a series of recent negative credit rating actions, and all of these agencies currently maintain a negative outlook with respect to GMAC's ratings. Ratings reflect the rating agencies' opinions of GMAC's financial strength, operating performance, strategic position, and ability to meet its obligations. Agency ratings are not a recommendation to buy, sell, or hold any security, and may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating.

Future downgrades of GMAC's credit ratings would further increase borrowing costs and constrain GMAC's access to unsecured debt markets, including capital markets for retail debt and, as a result, would negatively affect GMAC's business. In addition, future downgrades of GMAC's credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements, as well as impact elements of certain existing secured borrowing arrangements.

GMAC's business requires substantial capital, and if GMAC is unable to maintain adequate financing sources, GMAC's profitability and financial condition will suffer and jeopardize GMAC's ability to continue operations.

GMAC's liquidity and ongoing profitability are, in large part, dependent upon GMAC's timely access to capital and the costs associated with raising funds in different segments of the capital markets. Currently, GMAC's primary sources of financing include public and private securitizations and whole-loan sales. To a lesser extent, GMAC also uses institutional unsecured term debt, commercial paper, and retail debt offerings. Reliance on any one source can change going forward.

GMAC depends and will continue to depend on its ability to access diversified funding alternatives to meet future cash flow requirements and to continue to fund its operations. Negative credit events specific to us or GMAC or other events affecting the overall debt markets have adversely impacted GMAC's funding sources, and continued or additional negative events could further adversely impact GMAC's funding sources, especially over the long term. As an example, an insolvency event for us would curtail GMAC's ability to utilize certain of GMAC's automotive wholesale loan securitization structures as a source of funding in the future. Furthermore, ResCap's access to capital can be impacted by changes in the market value of its mortgage products and the willingness of market participants to provide liquidity for such products.

ResCap's liquidity may also be adversely affected by margin calls under certain of its secured credit facilities that are dependent in part on the lenders' valuation of the collateral securing the financing. Each of these credit facilities allows the lender, to varying degrees, to revalue the collateral to values that the lender considers to reflect market values. If a lender determines that the value of the collateral has decreased, it may initiate a margin call requiring ResCap to post additional collateral to cover the decrease. When ResCap is subject to such a margin call, it must provide the lender with additional collateral or repay a portion of the outstanding borrowings with minimal notice. Any such margin call could harm ResCap's liquidity, results of operation, financial condition, and business prospects. Additionally, in order to obtain cash to satisfy a margin call, ResCap may be required to liquidate assets at a disadvantageous time, which could cause it to incur further losses and adversely affect its results of operations and financial condition.

Recent developments in the market for many types of mortgage products (including mortgage-backed securities) have resulted in reduced liquidity for these assets. Although this reduction in liquidity has been most acute with regard to nonprime assets, there has been an overall reduction in liquidity across the credit spectrum of mortgage products. As a result, ResCap's liquidity will continue to be negatively impacted by margin calls and changes to advance rates on its secured facilities. One consequence of this funding reduction is

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

that ResCap may decide to retain interests in securitized mortgage pools that, in other circumstances, it would sell to investors, and ResCap will have to secure additional financing for these retained interests. If ResCap is unable to secure sufficient financing for them, or if there is further general deterioration of liquidity for mortgage products, it will adversely impact ResCap's business. In addition, a number of ResCap's financing facilities have relatively short terms, typically one year or less, and a number of facilities are scheduled to mature during 2008. Though ResCap has generally been able to renew maturing facilities when needed to fund its operations, in recent months counterparties have often negotiated more conservative terms. Such terms have included, among other things, shorter maturities upon renewal, lower overall borrowing limits, lower ratios of funding to collateral value for secured facilities, and higher borrowing costs. If ResCap is unable to maintain adequate financing or if other sources of capital are not available, it could be forced to suspend, curtail, or reduce certain aspects of its operations, which could harm ResCap's revenues, profitability, financial condition, and business prospects.

Furthermore, GMAC utilizes asset and mortgage securitizations and sales as a critical component of its diversified funding strategy. Several factors could affect GMAC's ability to complete securitizations and sales, including conditions in the securities markets generally, conditions in the asset- or mortgage-backed securities markets, the credit quality and performance of GMAC's contracts and loans, GMAC's ability to service its contracts and loans, and a decline in the ratings given to securities previously issued in GMAC's securitizations. Any of these factors could negatively affect GMAC's ability to fund in these markets and the pricing of GMAC's securitizations and sales, resulting in lower proceeds from these activities.

Recent developments in the residential mortgage market may continue to adversely affect GMAC's revenues, profitability, and financial condition.

Recently, the residential mortgage markets in the United States and Europe have experienced a variety of difficulties and changed economic conditions that adversely affected GMAC's earnings and financial condition in the fourth quarter of 2006 and through 2007. Delinquencies and losses with respect to ResCap's nonprime mortgage loans increased significantly and may continue to increase. Housing prices in many parts of the United States and the United Kingdom have also declined or stopped appreciating, after extended periods of significant appreciation. In addition, the liquidity provided to the mortgage sector has recently been significantly reduced. This liquidity reduction combined with Rescap's decision to reduce its exposure to the nonprime mortgage market caused its nonprime mortgage production to decline, and such declines may continue. Similar trends are emerging beyond the nonprime sector, especially at the lower end of the prime credit quality scale, and may have a similar effect on ResCap's related liquidity needs and businesses in the United States and Europe. These trends have resulted in significant write-downs to ResCap's mortgage loans held for sale portfolio and additions to allowance for loan losses for its mortgage loans held for investment and warehouse lending receivables portfolios. A continuation of these trends may continue to adversely affect our financial condition and results of operations.

Another factor that may result in higher delinquency rates on mortgage loans held for sale and investment and on mortgage loans that underlie interests from securitizations is the scheduled increase in monthly payments on adjustable rate mortgage loans. Borrowers with adjustable rate mortgage loans are being exposed to increased monthly payments when the related mortgage interest rate adjusts upward under the terms of the mortgage loan from the initial fixed rate or a low introductory rate, as applicable, to the rate computed in accordance with the applicable index and margin. This increase in borrowers' monthly payments, together with any increase in prevailing market interest rates, may result in significantly increased monthly payments for borrowers with adjustable rate mortgage loans.

Borrowers seeking to avoid these increased monthly payments by refinancing their mortgage loans may no longer be able to find available replacement loans at comparably low interest rates. A decline in housing prices may also leave borrowers with insufficient equity in their homes to permit them to refinance. In addition, these mortgage loans may have prepayment premiums that inhibit refinancing. Furthermore, borrowers who intend to sell their homes on or before the expiration of the fixed-rate periods on their mortgage loans may find that they cannot sell their properties for an amount equal to or greater than the unpaid principal balance of their loans. These events, alone or in combination, may contribute to higher delinquency rates.

Certain government regulators have observed these issues involving nonprime mortgages and have indicated an intention to review the mortgage loan programs. To the extent that regulators restrict the volume, terms and/or type of nonprime mortgage loans, the liquidity of GMAC's nonprime mortgage loan production and GMAC's profitability from nonprime mortgage loans could be negatively impacted. Such activity could also negatively impact GMAC's warehouse lending volumes and profitability. The events surrounding the nonprime

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

segment have forced certain originators to exit the market. Such activities may limit the volume of nonprime mortgage loans available for GMAC to acquire and/or GMAC's warehouse lending volumes, which could negatively impact GMAC's profitability.

These events, alone or in combination, may contribute to higher delinquency rates, reduce origination volumes or reduce warehouse lending volumes at ResCap. These events could adversely affect GMAC's revenues, profitability and financial condition.

Recent negative developments in the secondary mortgage markets have led credit rating agencies to make requirements for rating mortgage securities more stringent, and market participants are still evaluating the impact.

The credit rating agencies that rate most classes of ResCap's mortgage securitization transactions establish criteria for both security terms and the underlying mortgage loans. Recent deterioration in the residential mortgage market in the United States and internationally, especially in the nonprime sector, has led the rating agencies to increase their required credit enhancement for certain loan features and security structures. These changes, and any similar changes in the future, may reduce the volume of securitizable loans ResCap is able to produce in a competitive market. Similarly, increased credit enhancement to support ratings on new securities may reduce the profitability of ResCap's mortgage securitization operations and, accordingly, its overall profitability and financial condition.

GMAC's indebtedness and other obligations are significant and could materially adversely affect its business.

GMAC has a significant amount of indebtedness. As of December 31, 2007, GMAC had approximately $193 billion in principal amount of indebtedness outstanding. Interest expense on GMAC's indebtedness constitutes approximately 70% of its total financing revenues. In addition, under the terms of GMAC's current indebtedness, GMAC has the ability to create additional unsecured indebtedness. If GMAC's debt payments increase, whether due to the increased cost of existing indebtedness or the incurrence of additional indebtedness, GMAC may be required to dedicate a significant portion of its cash flow from operations to the payment of principal of, and interest on, its indebtedness, which would reduce the funds available for other purposes. GMAC's indebtedness also could limit its ability to withstand competitive pressures and reduce its flexibility in responding to changing business and economic conditions.

GMAC's earnings may decrease because of increases or decreases in interest rates.

GMAC's profitability is directly affected by changes in interest rates. The following are some of the risks GMAC faces relating to an increase in interest rates:

- Rising interest rates will increase its cost of funds.
- Rising interest rates may reduce its consumer automotive financing volume by influencing consumers to pay cash for, as opposed to financing, vehicle purchases.
- Rising interest rates generally reduce its residential mortgage loan production as borrowers become less likely to refinance, and the costs associated with acquiring a new home becomes more expensive.
- Rising interest rates will generally reduce the value of mortgage and automotive financing loans and contracts and retained interests and fixed income securities held in its investment portfolio.

GMAC is also subject to risks from decreasing interest rates. For example, a significant decrease in interest rates could increase the rate at which mortgages are prepaid, which could require it to write down the value of its retained interests. Moreover, if prepayments are greater than expected, the cash GMAC receives over the life of its mortgage loans held for investment, and its retained interests would be reduced. Higher-than-expected prepayments could also reduce the value of GMAC's mortgage servicing rights and, to the extent the borrower does not refinance with GMAC, the size of its servicing portfolio. Therefore, any such changes in interest rates could harm GMAC's revenues, profitability, and financial condition.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GMAC's hedging strategies may not be successful in mitigating its risks associated with changes in interest rates and could affect its profitability and financial condition, as could its failure to comply with hedge accounting principles and interpretations.

GMAC employs various economic hedging strategies to mitigate the interest rate and prepayment risk inherent in many of its assets and liabilities. GMAC's hedging strategies rely on assumptions and projections regarding its assets, liabilities and general market factors. If these assumptions and projections prove to be incorrect or GMAC's hedges do not adequately mitigate the impact of changes in interest rates or prepayment speeds, GMAC may experience volatility in its earnings that could adversely affect its profitability and financial condition.

In addition, hedge accounting in accordance with SFAS 133 requires the application of significant subjective judgments to a body of accounting concepts that is complex and for which the interpretations have continued to evolve within the accounting profession and amongst the standard-setting bodies. On GMAC's 2006 Annual Report on Form 10-K, GMAC restated prior period financial information to eliminate hedge accounting treatment that had been applied to certain callable debt hedged with derivatives.

GMAC's residential mortgage subsidiary's ability to pay dividends to GMAC is restricted by contractual arrangements.

On June 24, 2005, GMAC entered into an operating agreement with ResCap, the holding company for GMAC's residential mortgage business, and us to create separation between ResCap on one hand and GMAC and us on the other hand. The operating agreement restricts ResCap's ability to declare dividends or prepay subordinated indebtedness to GMAC. This operating agreement was amended on November 27, 2006, and again on November 30, 2006, in conjunction with the GMAC Transaction. Among other things, these amendments removed us as a party to the agreement.

The restrictions contained in the ResCap operating agreement include the requirements that ResCap's total equity be at least $6.5 billion for dividends to be paid. If ResCap is permitted to pay dividends pursuant to the previous sentence, the cumulative amount of such dividends may not exceed 50% of ResCap's cumulative net income (excluding payments for income taxes from GMAC's election for federal income tax purposes to be treated as a limited liability company), measured from July 1, 2005, at the time such dividend is paid. These restrictions will cease to be effective if ResCap's total equity has been at least $12 billion as of the end of each of two consecutive fiscal quarters or if GMAC ceases to be the majority owner. In connection with the GMAC Transaction, we were released as a party to this operating agreement, but the operating agreement remains in effect between ResCap and GMAC. At December 31, 2007, ResCap had consolidated total equity of approximately $6.0 billion.

A failure of or interruption in the communications and information systems on which GMAC relies to conduct its business could adversely affect GMAC's revenues and profitability.

GMAC relies heavily upon communications and information systems to conduct its business. Any failure or interruption of GMAC's information systems or the third-party information systems on which GMAC relies could cause underwriting or other delays and could result in fewer applications being received, slower processing of applications and reduced efficiency in servicing. The occurrence of any of these events could have a material adverse effect on GMAC's business.

GMAC uses estimates and assumptions in determining the fair value of certain of its assets, in determining GMAC's allowance for credit losses, in determining lease residual values and in determining GMAC's reserves for insurance losses and loss adjustment expenses. If GMAC's estimates or assumptions prove to be incorrect, its cash flow, profitability, financial condition and business prospects could be materially adversely affected.

GMAC uses estimates and various assumptions in determining the fair value of many of its assets, including retained interests from securitizations of loans and contracts, mortgage servicing rights and other investments, which do not have an established market value or are not publicly traded. GMAC also uses estimates and assumptions in determining its allowance for credit losses on its loan and contract portfolios, in determining the residual values of leased vehicles and in determining its reserves for insurance losses and loss adjustment expenses. It is difficult to determine the accuracy of GMAC's estimates and assumptions, and its actual experience may differ materially from these estimates and assumptions. As an example, the continued decline of the domestic housing market, especially (but not exclusively) with regard to the nonprime sector, has resulted in increases of the allowance for loan losses at ResCap for 2006 and 2007. A

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

material difference between GMAC's estimates and assumptions and its actual experience may adversely affect its cash flow, profitability, financial condition and business prospects.

GMAC's business outside the United States exposes it to additional risks that may cause GMAC's revenues and profitability to decline.

GMAC conducts a significant portion of its business outside the United States. GMAC intends to continue to pursue growth opportunities for its businesses outside the United States, which could expose it to greater risks. The risks associated with GMAC's operations outside the United States include:

- multiple foreign regulatory requirements that are subject to change;
- differing local product preferences and product requirements;
- fluctuations in foreign currency exchange rates and interest rates;
- difficulty in establishing, staffing, and managing foreign operations;
- differing labor regulations;
- consequences from changes in tax laws; and
- political and economic instability, natural calamities, war, and terrorism.

The effects of these risks may, individually or in the aggregate, adversely affect GMAC's revenues and profitability.

GMAC's business could be adversely affected by changes in currency exchange rates.

GMAC is exposed to risks related to the effects of changes in foreign currency exchange rates. Changes in currency exchange rates can have a significant impact on GMAC's earnings from international operations. While GMAC carefully watches and attempts to manage GMAC's exposure to fluctuation in currency exchange rates, these types of changes can have material adverse effects on GMAC's business and results of operations and financial condition.

GMAC is exposed to credit risk, which could affect its profitability and financial condition.

GMAC is subject to credit risk resulting from defaults in payment or performance by customers for its contracts and loans, as well as contracts and loans that are securitized and in which it retains a residual interest. For example, the continued decline in the domestic housing market has resulted in an increase in delinquency rates related to mortgage loans that ResCap either holds or retains an interest in. Furthermore, a weak economic environment caused by higher energy prices and the continued deterioration of the housing market could exert pressure on our consumer automotive finance customers resulting in higher delinquencies, repossessions and losses. There can be no assurances that GMAC's monitoring of its credit risk as it impacts the value of these assets and its efforts to mitigate credit risk through its risk-based pricing, appropriate underwriting policies and loss mitigation strategies are or will be sufficient to prevent a further adverse effect on GMAC's profitability and financial condition. As part of the underwriting process, GMAC relies heavily upon information supplied by third parties. If any of this information is intentionally or negligently misrepresented and the misrepresentation is not detected before completing the transaction, the credit risk associated with the transaction may be increased.

General business and economic conditions of the industries and geographic areas in which GMAC operates affect its revenues, profitability and financial condition.

GMAC's revenues, profitability and financial condition are sensitive to general business and economic conditions in the United States and in the markets in which it operates outside the United States. A downturn in economic conditions resulting in increased

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

unemployment rates, increased consumer and commercial bankruptcy filings or other factors that negatively impact household incomes could decrease demand for GMAC's financing and mortgage products and increase delinquency and loss. In addition, because GMAC's credit exposures are generally collateralized, the severity of its losses is particularly sensitive to a decline in used vehicle and residential home prices.

Some further examples of these risks include the following:

- A significant and sustained increase in gasoline prices could decrease new and used vehicle purchases, thereby reducing the demand for automotive retail and wholesale financing.
- A general decline in residential home prices in the United States could negatively affect the value of GMAC's mortgage loans held for investment and sale and GMAC's retained interests in securitized mortgage loans. Such a decrease could also restrict GMAC's ability to originate, sell or securitize mortgage loans and impact the repayment of advances under its warehouse loans.
- An increase in automotive labor rates or parts prices could negatively affect the value of GMAC's automotive extended service contracts.

GMAC's profitability and financial condition may be materially adversely affected by decreases in the residual value of off-lease vehicles.

GMAC's expectation of the residual value of a vehicle subject to an automotive lease contract is a critical element used to determine the amount of the lease payments under the contract at the time the customer enters into it. As a result, to the extent the actual residual value of the vehicle, as reflected in the sales proceeds received upon remarketing, is less than the expected residual value for the vehicle at lease inception, GMAC incurs additional depreciation expense and/or a loss on the lease transaction. General economic conditions, the supply of off-lease vehicles and new vehicle market prices heavily influence used vehicle prices and thus the actual residual value of off-lease vehicles. Our brand image, consumer preference for our products and our marketing programs that influence the new and used vehicle market for our vehicles also influence lease residual values. In addition, GMAC's ability to efficiently process and effectively market off-lease vehicles impacts the disposal costs and proceeds realized from the vehicle sales. While we provide support for lease residual values, including through residual support programs, this support does not in all cases entitle GMAC to full reimbursement for the difference between the remarketing sales proceeds for off-lease vehicles and the residual value specified in the lease contract. Differences between the actual residual values realized on leased vehicles and GMAC's expectations of such values at contract inception could have a negative impact on its profitability and financial condition.

Fluctuations in valuation of investment securities or significant fluctuations in investment market prices could negatively affect revenues.

Investment market prices in general are subject to fluctuation. Consequently, the amount realized in the subsequent sale of an investment may significantly differ from the reported market value that could negatively affect GMAC's revenues. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments, national and international events and general market conditions.

Changes in existing U.S. government-sponsored mortgage programs, or disruptions in the secondary markets in the United States or in other countries in which GMAC's mortgage subsidiaries operate, could adversely affect the profitability and financial condition of GMAC's mortgage business.

The ability of ResCap to generate revenue through mortgage loan sales to institutional investors in the United States depends to a significant degree on programs administered by government-sponsored enterprises such as Fannie Mae, Freddie Mac, Ginnie Mae and others that facilitate the issuance of mortgage-backed securities in the secondary market. These government-sponsored enterprises play a powerful role in the residential mortgage industry, and GMAC's mortgage subsidiaries have significant business relationships with them. Proposals are being considered in Congress and by various regulatory authorities that would affect the manner in which these government-sponsored enterprises conduct their business, including proposals to establish a new independent agency to regulate the

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

government-sponsored enterprises, to require them to register their stock with the SEC, to reduce or limit certain business benefits they receive from the U.S. government and to limit the size of the mortgage loan portfolios they may hold. Any discontinuation of, or significant reduction in, the operation of these government-sponsored enterprises could adversely affect GMAC's revenues and profitability. Also, any significant adverse change in the level of activity in the secondary market, including declines in institutional investors' desire to invest in GMAC's mortgage products, could adversely affect GMAC's business.

GMAC may be required to repurchase contracts and provide indemnification if it breaches representations and warranties from its securitization and whole-loan transactions, which could harm GMAC's profitability and financial condition.

When GMAC sells retail contracts or leases through whole-loan sales or securitizes retail contracts, leases or wholesale loans to dealers, GMAC is required to make customary representations and warranties about the contracts, leases or loans to the purchaser or securitization trust. GMAC's whole-loan sale agreements generally require it to repurchase retail contracts or provide indemnification if GMAC breaches a representation or warranty given to the purchaser. Likewise, GMAC is required to repurchase retail contracts, leases or loans and may be required to provide indemnification if it breaches a representation or warranty in connection with its securitizations. Similarly, sales of mortgage loans through whole-loan sales or securitizations require GMAC to make customary representations and warranties about the mortgage loans to the purchaser or securitization trust. GMAC's whole-loan sale agreements generally require it to repurchase or substitute loans if it breaches a representation or warranty given to the purchaser. In addition, GMAC may be required to repurchase mortgage loans as a result of borrower fraud or if a payment default occurs on a mortgage loan shortly after its origination. Likewise, GMAC is required to repurchase or substitute mortgage loans if it breaches a representation or warranty in connection with its securitizations. The remedies available to a purchaser of mortgage loans may be broader than those available to GMAC against the original seller of the mortgage loan. Also, originating brokers and correspondent lenders often lack sufficient capital to repurchase more than a limited number of such loans and numerous brokers and correspondents are no longer in business. If a purchaser enforces its remedies, GMAC may not be able to enforce the remedies GMAC has against the seller of the mortgage loan to GMAC or the borrower.

Like others in the mortgage industry, ResCap has experienced a material increase in repurchase requests. Significant repurchase activity could continue to harm GMAC's profitability and financial condition.

Significant indemnification payments or contract, lease or loan repurchase activity of retail contracts or leases or mortgage loans could harm GMAC's profitability and financial condition.

GMAC has repurchase obligations in its capacity as servicers in securitizations and whole-loan sales. If a servicer breaches a representation, warranty or servicing covenant with respect to an automotive receivable or mortgage loan, the servicer may be required by the servicing provisions to repurchase that asset from the purchaser. If the frequency at which repurchases of assets occurs increases substantially from its present rate, the result could be a material adverse effect on GMAC's financial condition, liquidity, and results of operations.

A loss of contractual servicing rights could have a material adverse effect on GMAC's financial condition, liquidity and results of operations.

GMAC is the servicer for all of the receivables it has originated and transferred to other parties in securitizations and whole-loan sales of automotive receivables. GMAC's mortgage subsidiaries service the mortgage loans it has securitized, and GMAC services the majority of the mortgage loans it has sold in whole-loan sales. In each case, GMAC is paid a fee for its services, which fees in the aggregate constitute a substantial revenue stream for GMAC. In each case, GMAC is subject to the risk of termination under the circumstances specified in the applicable servicing provisions.

In most securitizations and whole-loan sales, the owner of the receivables or mortgage loans will be entitled to declare a servicer default and terminate the servicer upon the occurrence of specified events. These events typically include a bankruptcy of the servicer, a material failure by the servicer to perform its obligations and a failure by the servicer to turn over funds on the required basis. The termination of these servicing rights, were it to occur, could have a material adverse effect on GMAC's financial condition, liquidity and results of operations and those of GMAC's mortgage subsidiaries. For the year ended December 31, 2007, GMAC's consolidated mortgage servicing fee income was approximately $2.2 billion.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The regulatory environment in which GMAC operates could have a material adverse effect on its business and earnings.

GMAC's U.S. operations are subject to various laws and judicial and administrative decisions imposing various requirements and restrictions relating to supervision and regulation by state and federal authorities. Such regulation and supervision are primarily for the benefit and protection of GMAC's customers, not for the benefit of investors in its securities, and could limit GMAC's discretion in operating its business. Noncompliance with applicable statutes or regulations could result in the suspension or revocation of any license or registration at issue, as well as the imposition of civil fines and criminal penalties.

GMAC's operations are also heavily regulated in many jurisdictions outside the United States. For example, certain of GMAC's foreign subsidiaries operate either as a bank or a regulated finance company, and its insurance operations are subject to various requirements in the foreign markets in which it operates. The varying requirements of these jurisdictions may be inconsistent with U.S. rules and may materially adversely affect GMAC's business or limit necessary regulatory approvals, or if approvals are obtained, GMAC may not be able to continue to comply with the terms of the approvals or applicable regulations. In addition, in many countries the regulations applicable to the financial services industry are uncertain and evolving, and it may be difficult for GMAC to determine the exact regulatory requirements.

GMAC's inability to remain in compliance with regulatory requirements in a particular jurisdiction could have a material adverse effect on its operations in that market with regard to the affected product and on its reputation generally. No assurance can be given that applicable laws or regulations will not be amended or construed differently, that new laws and regulations will not be adopted or that GMAC will not be prohibited by local laws from raising interest rates above certain desired levels, any of which could materially adversely affect its business, financial condition or results of operations.

The worldwide financial services industry is highly competitive. If GMAC is unable to compete successfully or if there is increased competition in the automotive financing, mortgage and/or insurance markets or generally in the markets for securitizations or asset sales, GMAC's margins could be materially adversely affected.

The markets for automotive and mortgage financing, insurance and reinsurance are highly competitive. The market for automotive financing has grown more competitive as more consumers are financing their vehicle purchases, primarily in North America and Europe. GMAC's mortgage business faces significant competition from commercial banks, savings institutions, mortgage companies and other financial institutions. GMAC's insurance business faces significant competition from insurance carriers, reinsurers, third-party administrators, brokers and other insurance-related companies. Many of GMAC's competitors have substantial positions nationally or in the markets in which they operate. Some of GMAC's competitors have lower cost structures or lower cost of capital, and are less reliant on securitization and sale activities. GMAC faces significant competition in various areas, including product offerings, rates, pricing and fees and customer service. If GMAC is unable to compete effectively in the markets in which it operates, its profitability and financial condition could be negatively affected.

The markets for asset and mortgage securitizations and whole-loan sales are competitive, and other issuers and originators could increase the amount of their issuances and sales. In addition, lenders and other investors within those markets often establish limits on their credit exposure to particular issuers, originators and asset classes, or they may require higher returns to increase the amount of their exposure. Increased issuance by other participants in the market, or decisions by investors to limit their credit exposure to — or to require a higher yield for — GMAC or to automotive or mortgage securitizations or whole loans, could negatively affect GMAC's ability and that of its subsidiaries to price securitizations and whole-loan sales at attractive rates. The result would be lower proceeds from these activities and lower profits for GMAC.

Certain of GMAC's owners are subject to a regulatory agreement that may affect GMAC's control of GMAC Bank.

On February 1, 2007, Cerberus FIM, LLC, Cerberus FIM Investors LLC and FIM Holdings LLC (collectively, "FIM Entities"), submitted a letter to the Federal Deposit Insurance Corporation (FDIC) requesting that the FDIC waive certain of the requirements contained in a two year disposition agreement between each of the FIM Entities and the FDIC. The agreement was entered into in connection with the GMAC Transaction. The GMAC Transaction resulted in a change of control of GMAC Bank, an industrial loan corporation, which required the approval of the FDIC. At the time of the sale, the FDIC had imposed a moratorium on the approval of any

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

applications for deposit insurance or change of control notices. As a condition to granting the application in connection with the change of control of GMAC Bank during the moratorium, the FDIC required each of the FIM Entities to enter into a two-year disposition agreement. As previously disclosed by the FDIC, that agreement requires, among other things, that by no later than November 30, 2008, the FIM Entities complete one of the following actions: (1) become registered with the appropriate federal banking agency as a depository institution holding company pursuant to the Bank Holding Company Act or the Home Owners' Loan Act, (2) divest control of GMAC Bank to one or more persons or entities other than prohibited transferees, (3) terminate GMAC Bank's status as an FDIC-insured depository institution or (4) obtain from the FDIC a waiver of the requirements set forth in this sentence on the grounds that applicable law and FDIC policy permit similarly situated companies to acquire control of FDIC-insured industrial banks; provided that no waiver request could be filed prior to January 31, 2008, unless, prior to that date, Congress enacted legislation permitting, or the FDIC by regulation or order authorizes, similarly situated companies to acquire control of FDIC-insured industrial banks after January 31, 2007. GMAC cannot give any assurance that the FDIC will approve the FIM Entities' waiver request, or if it is approved, that it will impose no conditions on GMAC's retention of GMAC Bank or on its operations. If the FDIC does not approve the waiver or if certain pending legislation is not approved, GMAC could be required to sell GMAC Bank or cause it to cease to be insured by the FDIC, or GMAC could be subject to conditions on GMAC's retention of the bank or on its operations in return for the waiver. Requiring GMAC to dispose of GMAC Bank or relinquish deposit insurance would, and the imposition of such conditions might, materially adversely affect GMAC's access to low cost liquidity and GMAC's business and operating results.

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Item 1B. ***Unresolved Staff Comments***

We have received comments regarding our 2007 third quarter Form 10-Q and our 2006 Form 10-K from the Staff of the Securities and Exchange Commission. We have responded to those comments and have updated our disclosures in this Form 10-K to reflect those comments.

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Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Item 2. ***Properties***

We have 228 locations in 36 states and 151 cities or towns in the United States. Of these locations, 21 are engaged in the final assembly of our cars and trucks, 27 are service parts operations responsible for distribution or warehousing and the remainder are facilities involved primarily in testing vehicles or manufacturing automotive components and power products. In addition, we have 22 locations in Canada, and assembly, manufacturing, distribution, office or warehousing operations in 50 other countries, including equity interests in associated companies which perform assembly, manufacturing or distribution operations. The major facilities outside the United States and Canada, which are principally vehicle manufacturing and assembly operations, are located in:

- Argentina
- Australia
- Belgium
- Brazil
- Chile
- China
- Colombia
- Ecuador
- Egypt
- Germany
- India
- Kenya
- Mexico
- Poland
- Russia
- South Africa
- South Korea
- Spain
- Sweden
- Thailand
- United Kingdom
- Venezuela
- Vietnam

We, or our subsidiaries, own most of the above facilities. Leased properties consist primarily of warehouses and administration, engineering and sales offices. The leases for warehouses generally provide for an initial period of five to 10 years, based upon prevailing market conditions and may contain renewal options. Leases for administrative offices are generally for shorter periods.

Our properties include facilities which, in the opinion of management, are suitable and adequate for the manufacture, assembly and distribution of our products.

Item 3. ***Legal Proceedings***

The following section summarizes material pending legal proceedings to which the Corporation became, or was, a party during the year ended December 31, 2007, or after that date but before the filing of this report, other than ordinary routine litigation incidental to the business. We and the other defendants affiliated with us intend to defend all of the following actions vigorously.

Canadian Export Antitrust Class Actions

Approximately eighty purported class actions on behalf of all purchasers of new motor vehicles in the United States since January 1, 2001, have been filed in various state and federal courts against General Motors Corporation, General Motors of Canada Limited (GM Canada), Ford, Chrysler, Toyota Corporation (Toyota), Honda, Nissan, and BMW and their Canadian affiliates, the National Automobile Dealers Association, and the Canadian Automobile Dealers Association. The federal court actions have been consolidated for coordinated pretrial proceedings under the caption *In re New Market Vehicle Canadian Export Antitrust Litigation Cases* in the U.S. District Court for the District of Maine, and the more than 30 California cases have been consolidated in the California Superior Court in San Francisco County under the case captions *Belch v. Toyota Corporation, et al.* and *Bell v. General Motors Corporation.*

The nearly identical complaints alleged that the defendant manufacturers, aided by the association defendants, conspired among themselves and with their dealers to prevent the sale to U.S. citizens of vehicles produced for the Canadian market and sold by dealers in Canada. The complaints alleged that new vehicle prices in Canada are 10% to 30% lower than those in the United States, and that preventing the sale of these vehicles to U.S. citizens resulted in the payment of higher than competitive prices by U.S. consumers. The complaints, as amended, sought injunctive relief under U.S. antitrust law and treble damages under U.S. and state antitrust laws, but did not specify damages. The complaints further alleged unjust enrichment and violations of state unfair trade practices act. On March 5, 2004, the U.S. District Court for the District of Maine issued a decision holding that the purported indirect purchaser classes failed to state a claim for damages but allowed a separate claim seeking to enjoin future alleged violations to continue. The U.S. District Court for the District of Maine on March 10, 2006 certified a nationwide class of buyers and lessees under Federal Rule 23(b)(2) solely for injunctive relief, and on March 21, 2007 stated that it would certify 20 separate statewide class actions for damages under various state law theories under Federal Rule 23(b)(3), covering the period from January 1, 2001 to April 30, 2003. On October 3, 2007, the U.S. Court of Appeals for the First Circuit heard oral arguments on our consolidated appeal of the both class certification orders.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

On September 25, 2007, a claim was filed in Ontario Superior Court of Justice on behalf of a purported class of actual and intended purchasers of vehicles in Canada claming that a similar alleged conspiracy was now preventing lower-cost U.S. vehicles from being sold to Canadians. No determination has been made that the case may be maintained as a class action, and it is not possible to determine the likelihood of liability or reasonably ascertain the amount of any damages.

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Health Care Litigation — 2007 Agreement

On September 27, 2007, the UAW and eight putative class representatives filed a class action, *UAW, et al. v. General Motors Corporation*, in the U.S. District Court for the Eastern District of Michigan on behalf of hourly retirees, spouses and dependents, seeking to enjoin us from making unilateral changes to hourly retiree healthcare coverage upon termination of the UAW Health Care Agreement in 2011. Plaintiffs claim that hourly retiree healthcare benefits are vested and cannot be modified, and that our announced intention to make changes violates the federal Labor Relations Management Act of 1947 and ERISA. Although we believe that we may lawfully change retiree healthcare benefits, we have entered into the Settlement Agreement with the UAW which contemplates creation of an independent VEBA trust into which we will transfer significant funding, which thereafter would be solely responsible for establishing and funding a new benefit plan that would provide healthcare benefits for hourly retirees, spouses and dependents.

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General Motors Securities Litigation

On September 19, 2005, Folksam Asset Management filed *Folksam Asset Management, et al. v. General Motors Corporation, et al.,* a purported class action complaint in the U.S. District Court for the Southern District of New York naming as defendants GM, GMAC, and our Chairman and Chief Executive Officer G. Richard Wagoner, Jr., former Vice Chairman and Chief Financial Officer John Devine, Treasurer Walter Borst, and former Chief Accounting Officer Peter Bible. Plaintiffs purported to bring the claim on behalf of purchasers of our debt and/or equity securities during the period February 25, 2002 through March 16, 2005. The complaint alleges that all defendants violated Section 10(b) and that the individual defendants also violated Section 20(a) of the Exchange Act. The complaint also alleged violations by all defendants of Section 11 and Section 12(a) and by the individual defendants of Section 15 of the Securities Act of 1933, as amended (Securities Act), in connection with certain registered debt offerings during the class period. In particular, the complaint alleged that our cash flows during the class period were overstated based on the "reclassification" of certain cash items described in our Annual Report on Form 10-K for the year ended December 31, 2004. The reclassification involved cash flows relating to the financing of GMAC wholesale receivables from dealers that resulted in no net cash receipts and our decision to revise the Consolidated Statements of Cash Flows for the years ended December 31, 2002 and 2003. The complaint also alleged misrepresentations relating to forward-looking statements of our 2005 earnings forecast which was later revised significantly downward. In October 2005, a similar suit, *Galliani, et al. v. General Motor Corporation, et al.,* which asserted claims under the Exchange Act based on substantially the same factual allegations, was filed and subsequently consolidated with the *Folksam* case. The consolidated suit was recaptioned as *In re General Motors Corporation Securities Litigation.* Under the terms of the GMAC Transaction, we are indemnifying GMAC in connection with these cases.

On November 18, 2005, plaintiffs in the *Folksam* case filed an amended complaint, which added several additional investors as plaintiffs, extended the end of the class period to November 9, 2005 and named as additional defendants three current and one former member of GM's audit committee, as well as our independent registered public accountants, Deloitte & Touche LLP. In addition to the claims asserted in the original complaint, the amended complaint added a claim against Mr. Wagoner and Mr. Devine for rescission of their bonuses and incentive compensation during the class period. It also included further allegations regarding our accounting for pension obligations, restatement of income for 2001 and financial results for the first and second quarters of 2005. Neither the original complaint nor the amended complaint specified the amount of damages sought, and we have no means to estimate damages the plaintiffs will seek based upon the limited information available in the complaint. The court's provisional designations of lead plaintiff and lead counsel on January 17, 2006 were made final on February 6, 2006. Plaintiffs subsequently filed a second amended complaint, which added various underwriters as defendants.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Plaintiffs filed a third amended securities complaint in *In re General Motors Corporation Securities and Derivative Litigation* on August 15, 2006. (As explained below, certain shareholder derivative cases were consolidated with *In re General Motors Corporation Securities Litigation* for coordinated or consolidated pretrial proceedings and the caption was modified). The amended complaint in the GM securities litigation did not include claims against the underwriters previously named as defendants, alleged a proposed class period of April 13, 2000 through March 20, 2006, did not include the previously asserted claim for the rescission of incentive compensation against Mr. Wagoner and Mr. Devine and contained additional factual allegations regarding our restatements of financial information filed with our reports to the SEC for the years 2000 through 2005. On October 13, 2006, the GM defendants filed a motion to dismiss the amended complaint in the GM securities litigation, which remains pending. On December 14, 2006, plaintiffs filed a motion for leave to file a fourth amended complaint in the event the Court grants the GM defendants' motion to dismiss. The GM defendants have opposed the motion for leave to file a fourth amended complaint.

Shareholder Derivative Suits

On November 10, 2005, Albert Stein filed a purported shareholder derivative action, *Stein v. Bowles, et al.,* in the U.S. District Court for the Eastern District of Michigan, ostensibly on behalf of the Corporation, against the members of our Board of Directors at that time. The complaint alleged that defendants breached their fiduciary duties of due care, loyalty and good faith by, among other things, causing GM to overstate our income (as reflected in our restatement of 2001 earnings and second quarter 2005 earnings) and exposing us to potential damages in SEC investigations and investor lawsuits. The suit sought damages based on defendants' alleged breaches and an order requiring defendants to indemnify us for any future litigation losses. Plaintiffs claimed that the demand on our Board to bring suit itself (ordinarily a prerequisite to suit under Delaware law) was excused because it would be "futile." The complaint did not specify the amount of damages sought, and defendants have no means to estimate damages the plaintiffs will seek based upon the limited information available in the complaint.

On December 15, 2005, Henry Gluckstern filed a purported shareholder derivative action, *Gluckstern v. Wagoner, et al.,* in the U.S. District Court for the Eastern District of Michigan, ostensibly on behalf of the Corporation, against our Board of Directors. This suit was substantially identical to *Stein v. Bowles, et al.* Also on December 15, 2005, John Orr filed a substantially identical purported shareholder derivative action, *Orr v. Wagoner, et al.,* in the U.S. District Court for the Eastern District of Michigan, ostensibly on behalf of the Corporation, against our Board of Directors.

On December 2, 2005, Sharon Bouth filed a similar purported shareholder derivative action, *Bouth v. Barnevik, et al.,* in the Circuit Court of Wayne County, Michigan, ostensibly on behalf of the Corporation, against the members of our Board of Directors and a GM officer not on the Board. The complaint alleged that defendants breached their fiduciary duties of due care, loyalty and good faith by, among other things, causing us to overstate our earnings and cash flow and improperly account for certain transactions and exposing us to potential damages in SEC investigations and investor lawsuits. The suit sought damages based on defendants' alleged breaches and an order requiring defendants to indemnify us for any future litigation losses. Plaintiffs claimed that demand on our Board was excused because it would be "futile." The complaint did not specify the amount of damages sought, and defendants have no means to estimate damages the plaintiffs will seek based upon the limited information available in the complaint.

On December 16, 2005, Robin Salisbury filed an action in the Circuit Court of Wayne County, Michigan, *Salisbury v. Barnevik, et al.,* substantially identical to the *Bouth* case described above. The *Salisbury* and *Bouth* cases have been consolidated and plaintiffs have stated they intend to file an amended consolidated complaint. The directors and the non-director officer named in these cases have not yet filed their responses to the *Bouth* and *Salisbury* complaints. On July 21, 2006, the Court stayed the proceedings in *Bouth* and *Salisbury.* The Court subsequently continued the stay until mid-April 2008.

Plaintiffs filed amended complaints in *In re General Motors Corporation Securities and Derivative Litigation* on August 15, 2006. The amended complaint in the shareholder derivative litigation alleged that our Board of Directors breached its fiduciary obligations by failing to oversee our operations properly and prevent alleged improprieties in connection with our accounting with regard to cash flows, pension-related liabilities and supplier credits. The defendants filed a motion to dismiss the amended complaint. On November 9, 2006, the Court granted the plaintiffs leave to file a second consolidated and amended derivative complaint, which adds allegations concerning recent changes to our bylaws and the resignation of a director from our Board of Directors. The defendants have filed a motion to dismiss plaintiffs' second consolidated and amended derivative complaint.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Consolidation of Securities and Shareholder Derivative Actions in the Eastern District of Michigan

On December 13, 2005, defendants in *In re General Motors Corporation Securities Litigation* (previously *Folksam Asset Management v. General Motors Corporation, et al.* and *Galliani v. General Motors Corporation, et al*.) and *Stein v. Bowles, et al.* filed a Motion with the Judicial Panel on Multidistrict Litigation to transfer and consolidate these cases for pretrial proceedings in the U.S. District Court for the Eastern District of Michigan.

On January 5, 2006, defendants submitted to the Judicial Panel on Multidistrict Litigation an Amended Motion seeking to add to their original Motion the *Rosen, Gluckstern* and *Orr* cases for consolidated pretrial proceedings in the U.S. District Court for the Eastern District of Michigan. On April 17, 2006, the Judicial Panel on Multidistrict Litigation entered an order transferring *In re General Motors Corporation Securities Litigation* to the U.S. District Court for the Eastern District of Michigan for coordinated or consolidated pretrial proceedings with *Stein v. Bowles, et al.; Rosen, et al. v. General Motors Corp., et al.; Gluckstern v. Wagoner, et al.* and *Orr v. Wagoner, et al.* (While the motion was pending, plaintiffs voluntarily dismissed *Rosen*.) In October 2007, the U.S. District Court for the Eastern District of Michigan appointed a special master for the purpose of facilitating settlement negotiations in the consolidated case, now captioned *In re General Motors Corporation Securities and Derivative Litigation.*

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GMAC Bondholder Class Actions

On November 29, 2005, Stanley Zielezienski filed a purported class action, *Zielezienski, et al. v. General Motors Corporation, et al.* The action was filed in the Circuit Court for Palm Beach County, Florida, against GM, GMAC, our Chairman and Chief Executive Officer G. Richard Wagoner, Jr., GMAC's Chairman Eric A. Feldstein and certain GM and GMAC officers, namely, William F. Muir, Linda K. Zukauckas, Richard J.S. Clout, John E. Gibson, W. Allen Reed, Walter G. Borst, John M. Devine and Gary L. Cowger. The action also named certain underwriters of GMAC debt securities as defendants. The complaint alleged that all defendants violated Section 11 of the Securities Act, that we violated Section 15 and that all defendants except us violated Section 12(a)(2) of the Securities Act. In particular, the complaint alleged material misrepresentations in certain GMAC financial statements incorporated by reference with GMAC's Registration Statement on Form S-3 and Prospectus filed in 2003. More specifically, the complaint alleged material misrepresentations in connection with the offering for sale of GMAC SmartNotes in certain GMAC financial statements contained in GMAC's Forms 10-Q for the quarterly periods ended March 31, 2004 and June 30, 2004 and in the Form 8-K which disclosed financial results for the quarterly period ended September 30, 2004, which were materially false and misleading as evidenced by GMAC's 2005 restatement of these quarterly results. In December 2005, plaintiff filed an amended complaint making substantially the same allegations as were in the previous filing with respect to additional debt securities issued by GMAC during the period from April 23, 2004 to March 14, 2005 and adding approximately 60 additional underwriters as defendants. The complaint did not specify the amount of damages sought, and defendants have no means to estimate damages the plaintiffs will seek based upon the limited information available in the complaint. On January 6, 2006, the defendants named in the original complaint removed this case to the U.S. District Court for the Southern District of Florida, and on April 3, 2006, that court transferred the case to the U.S. District Court for the Eastern District of Michigan.

On December 28, 2005, J&R Marketing, SEP, filed a purported class action, *J&R Marketing, et al. v. General Motors Corporation, et al.* The action was filed in the Circuit Court for Wayne County, Michigan, against GM, GMAC, Eric Feldstein, William F. Muir, Linda K. Zukauckas, Richard J.S. Clout, John E. Gibson, W. Allen Reed, Walter G. Borst, John M. Devine, Gary L. Cowger, G. Richard Wagoner, Jr. and several underwriters of GMAC debt securities. Similar to the original complaint filed in the *Zielezienski* case described above, the complaint alleged claims under Sections 11, 12(a), and 15 of the Securities Act based on alleged material misrepresentations or omissions in the registration statements for GMAC SmartNotes purchased between September 30, 2003 and March 16, 2005. The complaint alleged inadequate disclosure of our financial condition and performance as well as issues arising from GMAC's 2005 restatement of quarterly results for the three quarters ended September 30, 2005. The complaint did not specify the amount of damages sought, and defendants have no means to estimate damages the plaintiffs will seek based upon the limited information available in the complaint. On January 13, 2006, defendants removed this case to the U.S. District Court for the Eastern District of Michigan.

On February 17, 2006, Alex Mager filed a purported class action, *Mager v. General Motors Corporation, et al.* The action was filed in the U.S. District Court for the Eastern District of Michigan and was substantively identical to the *J&R Marketing* case described above. On February 24, 2006, J&R Marketing filed a motion to consolidate the *Mager* case with its case (discussed above) and for appointment

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

as lead plaintiff and the appointment of lead counsel. On March 8, 2006, the court entered an order consolidating the two cases and subsequently consolidated those cases with the *Zielezienski* case described above. Lead plaintiffs' counsel has been appointed, and on July 28, 2006, plaintiffs filed a Consolidated Amended Complaint, differing mainly from the initial complaints by asserting claims for GMAC debt securities purchased during a different time period, of July 28, 2003 through November 9, 2005, and adding additional underwriter defendants. On August 28, 2006, the underwriter defendants were dismissed without prejudice. On September 25, 2006, the GM and GMAC defendants filed a motion to dismiss the amended complaint, and on February 27, 2007, the District Court issued an opinion granting defendants' motion to dismiss, and dismissing plaintiffs' complaint. Plaintiffs have appealed this order, and oral argument on plaintiffs' appeal was held on February 7, 2008.

Under the terms of the GMAC Transaction, we are indemnifying GMAC in connection with these cases.

The securities and shareholder derivative cases described above are in preliminary phases. No determination has been made that the securities cases can be maintained as class actions or that the shareholder derivative actions can proceed without making a demand in accordance with Delaware law that our board bring the actions. As a result, the scope of the actions and whether they will be permitted to proceed is uncertain.

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ERISA Class Actions

In May 2005, the U.S. District Court for the Eastern District of Michigan consolidated three related purported class actions brought under ERISA against us and other named defendants who are alleged to be fiduciaries of the stock purchase programs and personal savings plans for our salaried and hourly employees, under the case caption *In re General Motors ERISA Litigation.* In June 2007, plaintiffs filed a consolidated class action complaint against us, the Investment Funds Committee of our Board of Directors, its individual members, our Chairman and Chief Executive Officer, members of our Employee Benefits Committee during the putative class period, General Motors Investment Management Co. (GMIMCo) and State Street Bank (State Street). The complaint alleged that the GM defendants breached their fiduciary duties to plan participants by, among other things, investing their assets, or offering them the option of investing, in GM stock on the ground that it was not a prudent investment. Plaintiffs purport to bring these claims on behalf of all persons who were participants in or beneficiaries of the plans from March 18, 1999 to the present, and seek to recover losses allegedly suffered by the plans. The complaint did not specify the amount of damages sought, and we have no means at this time to estimate damages that the plaintiffs will seek. On July 17, 2006, plaintiffs amended their complaint principally to add allegations about our restatement of a previously issued income statement and the reclassification of certain cash flows. The amended complaint did not name any additional defendants or assert any new claims. In August 2006, the GM defendants filed a motion to dismiss the amended complaint, which was granted in part and denied in part in August 2007. In February 2007, plaintiffs filed a motion for class certification, which is pending. In October 2007, the parties reached a tentative settlement, which received preliminary court approval on January 30, 2008. The district court has set a fairness hearing on the tentative settlement for June 5, 2008. The tentative settlement provides, among other key terms, that we will pay $37.5 million in cash, which includes attorney fees and costs for the plaintiffs. In addition, we will agree to maintain various existing structural changes to ERISA plans for our salaried and hourly employees for at least four years.

GMIMCo is one of numerous defendants in several purported class action lawsuits filed in March and April 2005 in the U.S. District Court for the Eastern District of Michigan, alleging violations of ERISA with respect to the Delphi company stock plans for salaried and hourly employees. The cases have been consolidated under the case caption *In re Delphi ERISA Litigation* in the Eastern District of Michigan for coordinated pretrial proceedings with other Delphi stockholder lawsuits in which GMIMCo is not named as a defendant. The complaints essentially allege that GMIMCo, a named fiduciary of the Delphi plans, breached its fiduciary duties under ERISA to plan participants by allowing them to invest in the Delphi Common Stock Fund when it was imprudent to do so, by failing to monitor State Street, the entity appointed by GMIMCo to serve as investment manager for the Delphi Common Stock Fund, and by knowingly participating in, enabling or failing to remedy breaches of fiduciary duty by other defendants. No determination has been made that a class action can be maintained against GMIMCo, and there have been no decisions on the merits of the claims. Delphi has reached a settlement of these cases that, if implemented, would provide for dismissal of all claims against GMIMCo related to this litigation without payment by GMIMCo. That settlement has been approved by both the District Judge in the Eastern District of Michigan and the Bankruptcy Judge in the Southern District of New York presiding over Delphi's bankruptcy proceeding. However, implementation of the settlement remains conditioned upon i) the resolution of a pending appeal of the District Court's approval and ii) the implementation of

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Delphi's plan of reorganization approved by the Bankruptcy Court. Accordingly, the disposition of the case remains uncertain, and it is not possible to determine whether liability is probable or the amount of damages, if any.

On March 8, 2007, a purported class action lawsuit was filed in the U.S. District Court for the Southern District of New York captioned *Young, et al. v. General Motors Investment Management Corporation, et al*. The case, brought by four plaintiffs who are alleged to be participants in the General Motors Savings-Stock Purchase Program for Salaried Employees and the General Motors Personal Savings Plan for Hourly-Rate Employees, purports to bring claims on behalf of all participants in these two plans as well as participants in the General Motors Income Security Plan for Hourly-Rate Employees and the Saturn Individual Savings Plan for Represented Members against GMIMCo and State Street. The complaint alleges that GMIMCo and State Street breached their fiduciary duties to plan participants by allowing participants to invest in five different funds that each primarily held the equity of a single company: the EDS Fund, the DIRECTV Fund, the News Corp. Fund, the Raytheon Fund and the Delphi Fund, all of which plaintiffs allege were imprudent investments because of their inherent risk and poor performance relative to more prudent investment alternatives. The complaint also alleges that GMIMCo breached its fiduciary duties to plan participants by allowing participants to invest in mutual funds offered by FMR Corp. under the Fidelity brand name. Plaintiffs allege that by investing in these funds, participants paid excessive fees and costs that they would not have incurred had they invested in more prudent investment alternatives. The complaint seeks a declaration that defendants have breached their fiduciary duties, an order requiring defendants to compensate the plans for their losses resulting from their breaches of fiduciary duties, the removal of defendants as fiduciaries, an injunction against further breaches of fiduciary duties, other unspecified equitable and monetary relief and attorneys' fees and costs.

On April 12, 2007, a purported class action lawsuit was filed in the U.S. District Court for the Southern District of New York captioned *Mary M. Brewer, et al. v. General Motors Investment Management Corporation, et al*. The case was brought by a plaintiff who alleges that she is a participant in the Delphi Savings-Stock Purchase Program for Salaried Employees and purports to bring claims on behalf of all participants in that plan as well as participants in the Delphi Personal Savings Plan for Hourly-Rate Employees; the ASEC Manufacturing Savings Plan and the Delphi Mechatronic Systems Savings-Stock Purchase Program against GMIMCo and State Street. The complaint alleges that GMIMCo and State Street breached their fiduciary duties to plan participants by allowing participants to invest in five different funds that each primarily held the equity of a single company: the EDS Fund, the DIRECTV Fund, the News Corp. Fund, the Raytheon Fund and the GM Common Stock Fund, all of which plaintiffs allege were imprudent investments because of their inherent risk and poor performance relative to more prudent investment alternatives. The complaint also alleges that GMIMCo breached its fiduciary duties to plan participants by allowing participants to invest in mutual funds offered by FMR Corp. under the Fidelity brand name. Plaintiffs allege that by investing in these funds, participants paid excessive fees and costs that they would not have incurred had they invested in more prudent investment alternatives. The complaint seeks a declaration that defendants have breached their fiduciary duties, an order requiring defendants to compensate the plans for their losses resulting from their breaches of fiduciary duties, the removal of defendants as fiduciaries, an injunction against further breaches of fiduciary duties, other unspecified equitable and monetary relief and attorneys' fees and costs.

Motions to dismiss both *Young* and *Brewer* are pending, and there has been no other activity on these cases. No determination has been made that either case may be maintained as a class action. The scope of both actions is uncertain, and it is not possible to determine the likelihood of liability or reasonably ascertain the amount of any damages.

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Asbestos Litigation

Like most automobile manufacturers, we have been subject in recent years to asbestos-related claims. We have used some products which incorporated small amounts of encapsulated asbestos. These products, generally brake linings, are known as asbestos-containing friction products. There is a significant body of scientific data demonstrating that these asbestos-containing friction products are not unsafe and do not create an increased risk of asbestos-related disease. We believe that the use of asbestos in these products was appropriate. A number of the claims are filed against us by automotive mechanics and their relatives seeking recovery based on their alleged exposure to the small amount of asbestos used in brake components. These claims generally identify numerous other potential sources for the claimant's alleged exposure to asbestos that do not involve us or asbestos-containing friction products, and many of these other potential sources would place users at much greater risk. Most of these claimants do not have an asbestos-related illness and may not develop one. This is consistent with the experience reported by other automotive manufacturers and other end users of asbestos.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Two other types of claims related to alleged asbestos exposure that are asserted against us — locomotive and premises — represent a significantly lower exposure to liability than the automotive friction product claims. Like other locomotive manufacturers, we used a limited amount of asbestos in locomotive brakes and in the insulation used in some locomotives. (We sold our locomotive manufacturing business in 2005). These uses have been the basis of lawsuits filed against us by railroad workers seeking relief based on their alleged exposure to asbestos. These claims generally identify numerous other potential sources for the claimant's alleged exposure to asbestos that do not involve us or locomotives. Many of these claimants do not have an asbestos-related illness and may never develop one. Moreover, the West Virginia and Ohio supreme courts have ruled that federal law preempts asbestos tort claims asserted on behalf of railroad workers. Such preemption means that federal law eliminates the possibility that railroad workers could maintain state law claims against us. In addition, a relatively small number of claims are brought by contractors who are seeking recovery based on alleged exposure to asbestos-containing products while working on premises owned by us. These claims generally identify numerous other potential sources for the claimant's alleged exposure to asbestos that do not involve us.

While we have resolved many of our asbestos claims and continue to do so for strategic litigation reasons, such as avoiding defense costs and possible exposure to excessive verdicts, management believes that only a small portion of these claimants have or will develop an asbestos-related impairment.

The amount expended in defense of asbestos claims in any year depends on the number of claims filed, the amount of pretrial proceedings, and the number of trials and settlements during the period. Our expenditures related to asbestos claims, including both defense costs and payments to claimants, have declined over the past several years.

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Patent and Trade Secrets Litigation

In January 1994, plaintiffs commenced *John Evans and Evans Cooling Systems, Inc. v. General Motors Corporation* in Connecticut state court by filing separate suits for patent infringement and trade secret misappropriation. In the patent case, summary judgment in our favor was affirmed on appeal. In the trade secret case, the 2003 ruling of the presiding judge in our favor was reversed on appeal by the Connecticut Supreme Court on March 15, 2006 and remanded for jury trial. The plaintiffs expanded their claims for the new trial to include a subsequent generation of engines, used in a wide variety of our vehicles and sought relief in excess of $12 billion. On September 13, 2007, the trial court granted partial summary judgment in our favor, dismissing plaintiff's attempt to expand their claims to the subsequent generation of engines. Plaintiffs are expected to appeal this ruling, which substantially restricts the scope of damages available under their current theory, following the trial.

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Coolant System Class Action Litigation

We have been named as the defendant in 22 putative class actions in various federal and state courts in the United States alleging defects in the engine cooling systems in our vehicles; 14 cases are still pending in U.S. courts including six cases that have been consolidated, either finally or conditionally, for pre-trial proceedings in a multi-district proceeding in the U.S. District Court for the Southern District of Illinois. State courts in California and Michigan have denied motions to certify cases for class treatment. In an opinion dated February 16, 2007, certification of a multi-state class was denied in the federal multi-district proceeding on the grounds that individual issues predominate over common questions. However, in *Gutzler v. General Motors Corporation*, the Circuit Court of Jackson County, Missouri in January 2006 certified an "issues" class in January 2006 comprised of "all consumers who purchased or leased a GM vehicle in Missouri that was factory-equipped with "Dex Cool" coolant, which was included as original equipment in vehicles we manufactured since 1995. The Court also certified two sub-classes comprised of 1) class members who purchased or leased a vehicle with a 4.3-liter engine, and 2) class members who purchased or leased a vehicle with a 3.1, 3.4, or 3.8-liter engine. The *Gutzler* court's order provided for addressing specific issues on a class basis, including the extent of our warranty on coolant and whether our coolant is incompatible with other vehicle components. In *Sanute v. General Motors Corporation*, the state court in California on September 30, 2007 certified a class of claims related to certain vehicles with 3.1 and 3.4 liter engines to consider claims that the intake manifold gaskets were defective. In *Amico v. General Motors Corporation,* the state Court in Maricopa County, Arizona on September 17, 2007 certified a class of all vehicles (regardless of model year) with 3.1, 3.4, 3.8, 4.3, 5.7 and 7.4 liter engines containing intake manifold gaskets with a nylon carrier and silicon sealing bead.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Kenneth Stewart v. General Motors of Canada Limited and General Motors Corporation, a complaint filed in the Superior Court of Ontario on April 24, 2006, alleged a class action covering Canadian residents, except residents of British Columbia and Quebec, who purchased 1995 to 2003 GM vehicles with 3.1, 3.4, 3.8 and 4.3 liter engines. Plaintiff alleged that defects in the engine cooling systems allow coolant to leak into the engine and cause engine damage. The complaint alleged violation of the Business Practices and Competition Acts and sought alleged benefits received as a result of failure to warn and negligence, compensatory damages, punitive damages, fees and costs. Similar complaints (some involving 2004 vehicles as well) have been filed in 17 putative class actions against GM Canada and us, in ten provinces. Class certification has not been approved in any of these cases, and all have been stayed on the agreement of counsel pending the outcome of the class certification hearing in *Stewart*, which was scheduled for December 2007 and subsequently adjourned. No determination has been made that the case may be maintained as a class action, and it is not possible to determine the likelihood of liability or reasonably ascertain the amount of any damages.

In October 2007, the parties reached a tentative settlement that would resolve certain claims in the putative class actions related to alleged defects in the engine cooling systems in our vehicles. The settlement as negotiated would apply to claims related to vehicles sold in the U.S. with a 3.1, 3.4 or 3.8-liter engine or to the use of Dex Cool engine coolant in sport utility vehicles and pickup trucks with a 4.3-liter engine from 1996 through 2000, subject to the negotiation and execution of definitive binding agreements. If and when definitive settlement agreements are executed, they must be submitted for approval to the appropriate court or courts. The tentative settlement does not include claims asserted in several different alleged class actions related to alleged gasket failures in certain other engines, including 4.3, 5.0 and 5.7-liter engines (without model year restrictions), or claims relating to alleged coolant related failures in vehicles other than those covered by the tentative settlement.

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GM/OnStar Analog Equipment Litigation

We or our wholly owned subsidiary OnStar Corporation (OnStar) or both of us are parties to more than 20 putative class actions filed in various states, including Michigan, Ohio, New Jersey, Pennsylvania and California. All of these cases have been consolidated for pretrial purposes in a multi-district proceeding under the caption *In re OnStar Contract Litigation* in the U.S. District Court for the Eastern District of Michigan. The litigation arises out of the discontinuation by OnStar of services to vehicles equipped with analog hardware. OnStar was unable to provide services to such vehicles because the cellular carriers which provide communication service to OnStar terminated analog service beginning in February 2008. In the various cases, the plaintiffs are seeking certification of nationwide or statewide classes of owners of vehicles currently equipped with analog equipment, alleging various breaches of contract, misrepresentation and unfair trade practices. This proceeding is in the early stages of development, class certification motions have been fully briefed and the parties have not completed any formal discovery. It is not possible at this time to determine the likelihood of our liability of GM or OnStar or both of us or of class certification, or to reasonably ascertain the amount of any damages.

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Environmental Matters

Greenhouse Gas Lawsuit

In California ex rel. Lockyer v. General Motors Corporation, et al., the California Attorney General brought suit against a group of major vehicle manufacturers including us for damages allegedly suffered by the state as a result of greenhouse gas emissions from the manufacturers' vehicles, principally based on a common law nuisance theory. On September 18, 2007, the U.S. District Court for the Northern District of California granted the defendants' motion to dismiss the complaint on the grounds that the claim under the federal common law of nuisance raised non-justiciable political questions beyond the Court's jurisdiction. The Court also dismissed without prejudice the nuisance claim under California state law. Plaintiff filed an appeal with the U.S. Court of Appeals for the Ninth Circuit on October 16, 2007, and the Court has set a schedule for submission of briefs.

Carbon Dioxide Emission Standard Litigation

In a number of cases, the Alliance of Automobile Manufacturers, the Association of International Automobile Manufacturers, Chrysler, various automobile dealers and GM have brought suit for declaratory and injunctive relief from state legislation imposing stringent controls on new motor vehicle CO_2 emissions. These cases argue that such state regulation of CO_2 emissions is preempted by

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

two federal statutes, the Energy Policy and Conservation Act and the Clean Air Act. The cases were brought against the CARB on December 7, 2004, in the U.S. District Court for the Eastern District of California (Fresno Division); against the Vermont Agency of Natural Resources and the Vermont Department of Environmental Conservation on November 18, 2005, in the U.S. District Court for the District of Vermont; and against the Rhode Island Department of Environmental Management on February 13, 2006, in the U.S. District Court for the District of Rhode Island.

On September 12, 2007, the U.S. District Court for the District of Vermont issued an order rejecting plaintiffs' argument and dismissing the complaint. The industry plaintiffs, including us, have appealed to the U.S. Court of Appeals for the Second Circuit. On December 12, 2007, the U.S. District Court for the Eastern District of California issued an order granting summary judgment in favor of the defendant State of California and interveners on industry's claims related to federal preemption. The court did not lift the order enjoining California from enforcing the AB 1493 Rules in the absence of an EPA waiver. The industry's response to the ruling is under consideration. A related challenge in the California Superior Court in Fresno is pending. On December 21, 2007, the U.S. District Court for the District of Rhode Island denied the state's motion to dismiss the industry challenge and announced steps for the case to proceed to trial. Also on December 27, 2007, several New Mexico auto dealers filed a federal legal challenge to adoption of the standards in that state.

U.S. Environmental Protection Agency Region III Administrative Complaint

On September 27, 2007, EPA Region III brought a nine-count Administrative Complaint against our manufacturing facility in Wilmington, Delaware seeking undisclosed penalties. The Complaint is substantially similar to the previously disclosed 2003 EPA Region V matter now on appeal before the EPA Environmental Appeal Board. Both cases center around whether purge solvent used in cleaning paint applicators is a solid waste, and whether its continued use in keeping pipes from clogging is part of the solvent's "original intended purpose." We intend to file an Answer and to seek a stay in enforcement until all appeals have been exhausted. EPA Region III may seek penalties in excess of $100,000.

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Financial Assurance Enforcement

The EPA has notified us that they intend to bring an administrative enforcement action for alleged historic failures to comply with the Resource Conservation Recovery Act's annual financial assurance requirements. We anticipate that the EPA will seek penalties exceeding $100,000.

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Item 4. ***Submission of Matters to a Vote of Security Holders***

None

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Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

PART II

Item 5. ***Market for the Registrant's Common Equity and Related Stockholder Matters and Issuer Purchases of Equity Securities***

We list our $1 2/3 par value common stock (Common Stock) on the stock exchanges specified on the cover page of this Annual Report on Form 10-K under the trading symbol "GM".

There were 345,296 and 364,408 holders of record of our Common Stock as of December 31, 2007 and 2006, respectively. The following table sets forth the high and low sale prices of our Common Stock and the quarterly dividends declared for the last two years.

		2007 Quarters			
		1st	2nd	3rd	4th
Cash dividends per share of Common Stock		$ 0.25	$ 0.25	$ 0.25	$ 0.25
Price range of Common Stock (a):	High	$ 37.24	$ 38.66	$ 38.27	$ 43.20
	Low	$ 28.81	$ 28.86	$ 29.10	$ 24.50

		2006 Quarters			
		1st	2nd	3rd	4th
Cash dividends per share of Common Stock		$ 0.25	$ 0.25	$ 0.25	$ 0.25
Price range of Common Stock (a):	High	$ 24.60	$ 30.56	$ 33.64	$ 36.56
	Low	$ 18.47	$ 19.00	$ 27.12	$ 28.49

(a) New York Stock Exchange composite interday prices as listed in the price history database available at www.NYSEnet.com.

On February 5, 2008, our Board of Directors declared a cash dividend of $0.25 per share for the first quarter of 2008. Our dividend policy is described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7.

The table below contains information about securities authorized for issuance under equity compensation plans. The features of these plans are described further in Note 26 to the consolidated financial statements.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans(a)
Equity compensation plans approved by security holders:			
General Motors 2007 Long Term Incentive Plan (2007 GMLTIP) and the 2002 General Motors Stock Incentive Plan (GMSIP)	78,465,995	$ 52.09	16,285,773
Equity compensation plans not approved by security holders (b):			
General Motors 1998 Salaried Stock Option Plan (GMSSOP)	24,789,948	$ 54.87	—
Total	103,255,943	$ 52.76	16,285,773

(a) Excludes securities reflected in the first column, "Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights."

(b) All equity compensation plans except the GMSSOP were approved by the stockholders. The GMSSOP was adopted by the Board of Directors in 1998 and expired on December 31, 2007. The purpose of the plans is to recognize the importance and contribution of our employees in the creation of stockholder value, to further align compensation with business success and to provide employees with the opportunity for long-term capital accumulation through the grant of options to acquire shares of our Common Stock.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Purchases of Equity Securities

We made no purchases of our Common Stock during the three months ended December 31, 2007.

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Item 6. ***Selected Financial Data***

	Years Ended December 31,				
	2007	2006	2005	2004	2003(a)
	(Dollars in millions except per share amounts)				
Total net sales and revenues (d)	$ 181,122	$ 205,601	$ 193,050	$ 192,917	$ 184,152
Income (loss) from continuing operations	$ (43,297)	$ (2,423)	$ (10,621)	$ 2,415	$ 2,450
Income (loss) from discontinued operations (a, b)	256	445	313	286	(104)
Gain from sale of discontinued operations (a, b)	4,309	—	—	—	1,179
Cumulative effect of a change in accounting principle (c)	—	—	(109)	—	—
Net income (loss)	$ (38,732)	$ (1,978)	$ (10,417)	$ 2,701	$ 3,525
$1 2/3 par value common stock:					
Basic earnings (loss) per share from continuing operations before cumulative effect of accounting change	$ (76.52)	$ (4.29)	$ (18.78)	$ 4.27	$ 4.37
Basic earnings per share from discontinued operations (a, b)	8.07	0.79	0.55	0.51	2.34
Basic loss per share from cumulative effect of a change in accounting principle (c)	—	—	(0.19)	—	—
Basic earnings (loss) per share	$ (68.45)	$ (3.50)	$ (18.42)	$ 4.78	$ 6.71
Diluted earnings (loss) per share from continuing operations before cumulative effect of accounting change	$ (76.52)	$ (4.29)	$ (18.78)	$ 4.26	$ 4.30
Diluted earnings (loss) per share from discontinued operations (a, b)	8.07	0.79	0.55	0.50	2.31
Diluted loss per share from cumulative effect of accounting change (c)	—	—	(0.19)	—	—
Diluted earnings (loss) per share	$ (68.45)	$ (3.50)	$ (18.42)	$ 4.76	$ 6.61
Class H common stock:					
Basic loss per share from discontinued operations (a)	$ —	$ —	$ —	$ —	$ (0.22)
Diluted loss per share from discontinued operations (a)	$ —	$ —	$ —	$ —	$ (0.22)
Cash dividends declared per share	$ 1.00	$ 1.00	$ 2.00	$ 2.00	$ 2.00
Total assets (d)	$ 148,883	$ 186,304	$ 474,268	$ 480,772	$ 448,925
Notes and loans payable (d)	$ 44,339	$ 48,171	$ 287,715	$ 301,965	$ 273,250
Stockholders' equity (deficit) (e, f, g)	$ (37,094)	$ (5,652)	$ 14,442	$ 27,669	$ 24,665

Certain prior period amounts have been reclassified in the consolidated statements of operations to conform to the current year presentation.

(a) Effective December 22, 2003, we split off Hughes Electronics Corporation (Hughes) by distributing Hughes common stock to the holders of Class H common stock in exchange for all outstanding shares of Class H common stock. Simultaneously, we sold our 19.8% retained economic interest in Hughes to News Corporation in exchange for cash and News Corporation Preferred American Depository Shares. All shares of Class H common stock were then cancelled. We recorded a net gain of $1.2 billion from the sale in 2003, and net losses from discontinued operations of Hughes were $219 million in 2003.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(b) In August 2007, we completed the sale of the commercial and military operations of our Allison business. The results of operations, cash flows and the 2007 gain on sale of Allison have been reported as discontinued operations for all periods presented.

(c) As of December 31, 2005, we recorded an asset retirement obligation of $181 million in accordance with the requirements of Financial Accounting Standards Board (FASB) Interpretation No. (FIN) 47, "Accounting for Conditional Asset Retirement Obligations." The cumulative effect on net loss, net of related income tax effects, of recording the asset retirement obligations was $109 million or $0.19 per share on a diluted basis.

(d) In November 2006, we sold a 51% controlling ownership interest in General Motors Acceptance Corporation (GMAC), resulting in a significant decrease in total consolidated net sales and revenues, assets and notes and loans payable.

(e) As of December 31, 2006, we recognized the funded status of our benefit plans on our consolidated balance sheet with an offsetting adjustment to Accumulated other comprehensive income (loss) in stockholders' equity (deficit) of $16.9 billion in accordance with the adoption of SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans" (SFAS No. 158).

(f) As of January 1, 2007, we recorded a decrease to Retained earnings of $425 million and an increase of $1.2 billion to Accumulated other comprehensive income in connection with the early adoption of the measurement provisions of SFAS No. 158.

(g) As of January 1, 2007, we recorded an increase to Retained earnings of $137 million with a corresponding decrease to our liability for uncertain tax positions in accordance with FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes."

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Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

Overview

We are engaged primarily in the worldwide development, production and marketing of automobiles. We develop, manufacture and market vehicles worldwide through four automotive regions: GM North America (GMNA), GM Europe (GME), GM Latin America/Africa/Mid-East (GMLAAM) and GM Asia Pacific (GMAP) (collectively, the Automotive business). Also, our finance and insurance operations are primarily conducted through GMAC, the successor to General Motors Acceptance Corporation, a wholly owned subsidiary until November 2006 when we sold a 51% controlling ownership interest in GMAC to a consortium of investors (the GMAC Transaction). Since the GMAC Transaction, we have accounted for our 49% ownership interest in GMAC using the equity method. GMAC provides a broad range of financial services, including consumer vehicle financing, automotive dealership and other commercial financing, residential mortgage services, automobile service contracts, personal automobile insurance coverage and selected commercial insurance coverage.

Automotive Industry

In 2007, the global automotive industry continued to show strong sales and revenue growth. Global industry vehicle sales to retail and fleet customers were 70.6 million units in 2007, representing a 4.8% increase over 2006. We expect industry sales to be approximately 73 million units in 2008. Over the past five years, the global automotive industry has experienced consistent year-to-year increases, growing 19.4% from 2003 to 2007. Overall revenue growth for the industry has averaged 7.0% per year over the last decade. Much of this growth is attributable to demand in emerging markets, such as China, where industry vehicle unit sales increased 20.4% to 8.6 million units in 2007, from 7.1 million units in 2006.

Our worldwide vehicle sales for 2007 were 9.4 million units compared to 9.1 million units in 2006. Vehicle unit sales increased for GME, GMLAAM and GMAP and declined for GMNA. Our global market share in 2007 was 13.3% compared to 13.5% in 2006. Market share increased in 2007 compared to 2006 from 9.2% to 9.5% for GME, from 17.0% to 17.2% for GMLAAM and from 6.5% to 6.9% for GMAP, and declined over the same period from 23.8% to 23.0% for GMNA.

Competition and factors such as commodity and energy prices and currency exchange imbalances continued to exert pricing pressure in the global automotive market in 2007. We expect global competition to increase over the next few years due primarily to aggressive investment by manufacturers in established markets in the United States and Western Europe and the presence of local manufacturers in key emerging markets such as China and India.

Commodity price increases, particularly for steel, aluminum, copper and precious metals have contributed to substantial cost pressures in the industry for vehicle manufacturers as well as suppliers. In addition, the historically low value of the Japanese Yen against the U.S. Dollar has benefited Japanese manufacturers exporting vehicles or components to the United States. Due in part to these pressures, industry pricing for comparably equipped products has continued to decline in most major markets. In the United States, actual prices for vehicles with similar content have declined at an accelerating pace over the last decade. We expect that this challenging pricing environment will continue for the foreseeable future.

2007 Overview

As more fully described in this Management's Discussion and Analysis, the following items are noted regarding 2007:

- Consolidated net sales and revenues declined by 11.9%, reflecting the de-consolidation of GMAC following the GMAC Transaction in November 2006;
- Automotive revenues increased 3.9%;
- 2007 net loss of $38.7 billion ($68.45 per diluted share) includes valuation allowances recorded against our net deferred tax assets in the U.S., Canada and Germany of $39 billion;
- Sold our Allison Transmission (Allison) business for $5.4 billion in cash proceeds resulting in a gain of $4.3 billion;
- Results reflect a $1.2 billion loss on our 49% interest in GMAC;

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

- Signed 2007 National Agreement that we anticipate will support our structural cost reduction plans;
- Achieved structural cost reduction target in North American turnaround plan; and
- Continued progress on finalization of our support for Delphi Corporation (Delphi) in emerging from bankruptcy proceedings.

2008 Priorities

As in 2007, our top priorities continue to be improving our business in North America and Europe and achieving competitiveness in an increasingly global environment, thus positioning us for sustained profitability and growth in the long term, while at the same time maintaining liquidity.

Our growth and profitability priorities for 2008 are straightforward:

- Continue to execute great products;
- Build strong brands and distribution channels;
- Execute additional cost reduction initiatives;
- Grow aggressively in emerging markets;
- Continue development and implementation of our advanced propulsion strategy; and
- Drive the benefits of managing the business globally.

Continue to Execute Great Products

Our first priority for 2008 is continuing to focus on product excellence by fully leveraging our global design, engineering and powertrain expertise to produce vehicles for a wide variety of regions and market segments. In North America, we plan to introduce several new vehicles in 2008 including the Pontiac G8 and Chevrolet Traverse to complement our successful 2007 introductions of the GMC Acadia, Saturn Outlook, Buick Enclave, Cadillac CTS and the Chevrolet Malibu. In emerging markets, we plan to expand and enhance our portfolio of lower cost vehicles, with special attention to fuel economy.

Build Strong Brands and Distribution Channels

Our second priority for 2008 is building strong brands and distribution channels. We plan to integrate our product and marketing strategies and believe that if we achieve product excellence, stronger brands will result. In addition, we plan to build brand equity with a special focus on key car segments. Programs in 2008 are intended to enhance the effectiveness of our marketing, particularly using digital marketing. Finally, we propose to leverage competitive advantages like the OnStar telematics systems, which is available in more than 50 GM vehicles throughout the world. We also plan to accelerate our channel strategy of combining certain brands in a single dealership, which we believe will differentiate products and brands more clearly, enhance dealer profitability and provide us with greater flexibility in product portfolio and technology planning.

Execute Additional Cost Reduction Initiatives.

Our third priority for 2008 is addressing costs by executing additional cost reduction initiatives. As discussed below under “Key Factors Affecting Future and Current Results,” we have taken action in a number of areas to reduce legacy and structural costs. In 2007, we achieved our announced target of reducing certain annual structural costs in GMNA and Corporate and Other primarily related to labor, pension and other post-retirement costs by $9 billion, on average, less than those costs in 2005. We have also reduced structural costs as a percentage of global automotive revenue to below 30% for 2007 from 34% in 2005, and have announced global targets of 25% by 2010 and 23% by 2012. We also plan to reduce structural costs as a percentage of global automotive revenue by pursuing manufacturing capacity utilization of 100% or more in higher cost countries, and will continue to assess what specific actions may be required based on trends in industry volumes and product mix.

In October 2007, we entered into a new collective bargaining agreement with the International Union, United Automobile, Aerospace and Agricultural Workers of America (UAW), including the Settlement Agreement, which we anticipate will significantly support our structural cost reduction plans when it is put into effect after January 1, 2010. Additionally, we plan to execute a collective bargaining

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

agreement with the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW) that will support our cost reduction goals. We have announced a special attrition program available to all of our 74,000 hourly workers represented by the UAW, and we expect that participating employees will begin exiting in April 2008. We remain focused on repositioning our business for long-term competitiveness, including achieving a successful resolution to the issues related to the bankruptcy proceedings of Delphi, a major supplier and former subsidiary. We recognize, however, that near-term continuing weakness in the U.S. automotive market, and its impact on our Canadian operations that are linked to the U.S. market, will provide a significant challenge to improving earnings and cash flow, and could constrain our ability to achieve future revenue goals.

Grow Aggressively in Emerging Markets.

Our fourth 2008 priority is to focus on emerging markets and capitalize on the growth in areas such as China, India and the ASEAN region, as well as Russia, Brazil, the Middle East and the Andean region. Vehicle sales and revenues continue to grow globally, with the strongest growth in these emerging markets. In 2007, 38% of all vehicle sales took place in emerging markets; we project that in 2012, 45% of vehicles will be sold in emerging markets. In response, we are planning to expand capacity in these emerging markets, and to pursue additional growth opportunities through our relationships with Shanghai GM, GM Daewoo and other potential strategic partners, such as recently announced joint ventures in Malaysia and Uzbekistan. During 2007, key metrics such as net margin, operating income and market share showed continued growth across key emerging markets. In addition to the product and brand strategies discussed above, we plan to expand our manufacturing capacity in emerging markets in a cost effective way and to pursue new market opportunities. We believe that growth in these emerging markets will help to offset challenging near-term market conditions in mature markets, such as the U.S. and Germany.

Continue to Develop and Implement our Advanced Propulsion Strategy.

Our fifth priority for 2008 is to continue to develop and advance our alternative propulsion strategy, focused on fuel and other technologies, making energy diversity and environmental leadership a critical element of our ongoing strategy. In addition to continuing to improve the efficiency of our internal combustion engines, we are focused on the introduction of propulsion technologies which utilize alternative fuels and have intensified our efforts to displace traditional petroleum-based fuels. For example, we have entered into arrangements with battery and biofuel companies to support development of commercially viable applications of these technologies. In September 2007, we launched Project Driveway, making more than 100 Chevrolet Equinox fuel cell electric vehicles available for driving by the public in the vicinity of Los Angeles, New York City and Washington, D.C. During the fourth quarter of 2007 we introduced new hybrid models of the Chevrolet Tahoe and the GMC Yukon. We anticipate that this strategy will require a major commitment of technical and financial resources. Like others in the automotive industry, we recognize that the key challenge to our advanced propulsion strategy will be our ability to price our products to cover cost increases driven by new technology.

Drive the Benefits of Managing the Business Globally.

Our final priority for 2008 is to continue to integrate our operations around the world to manage our business on a global basis. We have been focusing on restructuring our operations and have already taken a number of steps to globalize our principal business functions such as product development, manufacturing, powertrain and purchasing to improve our performance in an increasingly competitive environment. As we build functional and technical excellence, we plan to leverage our products, powertrains, supplier base and technical expertise globally so that we can flow our existing resources to support opportunities for highest returns at the lowest cost.

Basis of Presentation

This Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read in conjunction with the accompanying consolidated financial statements.

We operate in two businesses, consisting of Automotive (GM Automotive or GMA) and Financing and Insurance Operations (FIO).

Our Auto business consists of our four regional segments; GMNA, GME, GMLAAM and GMAP, which collectively constitute GMA.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Our FIO business consists of the operating results of GMAC for 2005 and the eleven months ended November 30, 2006 on a consolidated basis and includes our 49% share of GMAC's operating results for the month of December 2006 and the full year of 2007 on an equity method basis. FIO also includes Other Financing, which includes financing entities that are not consolidated by GMAC and two special purpose entities holding automotive leases previously owned by GMAC and its affiliates that we retained having a net book value of $3.3 billion, as well as the elimination of intercompany transactions with GM Automotive and Corporate and Other.

In 2007, we changed our measure of segment operating performance from segment net income to segment pre-tax income plus equity income, net of tax and minority interest, net of tax. All prior periods have been adjusted to reflect this change. Income taxes are now evaluated on a consolidated basis only.

The results of operations and cash flows of Allison have been reported as discontinued operations for all periods presented. Historically, Allison was included in GMNA.

Consistent with industry practice, our market share information includes estimates of industry sales in certain countries where public reporting is not legally required or otherwise available on a consistent basis.

Consolidated Results of Operations

				2007 vs. 2006 Change		2006 vs. 2005 Change	
	2007	2006	2005	Amount	Percentage	Amount	Percentage
Net sales and revenue:							
Automotive sales	$ 178,199	$ 171,179	$ 158,623	$ 7,020	4.1%	$ 12,556	7.9%
Financial services and insurance revenues	2,923	34,422	34,427	(31,499)	91.5%	(5)	—
Total net sales and revenues	181,122	205,601	193,050	(24,479)	11.9%	12,551	6.5%
Costs and expenses:							
Automotive cost of sales	166,259	163,742	158,254	2,517	1.5%	5,488	3.5%
Selling, general and administrative expense	14,412	13,650	13,003	762	5.6%	647	5%
Financial services and insurance expense	2,742	29,794	30,813	(27,052)	90.8%	(1,019)	3.3%
Other expenses	2,099	4,238	7,024	(2,139)	50.5%	(2,786)	39.7%
Operating loss	(4,390)	(5,823)	(16,044)	1,433	24.6%	10,221	63.7%
Equity in loss of GMAC LLC	(1,245)	(5)	—	(1,240)	n.m.	(5)	—
Automotive interest and other income (expense)	(618)	170	(1,185)	(788)	n.m.	1,355	114.3%
Loss from continuing operations before income taxes, equity income and minority interests and cumulative effect of a change in accounting principle	(6,253)	(5,658)	(17,229)	(595)	10.5%	11,571	67.2%
Income tax expense (benefit)	37,162	(3,046)	(6,046)	40,208	n.m.	3,000	49.6%
Equity income, net of tax	524	513	610	11	2.1%	(97)	15.9%
Minority interests, net of tax	(406)	(324)	(48)	(82)	25.3%	(276)	n.m.
Loss from continuing operations before cumulative effect of a change in accounting principle	(43,297)	(2,423)	(10,621)	(40,874)	n.m.	8,198	77.2%
Income from discontinued operations, net of tax	256	445	313	(189)	42.5%	132	42.2%
Gain on sale of discontinued operations, net of tax	4,309	—	—	4,309	n.m.	—	—
Loss before cumulative effect of a change in accounting principle	(38,732)	(1,978)	(10,308)	(36,754)	n.m.	8,330	80.8%
Cumulative effect of a change in accounting principle	—	—	(109)	—	—	109	n.m.
Net loss	$ (38,732)	$ (1,978)	$ (10,417)	$ (36,754)	n.m.	$ 8,439	81%
Automotive cost of sales rate	93.3%	95.7%	99.8%	(2.4)%	n.m.	(4.1)%	n.m.
Net margin from continuing operations before cumulative effect of a change in accounting principle	(23.9)%	(1.2)%	(5.5)%	(22.7)%	n.m.	4.3%	n.m.

n.m. = not meaningful

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

2007 Compared to 2006

Our total net sales and revenues in 2007 declined driven by the de-consolidation of GMAC in November 2006 following the GMAC Transaction, which was offset by increased Automotive sales reflecting growth outside of North America. Our operating loss decreased reflecting improved automotive results, particularly in North America, driving a total improvement of $4.6 billion. The improvement in automotive results was partially offset by the de-consolidation of GMAC, which contributed $2.2 billion of operating profit in 2006 whereas in 2007 GMAC's results are reflected as equity income (loss) and increased costs in Corporate and Other. In addition to these factors, our loss from continuing operations increased substantially as a result of the $39 billion valuation allowance established in the third quarter against our net deferred tax assets in the United States, Canada and Germany and was also increased by our share of losses from our equity investment in GMAC totaling $1.2 billion. Net loss for 2007 also reflected the gain on sale of Allison of $4.3 billion. Further information on each of our businesses and segments is presented below.

In August 2007, we completed the sale of the commercial and military operations of Allison. The negotiated purchase price of $5.6 billion in cash plus assumed liabilities was paid at closing. The purchase price was subject to adjustment based on the amount of Allison's net working capital and debt on the closing date, which resulted in an adjusted purchase price of $5.4 billion. A gain on the sale of Allison in the amount of $5.3 billion ($4.3 billion after-tax), inclusive of the final purchase price adjustments, was recognized in 2007. Allison, formerly a division of our Powertrain Operations, is a global leader in the design and manufacture of commercial and military automatic transmissions and a premier global provider of commercial vehicle automatic transmissions for on-highway, including trucks, specialty vehicles, buses and recreational vehicles, off-highway and military vehicles, as well as hybrid propulsion systems for transit buses. We retained our Powertrain Operations' facility near Baltimore, which manufactures automatic transmissions primarily for our trucks and hybrid propulsion systems. The results of operations and cash flows of Allison have been reported in the consolidated financial statements as discontinued operations for all periods presented. Historically, Allison had been reported in GMNA.

2006 Compared to 2005

Our total net sales and revenues in 2006 increased as a result of higher automotive sales principally in GMNA and GMLAAM. Our operating loss decreased due to lower restructuring charges in GMNA and improved operating results across all of our automotive segments. Further information on each of our businesses and segments is presented below.

Changes in Consolidated Financial Condition

Deferred income taxes

In the third quarter of 2007, we recorded a charge of $39 billion related to establishing full valuation allowances against our deferred tax assets in the United States, Canada and Germany. See "Critical Accounting Estimates" in this MD&A for a discussion of the specific factors which lead us to this conclusion. We had determined in prior periods that valuation allowances were not necessary for our deferred tax assets in the United States, Canada and Germany based on several factors including: (1) degree to which our three-year historical cumulative losses were attributable to unusual items or charges, several of which were incurred as a result of actions to improve future profitability; (2) long duration of our deferred tax assets; and (3) expectation of continued strong earnings at GMAC and improved earnings in GMNA.

Accounts and notes receivable, net

Accounts and notes receivable were $9.7 billion at December 31, 2007 compared to $8.2 billion at December 31, 2006, an increase of $1.5 billion (or 17.6%). This increase is primarily due to increased sales across all segments totaling $.9 billion, increases of $.3 billion at GME as a result of translation of our local currency accounts into U.S. Dollars (Foreign Currency Translation) and a reduction in securitization activities and higher accrued Delphi warranty recoveries at GMNA of $.4 billion.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Inventories

Inventories at December 31, 2007 were $14.9 billion compared to $13.9 billion at December 31, 2006, an increase of $1 billion (or 7.3%). The increase is primarily due to increases in finished product of $.8 billion at GME and GMAP, Foreign Currency Translation effects of $.5 billion at GME and GMLAAM; and raw materials increases of $.3 billion at GMLAAM, GMAP and GME to support future production. These increases were partially offset by a reduction in daily rental repurchase inventory of $.2 billion at GMNA.

Financing equipment on operating leases, net

Equipment on operating leases, net, at December 31, 2007 was $6.7 billion compared to $11.8 billion at December 31, 2006, a decrease of $5.1 billion (or 43.1%). The decrease is due to the planned reduction of Equipment on operating leases, net which we retained as part of the GMAC Transaction.

Automotive accounts payable (principally trade)

Automotive accounts payable at December 31, 2007 was $29.4 billion compared to $26.9 billion at December 31, 2006, an increase of $2.5 billion (or 9.3%). The increase in accounts payable is primarily related to product mix in GMNA of $.9 billion and Foreign Currency Translation effects which resulted in increases totaling $1.3 billion across all regions.

Financing debt

Financing debt at December 31, 2007 was $4.9 billion compared to $9.4 billion at December 31, 2006, a decrease of $4.5 billion (or 48%). The decrease in debt is due to the planned repayment of debt of $3.4 billion secured by equipment on operating leases which we retained as part of the GMAC Transaction combined with payments on short term and long-term debt of $.8 billion and $.3 billion, respectively.

Financing other liabilities and deferred income taxes

Financing other liabilities and deferred income taxes at December 31, 2007 were $.9 billion compared to $1.9 billion at December 31, 2006, a decrease of $1 billion (or 55.1%). The decrease is due to a $1 billion payment to GMAC for amounts owed under the GMAC sales agreement to restore their tangible equity balance to contractually required levels.

Further information on each of our businesses and geographic regions is discussed below.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GM Automotive Operations Financial Review

	2007	2006	2005	2007 vs. 2006 Change Amount	2007 vs. 2006 Change Percentage	2006 vs. 2005 Change Amount	2006 vs. 2005 Change Percentage
			(Dollars in millions)				
Total net sales and revenue	$ 178,199	$ 171,435	$ 158,879	$ 6,764	3.9%	$ 12,556	7.9%
Automotive cost of sales	165,632	164,107	157,531	1,525	.9%	6,576	4.2%
Selling, general and administrative expense	13,590	12,965	12,560	625	4.8%	405	3.2%
Other expenses	—	—	812	—	—	(812)	n.m.
Operating loss	(1,023)	(5,637)	(12,024)	4,614	81.9%	6,387	53.1%
Automotive interest and other income (expense)	(961)	(698)	(1,688)	(263)	37.7%	990	58.6%
Loss from continuing operations before income taxes, equity income and minority interests and cumulative effect of a change in accounting principle	(1,984)	(6,335)	(13,712)	4,351	68.7%	7,377	53.8%
Equity income, net of tax	522	521	596	1	.2%	(75)	12.6%
Minority interests, net of tax	(406)	(334)	(112)	(72)	21.6%	(222)	198.2%
Loss from continuing operations before income taxes	$ (1,868)	$ (6,148)	$ (13,228)	$ 4,280	69.6%	$ 7,080	53.5%
Cumulative effect of a change in accounting principle	$ —	$ —	$ (109)	$ —	$ —	$ 109	n.m.
Income from discontinued operations, net of tax	$ 256	$ $445	$ 313	$ (189)	42.5%	$ 132	42.2%
Gain on sale of discontinued operations, net of tax	$ 4,309	$ —	$ —	$ 4,309	n.m.	$ —	—
Automotive cost of sales rate	92.9%	95.7%	99.2%	(2.8)%	n.m.	(3.5)%	n.m.
Net margin from continuing operations before income taxes, equity income and minority interests and cumulative effect of a change in accounting principle	(1.1)%	(3.7)%	(8.6)%	2.6%	n.m.	4.9%	n.m.
			(Volume in thousands)				
Production Volume (a)	9,286	9,181	9,051	105	1.1%	130	1.4%
Vehicle Unit Sales (b):							
Industry	70,649	67,401	65,084	3,248	4.8%	2,317	3.6%
GM	9,370	9,093	9,179	277	3%	(86)	(.9)%
GM market share — Worldwide	13.3%	13.5%	14.1%	(.2)%	n.m.	(.6)%	n.m.

n.m. = not meaningful

(a) Production volume represents the number of vehicles manufactured by our assembly facilities and also includes vehicles produced by certain joint ventures.

(b) Vehicle unit sales primarily represent sales to the ultimate customer.

The following discussion highlights key changes in operating results by Automotive region. The drivers of these changes are discussed in the regional analysis that follows this section.

2007 Compared to 2006

Industry Global Vehicle Sales

Industry unit sales grew strongly in all regions outside North America in 2007. Industry unit sales increased in the Asia Pacific region 1.6 million units (or 8.2%) to 20.8 million units in 2007; Europe grew 1.2 million units (or 5.5%) to 23.1 million units in 2007; and, the Latin America/Africa/Mid-East region increased 1.1 million units (or 17.7%) to 7.2 million units in 2007. Industry sales decreased in North America by 599,000 units (or 3.0%), to 19.6 million units compared to 20.2 million units in 2006.

GM Global Vehicle Sales

Our worldwide vehicle unit sales increased to the second highest global sales total in our history, and the third consecutive year that we sold more than 9 million vehicles. Vehicle unit sales increased by 201,000 at GMLAAM, 188,000 at GMAP and 179,000 at GME, offset by a decline in vehicle units sales in GMNA of 291,000.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Our global production volume increased 105,000 units over 2006. Production increased year-over-year in all regions outside North America. Production volume increased most notably at GMAP by 335,000 units and at GMLAAM by 130,000 units, whereas GMNA declined by 382,000 units.

Total Net Sales and Revenue

The increase in Total net sales and revenues was driven by increases of $5.5 billion at GMAP, $4.3 billion at GMLAAM and $4.1 billion at GME, offset by a decline in Total net sales and revenue of $4.2 billion at GMNA as well as $2.9 billion in incremental inter-segment eliminations.

Automotive Cost of Sales

The increase in Automotive cost of sales resulted from increases of $4.8 billion at GMAP, $4.4 billion at GME and $3.5 billion at GMLAAM, offset by a decline in Automotive cost of sales of $8.3 billion at GMNA as well as $2.9 billion in incremental inter-segment eliminations.

Selling, General and Administrative Expense

The increase in Selling, general and administrative expense was driven by increases of $.3 billion at GMAP, $.2 billion at each of GME and GMLAAM, offset by a decrease of $.1 billion at GMNA.

Automotive Interest and Other Income (Expense)

The degradation in Automotive interest and other income (expense) resulted due to a $823 million decrease in interest and other income at GMAP, offset by increases in net expense of $271 million at GMLAAM, $219 million at GME and $74 million at GMNA.

Equity Income, Net of Tax

Equity income, net of tax, was relatively flat overall in 2007; but, we recorded increases of $60 million at GMAP due to continued growth at GM Daewoo, $15 million at GMLAAM, $8 million at GME, offset by a decrease of $82 million at GMNA.

Minority Interests, Net of Tax

The increase in Minority interests, net of tax results from increased earnings of consolidated affiliates, most notably $76 million at GMAP in 2007.

Income from Discontinued Operations, net of taxes

In August 2007, we completed the sale of the commercial and military operations of Allison, resulting in a gain of $4.3 billion, net of tax. Exclusive of the gain on sale, Income from discontinued operations, net of tax was $256 million, $445 million and $313 million in 2007, 2006 and 2005, respectively.

2006 Compared to 2005

Industry Global Vehicle Sales

All regions outside North America experienced growth in industry unit volume compared to 2005. The Asia Pacific region increased 1.1 million units (or 6.2%) to 19.2 million units in 2006, Latin America/Africa/Mid-East region increased 794,000 units (or 15.0%) to 6.1 million units in 2006 and Europe increased 784,000 units (or 3.7%) to 21.9 million units in 2006. Industry sales decreased in North America by 376,000 units (or 1.8%), to 20.2 million units compared to 20.6 million units in 2005.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Global Vehicle Sales

We reported increases in worldwide vehicle unit sales in 2006 in all regions outside North America. GMAP increased 184,000 units (or 17.3%), GMLAAM increased 152,000 units (or 17.2%) and GME increased 19,000 units (or 1%). Vehicle unit sales declined at GMNA by 441,000 units (or 8.4%).

Our global production volume increased 130,000 units over 2005. Production volumes increased year-over-year at GMAP by 334,000 units and by 55,000 units at GMLAAM, offset most notably by a decline of 207,000 units at GMNA.

Total Net Sales and Revenue

Total net sales and revenues increased worldwide during 2006, driven by increases of $5.3 billion at GMNA, $4.7 billion at GMAP, $2.8 billion at GMLAAM and $1.3 billion at GME, offset by $1.5 billion in incremental inter-segment eliminations.

Automotive Cost of Sales

The increase in Automotive cost of sales resulted from increases of $3.9 billion at GMAP, $2.3 billion at GMNA and $2.2 billion at GMLAAM, offset by a decline in Automotive cost of sales of $.3 billion at GME as well as $1.5 billion in incremental inter-segment eliminations.

Selling, General and Administrative Expense

The increase in Selling, general and administrative expense was driven by increases of $.4 billon at GMAP, $.2 billion at GME, $.1 billion at GMLAAM, offset by a decrease of $.3 billion at GMNA.

Other Expenses

Other expense decreased to zero in 2006 resulting from a $.8 billion decrease at GMAP.

Automotive Interest and Other Income (Expense)

The improvement in Automotive interest and other income (expense) in 2006 resulted primarily due to improvements of $.8 billion at GMAP and $.1 billion at GMNA.

Equity Income, net of tax

Equity income, net of tax, decreased in 2006 principally due to a $152 million increase at GMNA offset by decreases of $162 million at GMAP and $66 million at GME.

Minority Interests, net of tax

Minority interests, net of tax increased in all regions except GME during 2006. The increase resulted primarily due to an increase of $172 million at GMAP.

Cumulative Effect of a Change in Accounting Principle

Effective December 31, 2005 we adopted Financial Accounting Standards Board Interpretation No. 47, “Accounting for Conditional Asset Retirement Obligations” (FIN 47). FIN 47 relates to legal obligations associated with retirement of tangible long-lived assets that result from acquisition, construction, development or normal operation of a long-lived asset. We performed an analysis of such obligations associated with all real property owned or leased, including plants, warehouses and offices. Our estimates of conditional asset retirement obligations related, in the case of owned properties, to costs estimated to be necessary for the legally required removal or

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

remediation of various regulated materials, primarily asbestos. Asbestos abatement was estimated using site-specific surveys where available and a per square foot estimate where surveys were unavailable. For leased properties, such obligations related to the estimated cost of contractually required property restoration. Refer to Note 17. The application of FIN 47 resulted in a charge of $109 million, after-tax, in 2005 presented as a cumulative effect of a change in accounting principle. The liability for conditional asset retirement obligations as of December 31, 2007 and 2006 was $222 million and $193 million, respectively.

We evaluate our Automotive business and make certain decisions using supplemental categories for variable expenses and non-variable expenses. We believe these categories provide us with useful information and that investors would also find it beneficial to view the business in a similar manner.

We believe contribution costs, structural costs and impairment, restructuring and other charges provide meaningful supplemental information regarding our expenses because they place Automotive expenses into categories that allow us to assess the cost performance of GMA. We use these categories to evaluate our expenses, and believe that these categories allow us to readily view operating trends, perform analytical comparisons, benchmark expenses among geographic segments and assess whether the turnaround and globalization strategy for reducing costs is on target. We use these categories for forecasting purposes, evaluating management and determining our future capital investment allocations. Accordingly, we believe these categories are useful to investors in allowing for greater transparency of supplemental information used by management in our financial and operational decision-making.

While we believe that contribution costs, structural costs and impairment, restructuring and other charges provide useful information, there are limitations associated with the use of these categories. Contribution costs, structural costs and impairment, restructuring and other charges may not be completely comparable to similarly titled measures of other companies due to potential differences between companies in the exact method of calculation. As a result, these categories have limitations and should not be considered in isolation from, or as a substitute for, other measures such as Automotive cost of sales and Selling, general and administrative expense. We compensate for these limitations by using these categories as supplements to Automotive cost of sales and Selling, general and administrative expense.

	Years Ended December 31,		
	2007	2006	2005
	(Dollars in billions)		
Automotive net sales and revenues	$ 178	$ 171	$ 159
Contribution costs (a)	$ 124	$ 119	$ 110
Structural costs (b)	$ 53	$ 51	$ 55
Impairment, restructuring and other charges (c)	$ 2	$ 7	$ 5

(a) Contribution costs are expenses that we consider to be variable with production. The amount of contribution costs included in Automotive cost of sales was $123 billion, $118 billion and $109 billion in 2007, 2006 and 2005, respectively, and those costs were comprised of material cost, freight and policy and warranty expenses. The amount of contribution costs classified in Selling, general and administrative expenses was $1 billion in 2007, 2006 and 2005 and these costs were incurred primarily in connection with our dealer advertising programs.

(b) Structural costs are expenses that do not generally vary with production and are recorded in both Automotive cost of sales and Selling, general and administrative expense. Such costs include manufacturing labor, pension and other postretirement employee benefits (OPEB) costs, engineering expense and marketing related costs. Certain costs related to restructuring and impairments that are included in Automotive cost of sales are also excluded from structural costs. The amount of structural costs included in Automotive cost of sales was $40 billion, $39 billion and $44 billion in 2007, 2006 and 2005, respectively, and the amount of structural costs included in Selling, general and administrative expense was $13 billion, $12 billion and $11 billion in 2007, 2006 and 2005, respectively.

(c) Impairment, restructuring and other charges are included in Automotive cost of sales.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Contribution Costs

Contribution costs in 2007 totaled $124 billion, an increase of $5 billion from 2006. The increase was a result of Foreign Currency Translation, accounting for $3.7 billion, richer product mix and increased policy and warranty costs. Overall material performance was flat year-over-year as improvements realized from supplier productivity, global sourcing and optimizing supplier footprints offset higher raw material costs and product enhancements on new vehicles. Increased global prices for steel, aluminum, copper and precious metals increased contribution costs by $1.3 billion in 2007 versus 2006. Contribution costs as a percentage of revenue increased to 69.5% in 2007 from 69.4% 2006.

Contribution costs in 2006 totaled $119 billion, an increase of $9 billion from 2005. The increase was a result of increased material costs and higher levels of vehicle content and product mix, as well as higher freight cost. Material performance was slightly favorable year-over-year. Contribution costs as a percentage of revenue increased slightly to 69.4% in 2006 from 69.2% in 2005.

Structural Costs

Automotive structural costs were $53 billion in 2007, an increase of $2 billion from 2006. Costs in 2007 were driven higher by the impact of Foreign Currency Translation and lower gains on commodity derivatives contracts related to purchases of raw materials. Global engineering and product development costs were higher in 2007 reflecting increased global vehicle development and advanced technology spending. Total structural cost expenditures were higher in GMAP and GMLAAM reflecting higher production costs and new product launches associated with volume growth. OPEB costs were reduced in 2007 at GMNA primarily due to the 2005 UAW Health Care Settlement Agreement and manufacturing labor costs declined as production-related headcount levels were reduced by the 2006 UAW Attrition Program. As a percentage of revenue, structural costs declined to 29.7% in 2007 from 29.9% in 2006.

Structural costs were $51 billion in 2006, a decrease of $4 billion from 2005. Cost reductions in GMNA of over $6 billion were the primary reason for this reduction, partially offset by structural cost increases in GMLAAM and GMAP as we continued to invest in infrastructure to support the higher unit production and sales volumes in those regions. Consolidation of GM Daewoo also increased 2006 structural costs in GMAP by over $1 billion as compared to 2005 since GM Daewoo was consolidated on June 30, 2005. As a percentage of revenue, structural costs declined to 29.9% in 2006 from 34.6% in 2005.

Impairment, Restructuring and Other Charges

We incurred certain expenses primarily related to restructuring and asset impairments, which are included in Automotive cost of sales. Additional details regarding these expenses are included in Notes 20, 21 and 22 of our consolidated financial statements. These expenses are comprised of:

	Years Ended December 31,		
	2007	2006	2005
	(Dollars in millions)		
2006 UAW Attrition Program	$ —	$ 6,385	$ —
Restructuring initiatives	918	(412)	3,183
Asset impairments	279	686	2,052
Change in amortization period for pension prior service costs	1,310	—	—
Other	(85)	188	—
Total	$ 2,422	$ 6,847	$ 5,235

The 2007 amounts are related to the following:

- $918 million of total charges for restructuring initiatives as follows: GMNA, $290 million; GME, $579 million; GMAP, $49 million.
- $265 million for product-specific asset impairments at GMNA and $14 million at GMAP.
- $1.3 billion of additional pension expense at GMNA related to the accelerated recognition of unamortized prior service cost.
- Adjustment of $85 million in conjunction with cessation of production at a previously divested business.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The 2006 amounts are related to the following:

- $6.4 billion net charge related to the program under the UAW Attrition Program primarily for payments to employees of $2.1 billion and for the curtailment charges associated with our U.S. hourly pension, OPEB, and extended disability plans as a result of the 2006 UAW Attrition Program of $4.3 billion.
- Net reduction of $412 million for various restructuring and other matters. GMNA recorded favorable revisions of $1.1 billion to the reserves recorded in the fourth quarter of 2005 related to plant capacity actions, as a result of the favorable effects of the 2006 UAW Attrition Program and to the reserve for postemployment benefits, primarily due to higher than anticipated headcount reductions associated with plant idling activities. This was partially offset by other charges for restructuring initiatives of $146 million at GMNA, $437 million at GME, $43 million at GMLAAM and $16 million at GMAP.
- $405 million for product-specific asset impairment charges at GMNA, $60 million at GME and $61 million at GMAP, as well as impairment charges of $70 million and $89 million for the write-down of plant facilities at GMNA and GME, respectively.
- $224 million recorded in conjunction with cessation of production at a previously divested business, partially offset by a $36 million adjustment related to the sale of the majority of our investment in Suzuki.

The 2005 amounts are related to the following:

- $3.2 billion associated with restructuring initiatives. Of this, $2.1 billion was incurred at GMNA, including $1.8 billion for employee related costs in connection with the restructuring initiatives announced in the fourth quarter of 2005, and $222 million associated with a voluntary salaried early retirement program and other separation programs related to the U.S. salaried workforce. GME recognized separation and contract cancellation charges of $1.1 billion, mainly related to the restructuring plan announced in the fourth quarter of 2004. In addition, GMAP recognized separation costs of $55 million related to restructuring activities at GM Holden in Australia.
- $2.1 billion for product-specific asset impairment charges, of which $689 million was at GMNA, $262 million was at GME, $150 million at GMLAAM and $64 million at GMAP related to the write-down of product-specific assets. Also includes $887 million of impairment charges related to the write-down of plant facilities at GMNA.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GM Automotive Regional Results

GM North America

	2007	2006	2005	2007 vs. 2006 Change Amount	2007 vs. 2006 Change Percentage	2006 vs. 2005 Change Amount	2006 vs. 2005 Change Percentage
			(Dollars in millions)				
Total net sales and revenue	$ 112,448	$ 116,653	$ 111,376	$ (4,205)	3.6%	$ 5,277	4.7%
Automotive cost of sales	106,097	114,373	112,088	(8,276)	7.2%	2,285	2.0%
Selling, general and administrative expense	8,316	8,456	8,770	(140)	1.7%	(314)	3.6%
Operating loss	(1,965)	(6,176)	(9,482)	4,211	68.2%	3,306	34.9%
Automotive interest and other income (expense)	(1,325)	(1,399)	(1,539)	74	5.3%	140	9.1%
Loss from continuing operations before income taxes, equity income and minority interests and cumulative effect of a change in accounting principle	(3,290)	(7,575)	(11,021)	4,285	56.6%	3,446	31.3%
Equity income (loss), net of tax	22	104	(48)	(82)	78.8%	152	n.m.
Minority interests, net of tax	(46)	(63)	1	17	27.0%	(64)	n.m.
Loss from continuing operations before income taxes	$ (3,314)	$ (7,534)	$ (11,068)	$ 4,220	56.0%	$ 3,534	31.9%
Cumulative effect of a change in accounting principle	$ —	$ —	$ (83)	$ —	n.m.	$ 83	n.m.
Income from discontinued operations, net of tax	$ 256	$ 445	$ 313	$ (189)	42.5%	$ 132	42.2%
Gain on sale of discontinued operations, net of tax	$ 4,309	$ —	$ —	$ 4,309	n.m.	$ —	n.m.
Automotive cost of sales rate	94.4%	98.0%	100.6%	(3.6)%	n.m.	(2.6)%	n.m.
Net margin from continuing operations before income taxes, equity income and minority interests and cumulative effect of a change in accounting principle	(2.9)%	(6.5)%	(9.9)%	3.6%	n.m.	3.4%	n.m.
			(Volume in thousands)				
Production Volume (a):							
Cars	1,526	1,821	1,834	(295)	(16.2)%	(13)	(0.7)%
Trucks	2,741	2,828	3,022	(87)	(3.1)%	(194)	(6.4)%
Total	4,267	4,649	4,856	(382)	(8.2)%	(207)	(4.3)%
Vehicle Unit Sales (b):							
Industry — North America	19,592	20,191	20,567	(599)	(3.0)%	(376)	(1.8)%
GMNA	4,516	4,807	5,248	(291)	(6.1)%	(441)	(8.4)%
GM market share — North America	23.0%	23.8%	25.5%	(0.8)%	n.m.	(1.7)%	n.m.
Industry — U.S.	16,474	17,060	17,456	(586)	(3.4)%	(396)	(2.3)%
GM market share — U.S. industry	23.5%	24.2%	25.9%	(0.7)%	n.m.	(1.7)%	n.m.
GM cars market share — U.S. industry	19.4%	20.7%	22.6%	(1.3)%	n.m.	(1.9)%	n.m.
GM trucks market share — U.S. industry	27.0%	27.1%	28.5%	(0.1)%	n.m.	(1.4)%	n.m.

n.m. = not meaningful

(a) Production volume represents the number of vehicles manufactured by our assembly facilities and also includes vehicles produced by certain joint ventures.

(b) Vehicle unit sales primarily represent sales to the ultimate customer.

2007 Compared to 2006

Industry Vehicle Sales

Industry vehicle sales in North America decreased due to weakness in the economy resulting from a decline in the housing market and rising and volatile gas prices. We expect that the weakness in the U.S. economy will result in challenging near-term market conditions in GMNA.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Total Net Sales and Revenue

Total net sales and revenue decreased due to a decline in volumes, net of favorable mix, of $4.6 billion, which was partially offset by the impact of favorable pricing on vehicles sold of $.4 billion, related to the recently launched fullsize pick-up trucks. The decrease in volume was driven by a reduction in year-end dealer inventories of 160,000 units from 2006 year-end levels as a result of lower U.S. industry sales volumes and the impact of our declining market share in the United States and a reduction in daily rental volume of 108,000 units.

Automotive Cost of Sales

Automotive cost of sales decreased due to restructuring and impairment charges of $.5 billion in 2007, compared to $6.2 billion in 2006. In 2006, we recorded restructuring charges related to the UAW Attrition Program which were not incurred in 2007. Also contributing to the decrease in 2007 were: (1) lower production volumes, partially offset by mix which had a favorable net impact of $3.8 billion; (2) savings on retiree pension/OPEB costs of $1.8 billion, primarily due to the 2005 UAW Health Care Settlement Agreement; and (3) manufacturing savings of $1 billion from lower hourly headcount levels driven by the UAW Attrition Program and productivity improvements.

These cost reductions were partially offset by: (1) $1.3 billion of additional expense due to the accelerated recognition of pension unamortized prior service costs (Refer to Note 15); (2) higher material and freight costs of $.8 billion; (3) higher warranty related costs of $.5 billion primarily as a result of favorable adjustments to warranty reserves in 2006 which did not occur in 2007; (4) higher engineering costs of $.6 billion related to increased investment in future products; (5) higher foreign exchange losses of $.3 billion due to the appreciation of the Canadian Dollar against the U.S. Dollar; and (6) a decrease of $.5 billion on gains from commodity derivative contracts used to hedge forecasted purchases of raw materials.

Automotive cost of sales rate decreased due to the reduction in labor and pension costs driven by the 2006 UAW Attrition Program.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased due to ongoing cost reduction initiatives as well as a reduction in dealerships we own.

Automotive Interest and Other Income (Expense)

Automotive interest and other expense decreased primarily due to reductions in debt balances with other segments utilizing certain proceeds from the Allison sale.

Equity Income (Loss), net of tax

Equity income decreased due to decreased income from GMNA's investment in New United Motor Manufacturing, Inc. (NUMMI) as a result of increased project spending and pre-production expenses due to the upcoming launch of the new Vibe and increases in material, freight and labor costs.

Income from Discontinued Operations, net of tax

In August 2007, we completed the sale of the commercial and military operations of Allison, resulting in a gain of $4.3 billion. Income and the gain on sale from this business have been reported as discontinued operations for all periods presented.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

2006 Compared to 2005

Industry Vehicle Sales

Industry vehicle sales in North America decreased due to very strong 2005 sales levels and some weakness in the economy in 2006.

Total Net Sales and Revenue

Total net sales and revenue increased primarily due to favorable mix, which more than offset declines in volume.

Automotive Cost of Sales

Automotive cost of sales increased primarily due to increases in restructuring and impairment charges of $2.5 billion, driven by charges for: (1) the 2006 UAW Attrition Program of $6.4 billion in 2006; (2) net reductions in vehicle and facility impairment charges of $1 billion; and (3) net reductions in the closed plant and other restructuring initiatives totaling $2.8 billion.

These increases were offset by: (1) $1.5 billion in reduced costs due to lower production volumes, which were partially offset by mix; (2) savings on retiree pension/OPEB costs of $2.8 billion, due to the 2005 UAW Health Care Settlement Agreement; (3) manufacturing savings of $1 billion from lower hourly headcount levels driven by the 2006 UAW Attrition Program; (4) lower warranty related costs of $.2 billion; (5) lower engineering costs of $.4 billion; (6) lower tooling amortization of $.3 billion; and (7) an increase of $.3 billion in gains from commodity derivative contracts used to hedge forecasted purchases of raw materials.

Automotive cost of sales rate decreased primarily due to the increase in revenue described above.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased primarily due to reduced advertising and sales promotion expense of $540 million, and reduced administrative expense due to GMNA cost reduction initiatives.

Automotive Interest and Other Income (Expense)

Automotive interest and other expense decreased due to the gain on the sale of our Mesa, Arizona proving grounds in 2006 of $270 million.

Equity Income (Loss), net of taxes

Equity income increased due to improved operating results from GMNA's investment in NUMMI.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GM Europe

	2007	2006	2005	2007 vs. 2006 Change Amount	2007 vs. 2006 Change Percentage	2006 vs. 2005 Change Amount	2006 vs. 2005 Change Percentage
				(Dollars in millions)			
Total net sales and revenue	$ 37,397	$ 33,278	$ 31,942	$ 4,119	12.4%	$ 1,336	4.2%
Automotive cost of sales	35,254	30,868	31,202	4,386	14.2%	(334)	1.1%
Selling, general and administrative expense	2,781	2,600	2,406	181	7.0%	194	8.1%
Operating loss	(638)	(190)	(1,666)	(448)	n.m.	1,476	88.6%
Automotive interest and other income (expense)	97	(122)	(128)	219	179.5%	6	4.7%
Loss from continuing operations before income taxes, equity income and minority interests and cumulative effect of a change in accounting principle	(541)	(312)	(1,794)	(229)	73.4%	1,482	82.6%
Equity income, net of tax	44	36	102	8	22.2%	(66)	64.7%
Minority interests, net of tax	(27)	(21)	(49)	(6)	28.6%	28	57.1%
Loss from continuing operations before income taxes	$ (524)	$ (297)	$ (1,741)	$ (227)	76.4%	$ 1,444	82.9%
Cumulative effect of a change in accounting principle	$ —	$ —	$ (21)	$ —	—	$ 21	n.m.
Automotive cost of sales rate	94.3%	92.8%	97.7%	1.5%	n.m.	(4.9)%	n.m.
Net margin from continuing operations before income taxes, equity income and minority interests and cumulative effect of a change in accounting principle	(1.4)%	(.9)%	(5.6)%	(.5)%	n.m.	4.7%	n.m.
				(Volume in thousands)			
Production Volume (a)	1,828	1,806	1,858	22	1.2%	(52)	(2.8)%
Vehicle Unit Sales (b):							
Industry — Europe	23,069	21,876	21,092	1,193	5.5%	784	3.7%
GM Europe	2,182	2,003	1,984	179	8.9%	19	1.0%
GM market share — Europe	9.5%	9.2%	9.4%	.3%	n.m.	(.2)%	n.m.
GM market share — Germany	9.5%	10.1%	10.8%	(.6)%	n.m.	(.7)%	n.m.
GM market share — United Kingdom	15.2%	14.3%	14.7%	.9%	n.m.	(.4)%	n.m.
GM market share — Russia	9.6%	6.5%	4.6%	3.1%	n.m.	1.9%	n.m.

n.m. = not meaningful

(a) Production volume represents the number of vehicles manufactured by our assembly facilities and also includes vehicles produced by certain joint ventures.

(b) Vehicle unit sales primarily represent sales to the ultimate customer, including unit sales of Chevrolet brand products in the region. The financial results from sales of Chevrolet brand products are reported as part of GMAP as those units are sold by GM Daewoo.

2007 Compared to 2006

Industry Vehicle Sales

The 1.2 million (or 5.5%) growth in industry vehicle unit sales in 2007 primarily resulted from an increase of 680,000 vehicles (or 33.5%) in Russia; increases in Italy, the Ukraine, France, Poland, the United Kingdom, and various other markets in central and southeastern Europe, which were partially offset by a decrease of 290,000 vehicles (or 7.7%) in Germany.

Total Net Sales and Revenue

Total net sales and revenue increased due to: (1) a favorable impact of $2.9 billion in Foreign Currency Translation, driven mainly by the strengthening of the Euro, British Pound and Swedish Krona versus the U.S. Dollar; (2) an increase of $1.6 billion due to higher wholesale sales volume outside of Germany; and (3) an increase of $.4 billion due to improvements in pricing outside of Germany, primarily on the Corsa. Offsetting these increases was a decrease of $1.3 billion related to lower wholesale volumes and unfavorable pricing in Germany.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

In line with the industry trends noted above, GME's revenue, which excludes sales of Chevrolet brand products, increased most significantly in Russia, where wholesale volumes were up 51,000 units (or 215%), followed by the United Kingdom, where wholesale volumes were up 35,000 units (or 9.2%). Wholesale volumes in Germany declined by 68,000 units (or 18.9%).

Automotive Cost of Sales

Automotive cost of sales increased due to: (1) an unfavorable impact of $2.9 billion as a result of Foreign Currency Translation; (2) an increase of $.5 billion for unfavorable vehicle and country mix, primarily as a result of higher freight and duties associated with vehicles imported into Russia and from Korea; and (3) an increase of $.4 billion related to higher wholesale sales volume.

Automotive cost of sales rate deteriorated during 2007 primarily due to the unfavorable impact of vehicle and country mix in Automotive cost of sales, partially offset by the favorable impact of price in Total net sales and revenue.

Selling, General, and Administrative Expense

Selling, general and administrative expense increased primarily due to Foreign Currency Translation.

Automotive Interest and Other Income (Expense)

Automotive interest and other income (expense) increased primarily as a result of a $.1 billion favorable settlement of VAT claims with the U.K. tax authorities.

2006 Compared to 2005

Industry Vehicle Sales

Industry vehicle sales grew 784,000 vehicles (or 3.7%) during 2006 primarily due to increases of 373,000 vehicles (or 22.6%) in Russia, 157,000 vehicles (or 4.4%) in Germany, 122,000 vehicles (or 39.2%) in the Ukraine and 108,000 vehicles (or 4.3%) in Italy, which were offset by decreases of 98,000 vehicles (or 12.8%) in Turkey and 94,000 vehicles (or 3.3%) in the United Kingdom.

Total Net Sales and Revenue

Total net sales and revenue increased primarily due to: (1) an increase of $.3 billion due to improvements in pricing, primarily associated with the Zafira and Corsa; (2) an increase of $.3 billion related to vehicle mix, primarily associated with the Zafira and Astra; (3) a $.2 billion favorable impact associated with increased volume on parts and accessories; (4) a favorable impact of $.2 billion due to Foreign Currency Translation; and (5) an increase of $.2 billion for inclusion of a full year's results of the European Powertrain organization in 2006, as opposed to a partial year's results in 2005 following the dissolution of the Fiat joint venture.

Automotive Cost of Sales

Automotive cost of sales decreased due to: (1) a decrease in restructuring and impairment charges of $.7 billion; (2) lower material costs of $.3 billion; (3) an increase of $.2 billion related to vehicle mix, primarily associated with the Zafira; (4) a $.1 billion increase attributed to increased volume on parts and accessories; (5) a $.1 billion unfavorable impact due to Foreign Currency Translation; and (6) an increase of $.2 billion for inclusion of a full year's results of the European Powertrain organization in 2006, as opposed to a partial year's results in 2005 following the dissolution of the Fiat joint venture.

Automotive cost of sales rate improved during 2006 as a result of lower separation costs.

Selling, General, and Administrative Expense

Selling, general, and administrative expense increased primarily due to an increase in commercial expense.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Equity Income, net of tax

Equity income, net of tax decreased in 2006 due to a 2005 change in Polish tax law, which had generated additional equity income in 2005.

GM Latin America/Africa/Mid-East

	2007	2006	2005	2007 vs. 2006 Change Amount	2007 vs. 2006 Change Percentage	2006 vs. 2005 Change Amount	2006 vs. 2005 Change Percentage
			(Dollars in millions)				
Total net sales and revenue	$ 18,894	$ 14,627	$ 11,851	$ 4,267	29.2%	$ 2,776	23.4%
Automotive cost of sales	16,776	13,305	11,077	3,471	26.1%	2,228	20.1%
Selling, general and administrative expense	1,009	764	623	245	32.1%	141	22.6%
Operating income	1,109	558	151	551	98.7%	407	n.m.
Automotive interest and other income (expense)	240	(31)	(108)	271	n.m.	77	71.3%
Income from continuing operations before income taxes, equity income and minority interests and cumulative effect of a change in accounting principle	1,349	527	43	822	156.0%	484	n.m.
Equity income, net of tax	31	16	15	15	93.8%	1	6.7%
Minority interests, net of tax	(32)	(25)	(11)	(7)	28.0%	(14)	127.3%
Income from continuing operations before income taxes	$ 1,348	$ 518	$ 47	$ 830	160.2%	$ 471	n.m.
Cumulative effect of a change in accounting principle	$ —	$ —	$ (2)	$ —	0.0%	$ 2	n.m.
Automotive cost of sales rate	88.8%	91.0%	93.5%	(2.2)%	n.m.	(2.5)%	n.m.
Net margin from continuing operations before income taxes, equity income and minority interests and cumulative effect of a change in accounting principle	7.1%	3.6%	0.4%	3.5%	n.m.	3.2%	n.m.
			(Volume in thousands)				
Production Volume(a)	960	830	775	130	15.7%	55	7.1%
Vehicle Unit Sales(b):							
Industry — LAAM	7,181	6,104	5,310	1,077	17.7%	794	15.0%
GMLAAM	1,236	1,035	883	201	19.4%	152	17.2%
GM market share — LAAM	17.2%	17.0%	16.6%	0.2%	n.m.	0.4%	n.m.
GM market share — Brazil	20.3%	21.3%	21.3%	(1.0)%	n.m.	0.0%	n.m.

n.m. = not meaningful

(a) Production volume represents the number of vehicles manufactured by our assembly facilities and also includes vehicles produced by certain joint ventures.

(b) Vehicle unit sales primarily represent sales to the ultimate customer.

2007 Compared to 2006

Industry Vehicle Sales

Industry vehicle sales in the LAAM region increased because of strong growth throughout the region. This included increases in Brazil of 535,000 vehicles (or 27.7%), Venezuela of 148,000 vehicles (or 43.0%), Argentina of 119,000 vehicles (or 26.3%), the Middle East (excluding Israel) of 93,000 vehicles (or 6.0%), Colombia of 59,000 vehicles (or 30.8%), Egypt of 57,000 vehicles (or 36.1%), and Israel of 41,000 (or 26.6%) during 2007. Industry vehicle sales in South Africa declined by 34,000 vehicles (or 5.2%).

Total Net Sales and Revenue

Total net sales and revenue increased due to: (1) $2.9 billion in higher volumes across most GMLAAM business units, including increases in Brazil, Venezuela and Argentina, which more than offset a small decrease in Ecuador; (2) favorable impact of Foreign Currency Translation of $.7 billion, primarily related to the Brazilian Real and Colombian Peso; (3) favorable vehicle pricing of $.5 billion; and (4) favorable vehicle mix of $.2 billion.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Automotive Cost of Sales

Automotive cost of sales increased due to: (1) increased volume impact in the region of $2.3 billion; (2) unfavorable Foreign Currency Translation of $.7 billion, which also includes the impact of foreign exchange losses as a result of translating amounts payable in a currency other than the local currency; (3) higher content cost of $.3 billion; and (4) unfavorable product mix impact of $.1 billion.

Automotive cost of sales rate improved due to higher pricing and favorable product mix.

Selling, General and Administrative Expense

Selling, general and administrative expense increased due to: (1) a $66 million charge recorded in GM do Brasil during the second quarter of 2007 for additional retirement benefits under a government sponsored pension plan; (2) unfavorable Foreign Currency Translation impact of $40 million; (3) an increase in the cost of these expenses compared to 2006 of $29 million; and (4) $105 million of increased administrative, marketing and other expenses throughout the region in support of the higher volume levels.

Automotive Interest and Other Income (Expense)

Automotive interest and other income (expense) improved due to: (1) a gain of $194 million in 2007 recorded as a result of GM do Brasil's favorable resolution of prior tax cases; (2) reversals of previously established tax accruals of $81 million in 2007 associated with duties, federal excise tax and related matters that were no longer required; and (3) income of $25 million in South Africa relating to increased export incentives due to increases in volume of exports. These increases were partially offset by: (1) a $64 million charge related to previously recorded tax credits in GM do Brasil; and (2) $56 million of settlement and fines related to information submitted to the Brazil tax authorities for material included in consignment contracts at one of our facilities.

2006 Compared to 2005

Industry Vehicle Sales

Industry vehicle sales in the LAAM region increased by 794,000 vehicles (or 15.0%) during 2006 as compared to 2005. This included increases in Brazil of 214,000 vehicles (or 12.5%), the Middle East of 193,000 vehicles (or 12.7%), Venezuela of 115,000 vehicles (or 50.3%), South Africa of 82,000 vehicles (or 14.4%), Argentina of 64,000 vehicles (or 16.3%), Egypt of 59,000 vehicles (or 60.2%) and Colombia of 50,000 vehicles (or 34.7%).

Total Net Sales and Revenue

Total net sales and revenue increased due to: (1) $1.4 billion in increased volumes across most GMLAAM business units, including increased revenues in Venezuela, Colombia, South Africa, the Middle East and Brazil, which more than offset a decrease in Chile; (2) favorable vehicle pricing of $.7 billion; and (3) favorable effects of Foreign Currency Transaction of $.2 billion.

Automotive Cost of Sales

Automotive cost of sales increased due to: (1) increased volume in the region of $1.1 billion; (2) higher content cost of $.4 billion; and (3) unfavorable Foreign Currency Translation effects of $.4 billion.

Automotive cost of sales rate improved due to higher pricing and favorable product mix.

Selling, General and Administrative Expense

Selling, general and administrative expense increased due to: (1) unfavorable Foreign Currency Translation effects of $25 million; (2) increases in the cost of these expenses as compared to the cost in 2005 of $18 million; and (3) increased administrative, marketing and other expenses of $99 million throughout the region in support of the higher volume levels.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Automotive Interest and Other Income (Expense)

Automotive interest and other income (expense) improved due to: (1) a decrease in interest expense of $74 million on short-term borrowings in GM do Brasil due to reduced short-term debt outstanding; and (2) a general increase in interest income of $23 million spread throughout the region. These factors were partially offset by: (1) an increase in interest expense of $15 million on short-term borrowings in Venezuela due primarily to increased short-term debt outstanding; and (2) unfavorable Foreign Currency Translation effects of $16 million.

GM Asia Pacific

	2007	2006	2005	2007 vs. 2006 Change		2006 vs. 2005 Change	
				Amount	Percentage	Amount	Percentage
			(Dollars in millions)				
Total net sales and revenue	$ 21,003	$ 15,532	$ 10,846	$ 5,471	35.2%	$ 4,686	43.2%
Automotive cost of sales	19,004	14,182	10,249	4,822	34.0%	3,933	38.4%
Selling, general and administrative expense	1,473	1,145	761	328	28.6%	384	50.5%
Other expense	—	—	812	—	0.0%	(812)	100.0%
Operating income (loss)	526	205	(976)	321	156.6%	1,181	121.0%
Automotive interest and other income	31	854	87	(823)	96.4%	767	n.m.
Income (loss) from continuing operations before income taxes, equity income and minority interests and cumulative effect of a change in accounting principle	557	1,059	(889)	(502)	47.4%	1,948	n.m.
Equity income, net of tax	425	365	527	60	16.4%	(162)	30.7%
Minority interests, net of tax	(301)	(225)	(53)	(76)	33.8%	(172)	n.m.
Income (loss) from continuing operations before income tax	$ 681	$ 1,199	$ (415)	$ (518)	43.2%	$ 1,614	n.m.
Cumulative effect of a change in accounting principle	$ —	$ —	$ (3)	$ —	0.0%	$ 3	n.m.
Automotive cost of sales rate	90.5%	91.3%	94.5%	(0.8)%	n.m.	(3.2)%	n.m.
Net margin from continuing operations before income taxes, equity income and minority interests and cumulative effect of a change in accounting principle	2.7%	6.8%	(8.2)%	(4.1)%	n.m.	15.0%	n.m.
			(Volume in thousands)				
Production Volume (a)(b)	2,231	1,896	1,562	335	17.7%	334	21.4%
Vehicle Unit Sales (a)(c):							
Industry — Asia Pacific	20,808	19,231	18,115	1,577	8.2%	1,116	6.2%
GMAP	1,436	1,248	1,064	188	15.1%	184	17.3%
GM market share — Asia Pacific (d)	6.9%	6.5%	5.9%	0.4%	n.m.	0.6%	n.m.
GM market share — Australia	14.2%	15.4%	17.8%	(1.2)%	n.m.	(2.4)%	n.m.
GM market share — China (d)	12.1%	12.3%	11.6%	(0.2)%	n.m.	0.7%	n.m.

n.m. = not meaningful

(a) Includes GM Daewoo, Shanghai GM and SAIC-GM-Wuling Automobile Co., Ltd. (SGMW) joint venture production/sales. We own 34% of SGMW and under the joint venture agreement have significant rights as a member as well as the contractual right to report SGMW global sales as part of our global market share.

(b) Production volume represents the number of vehicles manufactured by our assembly facilities and also includes vehicles produced by certain joint ventures.

(c) Vehicle unit sales primarily represent sales to the ultimate customer.

(d) Includes SGMW joint venture sales.

2007 Compared to 2006

Industry Vehicle Sales

Industry vehicle sales in the Asia Pacific region increased due to strong growth in China and India. In 2007, industry sales increased by 1.4 million vehicles (or 20.4%) in China, increased by 246,000 vehicles (or 14.1%) in India and increased by 87,000 vehicles (or 9.1%) in Australia. The growth from these markets more than offset a decline of 385,000 vehicles (or 6.7%) in Japan. China's vehicle market

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

remained strong in 2007 and increased to 8.5 million vehicles during 2007, compared to 7.1 million vehicles during 2006. GMAP continued to capitalize on the demand in the China passenger and light commercial vehicle markets. GMAP increased its vehicle sales in the Asia Pacific region in part due to strong sales in China where volumes exceeded 1 million vehicles in 2007.

GMAP market share increased due to increased market share in India driven by the launch of the Chevrolet Spark and the performance of other new models in the portfolio. Although our market share in Japan did not change, our overall regional market share was favorably impacted due to the decline in the Japanese market. Our market share in China declined due to continued robust industry growth at a faster pace than our volume growth and more intense competition. Our market share in Australia decreased because of an industry shift to small segments, away from GM Holden's (Holden) traditional strength. This change was attributable to relatively less expensive imports from Japan and Korea and the shift by major fleet buyers to small segments. Our market share in Thailand declined due to relatively aged models currently in production and political uncertainties on the industry, which had a greater adverse impact on those manufacturers with smaller market share. Our market share in South Korea also declined due to competitive pressure and product cycle, with several vehicles leaving our lineup and expected to be replaced in 2008 and beyond.

Total Net Sales and Revenue

Total net sales and revenue increased due to: (1) a $3.5 billion increase in GM Daewoo export sales to a diverse global customer base, which was driven by the Captiva/Winstrom launch; (2) a $1.2 billion favorable effect of Foreign Currency Translation, primarily related to the Australian Dollar and Euro; and (3) an increase in domestic unit sales in the remainder of the region.

Automotive Cost of Sales

Automotive cost of sales increased due to: (1) a 30% increase in GM Daewoo export volumes amounting to $2.9 billion; (2) higher product engineering expenses at GM Daewoo of $.2 billion and at Holden of $.1 billion; and (3) effect of Foreign Currency Translation primarily related to the Australian Dollar and Korean Won of $.8 billion.

Automotive cost of sales rate decreased due to material cost performance and efficiencies primarily in GM Daewoo.

Selling, General and Administrative Expense

Selling, general and administrative expense increased due to higher consumer influence, sales promotion and selling expense amounting to $181 million and increased administrative and other expenses amounting to $147 million in line with the growth in business across various operations in the region.

Automotive Interest and Other Income

Automotive interest and other income decreased due to: (1) a non-recurring gain of $.7 billion in 2006 for the sale of our equity stake in Suzuki, which reduced our ownership from 20.4% to 3.7%; and (2) the non-recurring gain of $.3 billion in 2006 for the sale of our remaining investment in Isuzu.

Equity Income, net of tax

Equity income increased due to improved performance at Shanghai GM, offset by decreased equity income due to the sale of part of our equity stake in Suzuki during 2006.

Minority Interests, net of tax

Minority interests increased due to the growth of income at GM Daewoo.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

2006 Compared to 2005

Industry Vehicle Sales

Industry vehicle sales in the Asia Pacific region increased due to strong growth in China, where industry vehicle sales increased 23.6% to 7.1 million vehicles during 2006, compared to 5.7 million vehicles during 2005. GMAP increased its vehicle sales in the Asia Pacific region due to the growth in China.

GMAP market share increased due to increased market share in China as we capitalized on the strong industry growth. Our market share in Australia declined due to the industry shift to small segments.

Consolidation of GM Daewoo

Beginning in June 2005, we consolidated GM Daewoo as a result of our obtaining majority ownership. This change primarily drives the increase in Total net sales and revenues, Automotive cost of sales, Selling, general and administrative expense and Minority interests, net of tax.

Other Expense

Other Expense was zero in 2006 compared to $.8 billion expense in 2005 due to the write-down to fair market value of our investment in FHI.

Automotive Interest and Other Income

Automotive interest and other income increased due to: (1) a gain of $.7 billion for the sale of our equity stake in Suzuki, which reduced our ownership from 20.4% to 3.7% in 2006 and (2) a gain of $.3 billion from the sale of our remaining investment in Isuzu in 2006.

Equity Income, net of tax

Equity income, net of tax decreased due to the sale of our equity stake in Suzuki during 2006.

FIO Financial Review

Our FIO business includes the consolidated operating results of GMAC's lines of business consisting of Automotive Finance Operations, Mortgage Operations, Insurance, and Other, which includes GMAC's Commercial Finance business and GMAC's equity investment in Capmark Financial Group (previously GMAC Commercial Mortgage). In the GMAC Transaction in November 2006, we sold a 51% controlling interest in GMAC to FIM Holdings LLC (FIM Holdings). Our remaining interest in GMAC is accounted for using the equity method. Also included in FIO are the financing entities that are not consolidated by GMAC as well as two special purpose entities holding automotive leases previously owned by GMAC and its affiliates that were retained by us as part of the GMAC Transaction. Therefore, in 2007, FIO's operations primarily reflected our 49% share of the operating results of GMAC as compared to 2006, which included 11 months of fully consolidated GMAC operations and one month of its 49% share of operating results of GMAC.

2007 Compared to 2006

FIO reported a loss before income taxes of $.7 billion in 2007 compared to income before income taxes of $1.9 billion in 2006. This change was primarily due to lower operating results at GMAC during 2007. See the commentary below for a detailed discussion of the events and factors contributing to this change in GMAC's consolidated operating results, of which we record our proportionate share as equity income beginning in December 2006.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GMAC reported net loss available to members of $2.5 billion in 2007 compared to net income available to members of $2.1 billion in 2006. GMAC's net losses in 2007 reflect the adverse effects of the continued disruption in the mortgage, housing and capital markets on the Mortgage business and lower levels of realized capital gains by the Insurance business, which more than offset the continued strong performance in the Global Automotive Finance business. Mortgage results were adversely affected by domestic economic conditions, including delinquency increases in the mortgage loans held for investment portfolio and a significant deterioration in the securitization and residential housing markets. The Mortgage business was also affected by a downturn in certain foreign mortgage and capital markets. The disruption of mortgage, housing and capital markets has contributed to a lack of liquidity, depressed asset valuations, additional loss provisions related to credit deterioration and lower production levels.

Global Automotive Finance Operations benefited in 2007 from lower interest expense and higher gains on sales and servicing fee income due to an acceleration of its transition to an originate-to-distribute model in the United States, which resulted in higher levels of off-balance sheet securitizations and whole-loan sales.

Mortgage losses increased significantly in 2007 compared to 2006. During 2007, the mortgage and capital markets experienced severe stress due to credit concerns and housing market contractions in the United States. During the second half of the year, these negative market conditions spread to the foreign markets in which GMAC's Mortgage business operates, predominantly in the United Kingdom and Continental Europe, and to the residential homebuilders in the United States. The reduced accessibility to cost efficient capital in the secondary markets has made the residential mortgage industry even more capital intensive. In the short-term, it is probable the mortgage industry will continue to experience both declining mortgage origination volumes and reduced total mortgage indebtedness due to the deterioration of the nonprime and nonconforming mortgage market. Due to these market factors, including interest rates, the business of acquiring and selling mortgage loans is cyclical. The industry is experiencing a downturn in this cycle. The Mortgage business does not expect the current market conditions to turn favorable in the near term.

The persistence of the global dislocation in the mortgage and credit markets may continue to negatively affect the value of GMAC's mortgage-related assets. These markets continue to experience greater volatility, less liquidity, widening of credit spreads, repricing of credit risk and a lack of price transparency. The Mortgage business operates in these markets with exposure to loans, trading securities, derivatives and lending commitments. Mortgage's accessibility to capital markets continues to be restricted, both domestically and internationally, impacting the renewal of certain facilities and the cost of funding. It is difficult to predict how long these conditions will exist and which markets, products and businesses will continue to be affected. Accordingly, these factors could continue to adversely impact Mortgage's results of operations in the near term.

As a result, GMAC conducted a goodwill impairment test of its Mortgage business in accordance with SFAS No. 142, "Goodwill and Other Intangible Assets" (SFAS No. 142), during the third quarter of 2007. Based upon the results of their assessment, GMAC concluded that the carrying value of goodwill of its Mortgage business exceeded its fair value and recorded an impairment loss of $455 million. We reduced our investment in GMAC by $223 million for our share of GMAC's impairment loss and recorded a charge to Equity in loss of GMAC LLC during 2007.

Insurance Operations' net income decreased in 2007 due to a lower level of realized capital gains.

FIO's Other Financing reported income before income taxes of $.5 billion in 2007 compared to a loss before income taxes of $.4 billion in 2006. This increase was due to: (1) $2 billion of additional revenue in 2007 for two special purpose entities holding outstanding leases previously owned by GMAC, which were included in GMAC's net income for the first 11 months of 2006; and (2) a $2.9 billion loss on the GMAC Transaction recorded in 2006. These favorable items were partially offset by: (1) a $.3 billion increase in interest expense on lease assets; and (2) a $2.5 billion decrease in depreciation expense in 2006 on GMAC's long-lived assets classified as held for sale.

2006 Compared to 2005

FIO reported income before income taxes of $1.9 billion in 2006 compared to $3.5 billion in 2005. This decrease of 46%, or $1.6 billion from 2005 to 2006, was primarily due to the GMAC Transaction. In 2006, FIO net income of $1 billion includes 12 months of activity for GMAC comprised of 11 months of operations as a wholly-owned subsidiary totaling $2.2 billion of income and one month of

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

equity loss of $5 million as a result of the sale of a controlling interest in GMAC to FIM Holdings LLC. All comparisons for the GMAC activity below are on a 12 month basis.

Global Automotive Finance Operations' net income for 2006 increased 7.8% when compared to 2005. Net income was positively impacted by $.4 billion related to the write-off of certain net deferred tax liabilities as part of the conversion of GMAC to a limited liability corporation during November 2006. Results for 2006 include an unfavorable after-tax earnings impact of $.1 billion from a $1 billion debt tender offer to repurchase certain deferred interest debentures.

Net income for GMAC's ResCap mortgage subsidiary in 2006 declined 31% when compared to 2005. The 2006 operating results were adversely affected by domestic economic conditions especially during the fourth quarter. These developments were offset by the conversion to a limited liability corporation for income tax purposes, which resulted in the elimination of a $.5 billion net deferred tax liability. Excluding the benefit realized from the conversion to a limited liability company, Mortgage's net income was $.2 billion.

Insurance Operations' reported net income of $1.1 billion in 2006 compared to $.4 billion in 2005. The increase in income is mainly a result of higher realized capital gains of $1 billion in 2006 as compared to $.1 billion in 2005. Underwriting results were favorable primarily due to increased insurance premiums and service revenue earned and improved loss and loss adjustment expense experience partially offset by higher expenses.

GMAC's Other segment had a net loss of $1 billion in 2006 compared to a loss of $.3 billion in 2005. The increased loss was mainly due to the decline in income from Capmark Financial Group of $.2 billion due to the sale of 79% interest of the business in March 2006, goodwill impairment charges of $.7 billion, higher loss provisions, and the tax impact related to GMAC's conversion to a limited liability corporation.

FIO's Other Financing reported a loss before income taxes of $.4 billion in 2006 compared to $27 million in 2005. This change was primarily due to: (1) a $2.9 billion loss on the GMAC Transaction recorded in 2006; and (2) a $2.5 billion decrease in depreciation expense in 2006 on GMAC's long-lived assets classified as held for sale.

Corporate and Other Operations

				2007 vs. 2006 Change		2006 vs. 2005 Change	
	2007	2006	2005	Amount	Percentage	Amount	Percentage
			(Dollars in millions)				
Total net sales and revenues	$ —	$ (256)	$ (256)	$ 256	100%	$ —	—
Automotive cost of sales	627	(365)	723	992	n.m.	(1,088)	150.5%
Selling, general and administrative expense	822	685	443	137	20%	242	54.6%
Other expense	2,354	1,065	5,997	1,289	121%	(4,932)	82.2%
Operating loss	(3,803)	(1,641)	(7,419)	(2,162)	131.7%	5,778	77.9%
Automotive interest and other income (expense)	184	453	503	(269)	59.4%	(50)	9.9%
Loss from continuing operations before income taxes, equity income and minority interests and cumulative effect of a change in accounting principle	(3,619)	(1,188)	(6,916)	(2,431)	n.m.	5,728	82.8%
Income tax expense (benefit)	37,129	(3,881)	(7,239)	41,010	n.m.	3,358	46.4%
Equity income, net of tax	2	3	20	(1)	33.3%	(17)	85.0%
Minority interests, net of tax	12	—	7	12	—	(7)	100.0%
Net income (loss)	$ (40,734)	$ 2,696	$ 350	$ (43,430)	n.m.	$ 2,346	670.3%

n.m. = not meaningful

Corporate and Other includes certain centrally recorded income and costs, such as interest and income taxes, corporate expenditures, the elimination of inter-region transactions and costs related to pension and OPEB for Delphi retirees and retirees of other divested businesses for which we have retained responsibility. Automotive interest and other income (expense) in prior years includes eliminations between our Automotive business and GMAC.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

2007 Compared to 2006

Automotive cost of sales and Selling, general and administrative expense increased $1.1 billion in 2007 compared to 2006. Pension expense increased $251 million in 2007 as the result of the accelerated recognition of unamortized prior service cost. Ongoing legacy costs were lower in 2007 by more than $100 million due to changes in U.S. salaried pension and OPEB plans and the 2005 UAW Health Care Settlement Agreement. Expenses were lower in 2006 due to a curtailment gain of $600 million associated with pension/OPEB expense related to the GMAC transaction, and reductions of $250 million related to the elimination of intersegment transactions with GMAC recorded in Automotive cost of sales in 2006. These transactions are no longer eliminated in 2007, as we no longer consolidate GMAC.

Other expense increased $1.3 billion in 2007 compared to 2006. Other expense in 2007 of $2.4 billion was comprised of charges of $1.5 billion related to the Delphi benefit guarantee, a charge to pension expense of $552 million for the Delphi portion of the 2007 National Agreement negotiations and $255 million related to transactions with other FIO. In 2006 Other expense was comprised of a charge of $500 million related to the Delphi benefit guarantee and $565 million of expenses related to transactions with GMAC, which did not recur in 2007.

Automotive interest and other income (expense) decreased due to the effect of the elimination of interest expense related to GMAC in 2006, partially offset by higher interest income in 2007.

Loss from continuing operations before income taxes, equity income and minority interests and cumulative effect of a change in accounting principle was $3.6 billion in 2007 compared to $1.2 billion in 2006. Income tax expense was $37.1 billion in 2007, compared to a benefit of $3.9 billion in 2006. The increase is attributable to the valuation allowance of $39 billion we established in 2007 against our net deferred tax assets in the U.S., Canada and Germany.

2006 Compared to 2005

Automotive cost of sales and Selling, general and administrative expense decreased $846 million in 2006 compared to 2005. The decrease was due primarily to a decrease of $1.1 billion in OPEB expense resulting from the 2005 UAW Health Care Settlement Agreement that reduced legacy costs related to employee benefits of divested businesses for which we have retained responsibility and the OPEB curtailment gain related to the GMAC Transaction noted above. This was partially offset by $250 million of increased administrative expenses, driven by higher outside consulting and information technology expenditures.

Other expense decreased due to a $5.5 billion charge recorded in 2005 related to the Delphi benefit guarantee pertaining to the contingent exposures relating to Delphi's Chapter 11 filing, compared to the $500 million charge recorded during 2006.

Automotive interest and other income (expense) was offset by the elimination of certain transactions with GMAC.

Loss from continuing operations before income taxes, equity income and minority interests and cumulative effect of a change in accounting principle decreased by $5.7 billion in 2006 compared to 2005. Income tax benefit was $3.9 billion in 2006 compared to $7.2 billion in 2005.

Key Factors Affecting Future and Current Results

The following discussion identifies the key factors, known events and trends that could affect our future results.

North American Turnaround Plan

Our top priorities continue to be improving our business in North America and achieving competitiveness in an increasingly global environment, thus positioning us for sustained profitability and growth in the long term, while maintaining liquidity. We have been

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

systematically and aggressively implementing our turnaround plan for GMNA's business to return the operations to profitability and positive cash flow as soon as possible. Our turnaround plan for GMNA is built on four elements:

- Product excellence;
- Revitalizing sales and marketing strategy;
- Accelerating cost reductions and quality improvements; and
- Addressing health care/legacy cost burden.

The following update describes what we have done so far to achieve these elements:

Product Excellence.

We continue to focus significant attention on maintaining consistent product freshness by introducing new vehicles frequently and reducing the average vehicle lifecycle. In 2008 we expect that a significant percentage of our retail sales will come from vehicles launched in the prior 18 months, such as the Cadillac CTS and the Chevrolet Malibu, Buick Lucerne and Saturn Aura, our fullsize trucks and sport utility vehicles and our mid-size crossovers, the Saturn Outlook, GMC Acadia and Buick Enclave. In the fourth quarter of 2007, we launched two of these vehicles — the Cadillac CTS and the Chevrolet Malibu, both of which achieved robust sales volumes as well as significant industry awards, the Chevrolet Malibu receiving the 2008 North America Car of the Year award, and the Cadillac CTS being named the 2008 Motor Trend Car of the Year. Entering 2008, we expect the Cadillac CTS and the Chevrolet Malibu, as well as the upcoming launches of the Pontiac G8 and Chevrolet Traverse to contribute favorably to restoring our brand health.

We anticipate capital spending in North America of approximately $5 billion in 2008, which would be comparable to 2007 levels. GMNA will allocate capital and engineering resources to support more fuel-efficient vehicles, including hybrid vehicles in the United States, and is increasing production of active fuel management engines and six-speed transmissions. During the fourth quarter of 2007, we introduced new 2-mode hybrid models of the Chevrolet Tahoe and the GMC Yukon. In addition, we are undertaking a major initiative in alternative fuels through sustainable technologies such as E85 Flex Fuel vehicles, which run on gasoline, ethanol or any combination of the two fuels. In September 2007, we launched Project Driveway, which will make more than 100 Chevrolet Equinox fuel cell electric vehicles available for driving by the public in the vicinity of Los Angeles, New York City and Washington, D.C.

Revitalize Sales and Marketing Strategy.

We are pursuing a revised sales and marketing strategy by focusing on clearly differentiating our brands, optimizing our distribution network, growing in key metropolitan markets and re-focusing our marketing efforts on the strength and value of our products. Since early 2006, our promotion strategy has emphasized our brands and vehicles, rather than price incentives. In addition, we have begun increasing advertising in support of new products and specific marketing initiatives, including price incentives, to improve our sales performance in key under-developed states. Our pricing strategy, improved quality, product execution, reduced sales to daily rental fleets and a strong market for used vehicles resulted in higher residual values and higher average transaction prices for our cars and trucks. For 2008, we plan to accelerate the alignment of our U.S. brands into four distinct dealer channels: Chevrolet, Saturn, Buick/Pontiac/GMC and Cadillac/Hummer/Saab. We expect that this will enhance dealer profitability and, over time, facilitate more highly differentiated products and brands. Continued weakness in the U.S. automotive market will be a significant challenge for us in the near-term, as more fully discussed in "Near-Term Market Challenges."

Accelerate Cost Reductions and Quality Improvements.

Since the November 2005 announcement of our strategy to reduce structural costs in the manufacturing area, we have introduced a variety of initiatives to accomplish that strategy. In 2007, we achieved our announced target of reducing certain annual structural costs primarily related to labor, pension and other post retirement costs in GMNA and Corporate and other by $9 billion, on average, less than those costs in 2005. This improvement is due largely to the success of attrition programs which reduced the number of our hourly employees by 34,400, the effect of the resulting pension remeasurement, as well as a number of other items including the 2005 Health Care Settlement Agreement with the UAW, reductions in pensions for salaried employees and caps on healthcare costs for salaried retirees. In 2008, we have implemented an additional voluntary special attrition program, for which all 74,000 UAW-represented

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

employees are eligible to participate, including 46,000 employees who are currently eligible for retirement. We continue to focus on our long-term goal of reducing our global automotive structural costs of revenues as a percentage of 2005 revenues to less than 25% by 2010. For 2007, global automotive structural costs were less than 30% of revenue. We believe that the new collective bargaining agreement entered into in October 2007 (2007 National Agreement) provides additional cost reduction opportunities, particularly in the areas of healthcare costs and savings from the implementation of the Tier II wage structure and, accordingly, have revised our previously announced target for further reductions in structural costs as a percent of revenues from 25% in 2010 to 23% by 2012.

Reducing material costs remains a critical part of GMNA's overall long-term cost reduction plans. In 2007, improved performance in purchasing was more than offset by improvements and content additions on new vehicle programs and higher commodity prices for steel and non-ferrous metals. Looking forward, we expect that commodity pricing pressures will remain flat or improve modestly. We also expect to reduce a substantial portion of the cost premiums we have historically paid to Delphi for systems and components over the next three to five years. The savings will be offset by various labor and transitional subsidies, so that we expect to achieve annual net savings over the medium term of approximately $500 million. Full realization of such savings depends on Delphi's successful emergence from bankruptcy protection on the terms that Delphi has negotiated with us (see Delphi Bankruptcy below).

We continue our aggressive pursuit of material cost reductions via improvements in our global processes for product development, which will enable further commonization and application of parts among vehicle architectures, as well as through the continued use of the most competitive supply sources globally and the extensive use of benchmarking and supplier footprint optimization. By leveraging our global reach to take advantage of economies of scale in purchasing, engineering, advertising, salaried employment levels and indirect material costs, we seek to continue to achieve cost reductions. We have seen significant improvements in both warranty and other quality related costs over the past several years, which have enabled the implementation of the extended powertrain warranty. In 2008, we plan to continue to focus on reducing these costs through continued investment in product development and new technology.

Vehicle quality demonstrates continued improvements in 2007. Our recent vehicle launches are performing at record warranty levels, and our Buick and Cadillac brands were first and third, respectively, in the most recent JD Power Vehicle Dependability Study. We have also experienced an 89% decrease in the number of vehicles included in safety and non-compliance recall campaigns since 2005. In 2008, we will maintain our focus on improving our vehicle quality.

Address Health Care/Legacy Cost Burden.

Addressing the legacy cost burden of health care for employees and retirees in the United States is one of the critical challenges we face. For the past three years we have worked with the UAW and our other U.S. labor unions to find solutions to this challenge. In October 2005, we announced the 2005 UAW Health Care Settlement Agreement, which modified postretirement healthcare benefits for UAW active employees, retirees and their eligible dependents to require monthly contributions, deductibles and co-pay obligations for the first time. In October 2007, we signed a Memorandum of Understanding — Post-Retirement Medical Care (Retiree MOU) with the UAW, now superseded by the Settlement Agreement currently pending for court approval (Settlement Agreement). The Settlement Agreement executed in connection with the 2007 National Agreement will incorporate and supersede the 2005 UAW Health Care Settlement Agreement when it is implemented on the later of January 1, 2010 or the date when all appeals or challenges to court approval of the Settlement Agreement have been exhausted (Implementation Date).

We began recognizing benefits from the 2005 UAW Health Care Settlement Agreement during the three months ended September 30, 2006. The remeasurement of the U.S. hourly OPEB plans as of March 31, 2006 generated a $1.3 billion in OPEB expense and $14.5 billion reduction in the OPEB obligation, including the Mitigation Plan as described in Note 15 to our consolidated financial statements. In April 2006, we reached a tentative agreement with the International Union of Electrical Workers Communications Workers of America (IUE-CWA) to reduce healthcare costs that is similar to the 2005 UAW Health Care Settlement Agreement. This agreement was ratified by the IUE-CWA membership in April 2006 and received court approval in November 2006. The IUE-CWA healthcare agreement reduced our 2007 OPEB expense by $.1 billion and OPEB obligation by $.5 billion. The IUE-CWA collective bargaining agreement expired in the fourth quarter of 2007, and we anticipate that our new collective bargaining agreement with the IUE-CWA will include arrangements similar to those contemplated by the Settlement Agreement.

We also increased our U.S. salaried workforce's participation in the cost of healthcare. In January 2007 we established a cap on our contributions to salaried retiree healthcare at the level of our 2006 expenditures. In the future, when average costs exceed established

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

limits, we will make additional plan changes that affect cost-sharing features of program coverage, effective with the start of the following calendar year. Program changes may include, but are not limited to, higher monthly contributions, deductibles, coinsurance, out-of-pocket maximums and prescription drug payments. We have also reduced the levels of coverage for corporate-paid life insurance for salaried retirees.

The 2007 National Agreement provides for a permanent shift in responsibility for retiree healthcare liabilities of $47 billion to a new benefit plan to be established and funded by the New VEBA, promptly after the Implementation Date. We believe that our initiatives in this area will reduce our U.S. healthcare related cash payments to $2 billion per year, beginning in 2010, reduced from $4.6 billion in 2007.

We will continue to work with our employees, healthcare providers and the U.S. government to find solutions to the critical issues posed by the rising cost of healthcare. The Settlement Agreement provides that we will publicly support federal policies to improve the quality and affordability of healthcare and work cooperatively with the UAW toward that goal. We have agreed with the UAW to form a National Institute for Health Care Reform, which will conduct research and analyze the current medical delivery system in the United States, develop targeted and broad-based reform proposals to improve the quality, affordability and accountability of the system and educate the public, policymakers and others about how these reforms could address the deficiencies of the current system. Our initiatives to reduce healthcare costs during 2007 also included using the global purchasing process to identify more cost-effective suppliers and auditing the eligibility of plan participants as well as working with the UAW and other vehicle manufacturers to support a variety of federal legislation that would reduce employer healthcare costs.

Near-Term Market Challenges

In the near-term, we expect the challenging market conditions that developed in the third quarter of 2007 in North America and Germany to continue.

In North America, the turmoil in the mortgage and credit markets, continued reductions in housing values, high energy prices and the threat of a recession have had a negative impact on consumer's willingness to purchase our products. These factors have contributed to lower unit sales in North America in 2007 and, combined with shifts in consumer preferences towards cars and away from fullsize trucks and utility vehicles, have negatively impacted our results as such larger vehicles are among our more profitable products. We expect these lower unit sales to continue in the near-term. In addition, competition in fullsize trucks has increased, resulting in increased consumer incentives as compared to our earlier expectations.

The German market experienced a 7.7% decrease in unit sales volumes during 2007 compared to 2006. While we had anticipated a drop in unit sales volumes during early 2007 as a result of increases in taxes on automobiles, however, we did not expect that the decrease would continue through the entire 2007 calendar year and into the near-term future. In response to this industry-wide volume decline, competitors increased consumer incentives to maintain volume. We expect that these increased consumer incentives will continue in the near-term. In addition, significant uncertainty developed in the market reflecting a new factor — the impact new European environmental regulations would have on the German automotive market. This further constrained volumes as consumers delayed purchases over the uncertainty of the cost of these new environmental regulations on automobiles. Finally, the global effect of the turmoil in the credit markets and increased oil prices continued to diminish consumers' ability and willingness to purchase new vehicles in Germany as well as other markets.

2007 National Agreement

On October 10, 2007, the 2007 National Agreement between us and the UAW and the related Retiree MOU were ratified. The 2007 National Agreement covers the wages, hours and terms and conditions of employment for UAW-represented employees. The Retiree MOU has been superseded by the Settlement Agreement executed in February 2008. The Settlement Agreement provides that responsibility for providing retiree health care will permanently shift from us to a new retiree plan funded by the New VEBA. Final effectiveness of the Settlement Agreement is subject to a number of conditions as described below, but we have already begun executing certain provisions of the Settlement Agreement. Following are the key terms and provisions of the 2007 National Agreement and the Settlement Agreement.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

2007 National Agreement

The 2007 National Agreement established a new wage and benefit package for new hires (Tier II Wage) in certain non-core positions including but not limited to material movement, kitting, sequencing, certain stampings and certain sub-assemblies. New hires in Tier II Wage positions will receive base wages of approximately $15 per hour versus approximately $28 per hour for existing employees.

In addition, Tier II Wage new hires will have higher cost sharing arrangements for active healthcare coverage, a cash balance pension plan and receive a $1 per hour 401(k) contribution in lieu of a defined benefit postretirement medical benefit plan. In addition, the agreement provides lump sum payments of $3,000 in 2007 and 3%, 4% and 3% of wages in 2008, 2009 and 2010, respectively, for traditional employees. We will amortize each of these lump sum payments over the 12-month period following the payment. Finally, pension benefit increases and lump sum payments were provided to current retirees and covered employees of Delphi. As a result of these changes, we expect that our average hourly manufacturing wage rate for Tier II Wage positions will be reduced from approximately $78 per hour to $26 per hour.

Settlement Agreement

When fully implemented, the Settlement Agreement will cap our retiree healthcare obligations to UAW associated employees, retirees and dependents, as defined in the Settlement Agreement; will supersede and replace the 2005 UAW Health Care Settlement Agreement and will transfer responsibility for administering retiree healthcare benefits for these individuals to a new benefit plan to be established and funded by the New VEBA trust. Before it can become effective, the Settlement Agreement is subject to class certification, court approval and the completion of discussions between us and the SEC regarding accounting treatment for the transactions contemplated by the Settlement Agreement on a basis reasonably satisfactory to us. In light of these contingencies, no recognition to the effects of the Settlement Agreement has been made in these consolidated financial statements. The Settlement Agreement provides that on the later of January 1, 2010 or final court approval of the Settlement Agreement, we will transfer our obligations to provide covered UAW employees with post-retirement medical benefits to a new retiree health care plan (the New Plan) to be established and funded by the New VEBA.

In accordance with the Settlement Agreement, effective January 1, 2008 for bookkeeping purposes only, we will divide the existing internal VEBA into two bookkeeping accounts. One account will consist of the percentage of the existing internal VEBA's assets as of January 1, 2008 that is equal to the estimated percentage of our hourly OPEB liability covered by the existing internal VEBA attributable to Non-UAW represented employees and retirees, their eligible spouses, surviving spouses and dependents (Non-UAW Related Account) and will have a balance of approximately $1.2 billion. The second account will consist of the remaining assets in the existing internal VEBA as of January 1, 2008 (UAW Related Account) and will have a balance of approximately $14.5 billion. No amounts will be withdrawn from the UAW Related Account, including its investment returns, from January 1, 2008 until transfer to the New VEBA.

Pursuant to the Settlement Agreement we have issued $4.4 billion principal amount of our 6.75% Series U Convertible Senior Debentures due December 31, 2012 (the Convertible Note) to LBK, LLC, a Delaware limited liability company of which we are the sole member (LBK). LBK will hold the Convertible Note until it is transferred to the New VEBA in accordance with the terms of the Settlement Agreement. Interest on the Convertible Note is payable semiannually. In accordance with the Settlement Agreement LBK will transfer any interest it receives on the Convertible Note to a temporary asset account we maintain. The funds in the temporary asset account will be transferred to the New VEBA in accordance with the terms of the Settlement Agreement.

In conjunction with the issuance of the Convertible Note, LBK and we have entered into certain cash-settled derivative instruments maturing on June 30, 2011 that will have the economic effect of reducing the conversion price of the Convertible Note from $40 to $36. These derivative instruments will also entitle us to partially recover the additional economic value provided if our Common Stock price appreciates to between $63.48 and $70.53 per share and to fully recover the additional economic value provided if our common stock price reaches $70.53 per share or above. Pursuant to the Settlement Agreement, LBK will transfer its interests in the derivatives to the New VEBA when the Convertible Note is transferred from LBK to the New VEBA.

We also issued a $4 billion short term note to LBK (the Short Term Note) pursuant to the Settlement Agreement. The Short Term Note pays interest at a rate of 9% and matures on the date that the face amount of the Short Term Note is paid with interest to the New VEBA in accordance with the terms of the Settlement Agreement. LBK will hold the Short Term Note until it matures.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

As a wholly owned consolidated subsidiary of ours, LBK will hold the convertible note, the short term note and the derivatives until they are paid or transferred to the New VEBA. As such, these three securities will be effectively eliminated in our consolidated financial statements until they are paid or transferred to the New VEBA without restrictions.

On April 1, 2008, we will make an additional contribution of $165 million to the temporary asset account. Beginning in 2009, we may be required to contribute an additional $165 million per year, limited to a maximum of an additional 19 payments, to either the temporary asset account or the New VEBA (when established). Such contributions will be required only if annual cash flow projections show that the New VEBA will become insolvent on a rolling 25-year basis. At any time, we will have the option to prepay all remaining contingent $165 million payments.

Additionally, at the initial effective date of the Settlement Agreement, we may transfer up to an additional $5.6 billion, subject to adjustment, to the New VEBA or we may instead opt to make annual payments of varying amounts between $421 million and $3.3 billion through 2020.

Delphi Bankruptcy

Background

In October 2005, Delphi filed a petition for Chapter 11 proceedings under the U.S. Bankruptcy Code for itself and many of its U.S. subsidiaries. Delphi's financial distress and Chapter 11 filing posed significant risks to us for two principal reasons: (1) our production operations rely on systems, components and parts provided by Delphi, our largest supplier, and could be substantially disrupted if Delphi rejected its GM supply agreements or its labor agreements and thereby affected the availability or price of the required systems, components or parts; and (2) in connection with the 1999 spin-off of Delphi from GM, we provided limited guarantees of pension and OPEB benefits for hourly employees represented by the UAW, the IUE-CWA, and the United Steel Workers (USW) who were transferred to Delphi from GM (Benefit Guarantees), which could have been triggered in connection with the Chapter 11 proceedings.

Since the filing, we have worked with Delphi, its unions and other interested parties to negotiate a satisfactory resolution to Delphi's Chapter 11 restructuring process, including several interim agreements such as the 2006 attrition and buyout programs affecting certain GM and Delphi employees. As described below, certain labor issues have been resolved among Delphi, the union, and us. The Bankruptcy Court has approved Delphi's plan of reorganization (Delphi POR), which includes agreements between Delphi and GM (Delphi-GM Settlement Agreements) that would settle other claims. Delphi is pursuing approximately $6.1 billion of new exit financing in support of the Delphi POR, which may be difficult in light of the current challenging conditions of the U.S. and global credit markets, particularly the weakness and decline in the capacity of the market for highly leveraged loans. In its 2007 Annual Report on Form 10-K, Delphi stated that it was in discussions with its plan investors and with us regarding implementation of exit financing and that there could be no assurance as to whether such exit financing could be obtained. The plan investors' obligation to invest in Delphi is subject to a number of conditions including Delphi's obtaining adequate exit financing. If the investments have not closed by March 31, 2008, or a later date if the parties agree, the lead investor can terminate the investment agreement. We are exploring alternatives with Delphi in the event that the planned financing level is not achieved, including providing an additional significant portion of Delphi's exit financing. Delphi's emergence from Chapter 11 proceedings remains contingent upon obtaining sufficient financing for the Delphi POR, and there can be no assurance that Delphi will obtain sufficient financing or that it will emerge from bankruptcy on the terms set forth in the Delphi POR. If Delphi cannot secure the financing it needs, the Delphi POR would not be consummated on the terms negotiated with us and with other interested parties. We believe that Delphi would likely seek alternative arrangements, but there can be no assurance that Delphi would be successful in obtaining any alternative arrangements. The resulting uncertainty could disrupt our ability to plan future production and realize our cost reduction goals, and could affect our relationship with the UAW and result in our providing additional financial support to Delphi, receiving less than the distributions that we expect from the resolution of Delphi's bankruptcy proceedings or assuming some of Delphi's obligations to its workforce and retirees. Due to these uncertainties it is reasonably possible that additional losses could arise in the future, but we currently are unable to estimate the amount or range of such losses, if any.

Labor Settlement

In July 2007, a Memorandum of Understanding among Delphi, the UAW, and us (Delphi UAW MOU) was approved by the Bankruptcy Court, and similar labor agreements with Delphi's other major unions have also been approved. The Delphi UAW MOU covers a number of issues, including: (1) an extension of the GM-UAW benefit guarantee and the related Delphi indemnity; (2) flowbacks by certain Delphi UAW employees; (3) settlement of a UAW claim against Delphi; and (4) GM support for certain specific Delphi sites.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

In the Delphi UAW MOU, we agreed to extend the expiration date of the Benefit Guarantees with the UAW, and Delphi agreed to extend its agreement to indemnify us for Benefit Guarantee payments, from October 18, 2007 to March 31, 2008. We also agreed that the applicable Benefit Guarantees will be triggered for certain UAW employees if Delphi terminates its pension plan, ceases to provide on-going service, or fails or refuses to provide post-retirement medical benefits for those UAW employees at any time before both: (1) the execution of a comprehensive settlement agreement by Delphi and us resolving the financial, commercial and other matters between us, and (2) substantial consummation of a plan of reorganization for Delphi such as the Delphi POR, which has been confirmed by the Bankruptcy Court.

We also agreed in the Delphi UAW MOU to allow Delphi UAW employees who were on the payroll prior to October 8, 2005 to flowback to GM and be offered job opportunities at GM under certain circumstances. We permitted certain Delphi UAW represented employees who agreed to retire by September 1, 2007 under the retirement incentives agreed to by Delphi and the UAW in the Delphi UAW MOU to flowback to GM, and agreed to assume OPEB obligations for those retirees. We further committed in the Delphi UAW MOU to pay $450 million to settle a UAW claim against Delphi, which the UAW has directed us to pay directly to the External VEBA upon execution of the Delphi-GM Settlement Agreements and substantial consummation of the Delphi POR or another reorganization plan for Delphi that incorporates the Delphi-GM Settlement Agreements. Our financial contribution for payments such as retirement incentives, buyouts, buy downs and severance payments agreed to by Delphi and the UAW in the Delphi UAW MOU is covered in the Delphi-GM Settlement Agreements, as described below.

In the Delphi UAW MOU, we also agreed to make commitments to certain product programs at certain specified Delphi sites. In addition, at certain Delphi sale sites (Saginaw Steering — Saginaw, Sandusky, and Adrian) and the Delphi "Footprint" sites (Flint East, Needmore Road, and Saginaw Manufacturing), we agreed to cause the production operations and the active and inactive Delphi UAW employees to be transferred to a third party by certain dates and under certain circumstances. Finally, we agreed to provide a certain number of job opportunities at each of the Delphi "Footprint" sites.

On August 5, 2007, we entered into a Memorandum of Understanding with Delphi and the IUE-CWA (Delphi IUE-CWA MOU), which provides terms that are similar to the Delphi UAW MOU with regard to establishing terms related to the consensual triggering of the Benefit Guarantee Agreement offering an additional attrition program, and continuing operations at certain Delphi sites for which we committed to certain product programs. We also entered into similar agreements with the USW and other U.S. labor unions that represent Delphi hourly employees. The Delphi IUE-CWA MOU and the similar agreements with the other labor unions representing U.S. employees transferred from GM to Delphi have now been ratified by the appropriate membership and approved by the Bankruptcy Court.

Warranty Claims Settlement

On October 1, 2007, the Bankruptcy Court approved the Warranty Settlement Agreement between Delphi and us, which resolves certain outstanding warranty claims asserted by us against Delphi related to components or systems supplied by Delphi to us, for an estimated settlement amount of $170 million, comprised of payments anticipated to total $130 million in cash and replacement components valued at $40 million.

Delphi POR and Delphi — GM Settlement Agreements

The Bankruptcy Court entered an order on January 25, 2008 confirming the Delphi POR, including the Delphi-GM Settlement Agreements. As mentioned above, Delphi is currently pursuing exit financing in support of the Delphi POR which may be particularly difficult in light of the recent contraction of the credit markets. The following discussion describes how implementing the Delphi POR would affect us. There can be no assurance, however, that the Delphi POR will be substantially consummated on the terms set forth therein or on other terms that are acceptable to us, and we also discuss below how we could be affected if Delphi's Chapter 11 process is not resolved.

Delphi POR. Under the Delphi POR and the terms of Delphi-GM Settlement Agreements, we would receive $1.5 billion in a combination of at least $750 million in cash and a second lien note, and $1 billion in junior preferred convertible stock at Delphi POR value. The ultimate value of any consideration is contingent on the fair market value of Delphi's securities upon emergence from

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

bankruptcy. We would release our claims against Delphi, and we would receive an unconditional release of any alleged claims against us by Delphi. As with other customers, certain of our claims related to ordinary business would flow through the Chapter 11 proceedings and be satisfied by Delphi after the reorganization in the ordinary course of business. Delphi is continuing to experience difficulty in obtaining exit financing, as a result of the current weakness in the credit market. We have informed Delphi that we are prepared to reduce the cash portion of our distributions significantly and accept an equivalent amount of debt in the form of a first lien note to help facilitate Delphi's successful emergence from bankruptcy proceedings.

Delphi-GM Settlement Agreements. The Global Settlement Agreement, as amended (GSA) and the Master Restructuring Agreement, as amended (MRA) comprise the Delphi-GM Settlement Agreements. Under the GSA, we would be released from all claims by Delphi and its U.S. affiliates, their creditors, their unions, and all current and future stockholders of Delphi, and from any claims related to our spinoff of Delphi, collective bargaining agreements, and the Delphi bankruptcy by Delphi's subsidiaries outside the U.S., and we and our affiliates would release similar claims against Delphi and its affiliates. Claims resulting from the ordinary course of business would not be released under the GSA. We agreed to assume approximately $1.5 billion of Delphi's net pension obligations, and Delphi agreed to issue us a note for the same amount. We also agreed to reimburse Delphi for the cost of credited service accrued since January 1, 2007 by Delphi U.S. hourly employees, as well as the cost of OPEB claims paid by Delphi on behalf of those employees in 2007 after their retirement. The GSA also provides that we would reimburse Delphi for 100% of retirement incentives, 50% of the buyout payments and 100% of the buydown payments, each made as part of the most recent Delphi attrition programs for members of the UAW, the IUE-CWA and the USW. We would also make payments aggregating $60 million related to claims by the IUE-CWA and the USW against Delphi and costs and expenses incurred by Delphi in connection with the Delphi IUE-CWA MOU.

The MRA sets forth the terms and conditions governing the scope of the existing supply contracts, related pricing agreements, and extensions of certain supply contracts; our rights to move production to certain suppliers; and Delphi's rights to bid and qualify for new business. Delphi also agreed to assume or reinstate, as applicable, certain agreements with us, including certain agreements related to the 1999 spin-off of Delphi from GM, certain subsequent agreements, and all ordinary course agreements. Most prepetition contracts between us and Delphi, including contracts related to the 1999 spin-off of Delphi from GM, were terminated. We agreed to reimburse a certain portion of Delphi's hourly labor costs incurred to produce systems, components, and parts for us from October 1, 2006 through September 14, 2015, and to offer similar reimbursement to prospective buyers of certain Delphi facilities with GM production (Labor Cost Subsidy). The MRA provides additional GM commitments with regard to specific Delphi facilities. At certain U.S. facilities providing production for us, we agreed to reimburse Delphi's expenses as necessary to make up cash losses attributable to such production until the facilities are either closed or sold (Production Cash Burn Support). With regard to certain businesses that Delphi is holding for sale, we agreed to make up a certain portion of any shortfall if Delphi does not fully recover the net working capital invested in each such business, and if sales proceeds exceed net working capital, we would receive a certain portion of the excess. Finally, Delphi agreed to provide us or our designee with an option to purchase all or any of certain Delphi businesses for one dollar if such businesses have not been sold by certain specified deadlines. If such a business is not sold either to a third party or to us or any affiliate pursuant to the option by the applicable deadline, we (or at our option, a GM affiliate) will be deemed to have exercised the purchase option, and the unsold business, including materially all of its assets and liabilities, will automatically transfer to the GM "buyer". Similarly, under the Delphi UAW MOU if such a transfer has not occurred by the applicable deadline, responsibility for the UAW hourly employees of such an unsold business affected would automatically transfer to us or our designated affiliate. Delphi agreed to guarantee the performance of the subsidiary to which we will issue our U.S. purchase orders, provided that we are not in material breach of certain of our obligations under the Delphi-GM Settlement Agreements. Delphi further agreed to maintain majority ownership of such subsidiary, with certain limited exceptions.

Risks if Delphi POR is Not Consummated

If Delphi is not successful consummating the Delphi POR, we could be subject to many of the risks that we have reported since Delphi's 2005 bankruptcy filing. For example, Delphi could reject or threaten to reject individual contracts with us, either for the purpose of exiting specific lines of business or in an attempt to increase the price we pay for certain parts and components. Until the Delphi POR is consummated, we intend to continue to protect our right of setoff against the $1.15 billion we owed to Delphi in the ordinary course of business when it made its Chapter 11 filing. However, the extent to which these obligations are covered by our right to setoff may be subject to dispute by Delphi, the creditors' committee, or Delphi's other creditors, and limitation by the court. We cannot provide any assurance that we will be able to setoff such amounts fully or partially. To date, we have recorded setoffs of approximately $54 million against that pre-petition obligation, with Delphi's agreement. We have also filed a Consolidated Proof of Claim, in accordance with the

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Bankruptcy Court's procedures, setting forth our claims (including the claims of various GM subsidiaries) against Delphi and the other debtor entities, although the exact amount of our claims cannot be established because of the contingent nature of many of the claims involved and the fact that the validity and amount of the claims may be subject to objections from Delphi and other stakeholders.

Under the Labor MOUs, the Benefit Guarantees and the related indemnification agreement by Delphi will not expire until March 31, 2008, but if the Delphi POR or a similar agreement is not consummated, our obligation to make Benefit Guarantee payments could be triggered if Delphi makes certain changes in its pension or OPEB plans or ceases to provide on-going credited service. Delphi would be required to indemnify us for such payments but our claims for indemnity might not be paid, or may be partially paid, depending upon the reorganization plan approved for Delphi.

We would also have a claim against Delphi for $3.8 billion related to some of the costs we paid related to Delphi hourly employees who participated in special attrition and buyout programs, which provided a combination of early retirement programs and other incentives to reduce hourly employment at both GM and Delphi. In 2006, 13,800 Delphi employees represented by the UAW and 6,300 Delphi employees represented by the IUE-CWA elected to participate in these attrition and buyout programs.

GM Contingent Liability

We believe that it is probable that we have incurred a contingent liability due to Delphi's Chapter 11 filing. In our quarterly report on Form 10-Q for the second quarter of 2007, we reported that we believed that the range of the contingent exposures was approximately $7 billion. We have recorded charges of $1.1 billion, $.5 billion and $5.5 billion in 2007, 2006 and 2005, respectively, in connection with the Benefit Guarantee Agreements. In addition, during 2007 we have recorded charges of $.5 billion related to the Delphi-GM Settlement Agreements, consisting primarily of our guarantee of Delphi's recovery of the net working capital at facilities held for sale and amounts due under the Labor Cost Subsidy. These charges are net of estimated recoveries that would be due to us upon emergence of Delphi from bankruptcy. Our commitments under the Delphi-GM Settlement Agreements for the Labor Cost Subsidy and Production Cash Burn Support are expected to result in additional expense of between $300 million and $400 million annually beginning in 2008 through 2015, which will be treated as a period cost and expensed as incurred. We continue to expect that the cost of these reimbursements will be more than offset in the long term by our savings from reductions to the estimated $1.5 billion price penalty we now pay Delphi annually for systems, components, and parts.

During 2006 and 2007, certain amounts previously recorded under the Benefit Guarantee were reclassified to our OPEB liability, since we assumed OPEB obligations for 18,500 Delphi employees who returned to GM to continue working as GM employees or to retire from GM.

The actual impact of the resolution of issues related to Delphi cannot be determined until Delphi emerges from bankruptcy protection under the Delphi POR or another comprehensive resolution and plan of reorganization, and there can be no assurance that the parties will successfully consummate the Delphi POR that has been approved by the Bankruptcy Court, or that the parties will reach a subsequent comprehensive resolution and plan or that the Bankruptcy Court will approve such a resolution and plan, or that any resolution and plan will include the terms described above.

GMAC — Sale of 51% Controlling Interest

In November 2006, we completed the GMAC Transaction, which was the sale of a 51% controlling interest in GMAC for a purchase price of $7.4 billion to FIM Holdings. FIM Holdings is a consortium of investors including Cerberus FIM Investors LLC, Citigroup Inc., Aozora Bank Limited, and a subsidiary of The PNC Financial Services Group, Inc. We have retained a 49% interest in GMAC's Common Membership Interests. In addition, FIM Holdings purchased 555,000 of GMAC's Preferred Membership Interests for a cash purchase price of $500 million and we purchased 1,555,000 Preferred Membership Interests for a cash purchase price of $1.4 billion. On November 1, 2007, FIM Holdings converted 555,000 of its Preferred Membership Interests into Common Membership Interests and we converted 533,236 of our Preferred Membership Interests into Common Membership Interests, so that our percentage ownership of the Common Membership Interests remained unchanged.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The total value of the cash proceeds and distributions to us after payment of certain intercompany obligations, and before we purchased the preferred membership interests of GMAC was expected to be approximately $14 billion over three years, comprised of the $7.4 billion purchase price and $2.7 billion cash dividend at closing, and other transaction related cash flows including the monetization of a portfolio of vehicle leases and the related vehicles. The delinquency rate on this portfolio has increased recently, consistent with other trends in the credit markets. In January 2007, we made a capital contribution to GMAC of approximately $1 billion to restore its adjusted tangible equity balance to the contractually required amount due to the decrease in the adjusted tangible equity balance of GMAC as of November 30, 2006.

GMAC may be required to make certain quarterly distributions to holders of the Preferred Membership Interests in cash on a pro rata basis. The Preferred Membership Interests are issued in units of $1,000 and accrue a yield at a rate of 10% per annum. GMAC's Board of Managers (GMAC Board) may reduce any distribution to the extent required to avoid a reduction of the equity capital of GMAC below a minimum amount of equity capital equal to the net book value of GMAC at November 30, 2006. In addition, the GMAC Board may suspend the payment of Preferred Membership Interest distributions with the consent of the holders of a majority of the Preferred Membership Interest. If distributions are not made with respect to any fiscal quarter, the distributions would not be cumulative. If the accrued yield of GMAC's Preferred Membership Interests for any fiscal quarter is fully paid to the preferred holders, then a portion of the excess of the net financial book income of GMAC in any fiscal quarter over the amount of yield distributed to the holders of the Preferred Membership Interests in such quarter will be distributed to the holders of the Common Membership Interests as follows: at least 40% of the excess will be paid for fiscal quarters ending prior to December 31, 2008 and at least 70% of the excess will be paid for fiscal quarters ending after December 31, 2008.

Prior to consummation of the GMAC Transaction: (1) certain assets with respect to automotive leases owned by GMAC and its affiliates having a net book value of approximately $4 billion and related deferred tax liabilities of $1.8 billion were transferred to us; (2) we assumed or retained certain of GMAC's OPEB obligations of $842 million, and related deferred tax assets of $302 million; (3) GMAC transferred entities that hold certain real properties to us; (4) GMAC paid cash dividends to us based on GMAC's anticipated net income for the period September 30, 2005 to November 30, 2006 totaling $1.9 billion; (5) we repaid certain indebtedness and specified intercompany unsecured obligations owing to GMAC; and (6) GMAC made a one-time cash distribution to us of $2.7 billion of cash to reflect the increase in GMAC's equity resulting from the transfer of a portion of GMAC's net deferred tax liabilities arising from the conversion of GMAC and certain of its subsidiaries to limited liability corporations.

As part of the agreement, we retained an option, for ten years after the closing date, to repurchase from GMAC certain assets related to the automotive finance business of the North American Operations and International Operations of GMAC. Our exercise of the option is conditional on our credit rating being investment grade or higher than GMAC's credit rating. The call option price is calculated as the higher of (1) fair market value or (2) 9.5 times the consolidated net income of GMAC's automotive finance business in either the calendar year the call option is exercised or the calendar year immediately following the year the call option is exercised.

The GMAC Transaction, an important element in our turnaround efforts, provided the following:

- Strong long-term services agreement between us and GMAC — As part of the transaction, we entered into a number of agreements with GMAC that were intended to continue the mutually-beneficial global relationship between us and GMAC. These agreements, in substance, were consistent with the existing and historical practices between GMAC and us, including requiring GMAC to continue to allocate capital to automotive financing, thereby continuing to provide critical financing support to a significant share of our global sales. While GMAC retains the right to make individual credit decisions, GMAC has committed to fund a broad spectrum of our customers and dealers consistent with historical practice in the relevant jurisdictions. Subject to GMAC's fulfillment of certain conditions, we have granted GMAC exclusivity for our products in specified markets around the world for U.S., Canadian and international GM-sponsored retail, lease and dealer marketing incentives, with the exception of Saturn branded products.
- Improved liquidity — We received significant cash proceeds at the closing to bolster our liquidity, strengthening our balance sheet and funding the turnaround plan.
- Enhanced stockholder value through a stronger GMAC — We retained a 49% Common Membership Interest in GMAC, and will be able to continue to participate in GMAC's financial results.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

- Delinkage of GMAC's credit rating from ours — In pursuing the sale of a majority interest in GMAC, we expected that the introduction of a new controlling investor for GMAC, new capital at GMAC and significantly reduced intercompany exposures to us would provide GMAC with a solid foundation to improve its current credit rating, and de-link the GMAC credit ratings from us.

In November 2007, we converted 533,236 of our Preferred Membership Interests and FIM Holdings converted 555,000 of its Preferred Membership Interests into 3,912 and 4,072, respectively, of Common Membership Interests in order to strengthen GMAC's capital position. Our percentage ownership of the Common Membership Interests in GMAC remained unchanged after the conversion. We accounted for the conversion at fair value and recorded a loss of $27 million during 2007. The loss on conversion represents the difference between the fair value and the carrying value of the Preferred Membership Interests converted. GMAC accounted for the conversion of the Preferred Membership Interests as a recapitalization recorded at book value. Our proportionate share of the increase in GMAC's net equity attributable to Common Membership Interest holders as a result of the conversion exceeded the fair value of the Preferred Membership Interests we converted by $27 million. The difference was recorded as an increase to Additional paid-in capital in 2007. At December 31. 2007, we hold the remaining 1,021,764 of Preferred Membership Interests and 49% or 52,912 of Common Membership Interests in GMAC.

We periodically evaluate the carrying value of our investment in GMAC, including our Preferred Membership Interests, to assess whether our investment is impaired. We currently believe our investment in GMAC is not impaired. However, there are many economic factors which are unstable at December 31, 2007, which may affect GMAC's ability to generate sustainable earnings and continue distributions on its Preferred Membership Interests and, accordingly, our assessment of impairment. These factors include:

- The instability of the global credit and mortgage markets and the effect of this on GMAC's Residential Capital, LLC (ResCap) subsidiary as well as its automotive finance, insurance and other operations;
- The deteriorating conditions in the residential and home building markets, including significant changes in the mortgage secondary market, tightening underwriting guidelines and reduced product offerings;
- Recent credit downgrades of GMAC and ResCap and the effect on their ability to raise capital necessary on acceptable terms; and
- Effect of the expected near-term automotive market conditions on GMAC's automotive finance operations.

Investigations

As previously reported, we are cooperating with federal governmental agencies in connection with a number of investigations.

The SEC has issued subpoenas and information requests to us in connection with various matters including restatements of our previously disclosed financial statements in connection with our accounting for certain foreign exchange contracts and commodities contracts, our financial reporting concerning pension and OPEB, certain transactions between us and Delphi, supplier price reductions or credits and any obligation we may have to fund pension and OPEB costs in connection with Delphi's proceedings under Chapter 11 of the Bankruptcy Code. In addition, the SEC has issued a subpoena in connection with an investigation of our transactions in precious metal raw materials used in our automotive manufacturing operation.

We have produced documents and provided testimony in response to the subpoenas and will continue to cooperate with respect to these matters. A negative outcome of one or more of these investigations could require us to restate prior financial results, pay fines or penalties or satisfy other remedies under various provisions of the U.S. securities laws, and any of these outcomes could under certain circumstances have a material adverse effect on our business.

Liquidity and Capital Resources

Investors or potential investors in our securities consider cash flows of the Automotive and FIO businesses to be a relevant measure in the analysis of our various securities that trade in public markets. Accordingly, we provide supplemental statements of cash flows to aid users of our consolidated financial statements in the analysis of performance and liquidity and capital resources.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

This information reconciles to the consolidated statements of cash flows after the elimination of "Net investing activity with Financing and Insurance Operations" and "Net financing activity with Automotive and Other Operations" line items shown in the table below. Following are such statements for the years ended December 31, 2007, 2006 and 2005:

	Automotive and Other			Financing and Insurance		
	Years Ended December 31,					
	2007	2006	2005	2007	2006	2005
	(Dollars in millions)					
Cash flows from operating activities						
Net income (loss)	$ (38,037)	$ (3,007)	$ (12,674)	$ (695)	$ 1,029	$ 2,257
Less income from discontinued operations	4,565	445	313	—	—	—
Less cumulative effect of a change in accounting principle	—	—	(109)	—	—	—
Income (loss) from continuing operations	(42,602)	(3,452)	(12,878)	(695)	1,029	2,257
Adjustments to reconcile income (loss) from continuing operations to net cash provided by (used in) continuing operating activities:						
Depreciation, impairment and amortization expense	8,254	8,094	10,036	1,259	2,791	5,696
Mortgage servicing rights and premium amortization	—	—	—	—	1,021	1,142
Goodwill impairment — GMAC	—	—	—	—	828	712
Delphi charge	1,547	500	5,500	—	—	—
Loss on sale of 51% interest in GMAC	—	—	—	—	2,910	—
Provision for credit financing losses	—	—	—	—	1,799	1,074
Net gains on sale of credit receivables	—	—	—	—	(1,256)	(1,741)
Net gains on sale of investment securities	—	—	—	—	(1,006)	(104)
Other postretirement employee benefit (OPEB) expense	2,362	3,523	5,558	—	44	92
OPEB payments	(3,751)	(3,759)	(4,030)	—	(43)	(54)
VEBA/401(h) withdrawals	1,694	3,061	3,168	—	—	—
Pension expense	1,799	4,888	2,433	—	23	62
Pension contributions	(937)	(1,032)	(785)	—	—	(48)
Retiree lump sum and vehicle voucher expense, net of payments	—	(325)	(264)	—	—	—
Net change in mortgage loans	—	—	—	—	(21,578)	(29,119)
Net change in mortgage securities	—	—	—	—	427	(1,155)
Provisions for deferred taxes	36,956	(5,002)	(7,924)	21	836	1,193
Change in other investments and miscellaneous assets	(202)	581	136	865	(1,058)	(826)
Change in other operating assets and liabilities, net of acquisitions and disposals	(2,800)	(3,567)	(2,975)	(612)	(4,945)	2,995
Other	3,099	1,456	1,747	1,250	862	932
Net cash provided by (used in) continuing operating activities	5,419	4,966	(278)	2,088	(17,316)	(16,892)
Cash provided by discontinued operating activities	224	591	314	—	—	—
Net cash provided by (used in) operating activities	$ 5,643	$ 5,557	$ 36	$ 2,088	$ (17,316)	$ (16,892)

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

	Automotive and Other			Financing and Insurance		
	Years Ended December 31,					
	2007	2006	2005	2007	2006	2005
	(Dollars in millions)					
Cash flows from investing activities						
Expenditures for property	$ (7,538)	$ (7,500)	$ (7,858)	$ (4)	$ (402)	$ (283)
Investments in marketable securities, acquisitions	(10,098)	(2,681)	(8,295)	(57)	(25,381)	(19,184)
Investments in marketable securities, liquidations	8,080	4,259	13,342	39	26,822	14,874
Net change in mortgage servicing rights	—	—	—	—	(61)	(267)
Increase in finance receivables	—	—	—	—	(1,160)	(6,582)
Proceeds from sale of finance receivables	—	—	—	—	18,374	31,652
Proceeds from the sale of 51% interest in GMAC	—	7,353	—	—	—	—
Proceeds from sale of discontinued operations	5,354	—	—	—	—	—
Proceeds from sale of business units/equity investments	—	1,968	846	—	8,538	—
Operating leases, acquisitions	—	—	—	—	(17,070)	(15,496)
Operating leases, liquidations	—	—	—	3,165	7,039	5,362
Net investing activity with Financing and Insurance Operations	944	3,354	2,500	—	—	—
Capital contribution to GMAC LLC	(1,022)	—	—	—	—	—
Investments in companies, net of cash acquired	(46)	(20)	1,357	—	(337)	(2)
Other	374	(353)	640	15	338	(1,503)
Net cash provided by (used in) continuing investing activities	(3,952)	6,380	2,532	3,158	16,700	8,571
Cash used in discontinued investing activities	(22)	(31)	(38)	—	—	—
Net cash provided by (used in) investing activities	(3,974)	6,349	2,494	3,158	16,700	8,571
Cash flows from financing activities						
Net increase (decrease) in short-term borrowings	(1,297)	(259)	(176)	(4,452)	7,289	(9,949)
Borrowings of long-term debt	2,131	1,937	386	—	77,629	77,890
Payments made on long-term debt	(1,403)	(97)	(46)	—	(92,193)	(69,520)
Net financing activity with Automotive and Other Operations	—	—	—	(944)	(3,354)	(2,500)
Cash dividends paid to stockholders	(567)	(563)	(1,134)	—	—	—
Other	—	—	—	—	2,487	6,030
Net cash provided by (used in) continuing financing activities	(1,136)	1,018	(970)	(5,396)	(8,142)	1,951
Cash provided by (used in) discontinued financing activities	(5)	3	(1)	—	—	—
Net cash provided by (used in) financing activities	(1,141)	1,021	(971)	(5,396)	(8,142)	1,951
Effect of exchange rate changes on cash and cash equivalents	316	189	(40)	—	176	(45)
Net transactions with Automotive Other/Financing Insurance	(69)	(4,529)	520	69	4,529	(520)
Net increase (decrease) in cash and cash equivalents	775	8,587	2,039	(81)	(4,053)	(6,935)
Cash and cash equivalents retained by GMAC LLC upon disposal	—	—	—	—	(11,137)	—
Cash and cash equivalents of held for sale operations	—	—	—	—	—	(371)
Cash and cash equivalents at	23,774	15,187	13,148	349	15,539	22,845

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

beginning of the year						
Cash and cash equivalents at end of the year	$ 24,549	$ 23,774	$ 15,187	$ 268	$ 349	$ 15,539

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Automotive and Other

Available Liquidity

We believe we have sufficient liquidity and financial flexibility to meet our capital requirements, including the required funding of the UAW Attrition Program, and other funding needs over the short and medium-term, even in the event of further U.S. industry decline. Over the medium to long-term, we believe that our ability to meet our capital requirements and other funding obligations, including the required funding outlined in the Settlement Agreement, primarily will depend on the successful execution of our turnaround plan and the return of our North American operations to profitability and positive cash flow. Automotive and Other (Automotive) available liquidity includes its cash balances, marketable securities and readily available assets of our VEBA trusts. At December 31, 2007, available liquidity was $27.3 billion compared with $26.4 billion at December 31, 2006 and $20.4 billion at December 31, 2005. The amount of our consolidated cash and marketable securities is subject to intra-month and seasonal fluctuations and includes balances held by various business units and subsidiaries worldwide that are needed to fund their operations. We manage our global liquidity centrally which allows us to optimize funding of our global operations. As of December 31, 2007, 60% of our reported liquidity was held in the U.S. Additionally, our U.S. operations have further access to much of our overseas liquidity through inter-company arrangements. A summary of our global liquidity is as follows:

	Years Ended December 31,		
	2007	2006	2005
	(Dollars in billions)		
Cash and cash equivalents	$ 24.6	$ 23.8	$ 15.2
Marketable securities	2.1	.1	1.4
Readily-available assets of VEBA trusts	.6	2.5	3.8
Available Liquidity	$ 27.3	$ 26.4	$ 20.4

At December 31, 2007, the total VEBA trust assets and related accounts were $16.3 billion, $.6 billion of which was readily available. At December 31, 2006 the total VEBA trust assets and related accounts were $17.8 billion, $2.5 billion of which was readily available. At December 31, 2005, the total VEBA trust assets and related accounts were $19.1 billion, $3.8 billion of which was readily available. The decline in VEBA balances since December 31, 2006 was primarily driven by $2.7 billion of withdrawals during 2007 partially offset by favorable asset returns during the year. In connection with the Settlement Agreement a significant portion of the VEBA trust assets has been allocated to the UAW Related Account which will also hold the proportional investment returns on that percentage of the trust. No amounts will be withdrawn from the UAW Related Account including its investment returns from January 1, 2008 until transfer to the New VEBA. This treatment has led us to exclude any portion of the UAW Related Account from our available liquidity at December 31, 2007.

We also have a $4.6 billion standby revolving credit facility with a syndicate of banks, of which $150 million terminates in June 2008 and $4.5 billion terminates in July 2011. As of December 31, 2007, the availability under the revolving credit facility was $4.5 billion. There are $91 million of letters of credit issued under the credit facility, and no loans are currently outstanding. Under the $4.5 billion secured facility, borrowings are limited to an amount based on the value of the underlying collateral, which consists of certain North American accounts receivable and inventory of GM, Saturn Corporation and GM Canada, certain plants, property and equipment of GM Canada and a pledge of 65% of the stock of the holding company for our indirect subsidiary General Motors de Mexico, S de R.L. de C.V. The collateral also secures certain lines of credit, automatic clearinghouse and overdraft arrangements and letters of credit provided by the same secured lenders. The facility totals $6 billion, $4.5 billion of which is the maximum available through the revolving credit facility. As of December 31, 2007, in addition to the $91 million of letters of credit issued under the revolving credit facility, $1.6 billion was utilized to secure other facilities. In the event of certain work stoppages, the secured revolving credit facility would be temporarily reduced to $3.5 billion.

In May 2007, we entered into an unsecured revolving credit agreement expiring in June 2008 that provided for borrowings of up to $500 million. After reviewing our liquidity position in December 2007, we believe that we have sufficient liquidity and financial flexibility to meet our capital requirements in the first half of 2008 without the credit agreement. As a result, we terminated the credit agreement on January 9, 2008. We never borrowed under this credit agreement.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

As an additional source of available liquidity, we obtained a $4.1 billion standby revolving credit agreement with a syndicate of banks in June 2007. The facility was secured by our Common Membership Interests in GMAC and scheduled to mature in June 2008. After reviewing our liquidity position in December 2007, we believe that we have sufficient liquidity and financial flexibility to meet our capital requirements in the first half of 2008 without the credit agreement. As a result, we terminated the credit agreement on December 31, 2007. We never borrowed under this credit agreement.

In August 2007, we entered into a revolving credit agreement expiring in August 2009 that provides for borrowings of up to $1.3 billion. This agreement provides additional available liquidity that we could use for general corporate purposes, including working capital needs. Under this facility, borrowings are limited to an amount based on the value of underlying collateral, which consists of residual interests in trusts that own leased vehicles and issue asset-backed securities collateralized by the vehicles and the associated leases. The underlying collateral was previously owned by GMAC and was transferred to us as part of the GMAC Transaction in November 2006. The underlying collateral is held by bankruptcy-remote subsidiaries and pledged to a trustee for the benefit of the lender. We consolidate the bankruptcy-remote subsidiaries and trusts for financial reporting purposes. No borrowings were outstanding under this agreement at December 31, 2007.

We also have an additional $1.5 billion in undrawn committed facilities, including certain off-balance sheet securitization programs, with various maturities up to one year and $1 billion in undrawn uncommitted lines of credit. In addition, our consolidated affiliates with non-GM minority shareholders, primarily GM Daewoo, have a combined $1.6 billion in undrawn committed facilities.

In May 2007, we issued $1.5 billion principal amount of Series D convertible debentures due in 2009. The Series D convertible debentures were issued at par with interest at a rate of 1.5%, and may be converted at the option of the holder into Common Stock based on an initial conversion rate of .6837 shares per $25.00 principal amount of debentures, which represents an initial conversion price of $36.57 per share. In connection with the issuance of the Series D convertible debentures, we purchased a convertible note hedge of the convertible debentures in a private transaction. The convertible note hedge is expected to reduce the potential dilution with respect to our Common Stock upon conversion of the Series D convertible debentures, and effectively increases the conversion price to $45.71 per share. The proceeds from these debentures provided additional available liquidity that we may use for general corporate purposes, including working capital needs.

Other potential measures to strengthen available liquidity could include the sale of non-core assets and additional public or private financing transactions. We anticipate that such additional liquidity, along with other currently available liquidity described above, will be used for general corporate purposes including working capital needs as well as funding cash requirements outlined in the Settlement Agreement and potentially similar arrangements with other labor unions and the UAW Special Attrition Program.

We believe that it is possible that issues may arise under various other financing arrangements in connection with the restatement of prior consolidated financial statements. These financing arrangements principally consist of obligations in connection with sale/leaseback transactions and other lease obligations, including off-balance sheet arrangements, and do not include our public debt indentures. In connection with the 2006 restatement of prior consolidated financial statements, we evaluated the effect of our restatement under these agreements, including our legal rights with respect to any claims that could be asserted, such as our ability to cure. Based on our review, we believe that, although no assurances can be given as to the likelihood, nature or amount of any claims that may be asserted, amounts subject to possible claims of acceleration, termination or other remedies are not likely to exceed $2.7 billion, consisting primarily of off-balance sheet arrangements. Moreover, we believe there may be economic or other disincentives for third parties to raise such claims to the extent they have them. Based on this review, we reclassified $257 million of these obligations, as of December 31, 2006, from long-term debt to short-term debt. As of December 31, 2007 the amount of obligations reclassified from long-term debt to short-term debt based on this review was $212 million. We believe we have sufficient liquidity over the short and medium term to satisfy any claims related to these matters. To date, we have not received any such claims and we do not anticipate receiving any such claims.

Cash Flow

The increase in available liquidity to $27.3 billion at December 31, 2007 from $26.4 billion at December 31, 2006 was primarily a result of positive operating cash flow, net of a $1 billion contribution to the Mitigation VEBA, $5.4 billion in proceeds from the sale of Allison, and cash flows received in connection with portfolios of vehicle operating leases held by FIO. This increase was partially offset

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

by capital expenditures, $1 billion capital contribution to GMAC, and a decrease in readily-available VEBA trust assets of $1.9 billion primarily as a result of the Settlement Agreement.

Investments in marketable securities primarily consist of purchases, sales and maturities of highly-liquid corporate, U.S. government, U.S. government agency and mortgage-backed debt securities used for cash management purposes. During 2007, we acquired net $2.0 billion of marketable securities.

For the year ended December 31, 2007, we had positive operating cash flow of $5.4 billion on a net loss from continuing operations of $42.6 billion. That result compares with the positive operating cash flow of $5 billion on a net loss from continuing operations of $3.5 billion in 2006. Operating cash flow in 2007 included withdrawals of $2.7 billion from our VEBA trust assets for our OPEB plans for reimbursement of retiree health-care and life insurance benefits provided to eligible plan participants. Operating cash flow was unfavorably impacted by $.9 billion of cash expenditures related to the GMNA restructuring initiative, $.4 billion of cash expenditures related to the GME restructuring initiative and $.3 billion of cash expenditures related to Delphi's restructuring activities, for which the charges were recorded in 2003 through 2006.

Capital expenditures of $7.5 billion were a significant use of investing cash in 2007 and were primarily attributable to global product programs, powertrain and tooling requirements. For the years ended December 31, 2006 and 2005, capital expenditures were $7.5 billion and $7.9 billion, respectively. We anticipate that capital expenditures in 2008 will increase to approximately $8 billion.

In August 2007, we completed the sale of the commercial and military operations of Allison for $5.4 billion in cash plus assumed liabilities.

In November 2006, we consummated the GMAC Transaction, in which we sold a controlling 51% interest in GMAC to FIM Holdings. In the first quarter of 2007, we made a capital contribution of $1 billion to GMAC to restore GMAC's adjusted tangible equity balance to the contractually required levels. This capital contribution was required due to the decrease in the adjusted tangible equity balance of GMAC as of November 30, 2006.

Debt

Automotive's total debt, including capital leases, industrial revenue bond obligations and borrowings from GMAC at December 31, 2007 was $39.4 billion, of which $6 billion was classified as short-term or current portion of long-term debt and $33.4 billion was classified as long-term debt. At December 31, 2006, total debt was $38.7 billion, of which $5.7 billion was short-term or current portion of long-term debt and $33 billion was long-term debt. This increase in total debt was primarily a result of $1.5 billion convertible debenture issuance on May 31, 2007 and increases in overseas debt balances, partly offset by $1.1 billion convertible debentures that were put to us and settled for cash on March 6, 2007. We funded this settlement using cash flow from operations and available liquidity.

Short-term borrowings and current portion of long-term debt of $6 billion includes $1.3 billion of debt issued by our subsidiaries and consolidated affiliates, and $2.5 billion of related party debt, mainly dealer financing from GMAC. We have various debt maturities of $2.3 billion in 2009 and $.2 billion in 2010 and various debt maturities of $30.9 billion thereafter. We believe we have adequate liquidity to settle those obligations as they become due.

In order to provide financial flexibility to us and our suppliers, we maintain a trade payables program through GMAC Commercial Finance (GMACCF). Under the terms of the GMAC Transaction, we will be permitted to continue administering the program through GMACCF so long as we provide the funding of advance payments to suppliers under the program. As of May 1, 2006, we commenced funding of the advance payments, and as a result, at December 31, 2007, there was no outstanding balance owed by us to GMACCF under the program.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Net Debt

Net debt, calculated as cash, marketable securities, and $.6 billion ($2.5 billion at December 31, 2006) of readily-available assets of the VEBA trust less the short-term borrowings and long-term debt, was $12.1 billion at December 31, 2007, compared with $12.3 billion at December 31, 2006.

Financing and Insurance Operations

Prior to the consummation of the GMAC Transaction, GMAC paid a dividend to us of lease-related assets, having a net book value of $4 billion and related deferred tax liabilities of $1.8 billion. This dividend resulted in the transfer to us of two bankruptcy-remote subsidiaries that hold equity interests in ten trusts that own leased vehicles and issued asset-backed securities collateralized by the vehicles. GMAC originated these securitizations and remains as the servicer of the securitizations. In August 2007 we entered into a secured revolving credit arrangement of up to $1.3 billion that is secured by the equity interest on these ten securitization trusts. In connection with this credit facility, we contributed these two bankruptcy remote subsidiaries into a third bankruptcy remote subsidiary. We consolidate the bankruptcy-remote subsidiaries and the ten trusts for financial reporting purposes.

At December 31, 2007, these bankruptcy-remote subsidiaries had vehicles subject to operating leases of $6.7 billion compared to $11.8 billion at December 31, 2006, other net assets of $1.4 billion compared to $1.5 billion at December 31, 2006, outstanding secured debt of $4.9 billion compared to $9.4 billion at December 31, 2006 and net equity of $3.3 billion compared to $3.9 billion at December 31, 2006.

The decrease in operating leases, secured debt and net equity from December 31, 2006 is the result of the termination of some leases during 2007 and the repayment of the related secured debt. The secured debt has recourse solely to the leased vehicles and related assets. We continue to be obligated to the bankruptcy-remote subsidiaries for residual support payments on the leased vehicles in an amount estimated to total $.9 billion at December 31, 2007 and $1.6 billion at December 31, 2006. However, neither the securitization investors nor the trusts have any rights to the residual support payments. We expect the operating leases and related securitization debt to amortize gradually over the next two to three years, resulting in the release to these two bankruptcy-remote subsidiaries of certain cash flows related to their ownership of the securitization trusts and related operating leases.

The cash flow that we expect to realize from the leased vehicle securitizations over the next two to three years will come from three principal sources: (1) cash released from the securitizations on a monthly basis as a result of available funds exceeding debt service and other required payments in that month; (2) cash received upon and following termination of a securitization to the extent of remaining overcollateralization; and (3) return of the residual support payments owing from us each month. For the year ended December 31, 2007, the total cash flows released to these two bankruptcy-remote subsidiaries were $864 million and from November 2006 through December 31, 2007 the total cash flows released were $987 million.

Status of Debt Ratings

Our fixed income securities are rated by four independent credit rating agencies: Dominion Bond Rating Services (DBRS), Moody's Investor Service (Moody's), Fitch Ratings (Fitch), and Standard & Poor's (S&P). The ratings indicate the agencies' assessment of a company's ability to pay interest, distributions, dividends and principal on these securities. Lower credit ratings are generally representative of higher borrowing costs and reduced access to capital markets to a company. Their ratings on us are based on information provided by us and other sources. Factors the agencies consider when determining a rating include, but are not limited to, cash flows, liquidity, profitability, business position and risk profile, ability to service debt and the amount of debt as a component of total capitalization.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

DBRS, Moody's, Fitch and S&P currently rate our credit at non-investment grade. The following table summarizes our credit ratings as of February 18, 2008:

Rating Agency	Corporate	Secured	Senior Unsecured	Outlook
DBRS	B (high)	Not Rated	B	Stable
Fitch	B	BB	B-	Negative
Moody's	B3	Ba3	Caa1	Stable
S&P	B	BB-	B-	Stable

Rating actions taken by each of the credit rating agencies during 2007 are as follows:

DBRS: On May 14, 2007, DBRS affirmed our senior unsecured debt rating at 'B' with 'Negative' trend. On October 11, 2007, DBRS affirmed our senior unsecured debt rating at 'B' but placed the credit rating on 'Stable' trend from 'Negative' trend. On November 2, 2007, DBRS assigned us an issuer rating at 'B (high)' with 'Stable' trend.

Fitch: On May 23, 2007, Fitch affirmed our issuer default rating at 'B' with 'Rating Watch Negative' but downgraded our senior unsecured debt rating to 'B-' from 'B'. On July 12, 2007 Fitch affirmed our issuer default rating at 'B' but removed it from 'Rating Watch Negative'. On September 24, 2007, Fitch affirmed our issuer-default rating at 'B' but placed the credit rating on 'Rating Watch Negative'. On September 26, 2007, Fitch affirmed our issuer-default rating at 'B' but placed the credit rating on 'Negative' outlook from 'Rating Watch Negative'.

Moody's: On October 16, 2007, Moody's affirmed our long-term debt rating, including the 'B3' corporate family rating, 'Ba3' senior secured rating, and 'Caa1' senior unsecured rating and placed the credit rating on 'Positive' outlook from 'Negative' outlook. On November 7, 2007, Moody's affirmed our long-term debt rating, including the 'B3' corporate family rating, 'Ba3' senior secured rating, and 'Caa1' senior unsecured rating and placed the credit rating on 'Stable' outlook from 'Positive' outlook.

S&P: On June 7, 2007, S&P recalibrated its rating scale resulting in an upgrade to our secured credit rating to 'BB-' from 'B+'. On September 16, 2007 S&P affirmed our corporate debt rating at 'B' and placed the credit rating on 'Credit Watch Positive' from 'Negative' outlook. On October 19, 2007, S&P affirmed our corporate debt rating at 'B' but placed the credit rating on 'Stable' outlook from 'Credit Watch Positive'.

While our non-investment grade rating has increased borrowing costs and limited access to unsecured debt markets, we have mitigated these outcomes by actions taken over the past few years to focus on increased use of liquidity sources other than institutional unsecured markets, which are not directly affected by ratings on unsecured debt, including secured funding sources and conduit facilities. Further reductions of our credit ratings could increase the possibility of additional terms and conditions contained in any new or replacement financing arrangements. As a result of specific funding actions taken over the past few years, management believes that we will continue to have access to sufficient capital to meet our ongoing funding needs over the short and medium-term. Notwithstanding the foregoing, management believes that the current ratings situation and outlook increase the level of risk for achieving our funding strategy. In addition, the ratings situation and outlook increase the importance of successfully executing our plans for improvement of operating results.

Pension and Other Postretirement Benefits

Plans covering represented employees generally provide benefits of negotiated, stated amounts for each year of service as well as significant supplemental benefits for employees who retire with 30 years of service before normal retirement age.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Our policy with respect to our qualified pension plans is to contribute annually not less than the minimum required by applicable law and regulation, or to directly pay benefit payments where appropriate. As of December 31, 2007, all legal funding requirements had been met. We made contributions to our pension plans as follows:

	2007	2006	2005
	(Dollars in millions)		
U.S. hourly and salaried	$ —	$ 2	$ —
Other U.S.	$ 89	$ 78	$ 125
Non-U.S.	$ 848	$ 889	$ 708

In 2008, we do not have any contributions due and we do not expect to make discretionary contributions to our U.S. hourly or salaried pension plans. During 2008, we expect to contribute or pay benefits of approximately $100 million to our other U.S. pension plan and approximately $900 million to our primary non-U.S. pension plans.

Our U.S. pension plans were overfunded by $18.8 billion at the end of 2007 and $16 billion at the end of 2006. This increase was primarily attributable to actual asset returns of 11% in 2007. Our non-U.S. pension plans were underfunded by a net amount of $10.4 billion for 2007 and $11.0 billion for 2006. The funded status of U.S. pension plans is as follows:

	2007	2006
	(Dollars in millions)	
U.S. hourly and salaried	$ 20.0	$ 17.2
U.S. nonqualified	(1.2)	(1.2)
Total	$ 18.8	$ 16.0

We also maintain hourly and salaried OPEB plans that provide postretirement medical, dental, vision and life insurance to most U.S. retirees and eligible dependents. Certain of our non-U.S. subsidiaries have postretirement benefit plans, although most participants are covered by government sponsored or administered programs. Our U.S. OPEB plan was underfunded by $43.4 billion in 2007 and $47.6 billion in 2006. Our non-U.S. OPEB plans were underfunded by $4.3 billion in 2007 and $3.7 billion in 2006.

In 2007, we withdrew a total of $2.7 billion from plan assets of our VEBA trusts for our OPEB plans for reimbursement of retiree healthcare and life insurance benefits provided to eligible plan participants. In 2006, we withdrew a total of $4.1 billion from our VEBA trusts.

Pursuant to the 2005 UAW Health Care Settlement Agreement, we are required to make certain contributions to an independent VEBA trust, the Mitigation VEBA to be used to mitigate the effect of reduced GM health-care coverage for UAW retirees over a number of years. We have no control over the assets of this VEBA trust.

The following benefit payments, which reflect estimated future employee services, as appropriate, are expected to be paid:

	Pension Benefits(a)		Other Benefits(b)	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
	(Dollars in millions)			
2008	$ 7,665	$ 1,357	$ 3,845	$ 195
2009	$ 7,604	$ 1,375	$ 3,981	$ 208
2010	$ 7,518	$ 1,414	$ 4,121	$ 219
2011	$ 7,392	$ 1,451	$ 4,234	$ 232
2012	$ 7,168	$ 1,481	$ 4,309	$ 244
2013 – 2017	$ 34,462	$ 8,071	$ 22,161	$ 1,408

(a) Benefits for most U.S. pension plans and certain non-U.S. pension plans are paid out of plan assets rather than our assets.

(b) Benefit payments presented in this table do not reflect changes which will result from the implementation of the Settlement Agreement.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Off-Balance Sheet Arrangements

We use off-balance sheet arrangements where the economics and sound business principles warrant their use. Our principal use of off-balance sheet arrangements occurs in connection with the securitization and sale of financial assets.

The financial assets we sell principally consist of trade receivables that are part of a securitization program in which we have participated since 2004. As part of this program, we sell receivables to a wholly-owned bankruptcy remote Special Purpose Entity (SPE). The SPE is a separate legal entity that assumes the risks and rewards of ownership of the receivables. In turn, the SPE has entered into an agreement to sell undivided interests in eligible trade receivables up to $600 million and $850 million in 2007 and 2006, respectively, directly to third party banks and to a third party bank conduit that funds its purchases through issuance of commercial paper or via direct bank funding. The receivables under the program are sold at a fair market value and removed from our consolidated balance sheets. The loss on the trade receivables sold is included in Automotive cost of sales and was $2 million in 2007 and $30 million in 2006. As of December 31, 2007, the banks and the bank conduit had no beneficial interest of the SPE's pool of eligible receivables. As of December 31, 2006, the banks and bank conduit had a beneficial interest of $200 million of the SPE's pool of eligible trade receivables. We do not have a retained interest in the receivables sold, but perform collection and administrative functions. The gross amount of proceeds received from the sale of receivables to SPE under this program was $600 million and $9 billion in 2007 and 2006, respectively.

In addition to this securitization program, we participate in other trade receivable securitization programs, primarily in Europe. Financing providers had a beneficial interest in our pool of eligible European receivables of $87 million and $109 million as of December 31, 2007 and 2006, respectively, related to those securitization programs.

We lease real estate and equipment from various off-balance sheet entities that have been established to facilitate the financing of those assets for us by nationally prominent lessors that we believe are creditworthy. These assets consist principally of office buildings, warehouses and machinery and equipment. The use of such entities allows the parties providing the financing to isolate particular assets in a single entity and thereby syndicate the financing to multiple third parties. This is a conventional financing technique used to lower the cost of borrowing and, thus, the lease cost to a lessee. There is a well-established market in which institutions participate in the financing of such property through their purchase of ownership interests in these entities, and each is owned by institutions that are independent of, and not affiliated with, us. We believe that none of our officers, directors, or employees, or their affiliates hold any direct or indirect equity interests in such entities.

Because of the GMAC Transaction in November 2006, GMAC's assets in off-balance sheet entities were not attributable to us at the end of 2006. Assets in off-balance sheet entities were as follows:

	December 31	
	2007	2006
	(Dollars in millions)	
Assets leased under operating leases	$ 2,164	$ 2,248
Trade receivables sold	87	309
Total	$ 2,251	$ 2,557

Contractual Obligations and Other Long-Term Liabilities

We have the following minimum commitments under contractual obligations, including purchase obligations. A "purchase obligation" is defined as an agreement to purchase goods or services that is enforceable and legally binding on us and that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum, or variable price provisions; and the approximate timing of the transaction. Other long-term liabilities are defined as long-term liabilities that are reflected on our consolidated balance sheet. Based on this definition, the table below includes only those contracts which include fixed or minimum obligations. The majority of our purchases are not included in the table as they are made under purchase orders which are requirements based and accordingly do not specify minimum quantities.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The following table provides aggregated information about our outstanding contractual obligations and other long-term liabilities as of December 31, 2007.

	Payments Due by Period				
	2008	2009-2010	2011-2012	2013 and after	Total
	(Dollars in millions)				
Debt (a)	$ 7,929	$ 6,498	$ 5,861	$ 65,988	$ 86,276
Capital lease obligations (a)	480	349	240	637	1,706
Operating lease obligations	501	932	670	551	2,654
Contractual commitments for capital expenditures	771	227	—	—	998
Other contractual commitments:					
Postretirement benefits (b)	3,338	6,802	4,814	—	14,954
Less: VEBA assets (c)	(3,338)	(6,802)	(4,814)	—	(14,954)
Net post retirement benefits	—	—	—	—	—
Material	2,113	3,208	2,344	330	7,995
Information technology	1,012	906	100	6	2,024
Marketing	1,034	484	165	43	1,726
Facilities	447	402	92	26	967
Rental car repurchases	5,037	—	—	—	5,037
Policy, product warranty and recall campaigns liability	4,655	3,531	1,173	256	9,615
Total contractual commitments	$ 23,979	$ 16,537	$ 10,645	$ 67,837	$ 118,998
Remaining balance postretirement benefits	$ 728	$ 1,772	$ 5,248	$ 41,311	$ 49,059
Less: VEBA assets (c)	(728)	(621)	—	—	(1,349)
Net	$ —	$ 1,151	$ 5,248	$ 41,311	$ 47,710

(a) Amounts include interest payments based on contractual terms and current interest rates on our debt and capital lease obligations.

(b) Amounts include postretirement benefits under the. current contractual labor agreements in North America. The remainder of the estimated liability, for benefits beyond the current labor agreement and for essentially all salaried employees, is classified under remaining balance of postretirement benefits. These obligations are not contractual. Any amounts that would be required or reduced in accordance with the Settlement Agreement, when approved, have been excluded from the table.

(c) Total VEBA assets were allocated based on projected spending requirements. VEBA asset allocations do not reflect the impact of the Settlement Agreement which has not yet been approved by the court.

The table above does not reflect unrecognized tax benefits of $2.8 billion due to the high degree of uncertainty regarding the future cash outflows associated with these amounts. Refer to Note 18 in our consolidated financial statements for additional discussion of unrecognized tax benefits.

The combined U.S. hourly and salaried pension plans were $20 billion overfunded at December 31, 2007. As a result, we do not expect to make any contributions to our U.S. hourly and salaried pension plans for the foreseeable future, assuming there are no material changes in present market conditions.

Dividends

Dividends may be paid on our Common Stock when, as, and if declared by our Board of Directors in its sole discretion out of amounts available for dividends under applicable law. Under Delaware law, our Board may declare dividends only to the extent of our statutory “surplus” (i.e., total assets minus total liabilities, in each case at fair market value, minus statutory capital), or if there is no such surplus, out of our net profits for the current and/or immediately preceding fiscal year.

Our policy is to distribute dividends on our Common Stock based on the outlook and indicated capital needs of our business. Cash dividends per share of Common Stock were $1.00 in 2007 and 2006, and $2.00 in 2005. At the February 5, 2008 meeting of our Board of Directors, the Board approved the payment of a $0.25 quarterly dividend on our Common Stock for the first quarter of 2008. For 2007, cash dividends per share of Common Stock were $0.25 per quarter.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Critical Accounting Estimates

Our consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States, which require the use of estimates, judgments, and assumptions that affect the reported amounts of asset and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the periods presented. Management believes that the accounting estimates employed are appropriate and the resulting balances are reasonable; however, due to the inherent uncertainties in making estimates actual results could differ from the original estimates, requiring adjustments to these balances in future periods.

The critical accounting estimates that affect our consolidated financial statements and that use judgments and assumptions are listed below. In addition, the likelihood that materially different amounts could be reported under varied conditions and assumptions is discussed.

Pensions

We account for our defined benefit pension plans in accordance with Statement of Financial Accounting Standards (SFAS) No. 87, "Employers' Accounting for Pensions" (SFAS No. 87) as amended by SFAS No. 158, which requires that amounts recognized in the financial statements be determined on an actuarial basis. This determination involves the selection of various assumptions, including an expected rate of return on plan assets and a discount rate.

A key assumption in determining our net pension expense in accordance with SFAS No. 87 is the expected long-term rate of return on plan assets. The expected return on plan assets that is included in pension expense is determined from periodic studies, which include a review of asset allocation strategies, anticipated future long-term performance of individual asset classes, risks using standard deviations, and correlations of returns among the asset classes that comprise the plans' asset mix. While the studies give appropriate consideration to recent plan performance and historical returns, the assumptions are primarily long-term, prospective rates of return. The weighted average expected long-term rate of return on U.S. Plan assets used to determine net pension expense for 2007 was 8.5% compared to 9.0% for 2006 and 2005.

Another key assumption in determining our net pension expense is the assumed discount rate to be used to discount plan obligations. In estimating this rate, we use an iterative process based on a hypothetical investment in a portfolio of high-quality bonds rated AA or higher by a recognized rating agency and a hypothetical reinvestment of the proceeds of such bonds upon maturity using forward rates derived from a yield curve until our U.S. pension obligation is defeased. We incorporate this reinvestment component into our methodology because it is not feasible, in light of the magnitude and time horizon over which our U.S. pension obligations extend, to accomplish full defeasance through direct cash flows from an actual set of bonds selected at any given measurement date. The weighted average discount rate used to determine the U.S. net pension expense for 2007 was 6.0% as compared to 5.7% for 2006 and 5.6% for 2005.

The following table illustrates the sensitivity to a change in certain assumptions for US pension plans, holding all other assumptions constant:

	Impact on 2008 Pension Expense	See Note 15 December 31, 2007 Impact on PBO
25 basis point decrease in discount rate	+$ 110 million	+$ 1.9 billion
25 basis point increase in discount rate	−110 million	−$ 1.9 billion
25 basis point decrease in expected return on assets	+$ 240 million	—
25 basis point increase in expected return on assets	−240 million	—

Our U.S. pension plans generally provide covered U.S. hourly employees with pension benefits of negotiated, flat dollar amounts for each year of credited service earned by an individual employee. Formulas providing for such stated amounts are contained in the applicable labor contract. The 2007 pension expense and pension obligation at December 31, 2007 do not comprehend any future benefit

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

increases or decreases that may occur beyond our current labor contract. The usual cycle for negotiating new labor contracts is every four years. There is not a past practice of maintaining a consistent level of benefit increases or decreases from one contract to the next. However, the following data illustrates the sensitivity of changes in our pension expense and pension obligation as a result of changes in future benefit units. An annual one-percentage point increase in the benefit units for U.S. hourly employees, effective after the expiration of the current contract, would result in a $60 million increase in 2008 pension expense and a $300 million increase in the U.S. hourly plan pension benefit obligation at December 31, 2007. An annual one-percentage point decrease in the same benefit units would result in a $60 million decrease in 2008 pension expense and a $290 million decrease in the same pension benefit obligation.

Other Post Retirement Benefits

We account for our OPEB in accordance with SFAS No. 106, "Employers' Accounting for Post Retirement Benefits Other Than Pensions," (SFAS No. 106), as amended by SFAS No. 158, which requires that amounts recognized in financial statements be determined on an actuarial basis. This determination requires the selection of various assumptions, including a discount rate and health care cost trend rates used to value benefit obligations. In estimating the discount rate, we use an iterative process based on a hypothetical investment in a portfolio of high-quality bonds rated AA or higher by a recognized rating agency and a hypothetical reinvestment of the proceeds of such bonds upon maturity using forward rates derived from a yield curve until our U.S. OPEB obligation is defeased. We incorporate this reinvestment component into our methodology because it is not feasible, in light of the magnitude and time horizon over which our U.S. OPEB obligations extend to accomplish full defeasance through direct cash flows from an actual set of bonds selected at any given measurement date. We develop our estimate of the health care cost trend rates used to value benefit obligations through review of historical retiree cost data and near-term health care outlook which includes appropriate cost control measures implemented by us. Changes in the assumed discount rate or health care cost trend rate can have significant impact on our actuarially determined obligation and related OPEB expense.

The following are the significant assumptions used in the measurement of the accumulated projected benefit obligations (APBO) as of December 31, the measurement date:

Assumed Health-Care Trend Rates at December 31	December 31, 2007	December 31, 2006
Initial health-care cost trend rate	8.2%	9.0%
Ultimate health-care cost trend rate	5.0%	5.0%
Number of years to ultimate trend rate	6	6

Based on our assumptions as of December 31, 2007, the measurement date, a change in these assumptions, holding all other assumptions constant, would have the following effect on our U.S. OPEB expense and obligations on an annual basis (the U.S. APBO was a significant portion of our worldwide APBO of $64.0 billion as of December 31, 2007):

Change in Assumption	Effect on 2008 OPEB Expense	Effect on December 31, 2007 APBO
25 basis point decrease in discount rate	+ $ 103 million	+ $ 1.6 billion
25 basis point increase in discount rate	−$ 103 million	−$ 1.5 billion

A one-percentage point increase in the assumed U.S. health care trend rates would have increased the U.S. APBO by $6.4 billion, and the U.S. aggregate service and interest cost components of non-pension postretirement benefit expense on an annualized basis by $511 million. A one-percentage point decrease would have decreased the U.S. APBO by $5.4 billion and the U.S. aggregate service and interest cost components of non-pension postretirement benefit expense on an annualized basis by $420 million.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Deferred Taxes

We have significant net deferred tax assets resulting from net operating loss carryforwards, tax credit carryforwards and deductible temporary differences that may reduce taxable income in future periods. The detailed components of our deferred tax assets, liabilities and valuation allowances are included in Note 18 to our consolidated financial statements.

Valuation allowances have been established for deferred tax assets based on a "more likely than not" threshold. Our ability to realize our deferred tax assets depends on our ability to generate sufficient taxable income within the carryback or carryforward periods provided for in the tax law for each applicable tax jurisdiction. We have considered the following possible sources of taxable income when assessing the realization of our deferred tax assets:

- Future reversals of existing taxable temporary differences;
- Future taxable income exclusive of reversing temporary differences and carryforwards;
- Taxable income in prior carryback years; and
- Tax-planning strategies.

In the third quarter of 2007, we recorded a charge of $39 billion related to establishing full valuation allowances against our net deferred tax assets in the U.S., Canada and Germany. Concluding that a valuation allowance is not required is difficult when there is significant negative evidence which is objective and verifiable, such as cumulative losses in recent years. We utilize a rolling twelve quarters of results as a measure of our cumulative losses in recent years. We then adjust those historical results to remove certain unusual items and charges. In the U.S., Canada and Germany our analysis indicates that we have cumulative three year historical losses on an adjusted basis. This is considered significant negative evidence which is objective and verifiable and therefore, difficult to overcome. In addition, as discussed in "Near-Term Market Challenges" our near-term financial outlook in the U.S., Canada and Germany deteriorated during the third quarter. While our long-term financial outlook in the U.S, Canada and Germany remains positive, we concluded that our ability to rely on our long-term outlook as to future taxable income was limited due to uncertainty created by the weight of the negative evidence, particularly:

- The possibility for continued or increasing price competition in the highly competitive U.S. market. This was seen in the external market in the third quarter of 2007 when a competitor introduced its new fullsize trucks and offered customer incentives to gain market share. Accordingly, we increased customer incentives on our recently launched fullsize trucks, which were not previously anticipated;
- Continued high fuel prices and the possible effect that may have on consumer preferences related to our most profitable products, fullsize trucks and utility vehicles;
- Uncertainty over the effect on our cost structure from more stringent U.S. fuel economy and global emissions standards which may require us to sell a significant volume of alternative fuel vehicles across our portfolio;
- Uncertainty as to the future operating results of GMAC's Residential Capital, LLC mortgage business; and
- Acceleration of tax deductions for OPEB liabilities as compared to prior expectations due to changes associated with the Settlement Agreement.

Accordingly, based on our current circumstances and uncertainty regarding our future taxable income, we recorded full valuation allowances against these net deferred tax assets during the third quarter of 2007. If and when our operating performance improves on a sustained basis, our conclusion regarding the need for full valuation allowances could change, resulting in the reversal of some or all of the valuation allowances in the future.

Sales Incentives

We record the estimated impact of sales incentives to our dealers and customers as a reduction of revenue at the later of the time of sale or when an incentive program has been announced to our dealers. There may be numerous types of incentives available at any particular time, including a choice of incentives for a specific model. Incentive programs are generally brand specific, model specific, or regionally specific, and are for specified time periods, which may be extended. Significant factors used in estimating the cost of incentives include the volume of vehicles that will be affected by the incentive programs offered by product, product mix, and the rate of

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

customer acceptance of any incentive program, and the likelihood that an incentive program will be extended, all of which are estimated based upon historical experience and assumptions concerning customer behavior and future market conditions. Additionally, when an incentive program is announced, we determine the number of vehicles in dealer inventory that are eligible for the incentive program, and record a reduction to our revenue in the period in which the program is announced. If the actual number of affected vehicles differs from this estimate, or if a different mix of incentives is actually paid, the reduction of revenue for sales incentives could be affected. As discussed above, there are a multitude of inputs affecting the calculation of the estimate for sales incentives, an increase or decrease of any of these variables could have a significant impact on the reduction of revenue for sales incentives.

Policy, Warranty and Recalls

Provisions for estimated expenses related to policy and product warranties are made at the time products are sold. These estimates are established using historical information on the nature, frequency, and average cost of claims. We actively study trends of claims and take action to improve vehicle quality and minimize claims. Actual experience could differ from the amounts estimated requiring adjustments to these liabilities in future periods.

Impairment of Long-Lived Assets

We periodically evaluate the carrying value of our long-lived assets held and used in the business, other than goodwill and intangible assets with indefinite lives and assets held for sale, when events and circumstances warrant. If the carrying value of a long-lived asset is considered impaired, a loss is recognized based on the amount by which the carrying value exceeds the fair value for assets to be held and used. For assets classified as held for sale, such assets are reflected at the lower of carrying value or fair value less cost to sell. Fair market value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. Product lines could become impaired in the future or require additional charges as a result of declines in profitability due to changes in volume, pricing or costs.

Derivatives

We use derivatives in the normal course of business to manage our exposure to fluctuations in commodity prices and interest and foreign currency rates. We account for our derivatives in the consolidated balance sheet as assets or liabilities at fair value in accordance with SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities.”

Accounting for derivatives is complex and significant judgment and estimates are involved in estimating the fair values of these instruments, particularly in the absence of quoted market prices. Generally, fair value estimates of derivative contracts involve the selection of an appropriate valuation model and determining the appropriate inputs to use in those models, such as contractual terms, market prices, yield curves, credit curves, measures of volatility, prepayment rates and correlations of these factors. The majority of our derivatives are related to assets or indexes that are actively traded or quoted, and the selection of the appropriate valuation model and inputs into those models are not subject to significant judgment, as market information is readily available.

In contrast, the selection of the appropriate valuation model and the related inputs for a minority of our derivatives that relate to assets or indexes that are thinly traded may be highly judgmental, as such instruments tend to be more complex and market information is less available. For example, valuing a commodities purchase contract that meets the definition of a derivative requires a subjective determination of the timing and quantities of expected purchases. Moreover, because the tenor of thinly traded commodities contracts is greater than the available market data used to value those contracts, forward prices and volatility curves are generally extrapolated using a linear methodology over the contract life.

Valuation of Vehicle Operating Leases and Lease Residuals

In accounting for vehicle operating leases, we must make a determination at the beginning of the lease of the estimated realizable value (i.e., residual value) of the vehicle at the end of the lease. Residual value represents an estimate of the market value of the vehicle at the end of the lease term, which typically ranges from nine months to four years. The customer is obligated to make payments during the

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

term of the lease to the contract residual. However, since the customer is not obligated to purchase the vehicle at the end of the contract, we are exposed to a risk of loss to the extent the value of the vehicle is below the residual value estimated at contract inception.

Residual values are initially determined by consulting independently published residual value guides. Realization of the residual values is dependent on our future ability to market the vehicles under the prevailing market conditions. Over the life of the lease, we evaluate the adequacy of our estimate of the residual value and may make adjustments to the extent the expected value of the vehicle at lease termination declines. For operating leases arising from vehicle sales to daily rental car companies, the adjustment may be in the form of revisions to the depreciation rate or recognition of an impairment loss. Impairment is determined to exist if the undiscounted expected future cash flows are lower than the carrying value of the asset. For operating leases arising from vehicles sold to dealers, the adjustment is made to the estimate of marketing incentive accruals for residual support programs initially recognized when vehicles are sold to dealers. When a lease vehicle is returned to us, the asset is reclassified from Equipment on operating leases, net to Inventory at the lower of cost or estimated fair value, less costs to sell.

Our depreciation methodology related to Equipment on operating leases, net considers management's expectation of the value of the vehicles upon lease termination, which is based on numerous assumptions and factors influencing used automotive vehicle values. The critical assumptions underlying the estimated carrying value of automotive lease assets include: (1) estimated market value information obtained and used by management in estimating residual values; (2) proper identification and estimation of business conditions; (3) our remarketing abilities; and (4) our vehicle and marketing programs. Changes in these assumptions could have a significant impact on the value of the lease residuals.

Accounting Standards Not Yet Adopted

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" (SFAS No. 157) which provides a consistent definition of fair value which focuses on exit price and prioritizes, within a measurement of fair value, the use of market-based inputs over entity-specific inputs. SFAS No. 157 requires expanded disclosures about fair value measurements and establishes a three-level hierarchy for fair value measurements based on the transparency of inputs to the valuation of an asset or liability as of the measurement date. The standard also requires that a company use its own nonperformance risk when measuring liabilities carried at fair value, including derivatives. In February 2008, the FASB approved a FASB Staff Position (FSP) that permits companies to partially defer the effective date of SFAS No. 157 for one year for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis. The FSP did not permit companies to defer recognition and disclosure requirements for financial assets and financial liabilities or for nonfinancial assets and nonfinancial liabilities that are remeasured at least annually. SFAS No. 157 is effective for financial assets and financial liabilities and for nonfinancial assets and nonfinancial liabilities that are remeasured at least annually for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The provisions of SFAS No. 157 will be applied prospectively. We intend to defer adoption of SFAS No. 157 for one year for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis. We are currently evaluating the effects, if any, that SFAS No. 157 may have on our financial condition and results of operations.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities — including an Amendment of SFAS No. 115" (SFAS No. 159), which permits an entity to measure certain financial assets and financial liabilities at fair value that are not currently required to be measured at fair value. Entities that elect the fair value option will report unrealized gains and losses in earnings at each subsequent reporting date. The fair value option may be elected on an instrument-by-instrument basis, with few exceptions. SFAS No. 159 amends previous guidance to extend the use of the fair value option to available-for-sale and held-to-maturity securities. The Statement also establishes presentation and disclosure requirements to help financial statement users understand the effect of the election. SFAS No. 159 is effective as of the beginning of the first fiscal year beginning after November 15, 2007. We do not expect the adoption of this standard to have a material impact on our financial condition and results of operations.

In June 2007, the FASB ratified Emerging Issue Task Force (EITF) Issue No. 07-3, "Accounting for Nonrefundable Payments for Goods or Services to Be Used in Future Research and Development Activities" (EITF 07-3), requiring that nonrefundable advance payments for future research and development activities be deferred and capitalized. Such amounts should be expensed as the related goods are delivered or the related services are performed. The Statement is effective for fiscal years beginning after December 15, 2007.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Management estimates that upon adoption, this guidance will not have a material effect on our financial condition and results of operations.

In June 2007, the FASB ratified EITF Issue No. 06-11, "Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards" (EITF 06-11), which requires entities to record to additional paid in capital the tax benefits on dividends or dividend equivalents that are charged to retained earnings for certain share-based awards. In a share-based payment arrangement, employees may receive dividends or dividend equivalents on awards of nonvested equity shares, nonvested equity share units during the vesting period, and share options until the exercise date. Generally, the payment of such dividends can be treated as deductible compensation for tax purposes. The amount of tax benefits recognized in additional paid-in capital should be included in the pool of excess tax benefits available to absorb tax deficiencies on share-based payment awards. EITF 06-11 is effective for fiscal years beginning after December 15, 2007, and interim periods within those years. Management estimates that upon adoption, this guidance will not have a material effect on our financial condition and results of operations.

In December 2007, the FASB issued SFAS 141(R), "Business Combinations" (SFAS No. 141(R)) which retained the underlying concepts of SFAS No. 141 in that all business combinations are still required to be accounted for at fair value under the acquisition method of accounting but SFAS No. 141(R) changed the method of applying the acquisition method in a number of significant aspects. SFAS 141(R) will require that: (1) for all business combinations, the acquirer records all assets and liabilities of the acquired business, including goodwill, generally at their fair values; (2) certain contingent assets and liabilities acquired be recognized at their fair values on the acquisition date; (3) contingent consideration be recognized at its fair value on the acquisition date and, for certain arrangements, changes in fair value will be recognized in earnings until settled; (4) acquisition-related transaction and restructuring costs be expensed rather than treated as part of the cost of the acquisition and included in the amount recorded for assets acquired; (5) in step acquisitions, previous equity interests in an acquiree held prior to obtaining control be re-measured to their acquisition-date fair values, with any gain or loss recognized in earnings; and (6) when making adjustments to finalize initial accounting, companies revise any previously issued post-acquisition financial information in future financial statements to reflect any adjustments as if they had been recorded on the acquisition date. SFAS No. 141(R) is effective on a prospective basis for all business combinations for which the acquisition date is on or after the beginning of the first annual period subsequent to December 15, 2008, with the exception of the accounting for valuation allowances on deferred taxes and acquired tax contingencies. SFAS No. 141(R) amends SFAS No. 109 such that adjustments made to valuation allowances on deferred taxes and acquired tax contingencies associated with acquisitions that closed prior to the effective date of this statement should also apply the provisions of SFAS No. 141(R). This standard will be applied to future business combinations.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements, an Amendment of ARB 51" (SFAS No. 160) which amends ARB 51 to establish new standards that will govern the accounting for and reporting of noncontrolling interests in partially owned consolidated subsidiaries and the loss of control of subsidiaries. Also, SFAS No. 160 requires: that (1) noncontrolling interest, previously referred to as minority interest, be reported as part of equity in the consolidated financial statements; (2) losses be allocated to the noncontrolling interest even when such allocation might result in a deficit balance, reducing the losses attributed to the controlling interest; (3) changes in ownership interests be treated as equity transactions if control is maintained; and, (4) upon a loss of control, any gain or loss on the interest sold be recognized in earnings. SFAS No. 160 is effective on a prospective basis for all fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008, except for the presentation and disclosure requirements, which will be applied retrospectively. We are currently evaluating the effects, if any, that SFAS No. 160 may have on our financial condition and results of operations.

Forward-Looking Statements

In this report and in reports we subsequently file with the SEC on Forms 10-K and 10-Q and filed or furnished on Form 8-K, and in related comments by our management, our use of the words "expect," "anticipate," "estimate," "forecast," "initiative," "objective," "plan," "goal," "project," "outlook," "priorities," "target," "intend," "when," "evaluate," "pursue," "seek," "may," "would," "could," "should," "believe," "potential," "continue," "designed," "impact" or the negative of any of those words or similar expressions is intended to identify forward-looking statements that represent our current judgment about possible future events. All statements in this report and subsequent reports which we may file with the SEC on Forms 10-K and 10-Q or file or furnish on Form 8-K, other than statements of historical fact, including without limitation, statements about future events and financial performance, are forward-looking statements that involve certain risks and uncertainties. We believe these judgments are reasonable, but these statements are not guarantees of any events or financial results, and our actual results may differ materially due to a variety of important factors that may be revised or

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

supplemented in subsequent reports on SEC Forms 10-K, 10-Q and 8-K. Such factors include those listed above in Risk Factors, among others, and the following:

- Our ability to realize production efficiencies, to achieve reductions in costs as a result of the turnaround restructuring and health care cost reductions and to implement capital expenditures at levels and times planned by management;
- The pace of product introductions and development of technology associated with the products;
- Market acceptance of our new products;
- Significant changes in the competitive environment and the effect of competition in our markets, including on our pricing policies;
- Our ability to maintain adequate liquidity and financing sources and an appropriate level of debt;
- Changes in the existing, or the adoption of new laws, regulations, policies or other activities of governments, agencies and similar organizations where such actions may affect the production, licensing, distribution or sale of our products, the cost thereof or applicable tax rates;
- Costs and risks associated with litigation;
- The final results of investigations and inquiries by the SEC and other governmental agencies;
- Changes in the ability of GMAC to make distributions on the Preferred Membership Interests held by us;
- Changes in accounting principles, or their application or interpretation, and our ability to make estimates and the assumptions underlying the estimates, including the estimates for the Delphi pension benefit guarantees, which could result in an impact on earnings;
- Negotiations and bankruptcy court actions with respect to Delphi's obligations to us and our obligations to Delphi, negotiations with respect to our obligations under the benefit guarantees to Delphi employees and our ability to recover any indemnity claims against Delphi;
- Labor strikes or work stoppages at our facilities or our key suppliers such as Delphi or financial difficulties at our key suppliers such as Delphi;
- Additional credit rating downgrades and the effects thereof;
- Changes in relations with unions and employees/retirees and the legal interpretations of the agreements with those unions with regard to employees/retirees, including the negotiation of new collective bargaining agreements with unions representing our employees in the United States other than the UAW;
- Completion of the final settlement with the UAW and UAW retirees, including obtaining court approval in a form acceptable to us, the UAW, and class counsel; treatment of the terms of the 2007 National Agreement pursuant to the Settlement Agreement in a form acceptable to us, the UAW and class counsel; our completion of discussions with the staff of the SEC regarding accounting treatment with respect to the New VEBA and the Post-Retirement Medical Benefits for the Covered Group as set forth in the Settlement Agreement, on a basis reasonably satisfactory to us; and as applicable, a determination by us that the New VEBA satisfies the requirements of section 302(c)(5) of the Labor-Management Relations Act of 1947, as amended (LMRA), as well as bank and other regulatory approval;
- Shortages of and price increases for fuel; and
- Changes in economic conditions, commodity prices, currency exchange rates or political stability in the markets in which we operate.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

In addition, GMAC's actual results may differ materially due to numerous important factors that are described in GMAC's most recent report on SEC Form 10-K, which may be revised or supplemented in subsequent reports on SEC Forms 10-K, 10-Q and 8-K. The factors identified by GMAC include, among others, the following:

- Rating agencies may downgrade their ratings for GMAC or ResCap in the future, which would adversely affect GMAC's ability to raise capital in the debt markets at attractive rates and increase the interest that it pays on its outstanding publicly traded notes, which could have a material adverse effect on its results of operations and financial condition;
- GMAC's business requires substantial capital, and if it is unable to maintain adequate financing sources, its profitability and financial condition will suffer and jeopardize its ability to continue operations;
- The profitability and financial condition of its operations are dependent upon our operations, and it has substantial credit exposure to us;
- Recent developments in the residential mortgage market, especially in the nonprime sector, may adversely affect GMAC's revenues, profitability and financial condition;
- The worldwide financial services industry is highly competitive. If GMAC is unable to compete successfully or if there is increased competition in the automotive financing, mortgage and/or insurance markets or generally in the markets for securitizations or asset sales, its margins could be materially adversely affected;
- Significant changes in the competitive environment and the effect of competition in GMAC's markets, including on GMAC's pricing policies;
- Restrictions on the ability of GMAC's residential mortgage subsidiary to pay dividends and prepay subordinated debt obligations to GMAC;
- Changes in the residual value of off-lease vehicles;
- Changes in U.S. government-sponsored mortgage programs or disruptions in the markets in which GMAC's mortgage subsidiaries operate;
- Changes in GMAC's contractual servicing rights;
- Costs and risks associated with litigation;
- Changes in GMAC's accounting assumptions that may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings;
- The threat of natural calamities;
- Changes in economic conditions, currency exchange rates, or political stability in the markets in which it operates; and
- Changes in the existing, or the adoption of new laws, regulations, policies, or other activities of governments, agencies and similar organizations.

We caution investors not to place undue reliance on forward-looking statements. We undertake no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events or other factors that affect the subject of these statements, except where we are expressly required to do so by law.

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Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk***

We are exposed to market risk from changes in foreign currency exchange rates, interest rates and certain commodity prices. We enter into a variety of foreign exchange, interest rate and commodity forward contracts and options to maintain the desired level of exposure arising from these risks.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The overall financial risk management program is placed under the responsibility of our Risk Management Committee (RMC), which reviews and, where appropriate, approves recommendations on the level of exposure and the strategies to be pursued to mitigate these risks. A risk management control system is utilized to monitor the strategies, risks and related hedge positions, in accordance with the policies and procedures approved by the RMC.

A discussion of our accounting policies for derivative financial instruments is included in Note 2 to the consolidated financial statements. Further information on our exposure to market risk is included in Notes 16 and 19 to the consolidated financial statements.

The following analyses provide quantitative information regarding our exposure to foreign currency exchange rate risk, interest rate risk and commodity price risk. We use sensitivity analysis to measure the potential loss in the fair value of financial instruments with exposure to market risk. The model used assumes instantaneous, parallel shifts in exchange rates, interest rate yield curves and commodity prices. For options and other instruments with nonlinear returns, models appropriate to these types of instruments are utilized to determine the impact of market shifts. There are certain shortcomings inherent in the sensitivity analyses presented, primarily due to the assumption that interest rates and commodity prices change in a parallel fashion and that spot exchange rates change instantaneously. In addition, the analyses are unable to reflect the complex market reactions that normally would arise from the market shifts modeled.

Foreign Exchange Rate Risk

We have foreign currency exposures related to buying, selling and financing in currencies other than the local currencies in which we operate. Derivative instruments, such as foreign currency forwards, swaps and options are used to hedge these exposures. At December 31, 2007 and 2006, the net fair value asset of financial instruments with exposure to foreign currency risk was $1.9 billion and $4.4 billion, respectively. The potential loss in fair value for such financial instruments from a 10% adverse change in quoted foreign currency exchange rates would be $2 billion and $2 billion for 2007 and 2006, respectively.

Interest Rate Risk

We are subject to market risk from exposure to changes in interest rates due to our financing activities. Interest rate risk is managed mainly with interest rate swaps.

At December 31, 2007 and 2006, the net fair value liability of financial instruments held for purposes other than trading with exposure to interest rate risk was $26.7 billion and $25.3 billion, respectively. The potential loss in fair value resulting from a 10% adverse shift in quoted interest rates would be $1.7 billion and $1.5 billion for 2007 and 2006, respectively.

Commodity Price Risk

We are exposed to changes in prices of commodities used in our Automotive business, primarily associated with various non-ferrous and precious metals for automotive components and energy used in the overall manufacturing process. Some of the commodity purchase contracts meet the definition of a derivative under SFAS No. 133. In addition, we enter into various derivatives, such as commodity swaps and options, to offset our commodity price exposures.

At December 31, 2007 and 2006 the net fair value asset of derivative and purchase contracts was $517 million and $755 million, respectively. The potential loss in fair value resulting from a 10% adverse change in the underlying commodity prices would be $331 million and $318 million for 2007 and 2006, respectively. This amount excludes the offsetting impact of the commodity price risk inherent in the physical purchase of the underlying commodities.

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Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

General Motors Corporation, its Directors, and Stockholders:

We have audited the internal control over financial reporting of General Motors Corporation and subsidiaries (the Corporation) as of December 31, 2007, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting in Item 9A. Our responsibility is to express an opinion on the Corporation's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on that risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in management's assessment:

(1) Controls over the period-end financial reporting process were not effective.

(2) Controls to ensure the consolidated financial statements comply with SFAS No. 109, *Accounting for Income Taxes,* were not effective.

(3) Controls over the accounting for employee benefit arrangements were not effective.

These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements and the financial statement schedule listed in the Index at Item 15 as of and for the year ended December 31, 2007. This report does not affect our report on such financial statements and financial statement schedule.

In our opinion, because of the effect of the material weaknesses identified above on the achievement of the objectives of the control criteria, the Corporation has not maintained effective internal control over financial reporting as of December 31, 2007, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Consolidated Balance Sheets and the related Consolidated Statements of Operations, Cash Flows, and Stockholders' Equity (Deficit) of the Corporation as of and for the year ended December 31, 2007. Our audit also included the financial statement schedule listed in the Index at Item 15 as of and for the year ended December 31, 2007. Our report dated February 28, 2008 expressed an unqualified opinion on those financial statements and financial statement schedule and included an explanatory paragraph relating to the adoption of the recognition and measurement provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109*, and the change in measurement date for defined benefit plan assets and liabilities to coincide with the Corporation's year end to conform to Statement of Financial Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans — an amendment of FASB Statements No. 87, 88, 106 and 132(R)*.

/s/ Deloitte & Touche LLP
Deloitte & Touche LLP

Detroit, Michigan
February 28, 2008

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

General Motors Corporation, its Directors, and Stockholders:

We have audited the accompanying Consolidated Balance Sheets of General Motors Corporation and subsidiaries (the Corporation) as of December 31, 2007 and 2006, and the related Consolidated Statements of Operations, Cash Flows and Stockholders' Equity (Deficit) for each of the three years in the period ended December 31, 2007. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of General Motors Corporation and subsidiaries at December 31, 2007 and 2006, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2007, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Note 2 to the consolidated financial statements, the Corporation: (1) effective January 1, 2007, adopted the recognition and measurement provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109*, (2) effective January 1, 2007, changed the measurement date for defined benefit plan assets and liabilities to coincide with its year end to conform to Statement of Financial Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans — an amendment of FASB Statements No. 87, 88, 106 and 132(R)* (SFAS No. 158), (3) effective December 31, 2006, began to recognize the funded status of its defined benefit plans in its consolidated balance sheets to conform to SFAS No. 158, and (4) effective December 31, 2005, began to account for the estimated fair value of conditional asset retirement obligations to conform to FASB Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations*.

As discussed in Note 3 to the consolidated financial statements, on November 30, 2006, the Corporation sold a 51% controlling interest in GMAC LLC, its former wholly-owned finance subsidiary. The Corporation's remaining 49% interest in GMAC LLC is accounted for as an equity method investment.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Corporation's internal control over financial reporting as of December 31, 2007, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 28, 2008 expressed an adverse opinion on the Corporation's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP

Detroit, Michigan
February 28, 2008

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in millions, except per share amounts)

Item 8. ***Financial Statements and Supplementary Data***

	Years Ended December 31,		
	2007	**2006**	**2005**
Net sales and revenue			
Automotive sales	$ 178,199	$ 171,179	$ 158,623
Financial services and insurance revenue	2,923	34,422	34,427
Total net sales and revenue	181,122	205,601	193,050
Costs and expenses			
Automotive cost of sales	166,259	163,742	158,254
Selling, general and administrative expense	14,412	13,650	13,003
Financial services and insurance expense	2,742	29,794	30,813
Other expenses	2,099	4,238	7,024
Total costs and expenses	185,512	211,424	209,094
Operating loss	(4,390)	(5,823)	(16,044)
Equity in loss of GMAC LLC	(1,245)	(5)	—
Automotive and other interest expense	(2,902)	(2,642)	(2,534)
Automotive interest income and other non-operating income	2,284	2,812	1,349
Loss from continuing operations before income taxes, equity income, minority interests and cumulative effect of a change in accounting principle	(6,253)	(5,658)	(17,229)
Income tax expense (benefit)	37,162	(3,046)	(6,046)
Equity income, net of tax	524	513	610
Minority interests, net of tax	(406)	(324)	(48)
Loss from continuing operations	(43,297)	(2,423)	(10,621)
Discontinued operations (Note 3)			
Income from discontinued operations, net of tax	256	445	313
Gain on sale of discontinued operations, net of tax	4,309	—	—
Income from discontinued operations	4,565	445	313
Loss before cumulative effect of a change in accounting principle	(38,732)	(1,978)	(10,308)
Cumulative effect of a change in accounting principle	—	—	(109)
Net loss	$ (38,732)	$ (1,978)	$ (10,417)
Earnings (loss) per share, basic and diluted			
Continuing operations	$ (76.52)	$ (4.29)	$ (18.78)
Discontinued operations	8.07	0.79	0.55
Cumulative effect of a change in accounting principle	—	—	(0.19)
Total	$ (68.45)	$ (3.50)	$ (18.42)
Weighted average common shares outstanding, basic and diluted (millions)	566	566	565
Cash dividends per share	$ 1.00	$ 1.00	$ 2.00

Reference should be made to the notes to consolidated financial statements.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(Dollars in millions)

	December 31,	
	2007	2006
ASSETS		
Current Assets		
Cash and cash equivalents	$ 24,549	$ 23,774
Marketable securities	2,139	138
Total cash and marketable securities	26,688	23,912
Accounts and notes receivable, net	9,659	8,216
Inventories	14,939	13,921
Equipment on operating leases, net	5,283	6,125
Other current assets and deferred income taxes	3,566	12,982
Total current assets	60,135	65,156
Financing and Insurance Operations Assets		
Cash and cash equivalents	268	349
Investments in securities	215	188
Equipment on operating leases, net	6,712	11,794
Equity in net assets of GMAC LLC	7,079	7,523
Other assets	2,715	2,269
Total Financing and Insurance Operations assets	16,989	22,123
Non-Current Assets		
Equity in net assets of nonconsolidated affiliates	1,919	1,969
Property, net	43,017	41,934
Goodwill and intangible assets, net	1,066	1,118
Deferred income taxes	2,116	33,079
Prepaid pension	20,175	17,366
Other assets	3,466	3,559
Total non-current assets	71,759	99,025
Total assets	$ 148,883	$ 186,304
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable (principally trade)	$ 29,439	$ 26,931
Short-term borrowings and current portion of long-term debt	6,047	5,666
Accrued expenses	34,822	34,120
Total current liabilities	70,308	66,717
Financing and Insurance Operations Liabilities		
Accounts payable	30	192
Debt	4,908	9,438
Other liabilities and deferred income taxes	875	1,947
Total Financing and Insurance Operations liabilities	5,813	11,577
Non-Current Liabilities		
Long-term debt	33,384	33,067
Postretirement benefits other than pensions	47,375	50,409
Pensions	11,381	11,934
Other liabilities and deferred income taxes	16,102	17,062
Total non-current liabilities	108,242	112,472
Total liabilities	184,363	190,766
Commitments and contingencies (Note 17)		
Minority interests	1,614	1,190
Stockholders' Deficit		
Preferred stock, no par value, authorized 6,000,000, no shares issued and outstanding	—	—
$1 2/3 par value common stock (2,000,000,000 shares authorized, 756,637,541 and 566,059,249 shares issued and outstanding at December 31, 2007, respectively, and 756,637,541 and 565,670,254 shares issued and outstanding at December 31, 2006, respectively)	943	943
Capital surplus (principally additional paid-in capital)	15,319	15,336
Retained earnings (deficit)	(39,392)	195
Accumulated other comprehensive loss	(13,964)	(22,126)
Total stockholders' deficit	(37,094)	(5,652)
Total liabilities, minority interests, and stockholders' deficit	$ 148,883	$ 186,304

Reference should be made to the notes to consolidated financial statements.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in millions)

	For The Years Ended December 31,		
	2007	2006	2005
Cash flows from operating activities			
Net loss	$ (38,732)	$ (1,978)	$ (10,417)
Less income from discontinued operations	4,565	445	313
Less cumulative effect of a change in accounting principle	—	—	(109)
Loss from continuing operations	(43,297)	(2,423)	(10,621)
Adjustments to reconcile loss from continuing operations to net cash provided by (used in) continuing operating activities:			
Depreciation, impairments and amortization expense	9,513	10,885	15,732
Mortgage servicing rights and premium amortization	—	1,021	1,142
Goodwill impairment — GMAC	—	828	712
Delphi charge	1,547	500	5,500
Loss on sale of 51% interest in GMAC	—	2,910	—
Provision for credit financing losses	—	1,799	1,074
Net gains on sale of credit receivables	—	(1,256)	(1,741)
Net gains on sale of investment securities	—	(1,006)	(104)
Other postretirement employee benefit (OPEB) expense	2,362	3,567	5,650
OPEB payments	(3,751)	(3,802)	(4,084)
VEBA/401(h) withdrawals	1,694	3,061	3,168
Pension expense	1,799	4,911	2,495
Pension contributions	(937)	(1,032)	(833)
Retiree lump sum and vehicle voucher expense, net of payments	—	(325)	(264)
Net change in mortgage loans	—	(21,578)	(29,119)
Net change in mortgage securities	—	427	(1,155)
Provisions for deferred taxes	36,977	(4,166)	(6,731)
Change in other investments and miscellaneous assets	663	(477)	(690)
Change in other operating assets and liabilities, net of acquisitions and disposals	(3,412)	(8,512)	20
Other	4,349	2,318	2,679
Net cash provided by (used in) continuing operating activities	7,507	(12,350)	(17,170)
Cash provided by discontinued operating activities	224	591	314
Net cash provided by (used in) operating activities	$ 7,731	$ (11,759)	$ (16,856)

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS — (Concluded)

(Dollars in millions)

	For The Years Ended December 31,		
	2007	2006	2005
Cash flows from investing activities			
Expenditures for property	$ (7,542)	$ (7,902)	$ (8,141)
Investments in marketable securities, acquisitions	(10,155)	(28,062)	(27,479)
Investments in marketable securities, liquidations	8,119	31,081	28,216
Net change in mortgage servicing rights	—	(61)	(267)
Increase in finance receivables	—	(1,160)	(6,582)
Proceeds from sale of finance receivables	—	18,374	31,652
Proceeds from sale of 51% interest in GMAC	—	7,353	—
Proceeds from sale of discontinued operations	5,354	—	—
Proceeds from sale of business units/equity investments	—	10,506	846
Operating leases, acquisitions	—	(17,070)	(15,496)
Operating leases, liquidations	3,165	7,039	5,362
Capital contribution to GMAC LLC	(1,022)	—	—
Investments in companies, net of cash acquired	(46)	(357)	1,355
Other	389	(15)	(863)
Net cash provided by (used in) continuing investing activities	(1,738)	19,726	8,603
Cash used in discontinued investing activities	(22)	(31)	(38)
Net cash provided by (used in) investing activities	(1,760)	19,695	8,565
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(5,749)	7,030	(10,125)
Borrowings of long-term debt	2,131	79,566	78,276
Payments made on long-term debt	(1,403)	(92,290)	(69,566)
Cash dividends paid to stockholders	(567)	(563)	(1,134)
Other	—	2,487	6,030
Net cash provided by (used in) continuing financing activities	(5,588)	(3,770)	3,481
Cash provided by (used in) discontinued financing activities	(5)	3	(1)
Net cash provided by (used in) financing activities	(5,593)	(3,767)	3,480
Effect of exchange rate changes on cash and cash equivalents	316	365	(85)
Net increase (decrease) in cash and cash equivalents	694	4,534	(4,896)
Cash and cash equivalents retained by GMAC LLC upon disposal	—	(11,137)	—
Cash and cash equivalents of held for sale operations	—	—	(371)
Cash and cash equivalents at beginning of the year	24,123	30,726	35,993
Cash and cash equivalents at end of the year	$ 24,817	$ 24,123	$ 30,726

Reference should be made to the notes to consolidated financial statements.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2007, 2006, AND 2005
(In millions)

	Shares of Common Stock	Capital Stock	Capital Surplus	Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity (Deficit)
Balance January 1, 2005	565	$ 942	$ 15,241		$ 14,511	$ (2,814)	$ 27,880
Prior period adjustment (Note 15)	—	—	—		(211)	—	(211)
Balance January 1, 2005, as restated	565	942	15,241		14,300	(2,814)	27,669
Net loss	—	—	—	$ (10,417)	(10,417)	—	(10,417)
Other comprehensive income (loss):							
Foreign currency translation adjustments	—	—	—	(929)	—	—	—
Unrealized gains on derivatives	—	—	—	33	—	—	—
Unrealized loss on securities	—	—	—	(67)	—	—	—
Minimum pension liability adjustment	—	—	—	(758)	—	—	—
Other comprehensive loss	—	—	—	(1,721)	—	(1,721)	(1,721)
Comprehensive loss				$ (12,138)			
Stock options	1	1	44		—	—	45
Cash dividends paid	—	—	—		(1,134)	—	(1,134)
Balance December 31, 2005, as restated	566	943	15,285		2,749	(4,535)	14,442
Net loss	—	—	—	$ (1,978)	(1,978)	—	(1,978)
Other comprehensive income (loss):							
Foreign currency translation adjustments	—	—	—	175	—	—	—
Unrealized loss on derivatives	—	—	—	(249)	—	—	—
Unrealized loss on securities	—	—	—	(504)	—	—	—
Minimum pension liability adjustment	—	—	—	(67)	—	—	—
Other comprehensive loss	—	—	—	(645)		(645)	(645)
Comprehensive loss				$ (2,623)			
Cumulative effect of a change in accounting principle — adoption of SFAS 158, net of tax	—	—	—		—	(16,946)	(16,946)
Stock options	—	—	51		—	—	51
Cumulative effect of a change in accounting principle — adoption of SFAS 156, net of tax	—	—	—		(13)	—	(13)
Cash dividends paid	—	—	—		(563)	—	(563)
Balance December 31, 2006, as restated	566	943	15,336		195	(22,126)	(5,652)
Net loss	—	—	—	$ (38,732)	(38,732)	—	(38,732)
Other comprehensive income (loss):							
Foreign currency translation adjustments	—	—	—	1,000	—	—	—
Unrealized loss on derivatives	—	—	—	(38)	—	—	—
Unrealized loss on securities	—	—	—	(17)	—	—	—
Defined benefit plans, net (Note 24)	—	—	—	6,064	—	—	—
Other comprehensive income	—	—	—	7,009	—	7,009	7,009
Comprehensive loss				$ (31,723)			
Effects of accounting change regarding pension plans and OPEB plans measurement dates pursuant to SFAS No. 158, net of tax	—	—	—		(425)	1,153	728
Cumulative effect of a change in accounting principle — adoption of FIN 48, net of	—	—	—		137	—	137

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

tax						
Stock options	—	—	55	—	—	55
Conversion of GMAC Preferred Membership Interest (Note 8)	—	—	27	—	—	27
Cash dividends paid	—	—	—	(567)	—	(567)
Purchase of convertible note hedge (Note 14)	—	—	(99)	—	—	(99)
Balance December 31, 2007	566	$ 943	$ 15,319	$ (39,392)	$ (13,964)	$ (37,094)

Reference should be made to the notes to consolidated financial statements.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Note 1. Nature of Operations

We (also General Motors Corporation, GM or the Corporation) are primarily engaged in the worldwide production and marketing of cars and trucks. We develop, manufacture and market vehicles worldwide through our four regions which consist of GM North America (GMNA), GM Europe (GME), GM Latin America/Africa/Mid-East (GMLAAM) and GM Asia Pacific (GMAP). Also, our finance and insurance operations are primarily conducted through GMAC LLC, the successor to General Motors Acceptance Corporation (together with GMAC LLC, GMAC), a wholly-owned subsidiary through November 2006. On November 30, 2006, we sold a 51% controlling ownership interest in GMAC to a consortium of investors. After the sale, we have accounted for our 49% ownership interest in GMAC using the equity method. GMAC provides a broad range of financial services, including consumer vehicle financing, automotive dealership and other commercial financing, residential mortgage services, automobile service contracts, personal automobile insurance coverage and selected commercial insurance coverage. We operate in two businesses, consisting of Automotive (GM Automotive or GMA) and Financing and Insurance Operations (FIO).

Note 2. Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of General Motors Corporation and our majority-owned subsidiaries and variable interest entities (VIEs) of which it has been determined that we are the primary beneficiary. Our share of earnings or losses of nonconsolidated affiliates are included in the consolidated operating results using the equity method of accounting, when we are able to exercise significant influence over the operating and financial decisions of the affiliates. If we are not able to exercise significant influence over the operating and financial decisions of the affiliate, the cost method of accounting is used. All intercompany balances and transactions have been eliminated in consolidation.

Change in Presentation of Financial Statements

In 2007, we changed our statement of operations presentation to present costs and expenses of our FIO operations as a separate line. In so doing, we reclassified FIO's portion of Selling, general and administrative expense and Interest expense to Financial services and insurance expense. Also, Automotive and other interest expense has been presented within non-operating income and expenses. Additionally, prior period results have been reclassified for the retroactive effect of discontinued operations. Refer to Note 3. Certain reclassifications have been made to the comparable 2006 and 2005 financial statements to conform to the current period presentation.

Use of Estimates in the Preparation of the Financial Statements

Our consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States, which require the use of estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Management believes that the accounting estimates employed are appropriate and the resulting balances are reasonable; however, due to the inherent uncertainties in making estimates actual results could differ from the original estimates, requiring adjustments to these balances in future periods.

Revenue Recognition

Automotive Sales

Automotive sales consist primarily of revenue generated from the sale of vehicles. Vehicle sales are recorded when the title and risks and rewards of ownership have passed, which is generally when the vehicle is released to the carrier responsible for transporting vehicles to dealers. Provisions for recurring dealer and customer sales and leasing incentives, consisting of allowances and rebates, are recorded as reductions to Automotive sales at the time of vehicle sales. Additionally, all other incentives, allowances, and rebates related to vehicles previously sold are recognized as reductions to Automotive sales when announced.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Vehicle sales to daily rental car companies with guaranteed repurchase obligations are accounted for as Equipment on operating leases, net. Lease revenue is recognized ratably over the term of the lease based on the difference between net sales proceeds and the guaranteed repurchase amount. Equipment on operating leases, net is depreciated based on the difference between the cost of the vehicle and estimated residual value using the straight-line method over the term of the lease agreement. Management reviews residual values periodically to determine that estimates remain appropriate, and if an asset is impaired losses are recognized at the time of the impairment.

We also generate revenue from customer subscriptions related to comprehensive in-vehicle security, communications, and diagnostic systems in our vehicles, as well as the sale of prepaid minutes for our Hands-Free Calling (HFC) system. Subscription service revenue is deferred and recognized on a straight-line basis over the subscription period. OnStar offers a one-year subscription as part of the sale or lease of a new vehicle. The fair value of the subscription is recorded as deferred revenue when a vehicle is sold, and amortized over the one year subscription period beginning when the end user activates the subscription. The HFC revenue is deferred and recognized on a straight-line basis over the life of the contract.

For credit card programs in which we have a redemption liability, we recognize the payments received from the bank over our estimate of the time period the customer will accumulate and redeem their rebate points. Currently, this time period is estimated to be 60 months for the majority of our credit card programs and such revenue is amortized using the straight-line method. This redemption period is reviewed periodically to determine if it remains appropriate. We estimate and accrue the redemption liability anticipated to be paid to the dealer at the time specific vehicles are sold to the dealer. The redemption cost is classified as a reduction of Automotive revenue in our statements of operations.

Financial Services and Insurance Revenues

Financial services revenues are generated through the purchase of retail installment loans, dealer floor plan financing and other lines of credit to dealers, fleet leasing, and factoring of receivables. Financing revenue is recorded over the terms of the receivables using the interest method. Income from operating lease assets is recognized on a straight-line basis over the scheduled lease terms.

Insurance revenues consist of premiums earned on a basis related to coverage provided over the terms of the policies. Commissions, premium taxes, and other costs incurred in acquiring new business are deferred and amortized over the terms of the related policies on the same basis as premiums are earned.

Mortgage service revenues are generated through the origination, purchase, servicing, sale and securitization of consumer (i.e., residential) and commercial mortgage loans, and other mortgage related products. Typically, mortgage loans are originated and sold to investors in the secondary market, including securitization sales.

Advertising

Advertising costs of $5.5 billion, $5.4 billion and $5.8 billion in 2007, 2006 and 2005, respectively, were expensed as incurred.

Research and Development Expenditures

Research and development expenditures of $8.1 billion, $6.6 billion, and $6.7 billion in 2007, 2006 and 2005, respectively, were expensed as incurred.

Property, net

Property, plant and equipment, including internal use software, is recorded at cost. Major improvements that extend the useful life of property are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred. As of January 1, 2001, we adopted the straight-line method of depreciation for real estate, plants and equipment placed in service after that date. Assets placed in service before January 1, 2001 continue to be depreciated using accelerated methods. The accelerated methods accumulate depreciation of

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

approximately two-thirds of the depreciable cost during the first half of the estimated useful lives of property groups as compared to the straight-line method, which allocates depreciable costs equally over the estimated useful lives of property groups. Leasehold improvements are amortized over the period of lease or the life of the asset, whichever is shorter.

Special Tools

Special tools represent product specific tools, dies, molds and other items used in the manufacturing process of vehicles. Expenditures for special tools placed in service after January 1, 2001 were capitalized and amortized using the straight-line method over their estimated useful lives which range from one year to 10 years. Expenditures for special tools placed in service prior to January 1, 2001, were capitalized and amortized over their estimated useful lives, using the units of production method.

Goodwill and Intangible Assets

Goodwill represents the excess of the cost of an acquisition over the fair value of net assets acquired. In accordance with SFAS No. 142, "Goodwill and Other Intangible Assets" (SFAS No. 142), goodwill is reviewed for impairment utilizing a two-step process. The first step of the impairment test requires the identification of the reporting units, and comparison of the fair value of each of these reporting units to the respective carrying value. The fair value of the reporting units is determined based on valuation techniques using the best information that is available, such as discounted cash flow projections. If the carrying value is less than the fair value, no impairment exists and the second step is not performed. If the carrying value is higher than the fair value, there is an indication that impairment may exist and the second step must be performed to compute the amount of the impairment. In the second step, the impairment is computed by comparing the implied fair value of reporting unit goodwill with the carrying amount of that goodwill. SFAS No. 142 requires goodwill to be tested for impairment annually at the same time every year, and when an event occurs or circumstances change such that it is reasonably possible that an impairment may exist. The annual impairment tests are performed in the fourth quarter of each year.

Other intangible assets, which include customer lists, trademarks, and other identifiable intangible assets, are amortized on a straight-line basis over estimated useful lives of three to 10 years.

Valuation of Long-Lived Assets

We periodically evaluate the carrying value of long-lived assets to be held and used in the business, other than goodwill and intangible assets with indefinite lives and assets held for sale, when events and circumstances warrant. If the carrying value of a long-lived asset is considered impaired, a loss is recognized based on the amount by which the carrying value exceeds the fair market value for assets to be held and used. Assets classified as held for sale are reflected at the lower of carrying value or fair value less cost to sell. Fair market value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. Long-lived assets to be disposed of other than by sale are considered held for use until disposition.

Valuation of Equity Method Investments

Investees accounted for under the equity method of accounting are evaluated for impairment in accordance with Accounting Principles Board Opinion No. 18, "The Equity Method of Accounting for Investments in Common Stock". An impairment loss would be recorded whenever a decline in value of an equity investment below its carrying amount is determined to be other than temporary. In determining if a decline is other than temporary we consider such factors as the length of time and extent to which the fair value of the investment has been less than the carrying amount of the equity affiliate, the near-term and longer-term operating and financial prospects of the affiliate and our intent and ability to hold the investment for a period of time sufficient to allow for any anticipated recovery.

Equipment on Operating Leases, net

Equipment on operating leases, net is reported at cost, less accumulated depreciation and net of origination fees or costs. Income from operating lease assets, which includes lease origination fees, net of lease origination costs, is recognized as operating lease revenue on a

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

straight-line basis over the scheduled lease term. Depreciation of vehicles is generally provided on a straight-line basis to an estimated residual value over a period of time, consistent with the term of the underlying operating lease agreement. We evaluate our depreciation policy for leased vehicles on a regular basis.

We have significant investments in vehicles in our operating lease portfolio and are exposed to changes in the residual values of those assets. The residual values represent an estimate of the values of the assets at the end of the lease contracts and are determined by consulting an independently published residual value guide. Realization of the residual values is dependent on our future ability to market the vehicles under the prevailing market conditions. Over the life of the lease, we evaluate the adequacy of our estimate of the residual value and may make adjustments to the extent the expected value of the vehicle at lease termination changes. For operating leases arising from vehicle sales to daily rental car companies, the adjustment may be in the form of revisions to the depreciation rate or recognition of an impairment loss. Impairment is determined to exist if the undiscounted expected future cash flows are lower than the carrying value of the asset. For operating leases arising from vehicles sold to dealers, the adjustment is made to the estimate of marketing incentive accruals for residual support programs initially recognized when vehicles are sold to dealers. Refer to Note 27. When a lease vehicle is returned to us, the asset is reclassified from Equipment on operating leases, net to Inventory at the lower of cost or estimated fair value, less costs to sell.

Foreign Currency Transactions and Translation

The assets and liabilities of our foreign subsidiaries, using the local currency as their functional currency, are translated to U.S. Dollars based on the current exchange rate prevailing at each balance sheet date and any resulting translation adjustments are included in Accumulated other comprehensive income (loss). Our revenues and expenses are translated into U.S. Dollars using the average exchange rates prevailing for each period presented.

Included in Net income (loss) are the gains and losses arising from foreign currency transactions. The impact on net income (loss) of foreign currency transactions including the results of our foreign currency hedging activities, amounted to a loss of $669 million, a gain of $296 million and a loss of $118 million in 2007, 2006 and 2005, respectively.

Policy and Warranty

Provisions for estimated expenses related to policy and product warranties are made at the time products are sold. These estimates are established using historical information on the nature, frequency, and average cost of claims. Revision to the reserves for estimated policy and product warranties is made when necessary, based on changes in these factors. We actively study trends of claims and take action to improve vehicle quality and minimize claims.

Recall Campaigns

Provisions for estimated expenses related to product recalls based on a formal campaign soliciting return of that product are made when they are deemed to be probable and can be reasonably estimated.

Environmental Costs

We record a liability for environmental cleanup costs when a loss is probable and can be reasonably estimated. For environmental sites where there are potentially multiple responsible parties, we record a liability for the allocable share of the costs related to our involvement with the site, as well as an allocable share of costs related to insolvent parties or unidentified shares. For environmental sites where we are the only potentially responsible party, we record a liability for the total estimated costs of remediation before consideration of recovery from insurers or other third parties.

We have an established process to develop our environmental reserve. This process consists of a number of phases which begins with the visual site inspections and an examination of historical site records. Once a potential problem has been identified, physical sampling of the site may include analysis of ground water and soil borings. The evidence obtained is then evaluated and based upon this evaluation,

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

a remediation strategy is submitted for approval. The final phase of this process involves the commencement of remediation activities according to the approved plan. This process is used globally for all such sites.

Included in the estimated environmental liabilities are costs for ongoing operating, maintenance, and monitoring at environmental sites where remediation has been put in place. The process of estimating environmental remediation liabilities is complex and dependent primarily on the nature and extent of historical information and physical data relating to a contaminated site, the complexity of the site, the uncertainty as to what remediation and technology will be required, and the outcome of discussions with regulatory agencies and other potentially responsible parties at multi-party sites. Liabilities which have fixed or reliably determinable cash flows are discounted using a risk-free rate of return over the periods in which the ongoing maintenance is expected to occur, generally five to 30 years. Subsequent adjustments to initial estimates are recorded as necessary based upon additional information developed in subsequent periods. In future periods, new laws or regulations, advances in remediation technologies and additional information about the ultimate remediation methodology to be used could significantly change our estimates.

Cash Equivalents

Cash equivalents are defined as short-term, highly-liquid investments with original maturities of 90 days or less.

Marketable Securities

Marketable securities are classified as available-for-sale, except for certain mortgage-related securities, which are classified as held-to-maturity. Available-for-sale securities are recorded at fair value with unrealized gains and losses reported, net of related income taxes, in Accumulated other comprehensive income (loss) until realized. Held-to-maturity securities are recorded at amortized cost. We determine realized gains and losses using the specific identification method.

Derivative Instruments

We are party to a variety of foreign exchange rate, interest rate, and commodity derivative contracts entered into in connection with the management of our exposure to fluctuations in foreign exchange rates, interest rates, and certain commodity prices. These financial exposures are managed in accordance with corporate policies and procedures.

All derivatives are recorded at fair value in the consolidated balance sheets. Effective changes in fair value of derivatives designated as cash flow hedges are recorded in net unrealized gains (losses) on derivatives within a separate component of Other comprehensive income (loss). Amounts are reclassified from Accumulated other comprehensive income (loss) when the underlying hedged item affects earnings. All ineffective changes in fair value are recorded currently in earnings. Changes in fair value of derivatives designated as fair value hedges are recorded currently in earnings offset by changes in fair value of the hedged item to the extent the derivative was effective. Changes in fair value of derivatives not designated as hedging instruments are recorded currently in earnings.

Accounting for Income Taxes

We use the liability method in accounting for income taxes. Deferred tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements, using the statutory tax rates in effect for the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date under the law. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets unless it is more likely than not that such assets will be realized.

Accounting for Early Retirement Programs

We offer an early retirement program to certain employees located in the GME region which allows these employees to early transition from employment into retirement before their legal retirement age. Eligible employees who elect to participate in this pre-retirement leave program work full time during half of the pre-retirement period (the active period) and then do not work for the

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

remaining half, the inactive period, and receive 50% of their salary during this pre-retirement period. These employees also receive an annual bonus equal to 35% of their annual net pay at the beginning of the pre-retirement period. Additionally, we are required to make contributions into the German government pension program for participants during the pre-retirement period. Under these programs, companies are entitled to a government subsidy if certain conditions are met. We have not been entitled to any program subsidy.

On January 1, 2006, we adopted Emerging Issue Task Force (EITF) 05-5, "Accounting for Early Retirement or Postemployment Programs with Specific Features" (EITF 05-5), which states that the bonus and contributions made into the German government pension program should be accounted for under the guidance in SFAS No. 112, "Employers' Accounting for Postemployment Benefit Costs" (SFAS No. 112), and the government subsidy should be recognized when a company meets the necessary conditions to be entitled to the subsidy. As clarified in EITF 05-5, beginning in 2006, we recognized the bonus and additional contributions (collectively, additional compensation) into the German government pension plan over the period from when the employee signed the program contract until the end of the active service period. Prior to 2006, we recognized the full additional compensation one-year before the employee entered the active service period. The change, reported as a change in accounting estimate effected by a change in accounting principle, resulted in additional compensation expense of $68 million in 2006.

Accounting for Extended Disability Benefits

We accrue for estimated extended disability benefits ratably over the employees' active service period using the delayed recognition provisions prescribed by SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions," (SFAS No. 106). As discussed in Note 15, at December 31, 2006, we adopted the recognition provisions of SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106 and 132(R)" (SFAS No. 158). The liability consists of the future obligations for income replacement, health care costs and life insurance premiums for employees currently disabled and those in the active workforce who may become disabled. We estimate future disabilities in the current workforce using actuarial methods based on sufficient historical experience.

Labor Force

On a worldwide basis, we have a concentration of our workforce working under the guidelines of unionized collective bargaining agreements. The current International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) labor contract is effective for a four-year term which began in October 2007 and expires in September 2011. Our current contract established a new wage and benefit structure for entry-level employees hired after the effective date of the contract in certain non-core positions, such as material movement, kitting and sequencing functions and certain stamping and subassemblies positions. These employees will receive base wages of approximately $15 per hour and will have a higher cost sharing arrangement for health care benefits. Additionally, the contract includes a $3,000 lump sum payment in 2007 and performance bonuses of 3%, 4% and 3% of wages in 2008, 2009 and 2010, respectively, for each UAW employee. We amortize these payments over the 12-month period following the respective payment dates. Active UAW employees and current retirees and surviving spouses were also granted pension benefit increases. Refer to Note 15.

Our previous UAW labor contract was effective for a four year term which began in October 2003 and expired in September 2007. This contract provided for a $3,000 lump sum payment for each UAW employee which was paid in October 2003, and a 3% performance bonus for each UAW employee, which was paid in October 2004. We amortized these payments over the 12-month period following the respective payment dates. UAW employees received a gross wage increase of 2% in 2005. For 2006, these employees were also granted a 3% gross wage increase under the labor contract, which was subsequently agreed between us and the UAW to be contributed to a Mitigation Voluntary Employee Beneficiary Association (VEBA) as a wage deferral, in connection with the 2005 UAW Health Care Settlement Agreement. Refer to Note 15. Active UAW employees were also granted pension benefit increases. There were no pension benefit increases granted to current retirees and surviving spouses. However, the contract did provide for four lump sum payments and two vehicle discount vouchers for current retirees and surviving spouses.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Changes in Accounting Principles

Accounting for Servicing of Financial Assets

On January 1, 2006, we adopted SFAS No. 156, "Accounting for Servicing of Financial Assets" (SFAS No 156), which: (1) provides revised guidance on when a servicing asset and servicing liability should be recognized; (2) requires all separately recognized servicing assets and liabilities to be initially measured at fair value, if practicable; (3) permits an entity to elect to measure servicing assets and liabilities at fair value each reporting date and report changes in fair value in earnings in the period in which the changes occur; (4) provides that upon initial adoption, a one-time reclassification of available-for-sale securities to trading securities for securities which are identified as offsetting an entity's exposure to changes in the fair value of servicing assets or liabilities that a servicer elects to subsequently measure at fair value; and (5) requires separate presentation of servicing assets and liabilities subsequently measured at fair value in the balance sheet and additional disclosures. We recorded a reduction to Retained earnings as of January 1, 2006 of $13 million as a cumulative effect of a change in accounting principle for the adoption of SFAS No. 156.

Accounting for Conditional Asset Retirement Obligations

Effective December 31, 2005, we adopted FASB Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations" (FIN 47). FIN 47 relates to legal obligations associated with retirement of tangible long-lived assets that result from acquisition, construction, development, or normal operation of a long-lived asset. We performed an analysis of such obligations associated with all real property owned or leased, including plants, warehouses, and offices. Our estimates of conditional asset retirement obligations relate, in the case of owned properties, to costs estimated to be necessary for the legally required removal or remediation of various regulated materials, primarily asbestos. Asbestos abatement was estimated using site-specific surveys where available and a per square foot estimate where surveys were unavailable. For leased properties, such obligations relate to the estimated cost of contractually required property restoration. The application of FIN 47 resulted in a charge of $109 million, after-tax, in 2005 presented as a cumulative effect of a change in accounting principle. The liability for conditional asset retirement obligations at December 31, 2007 and 2006 was $222 million and $193 million, respectively. Pro forma amounts, as if FIN 47 had been applied for 2005 are as follows (Dollars in millions except per share amounts):

Net loss, as reported	$ (10,417)
Add: FIN 47 cumulative effect, net of tax	109
Less: FIN 47 depreciation and accretion expense, net of tax	(16)
Pro forma net loss	$ (10,324)
Loss per share, basic and diluted, as reported	$ (18.42)
Pro forma loss per share	$ (18.26)
Pro forma asset retirement obligation — net, as of year-end	$ 181

Asset retirement obligations are included in Other long-term liabilities on the consolidated balance sheets. The following table reconciles our asset retirement obligations as of December 31, 2007 and 2006:

	2007	2006
	(Dollars in millions)	
Asset retirement obligations as of January 1	$ 193	$ 181
Accretion expense	22	18
Liabilities incurred	43	5
Liabilities settled or disposed	(40)	(9)
Effect of foreign currency	4	—
Revisions to estimates	—	(2)
Asset retirement obligations as of December 31	$ 222	$ 193

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

As of December 31, 2007, our asset retirement obligation was primarily related to removal or remediation of various regulated materials, primarily asbestos.

Accounting for Uncertainty in Income Taxes

During the first quarter of 2007, we adopted FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48), which supplements SFAS No. 109 "Accounting for Income Taxes" (SFAS No. 109), by defining the confidence level that a tax position must meet in order to be recognized in the financial statements. FIN 48 requires that the tax effect(s) of a position be recognized only if it is "more-likely-than-not" to be sustained based solely on its technical merits as of the reporting date. The more-likely-than-not threshold represents a positive assertion by management that a company is entitled to the economic benefits of a tax position. If a tax position is not considered more-likely-than-not to be sustained based solely on its technical merits, no benefits of the tax position are to be recognized. The more-likely-than-not threshold must continue to be met in each reporting period to support continued recognition of a benefit. With the adoption of FIN 48, companies are required to adjust their financial statements to reflect only those tax positions that are more-likely-than-not to be sustained. Any necessary adjustment would be recorded directly to retained earnings and reported as a change in accounting principle. We adopted FIN 48 as of January 1, 2007, and recorded an increase to Retained earnings of $137 million as a cumulative effect of a change in accounting principle with a corresponding decrease to the liability for uncertain tax positions. Refer to Note 18 for more information regarding the impact of adopting FIN 48.

Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans

We recognized the funded status of our benefit plans at December 31, 2006 in accordance with the recognition provisions of SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans" (SFAS No. 158). Additionally, we elected to adopt early the measurement date provisions of SFAS No. 158 at January 1, 2007. Those provisions require the measurement date for plan assets and liabilities to coincide with the sponsor's year end. Refer to Note 15.

Accounting Standards Not Yet Adopted

Fair Value Measurements

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" (SFAS No. 157) which provides a consistent definition of fair value which focuses on exit price and prioritizes, within a measurement of fair value, the use of market-based inputs over entity-specific inputs. SFAS No. 157 requires expanded disclosures about fair value measurements and establishes a three-level hierarchy for fair value measurements based on the transparency of inputs to the valuation of an asset or liability as of the measurement date. The standard also requires that a company use its own nonperformance risk when measuring liabilities carried at fair value, including derivatives. In February 2008, the FASB approved a FASB Staff Position (FSP) that permits companies to partially defer the effective date of SFAS No. 157 for one year for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis. The FSP did not permit companies to defer recognition and disclosure requirements for financial assets and financial liabilities or for nonfinancial assets and nonfinancial liabilities that are remeasured at least annually. SFAS No. 157 is effective for financial assets and financial liabilities and for nonfinancial assets and nonfinancial liabilities that are remeasured at least annually for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The provisions of SFAS No. 157 will be applied prospectively. We intend to defer adoption of SFAS No. 157 for one year for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis. We are currently evaluating the effects, if any, that SFAS No. 157 may have on our financial condition and results of operations.

Fair Value Option for Financial Assets and Financial Liabilities

In February 2007, the FASB issued SFAS No. 159 "The Fair Value Option for Financial Assets and Financial Liabilities — including an Amendment of SFAS No. 115" (SFAS No. 159), which permits an entity to measure certain financial assets and financial liabilities at fair value that are not currently required to be measured at fair value. Entities that elect the fair value option will report unrealized gains

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

and losses in earnings at each subsequent reporting date. The fair value option may be elected on an instrument-by-instrument basis, with few exceptions. SFAS No. 159 amends previous guidance to extend the use of the fair value option to available-for-sale and held-to-maturity securities. The Statement also establishes presentation and disclosure requirements to help financial statement users understand the effect of the election. SFAS No. 159 is effective as of the beginning of the first fiscal year beginning after November 15, 2007. We do not expect the adoption of this standard to have a material impact on our financial condition and results of operations.

Accounting for Nonrefundable Payments for Goods or Services to Be Used in Future Research and Development Activities

In June 2007, the FASB ratified Emerging Issue Task Force (EITF) Issue No. 07-3, "Accounting for Nonrefundable Payments for Goods or Services to Be Used in Future Research and Development Activities" (EITF 07-3), requiring that nonrefundable advance payments for future research and development activities be deferred and capitalized. Such amounts should be expensed as the related goods are delivered or the related services are performed. The Statement is effective for fiscal years beginning after December 15, 2007. Management estimates that upon adoption, this guidance will not have a material effect on our financial condition and results of operations.

Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards

In June 2007, the FASB ratified EITF Issue No. 06-11, "Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards" (EITF 06-11), which requires entities to record to additional paid in capital the tax benefits on dividends or dividend equivalents that are charged to retained earnings for certain share-based awards. In a share-based payment arrangement, employees may receive dividends or dividend equivalents on awards of nonvested equity shares, nonvested equity share units during the vesting period, and share options until the exercise date. Generally, the payment of such dividends can be treated as deductible compensation for tax purposes. The amount of tax benefits recognized in additional paid-in capital should be included in the pool of excess tax benefits available to absorb tax deficiencies on share-based payment awards. EITF 06-11 is effective for fiscal years beginning after December 15, 2007, and interim periods within those years. Management estimates that upon adoption, this guidance will not have a material effect on our financial condition and results of operations.

Business Combinations

In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations" (SFAS No. 141(R)) which retained the underlying concepts of SFAS No. 141 in that all business combinations are still required to be accounted for at fair value under the acquisition method of accounting but SFAS No. 141(R) changed the method of applying the acquisition method in a number of significant aspects. SFAS No. 141(R) will require that: (1) for all business combinations, the acquirer records all assets and liabilities of the acquired business, including goodwill, generally at their fair values; (2) certain contingent assets and liabilities acquired be recognized at their fair values on the acquisition date; (3) contingent consideration be recognized at its fair value on the acquisition date and, for certain arrangements, changes in fair value will be recognized in earnings until settled; (4) acquisition-related transaction and restructuring costs be expensed rather than treated as part of the cost of the acquisition and included in the amount recorded for assets acquired; (5) in step acquisitions, previous equity interests in an acquiree held prior to obtaining control be re-measured to their acquisition-date fair values, with any gain or loss recognized in earnings; and (6) when making adjustments to finalize initial accounting, companies revise any previously issued post-acquisition financial information in future financial statements to reflect any adjustments as if they had been recorded on the acquisition date. SFAS No. 141(R) is effective on a prospective basis for all business combinations for which the acquisition date is on or after the beginning of the first annual period subsequent to December 15, 2008, with the exception of the accounting for valuation allowances on deferred taxes and acquired tax contingencies. SFAS No. 141(R) amends SFAS No. 109 such that adjustments made to valuation allowances on deferred taxes and acquired tax contingencies associated with acquisitions that closed prior to the effective date of this statement should also apply the provisions of SFAS No. 141(R). This standard will be applied to all future business combinations.

Noncontrolling Interests in Consolidated Financial Statements

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements, an Amendment of ARB 51" (SFAS No. 160) which amends ARB 51 to establish new standards that will govern the accounting for and reporting of

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

noncontrolling interests in partially owned consolidated subsidiaries and the loss of control of subsidiaries. Also, SFAS No. 160 requires that: (1) noncontrolling interest, previously referred to as minority interest, be reported as part of equity in the consolidated financial statements; (2) losses be allocated to the noncontrolling interest even when such allocation might result in a deficit balance, reducing the losses attributed to the controlling interest; (3) changes in ownership interests be treated as equity transactions if control is maintained; and, (4) upon a loss of control, any gain or loss on the interest sold be recognized in earnings. SFAS No. 160 is effective on a prospective basis for all fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008, except for the presentation and disclosure requirements, which will be applied retrospectively. We are currently evaluating the effects, if any, that SFAS No. 160 may have on our financial condition and results of operations.

Note 3. Acquisition and Disposal of Businesses

Sale of Allison Transmission Business

In August 2007, we completed the sale of the commercial and military operations of our Allison Transmission (Allison) business. The negotiated purchase price of $5.6 billion in cash plus assumed liabilities was paid on closing. The purchase price was subject to adjustment based on the amount of Allison's net working capital and debt on the closing date, which resulted in an adjusted purchase price of $5.4 billion. A gain on the sale of Allison in the amount of $5.3 billion, $4.3 billion after-tax, inclusive of the final purchase price adjustments, was recognized in 2007. Allison, formerly a division of our Powertrain Operations, is a global leader in the design and manufacture of commercial and military automatic transmissions and a premier global provider of commercial vehicle automatic transmissions for on-highway, including trucks, specialty vehicles, buses and recreational vehicles, off-highway and military vehicles, as well as hybrid propulsion systems for transit buses. We retained the Powertrain Operations' facility near Baltimore, which manufactures automatic transmissions primarily for our trucks and hybrid propulsion systems.

The results of operations and cash flows of Allison have been reported in the consolidated financial statements as discontinued operations for all periods presented. Historically, Allison was reported within GMNA in the Automotive business.

The following table summarizes the results of discontinued operations:

	Year Ended December 31,		
	2007	2006	2005
	(Dollars in millions)		
Net sales	$ 1,225	$ 2,142	$ 1,750
Income from discontinued operations before income taxes	$ 404	$ 706	$ 489
Income tax provision	$ 148	$ 261	$ 176
Income from discontinued operations, net of tax	$ 256	$ 445	$ 313
Gain on sale of discontinued operations, net of tax	$ 4,309	$ —	$ —

As part of the transaction, we entered into an agreement with the buyers of Allison whereby we may provide the new parent company of Allison with contingent financing of up to $100 million. Such financing would be made available if, during a defined period of time, Allison was not in compliance with its financial maintenance covenant under a separate credit agreement. Such GM financing would be contingent on the stockholders of the new parent company of Allison committing to provide an equivalent amount of funding to Allison, either in the form of equity or a loan, and, if a loan, such loan would be granted on the same terms as the GM financing. This commitment expires on December 31, 2010. The new parent company of Allison did not borrow against this facility in 2007. Additionally, both parties have entered into non-compete arrangements for a term of 10 years in the United States and for a term of five years in Europe.

Sale of 51% Controlling Interest in GMAC

In November 2006, we completed the sale of a 51% controlling interest in GMAC (GMAC Transaction) for a purchase price of $7.4 billion to FIM Holdings LLC (FIM Holdings). FIM Holdings is a consortium of investors including Cerberus FIM Investors LLC, Citigroup Inc., Aozora Bank Limited, and a subsidiary of The PNC Financial Services Group, Inc. We retained a 49% interest in GMAC's

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Common Membership Interests. In addition, FIM Holdings purchased 555,000 of GMAC's Preferred Membership Interests for a cash purchase price of $500 million, and we purchased 1,555,000 Preferred Membership Interests for a cash purchase price of $1.4 billion. The total value of the cash proceeds and distributions to us after repayment of certain intercompany obligations, and before we purchased the Preferred Membership Interests of GMAC was expected to be $14 billion over three years, comprised of the $7.4 billion purchase price and a $2.7 billion cash dividend at closing, and other transaction related cash flows including the monetization of certain retained assets. In January 2007, we made a capital contribution to GMAC of $1 billion to restore its adjusted tangible equity balance to the contractually required amount due to the decrease in the adjusted tangible equity balance of GMAC as of November 30, 2006.

Prior to consummation of the transaction: (1) certain assets with respect to automotive leases owned by GMAC and its affiliates having a net book value of $4 billion and related deferred tax liabilities of $1.8 billion were transferred to us; (2) we assumed or retained certain of GMAC's postemployment benefit obligations totaling $842 million and related deferred tax assets of $302 million; (3) GMAC transferred to us certain entities that hold a fee interest in certain real properties; (4) GMAC paid cash dividends to us based upon GMAC's anticipated net income for the period September 30, 2005 to November 30, 2006 totaling $1.9 billion; (5) we repaid certain indebtedness owing to GMAC and specified intercompany unsecured obligations owing to GMAC; and (6) GMAC made a one-time distribution to us of $2.7 billion of cash to reflect the increase in GMAC's equity resulting from the transfer of a portion of GMAC's net deferred tax liabilities arising from the conversion of GMAC and certain of its subsidiaries to limited liability company form.

In accordance with the terms of the sale agreement, in the second quarter of 2006, we settled our estimated outstanding liability with respect to a residual support and risk sharing agreement that was in place with GMAC related to certain operating lease portfolios for $1.4 billion. Under this arrangement, the customer's contractual residual value was set above GMAC's standard residual values. We reimbursed GMAC to the extent that remarketing sales proceeds were less than the customer's contractual residual value limited to GMAC's standard residual sales value. We also participated in a risk sharing arrangement whereby we shared equally in residual losses to the extent that remarketing proceeds were below GMAC standard residual values limited to a floor. The amount of the liability we previously recorded amounted to $1.8 billion, resulting in a gain on settlement of $390 million. We recognized $252 million of the gain in 2006 with the remainder reflected as a deferred gain which will be recognized in future periods as the leases terminate.

We recognized a non-cash impairment charge of $2.9 billion in Other expenses in 2006. The charge is comprised of the write-down of the carrying value of GMAC assets that were sold on November 30, 2006, partially offset by the realization of 51% of the unrecognized net gains reflected in GMAC's other comprehensive income.

For the eleven months ended November 30, 2006, GMAC's earnings and cash flows are fully consolidated in our consolidated statements of operations and consolidated statements of cash flows. After November 30, 2006, our remaining 49% interest in GMAC's common membership interests is reflected as an equity method investment. Also, our interest in GMAC's preferred membership interests is reflected as a cost method investment. Refer to Note 11.

As part of the agreement, we retained an option, for 10 years after the closing date, to repurchase from GMAC certain assets related to the automotive finance business of the North American Operations and International Operations of GMAC. Our exercise of the option is conditional on our credit rating being investment grade or higher than GMAC's credit rating. The call option price is calculated as the higher of: (1) fair market value, or (2) 9.5 times the consolidated net income of GMAC's automotive finance business in either the calendar year the call option is exercised or the calendar year immediately following the year the call option is exercised. No value was assigned to this fair value option.

We entered into a number of agreements with GMAC that were intended to continue the mutually-beneficial global relationship between us and GMAC. These agreements, in substance, were consistent with the existing and historical practices between us and GMAC, including requiring GMAC to continue to allocate capital to automotive financing thereby continuing to provide critical financing support to a significant share of our global sales. While GMAC retains the right to make individual credit decisions, GMAC has committed to fund a broad spectrum of customers and dealers consistent with historical practice in the relevant jurisdiction. Subject to GMAC's fulfillment of certain conditions, we have granted GMAC exclusivity for U.S., Canadian, and international GM-sponsored consumer and wholesale marketing incentives for our products in specified markets around the world, with the exception of Saturn branded products. Refer to Note 27 for additional information concerning these ongoing arrangements.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Sale of GMAC Commercial Mortgage

In March 2006, through GMAC, we sold 79% of our equity in GMAC Commercial Mortgage for $1.5 billion in cash. Subsequent to the sale, the remaining interest in GMAC Commercial Mortgage is reflected using the equity method.

Sale of Electro-Motive Division

In April 2005, we completed the sale of our Electro-Motive Division (EMD) to an investor group led by Greenbriar Equity Group LLC and Berkshire Partners LLC for total consideration of $201 million. The sale covered substantially all of the EMD businesses and both the LaGrange, Illinois and London, Ontario manufacturing facilities. This transaction did not have a material effect on our consolidated financial position or results of operations.

Acquisition of GM Daewoo Auto & Technology Company

In February 2005, we completed the purchase of 16.6 million newly-issued shares of common stock in GM Daewoo Auto & Technology Company (GM Daewoo) for $49 million, which increased our ownership in GM Daewoo to 48.2% from 44.6%. No other shareholders in GM Daewoo participated in the issue. In June 2005, we purchased from Suzuki Motor Corporation (Suzuki) 6.9 million shares of outstanding common stock in GM Daewoo for $21 million. This increased our ownership in GM Daewoo to 50.9%. Accordingly, we began consolidating the operations of GM Daewoo in June 2005.

The pro forma unaudited impact on Automotive sales had we consolidated GM Daewoo for the full year in 2005 would have been an increase to revenue of $2.8 billion. The pro forma effect on Net income (loss) is not significant compared to equity income recognized.

Note 4. Marketable Securities

Marketable securities we hold are classified as available-for-sale, except for certain mortgage-related securities, which are classified as held-to-maturity. Unrealized gains and losses, net of related income taxes, for available-for-sale securities are included as a separate component of stockholders' equity. We determine cost on the specific identification basis.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Investments in marketable securities are as follows:

	December 31, 2007				December 31, 2006			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost	Unrealized Gains	Unrealized Losses	Fair Value
	(Dollars in millions)							
Automotive								
Available for sale:								
Corporate debt securities and other	$ 1,278	$ 3	$ 9	$ 1,272	$ 122	$ —	$ —	$ 122
United States government and agencies	559	12	—	571	13	—	—	13
Mortgage-backed securities	296	2	2	296	3	—	—	3
Total Automotive	2,133	17	11	2,139	138	—	—	138
Financing and Insurance Operations								
Available for sale:								
United States government and agencies	1	—	—	1	—	—	—	—
Foreign government securities	20	1	—	21	—	—	—	—
Mortgage and asset-backed securities	33	—	—	33	—	—	—	—
Corporate debt securities and other	74	2	1	75	98	—	4	94
Subtotal	128	3	1	130	98	—	4	94
Mortgage-backed securities held-to-maturity	84	1	—	85	93	1	—	94
Total Financing and Insurance Operations	212	4	1	215	191	1	4	188
Total consolidated	$ 2,345	$ 21	$ 12	$ 2,354	$ 329	$ 1	$ 4	$ 326

Proceeds from sales of marketable securities totaled $955 million, $7.9 billion and $20.4 billion in 2007, 2006 and 2005, respectively. The gross gains related to sales of marketable securities were $10 million, $1.1 billion and $223 million in 2007, 2006, and 2005, respectively. The gross losses related to sales of marketable securities were $4 million, $105 million and $132 million in 2007, 2006 and 2005, respectively.

The amortized cost and fair value of investments in available-for-sale securities by contractual maturity at December 31, 2007 are as follows:

	Automotive		Financing and Insurance	
Contractual Maturity	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(Dollars in millions)			
1 year	$ 875	$ 874	$ 16	$ 17
2-5 years	878	880	14	14
6-10 years	126	131	36	37
11 years and thereafter	254	254	62	62
Total	$ 2,133	$ 2,139	$ 128	$ 130

On a monthly basis, we evaluate whether unrealized losses related to investments in debt and equity securities are temporary in nature. Factors considered in determining whether a loss is temporary include the length of time and extent to which the fair value has been below cost, the financial condition and near-term prospects of the issuer and our ability and intent to hold the investment for a period of time sufficient to allow for any anticipated recovery. If losses are determined to be other-than-temporary, the investment carrying amount is considered impaired and adjusted to fair value. We recorded an other-than-temporary impairment of $72 million on certain marketable securities in 2007.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The fair value and gross unrealized losses of investments in an unrealized loss position that are not deemed to be other-than-temporarily impaired are summarized in the following table.

	December 31, 2007			
	Less than 12 Months		12 Months or Longer	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(Dollars in millions)			
Automotive				
Corporate debt securities and other	$ 483	$ 9	$ 3	$ —
Mortgage-backed securities	88	2	—	—
Total	$ 571	$ 11	$ 3	$ —

	December 31, 2007			
	Less than 12 Months		12 Months or Longer	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(Dollars in millions)			
Financing and Insurance Operations				
Corporate debt securities and other	$ 1	$ —	$ 31	$1
Total	$ 1	$ —	$ 31	$1

	December 31, 2006	
	Less than 12 Months	
	Fair Value	Unrealized Losses
	(Dollars in millions)	
Financing and Insurance Operations		
Corporate debt securities and other	$ 94	$ 4
Total	$ 94	$ 4

In addition, we hold a strategic 3.7% stake in Suzuki that is recorded in Other Assets at its fair value of $492 million and $460 million as of December 31, 2007 and 2006, respectively. Our cost basis in this investment is $236 million. As discussed in Note 8, we also hold an investment in GMAC Preferred Membership Interests that is recorded in Other Assets at $1 billion and $1.6 billion as of December 31, 2007 and 2006, respectively. The fair value of this investment is $933 million and $1.6 billion as of December 31, 2007 and 2006, respectively.

Note 5. Finance Receivables and Securitizations

We generate receivables from our sales of vehicles to our dealer network domestically, as well as from service parts and powertrain sales. Certain of these receivables are sold to a wholly-owned bankruptcy-remote Special Purpose Entity (SPE). The SPE is a separate legal entity that assumes risks and rewards of ownership of the receivables. In turn, the SPE participates in a trade accounts receivable securitization program whereby it enters into an agreement to sell undivided interests in an eligible pool of trade receivables limited to $600 million and $850 million in 2007 and 2006, respectively, directly to banks and to a bank conduit, which funds its purchases through issuance of commercial paper. The receivables under the program are sold at fair market value and removed from our consolidated balance sheet at the time of sale. The loss recorded on the trade receivables sold, included in Automotive cost of sales, was $2 million, $30 million and $23 million in 2007, 2006 and 2005, respectively. As of December 31, 2007, the banks and the bank conduit had no beneficial interest in the SPE's pool of eligible trade receivables. As of December 31, 2006, the banks and the bank conduit had a beneficial interest of $200 million in the SPE's pool of eligible trade receivables. We do not have a retained interest in the receivables sold or provide any guarantees or other credit enhancements, but perform collection and administrative functions. The gross amount of proceeds from collections reinvested in revolving securitizations was $600 million, $9 billion and $12.8 billion in 2007, 2006, and 2005 respectively.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

In addition to this securitization program, we participate in other trade receivable securitization programs, primarily in Europe. Financing providers had a beneficial interest in our pool of eligible European receivables of $87 million and $109 million as of December 31, 2007 and 2006, respectively, related to those securitization programs.

Since April 2006, certain other trade accounts receivables related to vehicle sales to dealers primarily in the Middle East are pledged as collateral under an on-balance sheet securitized borrowing program. The receivables pledged are not reported separately from other trade accounts receivables on the consolidated balance sheet. The amount of receivables pledged under this program was $215 million and $300 million, as of December 31, 2007 and 2006, respectively. Such amounts are also reported as short-term borrowings.

Securitizations of Finance Receivables and Mortgage Loans

Prior to the consummation of the GMAC Transaction, GMAC transferred to us two bankruptcy-remote subsidiaries, which function as SPEs that hold the equity interests in ten trusts that are parties to lease asset securitizations. The balance of lease securitization debt under these two SPEs was $4.8 billion and $9.4 billion as of December 31, 2007 and 2006, respectively.

With the completion of the GMAC Transaction in 2006, GMAC's finance receivables are no longer part of our consolidated balance sheet. Below is information on GMAC finance receivables for the eleven months ended November 30, 2006 and the year ended December 31, 2005.

GMAC sold retail finance receivables, wholesale and dealer loans, and residential mortgage loans. The following discussion and related information is only applicable to the transfers of finance receivables and loans that qualified as off-balance sheet securitizations under the requirements of SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities — a replacement of FASB Statement 125" (SFAS No. 140).

GMAC retained servicing responsibilities for and subordinated interests in all of its securitizations of retail finance receivables and wholesale loans. Servicing responsibilities were retained for the majority of its residential and commercial mortgage loan securitizations and GMAC retained subordinated interests in some of these securitizations. GMAC also held subordinated interests and acted as collateral manager in its collateralized debt obligation (CDO) securitization program.

As servicer, GMAC received a monthly fee stated as a percentage of the outstanding sold receivables. Typically, for retail automotive finance receivables where GMAC was paid a fee, it concluded that the fee represents adequate compensation as a servicer and, as such, no servicing asset or liability was recognized. Considering the short-term revolving nature of wholesale loans, no servicing asset or liability was recognized upon securitization of the loans. As of December 31, 2005, the weighted average basic servicing fees for its primary servicing activities were 100 basis points, 100 basis points and 40 basis points of the outstanding principal balance for sold retail finance receivables, wholesale loans, residential mortgage loans and commercial mortgage loans, respectively. Additionally, GMAC retained the rights to cash flows remaining after the investors in most securitization trusts have received their contractual payments. In certain retail securitization transactions, retail receivables were sold on a servicing retained basis, but with no servicing compensation and, as such, a servicing liability was established and recorded in Other liabilities.

For mortgage servicing, GMAC capitalizes the value expected to be realized from performing specified residential and commercial mortgage servicing activities as mortgage servicing rights.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The following tables summarize gains on securitizations and certain cash flows received from and paid to securitization trusts for transfers of finance receivables and loans that were completed during the eleven months ended November 30, 2006, and the year ended December 31, 2005:

	Eleven Months Ended November 30, 2006		
	Retail Finance Receivables	Wholesale Loans	Mortgage Residential
	(Dollars in millions)		
Pre-tax gains on securitizations	$ —	$ 551	$ 731
Cash inflow information:			
Proceeds from new securitizations	$ 3,315	$ —	$ 56,510
Servicing fees received	$ —	$ 166	$ 435
Other cash flows received on retained interests	$ 308	$ 28	$ 534
Proceeds from collections reinvested in revolving securitizations	$ —	$ 89,385	$ —
Repayments of servicing advances	$ 3	$ —	$ 1,065
Cash outflow information:			
Servicing advances	$ (48)	$ —	$ (1,125)
Purchase obligations and options:			
Mortgage loans under conditional call option	$ —	$ —	$ (20)
Representations and warranties obligations	$ —	$ —	$ (37)
Administrator or servicer actions	$ (5)	$ —	$ (56)
Asset performance conditional calls	$ —	$ —	$ (47)
Clean-up calls	$ (242)	$ —	$ (1,099)

	Year Ended December 31, 2005				
	Retail Finance Receivables	Wholesale Loans	Mortgage Loans		Commercial Mortgage Securities
			Residential	Commercial	
	(Dollars in millions)				
Pre-tax gains (losses) on securitizations	$ (2)	$ 543	$ 513	$ 68	$ 8
Cash inflow information:					
Proceeds from new securitizations	$ 4,874	$ 7,705	$ 41,987	$ 3,990	$ 741
Servicing fees received	$ 65	$ 179	$ 245	$ 21	$ —
Other cash flows received on retained interests	$ 249	$ 503	$ 583	$ 262	$ 42
Proceeds from collections reinvested in revolving securitizations	$ —	$ 102,306	$ —	$ —	$ —
Repayments of servicing advances	$ 43	$ —	$ 1,115	$ 198	$ —
Cash outflow information:					
Servicing advances	$ (46)	$ —	$ (1,163)	$ (188)	$ —
Purchase obligations and options:					
Mortgage loans under conditional call option	$ —	$ —	$ (9)	$ —	$ —
Representations and warranties obligations	$ —	$ —	$ (29)	$ —	$ —
Administrator or servicer actions	$ (76)	$ —	$ —	$ —	$ —
Asset performance conditional calls	$ —	$ —	$ (99)	$ —	$ —
Clean-up calls	$ (715)	$ —	$ (2,202)	$ —	$ —

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Key economic assumptions used in measuring the estimated fair value of retained interests of sales completed during the eleven months ended November 30, 2006 and the year ended December 31, 2005, as of the dates of such sales, were as follows:

	Eleven Months Ended November 30, 2006		Year Ended December 31, 2005			
	Retail Finance Receivables (a)	Residential Mortgage Loans (b)	Retail Finance Receivables (a)	Mortgage Loans		Commercial Mortgage Securities
				Residential (b)	Commercial	
Key assumptions(c) (rates per annum):						
Annual prepayment rate(d)	0.9-1.7%	0.0-90.0%	0.9-1.2%	0.0-60.0%	0.0-50.0%	0.0%
Weighted average life (in years)	1.4-1.5	1.1-7.2	1.6-1.7	1.1-8.5	0.3-8.6	5.9-9.9
Expected credit losses	0.4-1.0	0.0-18.3	0.4-1.6	0.0-4.9	0.0	0.0
Discount rate	9.5-16.0%	7.0-25.0%	9.5-15.0%	6.5-21.4%	4.2-10.7%	10.0-12.0%

(a) The fair value of retained interests in wholesale securitizations approximates cost because of the short-term and floating rate nature of wholesale loans.
(b) Included within residential mortgage loans are home equity loans and lines, high loan-to-value loans, and residential first and second mortgage loans.
(c) The assumptions used to measure the expected yield on variable rate retained interests are based on a benchmark interest rate yield curve plus a contractual spread, as appropriate. The actual yield curve utilized varies depending on the specific retained interests.
(d) Based on the weighted average maturity for finance receivables and constant prepayment rate for mortgage loans and commercial mortgage securities.

We hedge interest rate and prepayment risks associated with certain of the retained interests; the effects of such hedge strategies have not been considered herein. Expected static pool net credit losses include actual incurred losses plus projected net credit losses divided by the original balance of the outstandings comprising the securitization pool. The table below displays the expected static pool net credit losses based on our securitization transactions.

	Loans Securitized In Periods Ended December 31,(a)	
	2006(b)	2005
Retail automotive	0.7%	0.6%
Residential mortgage	0.0-12.8%	0.0-16.9%
Commercial mortgage	—	0.0-3.4%
Commercial investment securities	—	0.0-6.7%

(a) Static pool losses not applicable to wholesale finance receivable securitizations because of their short-term nature.
(b) Represents eleven months ended November 30, 2006.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Note 6. Inventories

Inventories are comprised of the following:

	December 31, 2007	December 31, 2006
	(Dollars in millions)	
Productive material, work in process, and supplies	$ 6,267	$ 5,810
Finished product, including service parts, etc.	10,095	9,619
Total inventories at FIFO	16,362	15,429
Less LIFO allowance	(1,423)	(1,508)
Total automotive inventories, less allowances	14,939	13,921
FIO off-lease vehicles, included in FIO Other assets	254	185
Total consolidated inventories, less allowances	$ 15,193	$ 14,106

Inventories are stated at cost, which is not in excess of market. The cost of 50% of U.S. inventories is determined by the last-in, first-out (LIFO) method. The cost of all other inventories is determined by either the first-in, first-out (FIFO) or average cost methods.

During 2007 and 2006, U.S. LIFO eligible inventory quantities were reduced. This reduction resulted in a liquidation of LIFO inventory quantities carried at lower costs prevailing in prior years as compared with the cost of 2007 and 2006 purchases, the effect of which decreased Automotive cost of sales by approximately $100 million and $50 million in 2007 and 2006, respectively.

Note 7. Equipment on Operating Leases, net

Information related to Assets leased to others and accumulated depreciation is as follows:

	December 31, 2007	December 31, 2006
	(Dollars in millions)	
Automotive		
Equipment on operating leases	$ 5,798	$ 6,629
Less accumulated depreciation	(515)	(504)
Net book value	5,283	6,125
Financing and Insurance Operations		
Equipment on operating leases	9,313	14,909
Less accumulated depreciation	(2,601)	(3,115)
Net book value	6,712	11,794
Total consolidated net book value	$ 11,995	$ 17,919

The lease payments to be received related to Equipment on operating leases, net maturing in each of the five years following December 31, 2007, are as follows: Auto — none, as the payment is received at lease inception and the revenue is deferred over the lease period; FIO — $1.2 billion, $477 million and $51 million maturing in 2008, 2009 and 2010, respectively. There are no leases maturing after 2010.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Note 8. Investment in Nonconsolidated Affiliates

Our nonconsolidated affiliates are those entities in which we own an equity interest and for which we use the equity method of accounting, because we have the ability to exert significant influence over decisions relating to their operating and financial affairs. Our significant affiliates, and the percent of our equity ownership or voting interest in them include the following:

- GMAC (49% at December 31, 2007 and 2006)
- Shanghai General Motors Co., Ltd (50% at December 31, 2007, 2006 and 2005)
- SAIC-GM-Wuling Automobile Co., Ltd (34% at December 31, 2007, 2006 and 2005)
- Suzuki (20.4% at December 31, 2005)

Investment in GMAC

Summarized financial information for GMAC as of December 31, 2007 and 2006 and the year ended December 31, 2007 is presented in the tables below:

Results of Operations

	Year Ended December 31, 2007
	(Dollars in millions)
Total financing revenue	$ 21,187
Interest expense	$ 14,776
Depreciation expense on operating lease assets	$ 4,915
Total other revenue	$ 10,303
Total non interest expense	$ 10,645
Loss before income tax expense	$ (1,942)
Income tax expense	$ 390
Net loss	$ (2,332)

Financial Position

	December 31,	
	2007	2006
	(Dollars in millions)	
Loans held for sale	$ 20,559	$ 27,718
Total finance receivables and loans, net	$ 124,759	$ 170,870
Investment in operating leases, net	$ 32,348	$ 24,184
Other assets	$ 27,026	$ 23,496
Total assets	$ 247,710	$ 287,439
Total debt	$ 193,148	$ 236,985
Accrued expenses and deposits and other liabilities	$ 27,484	$ 22,659
Total liabilities	$ 232,145	$ 270,875
Redeemable preferred membership interests	$ —	$ 2,195
Total equity	$ 15,565	$ 14,369
Total liabilities, preferred interests and equity	$ 247,710	$ 287,439

Our investment in GMAC was $7.1 billion and $7.5 billion at December 31, 2007 and 2006, respectively.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

As discussed in Note 3, we sold a 51% ownership interest in GMAC in November 2006. As such, our remaining 49% ownership interest is accounted for under the equity method. In addition, we purchased 1,555,000 Preferred Membership Interests for a cash purchase price of $1.4 billion, which are included within Other Assets in our consolidated balance sheet. Refer to Note 11.

The investment in GMAC Preferred Membership Interests, a cost method investment, was initially recorded at fair value at the date of its acquisition. The excess of fair value over the purchase price of the Preferred Membership Interests reduced our investment in GMAC Common Membership Interests. GMAC is required to make certain quarterly distributions to holders of the Preferred Membership Interests in cash on a pro rata basis. The Preferred Membership Interests are issued in units of $1,000 and accrue a yield at a rate of 10% per annum. GMAC's Board of Managers (GMAC Board) may reduce any distribution to the extent required to avoid a reduction of the equity capital of GMAC below a minimum amount of equity capital equal to the net book value of GMAC at November 30, 2006. In addition, the GMAC Board may suspend the payment of Preferred Membership Interest distributions with the consent of a majority of the Preferred Membership Interests. If distributions are not made with respect to any fiscal quarter, the distributions would not be cumulative. If the accrued yield of GMAC's Preferred Membership Interests for any fiscal quarter is fully paid to the preferred holders, then a portion of the excess of the net financial book income of GMAC in any fiscal quarter over the amount of yield distributed to the holders of the Preferred Membership Interests in such quarter will be distributed to the holders of the Common Membership Interests as follows: at least 40% of the excess will be paid for fiscal quarters ending prior to December 31, 2008 and at least 70% of the excess will be paid for fiscal quarters ending after December 31, 2008.

In November 2007, we converted 533,236 of our Preferred Membership Interests and FIM Holdings converted 555,000 of its Preferred Membership Interests into 3,912 and 4,072, respectively, of Common Membership Interests in order to strengthen GMAC's capital position. The percentage ownership of the Common Membership Interests in GMAC remained unchanged after the conversion. We accounted for the conversion at fair value and recorded a loss of $27 million during 2007. The loss on conversion represents the difference between the fair value and the carrying value of the Preferred Membership Interests converted. GMAC accounted for the conversion of the Preferred Membership Interests as a recapitalization recorded at book value. Our proportionate share of the increase in GMAC's net equity attributable to Common Membership Interest holders as a result of the conversion exceeded the fair value of the Preferred Membership Interests we converted by $27 million. The difference was recorded as an increase to Additional paid-in capital in 2007. At December 31, 2007, we hold the remaining 1,021,764 of Preferred Membership Interests and 49% or 52,912 of Common Membership Interests in GMAC.

We periodically evaluate the carrying value of our investment in GMAC, including our Preferred Membership Interests, to assess whether our investment is impaired. We currently believe our investment in GMAC is not impaired. However, there are many economic factors which are unstable at December 31, 2007, which may affect GMAC's ability to generate sustainable earnings and continue distributions on its Preferred Membership Interests and, accordingly, our assessment of impairment. These factors include:

- The instability of the global credit and mortgage markets and its effect on GMAC's Residential Capital, LLC (ResCap) subsidiary as well as its automotive finance, insurance and other operations;
- The deteriorating conditions in the residential and home building markets, including significant changes in the mortgage secondary market, tightening underwriting guidelines and reduced product offerings;
- Recent credit downgrades of GMAC and ResCap and the effect on their ability to raise capital necessary on acceptable terms; and
- Effect of the expected near-term automotive market conditions on GMAC's automotive finance operations.

As a result of deteriorating conditions in the residential and home building markets, recent credit downgrades of its unsecured debt obligations and significant year-to-date losses of its residential mortgage business, GMAC conducted an interim goodwill impairment test during the third quarter of 2007. GMAC concluded that the carrying amount of the reporting unit, including goodwill, exceeded its fair value and recorded an impairment loss of $455 million. Our share of the impairment loss decreased our investment in GMAC by $223 million at December 31, 2007 and is included in Equity in loss of GMAC LLC for 2007.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Prior to the GMAC Transaction in November 2006, GMAC recognized a gain of $415 million on the sale of its entire equity interest in a regional home builder, which was recorded in Automotive interest income and other non-operating income in the consolidated statements of operations. Under the equity method of accounting, GMAC's share of income recorded from this investment was $42 million and $35 million in 2006 and 2005, respectively.

Investment in Other Nonconsolidated Affiliates

Information regarding our remaining significant nonconsolidated affiliates, excluding GMAC, is presented in the table below:

	2007	2006	2005
	(Dollars in millions)		
Book value of our investments in affiliates	$ 811	$ 851	$ 2,398
Our share of affiliates' net income	$ 382	$ 327	$ 475
Total assets of significant affiliates	$ 6,441	$ 4,828	$ 19,419
Total liabilities of significant affiliates	$ 4,096	$ 2,951	$ 9,646

Investment in Suzuki

In 2006, we sold 92.4 million shares of our investment in Suzuki, reducing our equity stake in Suzuki from 20.4% to 3.7% (16.3 million shares). The sale of our interest generated cash proceeds of $2 billion and a gain on sale of $666 million, which was recorded in Automotive interest income and other non-operating income in the consolidated statement of operations. Effective with completion of the sale, our remaining investment in Suzuki is accounted for as an available-for-sale equity security. Refer to Note 4.

Investment in Fuji Heavy Industries (FHI)

In the fourth quarter of 2005, we completed the sale of our 20.1% investment in the common stock of FHI. In the second quarter of 2005, we recorded an impairment charge of $812 million associated with our investment in the common stock of FHI. In the fourth quarter of 2005, we recorded a gain of $78 million, due to the appreciation of the fair value of such stock after June 30, 2005, the date of the FHI impairment charge. The sale generated net proceeds of $775 million.

Note 9. Property — Net

Property — net is comprised of the following:

	Estimated Useful Lives (Years)	December 31, 2007	December 31, 2006
		(Dollars in millions)	
Automotive			
Land	—	$ 1,222	$ 1,235
Buildings and land improvements	2-40	19,127	18,535
Machinery and equipment	3-30	51,687	51,017
Construction in progress	—	4,439	3,396
Real estate, plants, and equipment		76,475	74,183
Less accumulated depreciation		(44,474)	(43,440)
Real estate, plants, and equipment — net		32,001	30,743
Special tools — net	1-10	11,016	11,191
Total property — net		$ 43,017	$ 41,934

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Depreciation, impairment and amortization expense is as follows:

	Years Ended December 31,		
	2007	2006	2005
	(Dollars in millions)		
Automotive			
Depreciation and impairment	$ 4,937	$ 4,575	$ 5,470
Amortization and impairment of special tools	3,243	3,450	4,498
Amortization of intangible assets	74	69	68
Total	8,254	8,094	10,036
Financing and Insurance Operations			
Depreciation (a)	1,259	2,776	5,680
Amortization of intangible assets	—	15	16
Total	1,259	2,791	5,696
Total consolidated depreciation, impairment and amortization	$ 9,513	$ 10,885	$ 15,732

(a) Depreciation of property held by GMAC was ceased in April 2006 at the time the assets were classified as held for sale.

In December 2006, we sold our proving grounds facility in Mesa, Arizona for $283 million in cash and subsequently leased it back for a three-year period. We recognized a gain of $270 million, which is included in Automotive interest income and other non-operating income in our consolidated statement of operations.

Note 10. Goodwill and Intangible Assets

The components of goodwill and intangible assets are as follows:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
		(Dollars in millions)	
December 31, 2007			
Amortizable intangible assets:			
Patents and intellectual property rights	$ 570	$ 240	$ 330
Indefinite-lived intangible assets:			
Goodwill			736
Total goodwill and intangible assets			$ 1,066
December 31, 2006			
Amortizable intangible assets:			
Patents and intellectual property rights	$ 488	$ 169	$ 319
Indefinite-lived intangible assets:			
Goodwill			799
Total goodwill and intangible assets			$ 1,118

Aggregate amortization expense on existing acquired intangible assets was $74 million, $84 million and $84 million in 2007, 2006 and 2005, respectively. Estimated amortization expense in each of the next five years is as follows: 2008 — $76 million; 2009 — $70 million; 2010 — $36 million; 2011 — $22 million; and 2012 — $16 million.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The changes in the carrying amounts of goodwill in 2007 and 2006 are as follows:

	GMNA	GME	Total Auto	GMAC(b)	Total
	(Dollars in millions)				
Balance as of January 1, 2006	$ 324	$ 433	$ 757	$ 2,446	$ 3,203
Goodwill acquired during the period (a)	—	—	—	151	151
Impairment	—	—	—	(828)	(828)
GMAC divestiture (c)	—	—	—	(1,827)	(1,827)
Effect of foreign currency translation and other	(25)	67	42	58	100
Balance as of December 31, 2006	299	500	799	—	799
Goodwill acquired during the period	—	28	28	—	28
Allison divestiture (d)	(66)	—	(66)	—	(66)
Effect of foreign currency translation and other	(60)	35	(25)	—	(25)
Balance as of December 31, 2007	$ 173	$ 563	$ 736	$ —	$ 736

(a) During 2006, GMAC recorded goodwill of $151 million primarily as a result of the purchase of a regional insurance company.

(b) With the changes in key personnel in the Commercial Finance business, GMAC initiated a goodwill impairment test, in accordance with SFAS No. 142, outside of the annual goodwill impairment testing period. A thorough review of the business by the new leadership, with a particular focus on long-term strategy, was performed. As a result of the review, the operating divisions were reorganized, and the decision was made to implement a different exit strategy for the workout portfolio and to exit product lines with lower returns. These decisions had a significant impact on expected asset levels and growth rate assumptions used to estimate the fair value of the business. In particular, the analysis performed during the third quarter of 2006 incorporates management's decision to discontinue activity in the equipment finance business, which had a portfolio of over $1 billion, representing 20% of Commercial Finance business average assets outstanding during 2006. The fair value of the Commercial Finance business was determined using an internally developed discounted cash flow analysis based on five year projected net income and a market driven terminal value multiple. Based upon the results of the assessment, an impairment charge of $828 million was recorded in 2006.

(c) In November 2006, we completed the sale of a 51% controlling interest in GMAC (Refer to Note 3).

(d) In August 2007, we completed the sale of Allison which resulted in the disposition of goodwill based on the relative fair value of Allison (Refer to Note 3).

Note 11. Other Assets

Other assets are comprised of the following:

	December 31,	
	2007	2006
	(Dollars in millions)	
Automotive		
Derivative assets	$ 595	$ 1,055
Restricted cash	938	879
Other	1,933	1,625
Total other assets	3,466	3,559
Financing and Insurance Operations		
Investment in GMAC Preferred Membership Interests	1,046	1,601
Inventory	254	185
Restricted cash held for securitization trusts	1,107	1,143
Other	308	(660)
Total other assets	2,715	2,269
Total consolidated other assets	$ 6,181	$ 5,828

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Note 12. Variable Interest Entities

We are providing the information below concerning VIEs that: (1) are consolidated since we are deemed to be the primary beneficiary; and (2) those entities that we do not consolidate because, although we have significant interests in such VIEs, we are not the primary beneficiary. Those VIEs listed below that relate to the Financing and Insurance Operations were consolidated in 2005 and the period January 1, 2006 to November 30, 2006, the date of our sale of a 51% controlling interest in GMAC.

Automotive

We lease real estate and equipment from various SPEs that have been established to facilitate the financing of those assets for us by nationally prominent, creditworthy lessors. These assets consist principally of office buildings, warehouses, and machinery and equipment. The use of SPEs allows the parties providing the financing to isolate particular assets in a single entity and thereby syndicate the financing to multiple third parties. This is a conventional financing technique used to lower the cost of borrowing and, thus, the lease cost to a lessee. There is a well-established market in which institutions participate in the financing of such property through their purchase of interests in these SPEs. Certain of these SPEs were determined to be VIEs under FIN 46(R) "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51" (FIN 46(R)) and we consolidate such SPEs where we provide a residual value guarantee of the leased property and are considered the primary beneficiary under FIN 46(R). As of December 31, 2007, the carrying amount of assets and liabilities consolidated under FIN 46(R) amounted to $287 million and $335 million, respectively, compared to $636 million and $797 million as of December 31, 2006. Assets consolidated are reflected in Property-net in our consolidated financial statements. Liabilities consolidated are reflected in Debt in our consolidated financial statements. Our maximum exposure to loss related to these consolidated VIEs amounted to $335 million at December 31, 2007. For other such lease arrangements involving VIEs, we hold significant variable interests but are not considered the primary beneficiary under FIN 46(R). Our maximum exposure to loss related to these VIEs where we have a significant variable interest, but do not consolidate the entity, amounted to $705 million at December 31, 2007.

We also concluded an entity from whom we receive royalty payments and over whom we exercise control but in which we do not hold an equity interest meets the definition of a VIE. The entity modifies standard GM vehicles into high performance vehicles and sells them to the GM dealer network. We concluded that we are the primary beneficiary and consolidate the entity under FIN 46(R). Assets consolidated are reflected in Other Assets and liabilities are reflected in Other liabilities in our consolidated balance sheets. As of December 31, 2007, the carrying amount of assets and liabilities consolidated under FIN 46(R) amounted to $43 million and $29 million, respectively. Our maximum exposure to loss related to this consolidated VIE at December 31, 2007 is insignificant.

Finance and Insurance Operations

Mortgage warehouse funding – GMAC's Mortgage operations transferred to warehouse funding entities commercial and residential mortgage loans, lending receivables, home equity loans, and lines of credit pending permanent sale or securitization through various structured finance arrangements in order to provide funds for the origination and purchase of future loans. We determined that for certain mortgage warehouse funding entities, GMAC was the primary beneficiary.

Construction and real estate lending – GMAC was the primary beneficiary of an SPE used to finance construction lending receivables.

Warehouse lending – GMAC had a facility in which it transferred mortgage warehouse lending receivables to a wholly owned SPE which then sold a senior participation interest in the receivables to an unconsolidated qualifying special purpose entity (QSPE). GMAC was the primary beneficiary of the SPE.

Collateralized debt obligations (CDOs) – GMAC's Mortgage operations sponsored and served as collateral manager for CDOs. Under CDO transactions, a trust is established that purchases a portfolio of securities and issues debt and equity certifications, representing interests in the portfolio of assets. In addition to receiving variable compensation for managing the portfolio, GMAC sometimes retained equity investments in the CDOs. The majority of the CDOs sponsored by GMAC were initially structured or were restructured as QSPEs, and were therefore exempt from FIN 46(R). For certain CDO entities, GMAC was the primary beneficiary.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Interests in real estate partnerships – GMAC's Commercial Mortgage operations syndicate investments in real estate partnerships to unaffiliated investors, and in certain partnerships, had guaranteed the timely payments of specified returns to those investors. GMAC had variable interests in the underlying operating partnerships. For certain partnerships, we determined that GMAC was the primary beneficiary; however, the consolidation of these entities did not impact reported net income.

New market tax credit funds – GMAC syndicated and managed investments in partnerships that make investments, typically mortgage loans that, in turn, qualify the partnerships to earn New Markets Tax Credits. For certain tax credit funds, GMAC was the primary beneficiary.

Note 13. Accrued Expenses, Other Liabilities, and Deferred Income Taxes

Accrued expenses, other liabilities and deferred income taxes are comprised of the following:

	December 31,	
	2007	2006
	(Dollars in millions)	
Automotive — Current		
Dealer and customer allowances, claims and discounts	$ 10,631	$ 10,057
Deposits from rental car companies	7,758	9,112
Deferred revenue	1,242	906
Policy, product warranty, and recall campaigns	4,655	4,389
Delphi contingent liability	924	—
Payrolls and employee benefits excluding postemployment benefits	2,146	2,116
Self-insurance reserves	351	361
Taxes	1,421	1,761
Derivative liability	587	462
Postemployment benefits — plant idling	476	956
Postemployment benefits — extended disability benefits	122	146
Interest	812	827
Pensions	446	335
Postretirement benefits	335	275
Deferred income taxes	116	11
Other	2,800	2,406
Total accrued expenses	$ 34,822	$ 34,120
Automotive — Noncurrent		
Deferred revenue	$ 1,933	$ 2,109
Policy, product warranty, and recall campaigns	4,960	4,675
Delphi contingent liability	1,870	1,451
Payrolls and employee benefits excluding postemployment benefits	2,082	1,897
Self-insurance reserves	1,483	1,557
Derivative liability	264	454
Postemployment benefits — plant idling	382	313
Postemployment benefits — extended disability benefits	631	849
Deferred income taxes	1,034	722
Other	1,463	3,035
Total other liabilities and deferred income taxes	$ 16,102	$ 17,062

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

	December 31, 2007	December 31, 2006
	(Dollars in millions)	
Financing and Insurance Operations		
Unpaid insurance losses, loss adjustment expenses, and unearned insurance premiums	$ —	$ 125
Interest	23	46
Interest rate derivatives	6	2
GMAC capital contribution	—	1,022
Other	846	752
Total other liabilities and deferred income taxes	$ 875	$ 1,947

Activity for policy, product warranty, recall campaigns and certified used vehicle warranty liabilities is as follows:

	December 31, 2007	December 31, 2006
	(Dollars in millions)	
Balance at January 1	$ 9,064	$ 9,135
Payments	(4,539)	(4,463)
Increase in liability (warranties issued during period)	5,135	4,517
Adjustments to liability (pre-existing warranties)	(165)	(570)
Effect of foreign currency translation	223	445
Liabilities transferred in the sale of Allison (Note 3)	(103)	—
Balance at December 31	$ 9,615	$ 9,064

Management reviews and adjusts these estimates on a regular basis based on the differences between actual experience and historical estimates or other available information.

Note 14. Short-Term Borrowings and Long-Term Debt

Short-Term Borrowings

We had short-term borrowings of $4.2 billion and $3.3 billion at December 31, 2007 and 2006, respectively. As of December 31, 2007 and 2006, short-term borrowings included related party debt of $2.5 billion and $2.8 billion, respectively, mainly dealer financing from GMAC. Amounts available under short-term line of credit agreements were $3.3 billion and $2.6 billion at December 31, 2007 and 2006, respectively. The interest rate on short-term borrowings outstanding ranged from 1.7% to 17.3% at December 31, 2007 and 2.5% to 11.2% at December 31, 2006. The weighted average interest rate on outstanding borrowings was 6.2% and 6% at December 31, 2007 and 2006, respectively. The weighted average interest rate on outstanding borrowings includes interest rates on debt denominated in various currencies.

We pay commitment fees on these credit facilities at rates negotiated in each agreement. Amounts paid and expensed for these commitments fees are not significant to any period.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Long-term debt

Long-term debt is comprised of the following:

	December 31,	
	2007	2006
	(Dollars in millions)	
Unsecured bonds	$ 16,127	$ 16,119
Contingent convertible debt	8,440	8,050
Foreign-currency-denominated bonds	4,875	4,479
Other long-term debt	5,779	6,824
Total debt	35,221	35,472
Less current portion of long-term debt	(1,893)	(2,341)
Fair value adjustment (a)	56	(64)
Total long-term debt	$ 33,384	$ 33,067

(a) To adjust hedged fixed rate debt for fair value changes attributable to the hedged risk in accordance with SFAS No. 133, "Accounting for Derivatives and Hedging Activities" (SFAS No. 133).

Unsecured Bonds

Unsecured bonds represent obligations having various annual coupons ranging from 6.375% to 9.45% and maturities ranging from 2008 to 2052.

Contingent Convertible Debt

In May 2007, we issued $1.5 billion of 1.5% Series D convertible debentures (Series D) due in 2009, with interest payable semiannually. The debentures are senior unsecured obligations ranking equally with all other unsecured and unsubordinated debt. The Series D may be converted at the option of the holder into our 1^{2}/_{3}$ par value common stock (Common Stock) based on an initial conversion rate of .6837 shares per $25.00 principal amount of debentures, which represents an initial conversion price of $36.57 per share.

The conversion price of $36.57 is subject to adjustment upon certain events, including but not limited to, the occurrence of stock dividends, the issuance of rights and warrants, and the distribution of assets or debt securities to all holders of shares of Common Stock. In addition, in the event of a make-whole fundamental change, as defined in the underlying prospectus supplement, the conversion rate will be increased based on: (1) the date on which such make-whole fundamental change becomes effective; and (2) our Common Stock price paid in the make-whole fundamental change or average Common Stock price. In any event, the conversion rate shall not exceed .8205 per $25.00 principal amount of Series D, subject to adjustment for events previously mentioned. If a fundamental change occurs prior to maturity, the debenture holders may require us to repurchase all or a portion of the debentures for cash at a price equal to the principal amount plus accrued and unpaid interest, if any, up to but not including, the date of repurchase. We may not elect to redeem the Series D prior to the maturity date.

In connection with the issuance of the Series D, we purchased a convertible note hedge for the Series D in a private transaction. The convertible note hedge is expected to reduce the potential dilution with respect to our Common Stock upon conversion of the Series D to the extent that the market value per share of our Common Stock does not exceed a specified cap, resulting in an effective conversion price of $45.71 per share. This transaction will terminate at the earlier of the maturity date of the Series D or when the Series D are no longer outstanding due to conversion or otherwise.

We received net proceeds from the issuance of the Series D, net of issue costs and the purchase of the convertible note hedge, of $1.4 billion. The net proceeds will be used for general corporate purposes, including working capital needs. Debt issue costs of

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

$32 million were incurred and are being amortized using the effective interest method over the term of the Series D. In accordance with EITF Issue No. 00-19, "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock," we recorded the cost of the convertible note hedge of $99 million as a reduction of Additional paid-in capital. Any subsequent changes in fair value of the convertible note hedge are not recognized.

Convertible debt includes $1.2 billion original principal amount of 4.5% Series A convertible senior debentures due in 2032 (Series A), $2.6 billion principal amount of 5.25% Series B convertible senior debentures due in 2032 (Series B), $4.3 billion principal amount of 6.25% Series C convertible senior debentures due in 2033 (Series C) and $1.5 billion principal amount of 1.5% Series D due in 2009. We have unilaterally and irrevocably waived and relinquished our right to use stock, and have committed to use cash, to settle the principal amount of the debentures if: (1) holders choose to convert the debentures; or (2) we are required by holders to repurchase the debentures. We retain the right to use either cash or stock to settle any amount that may become due to debt holders in excess of the principal amount. Conversion prices for the bonds are as follows: $70.20 for the Series A securities, $64.90 for the Series B securities, $47.62 for the Series C securities and $36.57 for the Series D securities. In 2007, a majority of the Series A convertible debentures were put to us and settled in cash on March 6, 2007 for $1.1 billion. At December 31, 2007, the amount of the Series A convertible debentures outstanding was $39 million.

The notes are convertible by the holder as outlined below:

- If the closing sale price of our Common Stock exceeds 120% of the conversion price for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter; or
- If during the five business day period after any nine consecutive trading day period in which the trading price of the debentures for each day of such period was less than 95% of the product of the closing sale price of our Common Stock multiplied by the number of shares issuable upon conversion of $25.00 principal amount of the debentures; or
- If the debentures have been called for redemption (Series A on or after March 6, 2007, Series B on or after March 6, 2009, Series C on or after July 20, 2010; or
- For Series D, anytime from March 1, 2009 to the second business day immediately preceding the maturity date. The Series D mature June 1, 2009; or
- Upon the occurrence of specified corporate events.

Our requirement to repurchase all or a portion of the notes is described below:

- If the investor exercises their right to require us to repurchase all or a portion of the debentures on the specified repurchase dates for each security (Series A: March 6, 2007, 2012, 2017, 2022, or 2027; Series B: March 6, 2014, 2019, 2024, or 2029; Series C: July 15, 2018, 2023 or 2028); or, if any of those days is not a business day, the next succeeding business day.

Foreign Currency Denominated Bonds

Foreign currency denominated bonds include Euro-denominated bonds with annual coupons ranging from 7.25% to 8.375% and maturity dates ranging from 2013 to 2033. Also, included within foreign-currency-denominated bonds are British Pounds bonds with annual coupons ranging from 8.375% to 8.875% and maturity dates ranging from 2015 to 2023. To mitigate the foreign exchange exposure created by this debt, we enter into cross currency swaps. The notional values of these swaps was $2.7 billion and $2.4 billion at December 31, 2007 and 2006, respectively.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Other Long-Term Debt

Other long-term debt of $5.8 billion and $6.8 billion at December 31, 2007 and 2006, respectively, consisted of municipal bonds, capital leases, and other long-term obligations.

Revolving Credit Agreements

In August 2007, we entered into a revolving credit agreement expiring in August 2009, with a lender that provides for borrowings of up to $1.3 billion. Borrowings under this facility bear interest based on either the commercial paper rate or LIBOR. The borrowings are to be used for general corporate purposes, including working capital needs. Under the facility, borrowings are limited to an amount based on the value of underlying collateral, which consists of residual interests in trusts that own leased vehicles and issue asset-backed securities collateralized by the vehicles and the associated leases. The underlying collateral was previously owned by GMAC and was transferred to us as part of the GMAC transaction in November 2006. The underlying collateral is held by bankruptcy-remote subsidiaries and pledged to a trustee for the benefit of the lender. We consolidate the bankruptcy-remote subsidiaries and trusts for financial reporting purposes. No borrowings were outstanding under this agreement at December 31, 2007.

We also have a $4.6 billion standby revolving credit facility with a syndicate of banks, of which $150 million terminates in June 2008 and $4.5 billion terminates in July 2011. As of December 31, 2007, the availability under the revolving credit facility was $4.5 billion. There are $91 million of letters of credit issued under the credit facility, and no loans are currently outstanding. Under the $4.5 billion secured facility, borrowings are limited to an amount based on the value of the underlying collateral, which consists of certain North American accounts receivable and certain inventory of GM, Saturn Corporation, and General Motors of Canada Limited (GM Canada), certain plants, property and equipment of GM Canada and a pledge of 65% of the stock of the holding company for our indirect subsidiary General Motors de Mexico, S de R.L. de C.V. The collateral also secures certain lines of credit, automatic clearinghouse and overdraft arrangements, and letters of credit provided by the same secured lenders. The facility totals $6 billion, $4.5 billion of which is the maximum available through the revolving credit facility. As of December 31, 2007, in addition to the $91 million letters of credit issued under the revolving credit facility, $1.6 billion was utilized to secure other facilities under the facility. In the event of certain work stoppages, the secured revolving credit facility would be temporarily reduced to $3.5 billion.

Our available long-term borrowings under line of credit arrangements with various banks totaled $5.9 billion and $4.7 billion at December 31, 2007 and 2006, respectively. The unused portion of the credit lines totaled $5.8 billion at December 31, 2007. In addition, our consolidated affiliates with non-GM minority shareholders, primarily GM Daewoo, have lines of credit with various banks that totaled $2.1 billion at December 31, 2007, all of which represented long-term facilities, compared with $2.7 billion at December 31, 2006. The unused portion of the credit lines totaled $1.6 billion at December 31, 2007.

In May 2007, we entered into an unsecured revolving credit agreement expiring in June 2008 that provided for borrowings of up to $500 million. After reviewing our liquidity position in December 2007, we believe that we have sufficient liquidity and financial flexibility to meet our capital requirements in the first half of 2008 without the credit agreement. As a result, we terminated the credit agreement on January 9, 2008. We never borrowed under this credit agreement.

Interest Rate Risk Management

To achieve our desired balance between fixed and variable debt, we have entered into interest rate swaps. The notional amount of pay variable swap agreements as of December 31, 2007 and 2006 for Automotive was $5.4 billion and $5.3 billion, respectively.

At December 31, 2007 and 2006, long-term debt included $26.2 billion and $25.5 billion, respectively, of obligations with fixed interest rates and $7.2 billion and $7.6 billion, respectively, of obligations with variable interest rates (predominantly LIBOR), after interest rate swap agreements.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Other

We have other financing arrangements consisting principally of obligations in connection with sale/leaseback transactions and other lease obligations (including off-balance sheet arrangements). In view of the restatement of our prior financial statements, we have evaluated the effect of the restatement under these agreements, including our legal rights (such as our ability to cure) with respect to any claims that could be asserted. Based on our review, we believe that amounts subject to possible claims of acceleration, termination or other remedies are not likely to exceed $2.7 billion (consisting primarily of off-balance sheet arrangements) although no assurances can be given as to the likelihood, nature or amount of any claims that may be asserted. Based on this review, we reclassified $212 million of these obligations from long-term debt to short-term debt.

Long-term debt maturities including capital leases at December 31, 2007 are as follows: 2008 — $1.9 billion; 2009 — $2.3 billion; 2010 — $.2 billion; 2011 — $1.7 billion; 2012 — $.2 billion, thereafter — $29 billion.

Financing and Insurance Operations

Debt is comprised of the following:

	December 31,	
	2007	2006
	(Dollars in millions)	
Short-term debt:		
Bank loans and overdrafts	$ 10	$ 23
Long-term debt:		
Secured debt	4,863	8,944
Related party — GMAC	35	471
Total debt	$ 4,908	$ 9,438

Prior to the consummation of the GMAC Transaction, GMAC transferred to us two bankruptcy-remote subsidiaries that hold a number of trusts that are parties to lease asset securitizations. The $4.9 billion of secured debt as of December 31, 2007 is primarily comprised of the asset-backed debt securities issued by these trusts as part of these lease securitizations.

To achieve our desired balance between fixed and variable rate debt, we have entered into interest rate swaps and cap agreements with GMAC as the counterparty. The notional amount of such agreements as of December 31, 2007 for FIO was $3.2 billion pay floating, and the variable interest rates ranged from 5.2% to 6.5%. The notional amount of such agreements as of December 31, 2006 for FIO was $7.2 billion pay floating, and the variable interest rates ranged from 5.3% to 6.6%.

Long-term debt maturities at December 31, 2007 are as follows: 2008 — $3.6 billion; 2009 — $1.2 billion; 2010 — $0; 2011 — $5 million; 2012 — $17 million; thereafter — $45 million.

Note 15. Pensions and Other Postretirement Benefits

Employee Benefit Plans

Defined Benefit Pension Plans

We sponsor a number of qualified defined benefit pension plans covering eligible hourly and salaried U.S. employees as well as certain other non-U.S. employees. Defined benefit pension plans covering eligible hourly U.S. and Canadian employees generally provide benefits of negotiated, stated amounts for each year of service as well as significant supplemental benefits for employees who retire with 30 years of service before normal retirement age. The benefits provided by the defined benefit pension plans covering eligible U.S. and Canadian salaried employees and salaried employees in certain other non-U.S. locations are generally based on years of service

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

and compensation history. We also have unfunded nonqualified pension plans covering certain executives that are based on targeted wage replacement percentages.

Defined Contribution Plans

We also sponsor the Savings-Stock Purchase Program (S-SPP), a defined contribution retirement savings plan for eligible U.S. salaried employees. The S-SPP provides for discretionary matching contributions up to certain predefined limits based upon eligible base salary (Matching Contribution). We suspended our Matching Contribution effective January 1, 2006, and reinstated the Matching Contribution effective January 1, 2007. In addition to the Matching Contribution, we also contribute an amount equal to 1% of eligible base salary for U.S. salaried employees with a service commencement date on or after January 1, 1993 to cover certain benefits in retirement that are different from U.S. salaried employees with a service commencement date prior to January 1, 1993 (Benefit Contribution). Effective January 1, 2007, we established a new contribution to the S-SPP for eligible U.S. salaried employees with a service commencement date on or after January 1, 2001. We automatically contribute an amount equal to 4% of eligible base salary under this program (Retirement Contribution). The total of these contributions to the S-SPP was $82 million, $12 million and $65 million in 2007, 2006 and 2005, respectively.

We also contribute to certain non-U.S. defined contribution plans. Contributions to the non-U.S. defined contribution plans were immaterial for all periods presented.

Other Postretirement Benefit Plans

Additionally, we sponsor hourly and salaried benefit plans that provide postretirement medical, dental, vision and life insurance to eligible U.S. and Canadian retirees and their eligible dependents. The cost of such benefits is recognized during the period employees provide service to us. Certain other non-U.S. subsidiaries have postretirement benefit plans, although most employees are covered by government sponsored or administered programs. The cost of such other non-U.S. postretirement plans is not significant.

We also provide post-employment extended disability benefits comprised of income security, health care and life insurance to eligible U.S. and Canadian employees who become disabled and can no longer actively work. The cost of such benefits is recognized during the period employees provide service.

In 2005 we entered into the 2005 UAW Health Care Settlement Agreement which reduced health care coverage to individual UAW retirees. To mitigate the effects of the reduced coverage, the 2005 UAW Health Care Settlement Agreement also provided that we make contributions to a new independent VEBA. These contributions constitute a defined benefit plan with a cap (Mitigation Plan) and are expected to be available to pay benefits for a number of years depending on the level of mitigation. Our obligation to make contributions to the Mitigation Plan is determined by a formula, consisting of fixed and variable components, as defined in the 2005 UAW Health Care Settlement Agreement. Our obligations are limited to these contributions. The 2005 UAW Health Care Settlement Agreement further provides that we do not guarantee the ability of the assets in the Mitigation Plan to mitigate retiree health care costs. Furthermore, the Mitigation Plan is completely independent of us and is administered by an independent trust committee (the Committee) which does not include any of our representatives. The assets of the independent VEBA trust for UAW retirees of GM are the responsibility of the Committee, which has full fiduciary responsibility for the investment strategy, safeguarding of assets and execution of the benefit plan as designed.

The Mitigation Plan is partially funded by our contributions of $1 billion in 2006, 2007 and a third contribution of $1 billion to be made in 2011. We shall also make future contributions subject to provisions of the 2005 UAW Health Care Settlement Agreement that relate to profit sharing payments, increases in the value of a notional number of shares of our Common Stock (collectively, the Supplemental Contributions), as well as wage deferral payments and dividend payments. Amounts we contribute to the Mitigation Plan related to wage deferrals, dividends or changes in the estimate of Supplemental Contributions are recorded as an expense in the quarter that the hours are worked, the dividend is declared, or the change in estimate occurs. We recognize the expense for the wage deferrals as the future services are rendered, since the active-UAW represented-hourly-employees elected to forgo contractual wage increases and to have those amounts contributed to the Mitigation Plan.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The net underfunded status of the Mitigation Plan is reflected in our consolidated balance sheets and in the Changes in Benefit Obligation (under U.S. Other Benefits) as detailed in the table below. The following represents the changes in plan assets and benefit obligation of the Mitigation Plan for 2007 and 2006:

	December 31,	
	2007	2006
	(Dollars in millions)	
Changes in Benefit Obligation		
Benefit obligation at beginning of year	$ 2,805	$ —
SFAS No. 158 measurement date adjustment	20	—
Interest cost	69	56
Amendments	—	2,876
Actuarial (gains)/losses	166	7
Benefits paid	(580)	(119)
Other	286	(15)
Benefit obligation at end of year	$ 2,766	$ 2,805
Changes in Plan Assets		
Fair value of plan assets at beginning of year	$ 914	$ —
Contributions	1,000	1,000
Wage deferral contributions	286	4
Benefits paid	(580)	(119)
Actual return on plan assets	109	29
Fair value of plan assets at end of year	$ 1,729	$ 914

Legal Services Plans and Restatement of Financial Information

The accompanying consolidated balance sheets and statement of stockholders' equity (deficit) as of December 31, 2006 and January 1, 2005, respectively, have been restated to correct the accounting for certain benefit plans that provide legal services to hourly employees represented by the UAW, International Union of Electrical Workers Communications Workers of America (IUE-CWA) and the Canadian Auto Workers (CAW) (Legal Services Plans). Historically, the Legal Services Plans were accounted for on a pay as you go basis. However, we have now concluded that the Legal Services Plans should be accounted for as defined benefit plans under the provisions of SFAS No. 106 and a liability of $323 million has been recorded in our consolidated balance sheet as of January 1, 2005, the earliest period included in these consolidated financial statements. A charge in the amount of $211 million, which is net of a deferred tax asset of $112 million, to record the liability and related tax effects has been recorded as an adjustment to Retained earnings, because the liability related to the Legal Service Plans existed prior to January 1, 2005.

We have evaluated the effects of this misstatement on prior periods' consolidated financial statements in accordance with the guidance provided by SEC Staff Accounting Bulletin No. 108, codified as SAB Topic 1.N, "Considering the Effects of Prior Year Misstatements When Quantifying Misstatements in Current Year Financial Statements" (SAB 108), and concluded that no prior period financial statements are materially misstated. However, we considered the effect of correcting this misstatement on our interim and annual results of operations for the periods ended September 30 and December 31, 2007, respectively, and concluded that the impact of recording the cumulative effect in each of these periods may be material. Therefore, as permitted by SAB 108 we corrected our prior period consolidated financial statements for the immaterial effect of this misstatement in these consolidated financial statements. As such, we do not intend to amend our previous filings with the SEC with respect to this misstatement.

In order to correct the consolidated balance sheet at December 31, 2006, we increased deferred tax assets and OPEB liabilities by $112 million and $323 million, respectively. Previously reported amounts for deferred tax assets and OPEB liabilities of $33 billion and $50.1 billion, respectively, at December 31, 2006 have been restated to $33.1 billion and $50.4 billion, respectively.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

We are not restating the consolidated statements of operations or cash flows for 2006 and 2005, or any interim periods in those years, for this misstatement because we have concluded that the impact is immaterial to all periods presented.

Adoption of SFAS No. 158

Effective December 31, 2006, we adopted SFAS No. 158 and recognized the funded status of our defined benefit plans at December 31, 2006 in accordance with the recognition provisions of SFAS No. 158. The incremental effect of applying the recognition provisions of SFAS No. 158 on the individual line items in the consolidated balance sheet as of December 31, 2006 is presented in the table below. Additionally, we elected to early adopt the measurement date provisions of SFAS No. 158 at January 1, 2007. Those provisions require the measurement date for plan assets and liabilities to coincide with the sponsor's year end. Using the "two-measurement" approach for those defined benefit plans where the measurement date was not historically consistent with our year-end, we recorded a decrease to Retained earnings of $728 million, or $425 million after-tax, representing the net periodic benefit cost for the period between the measurement date utilized in 2006 and the beginning of 2007, which previously would have been recorded in the first quarter of 2007 on a delayed basis. We also performed a measurement at January 1, 2007 for those benefit plans whose previous measurement dates were not historically consistent with our year end. As a result of the January 1, 2007 measurement, we recorded an increase to Accumulated other comprehensive income of $2.3 billion, or $1.5 billion after-tax, representing other changes in the fair value of the plan assets and the benefit obligations for the period between the measurement date utilized in 2006 and January 1, 2007. These amounts are principally offset by an immaterial adjustment of $390 million, or $250 million after-tax, to correct certain demographic information used in determining the amount of the cumulative effect of a change in accounting principle reported at December 31, 2006 to adopt the recognition provisions of SFAS No. 158.

	Prior to Application of SFAS No. 158	Adjustments	After Application of SFAS No. 158
		(Dollars in millions)	
Other current assets and deferred income taxes	$ 2,147	$ 10,835	$ 12,982
Goodwill and intangible assets, net	$ 1,578	$ (460)	$ 1,118
Prepaid pension	$ 33,949	$ (16,583)	$ 17,366
Total assets	$ 192,512	$ (6,208)	$ 186,304
Accrued expenses	$ 37,737	$ (3,617)	$ 34,120
Postretirement benefits other than pensions	$ 36,373	$ 14,036	$ 50,409
Pensions	$ 11,541	$ 393	$ 11,934
Other liabilities and deferred income taxes	$ 17,136	$ (74)	$ 17,062
Total liabilities	$ 180,028	$ 10,738	$ 190,766
Accumulated other comprehensive loss	$ (5,180)	$ (16,946)	$ (22,126)
Total stockholders' equity (deficit)	$ 11,294	$ (16,946)	$ (5,652)
Total liabilities, minority interests and stockholders' equity (deficit)	$ 192,512	$ (6,208)	$ 186,304

Significant Plan Amendments, Benefit Modifications and Related Events

2007

In October 2007, we signed a Memorandum of Understanding — Post-Retirement Medical Care (Retiree MOU) with the UAW, now superseded by the settlement agreement entered into February 21, 2008 currently pending for court approval (Settlement Agreement). The Settlement Agreement provides that responsibility for providing retiree health care will permanently shift from us to a new retiree plan funded by a new independent VEBA (New VEBA).

When fully implemented, the Settlement Agreement will cap our retiree healthcare obligations to UAW associated employees, retirees and dependents, as defined in the Settlement Agreement; will supersede and replace the 2005 UAW Health Care Settlement Agreement; and will transfer responsibility for administering retiree healthcare benefits for these individuals to the New VEBA trust. Before it can become effective, the Settlement Agreement is subject to class certification, court approval and the completion of discussions between us and the SEC regarding accounting treatment for the transactions contemplated by the Settlement

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Agreement on a basis reasonably satisfactory to us. In light of these contingencies, no recognition to the effects of the Settlement Agreement has been made in these consolidated financial statements. The Settlement Agreement provides that on the later of January 1, 2010 or final court approval of the Settlement Agreement, we will transfer our obligations to provide covered UAW employees with post-retirement medical benefits to a new retiree health care plan (the New Plan) to be established and funded by the New VEBA.

In accordance with the Settlement Agreement, effective January 1, 2008 for bookkeeping purposes only, we will divide the existing internal VEBA into two bookkeeping accounts. One account will consist of the percentage of the existing internal VEBA's assets as of January 1, 2008 that is equal to the estimated percentage of our hourly OPEB liability covered by the existing internal VEBA attributable to Non-UAW represented employees and retirees, their eligible spouses, surviving spouses and dependents (Non-UAW Related Account) and will have a balance of approximately $1.2 billion. The second account will consist of the remaining percentage of the assets in the existing internal VEBA as of January 1, 2008 (UAW Related Account) and will have a balance of approximately $14.5 billion. No amounts will be withdrawn from the UAW Related Account, including its investment returns, from January 1, 2008 until transfer to the New VEBA.

Pursuant to the Settlement Agreement we have issued $4.4 billion principal amount of our 6.75% Series U Convertible Senior Debentures Due December 31, 2012 (the Convertible Note) to LBK, LLC, a Delaware limited liability company of which we are the sole member (LBK). LBK will hold the Convertible Note until it is transferred to the New VEBA in accordance with the terms of the Settlement Agreement. Interest on the Convertible Note is payable semiannually. In accordance with the Settlement Agreement LBK will transfer any interest it receives on the Convertible Note to a temporary asset account we maintain. The funds in the temporary asset account will be transferred to the New VEBA in accordance with the terms of the Settlement Agreement.

In conjunction with the issuance of the Convertible Note, LBK and we have entered into certain cash-settled derivative instruments maturing on June 30, 2011 that will have the economic effect of reducing the conversion price of the Convertible Note from $40 to $36. These derivative instruments will also entitle us to partially recover the additional economic value provided if our Common Stock price appreciates to between $63.48 and $70.53 per share and to fully recover the additional economic value provided if our Common Stock price reaches $70.53 per share or above. Pursuant to the Settlement Agreement, LBK will transfer its interests in the derivatives to the New VEBA when the Convertible Note is transferred from LBK to the New VEBA.

We also issued a $4 billion short term note to LBK (the Short Term Note) pursuant to the Settlement Agreement. The Short Term Note pays interest at a rate of 9% and matures on the date that the face amount of the Short Term Note is paid with interest to the New VEBA in accordance with the terms of the Settlement Agreement. LBK will hold the Short Term Note until it matures.

Because LBK is a wholly-owned consolidated subsidiary, and LBK will hold the Convertible Note, the Short Term Note and the derivatives until they are paid or transferred to the New VEBA, these three securities will be effectively eliminated in our consolidated financial statements until they are transferred to the New VEBA without restrictions.

On April 1, 2008, we will make an additional contribution of $165 million to the temporary asset account. Beginning in 2009, we may be required to contribute an additional $165 million per year, limited to a maximum of an additional 19 payments, to either the temporary asset account or the New VEBA (when established). Such contributions will be required only if annual cash flow projections show that the New VEBA will become insolvent on a rolling 25-year basis. At any time, we will have the option to prepay all remaining contingent $165 million payments.

Additionally, at the initial effective date of the Settlement Agreement, we may transfer up to an additional $5.6 billion, subject to adjustment, to the New VEBA or we may instead opt to make annual payments of varying amounts between $421 million and $3.3 billion through 2020.

As a result of the increased pension benefits granted as part of the 2007 National Agreement, we remeasured the U.S. hourly defined benefit pension plan as of October 1, 2007 generating a $41 million increase in pension expense in 2007. The remeasurement increased our U.S. hourly projected benefit obligation (PBO) by $4.2 billion. The terms of the 2007 National Agreement also provided for pension benefits to certain future and current retirees for Delphi Corporation (Delphi) that were transferred at the time of the spin off from us. Future Delphi retirees received the same incremental pension increase consistent with our employees while the current Delphi retirees

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

will receive four lump-sum payments with the same terms of those received by our retirees. These pension benefits granted to future and current retirees of Delphi will be funded by our hourly pension plan and were included in our October 1, 2007 remeasurement of our hourly pension plan. The value of the increased pension benefits of $552 million to future and current Delphi retirees was charged to Other expense in 2007.

Prior to the 2007 National Agreement, we amortized prior service cost related to our hourly defined benefit pension plans in the U.S. over the average remaining service period for active employees at the time of the amendment, currently estimated to be 10.1 years. We also expensed any lump sum payments granted to retirees in the quarter the associated contract was approved. In conjunction with entering into the 2007 National Agreement, we determined that the contractual life of the labor agreements better reflected the period of future economic benefit received from pension plan amendments for our collectively bargained hourly pension plans. Therefore, we are amortizing these amounts over a four year period. Also, we recorded $1.6 billion of additional pension expense in the third quarter of 2007 related to the accelerated recognition of previously unamortized prior service cost related to pension increases in the U.S. from prior collectively bargained agreements due to our determination that there is no period of future economic benefit remaining. This change in estimate resulted in an increase in basic and diluted loss per share of $2.76 in 2007. Such charge is included as a component of Automotive costs of sales of $1.5 billion and a component of Selling, general and administrative expense of $77 million in the consolidated statements of operations.

2006

In February 2006, we announced we would increase the U.S. salaried workforce's participation in the cost of health care, capping our contributions to salaried retiree health care at the level of 2006 expenditures. The resulting remeasurement of the U.S. salaried OPEB plans as of February 9, 2006 due to these benefit modifications generated a $500 million reduction in OPEB expense for 2006 and is reflected in the Components of pension and OPEB expense table. This remeasurement reduced the U.S. accumulated postretirement benefit obligation (APBO) by $4.7 billion.

In March 2006, we modified the terms of the U.S. salaried defined benefit pension plan to freeze benefits under the then current plan as of December 31, 2006 and implement a new plan using a new pension formula thereafter. The resulting remeasurement of our U.S. salaried defined benefit pension plan as of March 31, 2006 due to these benefit modifications generated a $383 million reduction in pension expense for 2006 and is reflected in the Components of pension and OPEB expense table. This remeasurement reduced the U.S. PBO by $2.8 billion.

In March 2006, the U.S. District Court for the Eastern District of Michigan approved the 2005 UAW Health Care Settlement Agreement, which reduced the health care provisions for our Health Care Program for Hourly Employees (Modified Plan). Upon court approval, the 2005 UAW Health Care Settlement Agreement was to remain in effect until at least September 2011, after which either we or the UAW could cancel the agreement upon 90 days written notice. The 2005 UAW Health Care Settlement Agreement will be replaced by the Settlement Agreement, as discussed above, at the later of the Final Effective Date or January 1, 2010. The 2005 UAW Health Care Settlement Agreement also provided that we make contributions to the Mitigation Plan described earlier. As a result of the 2005 UAW Health Care Settlement Agreement, we remeasured the Modified Plan as of March 31, 2006 generating a $1.3 billion reduction in OPEB expense for the remaining periods in 2006 and reducing the 2006 U.S. APBO by $17.4 billion. The $17.4 billion reduction is being amortized on a straight line basis over the period to full eligibility of the active UAW hourly employees (7.4 years) as a reduction of OPEB expense. The measurement as of March 31, 2006 of the Mitigation Plan generated a U.S. APBO of $2.9 billion which will be amortized on a straight-line basis over the period to full eligibility of active UAW employees (7.4 years) as U.S. OPEB expense. The net result of the March 31, 2006 remeasurement of the Modified Plan and the initial measurement of the Mitigation Plan was a $14.5 billion reduction of the 2006 U.S. hourly APBO and a $1.3 billion reduction in OPEB expense in 2006.

In March 2006, we reached an agreement with Delphi and the UAW, which significantly reduced the number of U.S. hourly employees (the UAW Attrition Program), thereby significantly reducing the expected aggregate years of future service of employees covered by the U.S. hourly defined benefit pension, OPEB and extended disability plans. The resulting remeasurement of our U.S. hourly defined benefit pension plan as of April 30, 2006 generated a $4.4 billion curtailment loss, a $704 million reduction in pension expense in 2006 and a reduction of our U.S. hourly PBO of $1.2 billion. The resulting remeasurement of our U.S. hourly OPEB plan as of May 31, 2006 generated a $23 million curtailment loss, a $143 million reduction in OPEB expense in 2006, and a reduction of

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

our U.S. hourly APBO of $700 million. We also recognized a curtailment gain of $132 million related to the U.S. hourly extended disability plan measured as of June 30, 2006. The impacts for the pension and OPEB plans are reflected in the Components of pension and OPEB expense table.

In October 2006, we reduced the levels of coverage for corporate-paid life insurance for salaried retirees. For eligible salaried employees who retire on or after May 1, 2007, coverage will be reduced by 50% on the tenth anniversary of their retirement date, and salaried employees who retire before May 1, 2007 will have their coverage reduced by 50% on January 1, 2017. This change reduced our U.S. APBO by $500 million and is reflected in 2007 OPEB expense.

As a result of the sale of GMAC in November 2006, as described in Note 3, GMAC salaried employees had their defined benefit pension benefits frozen under our defined benefit pension plans in place at the time of the sale. The resulting remeasurement of our U.S. salaried defined benefit pension plans as of November 30, 2006 generated an $86 million curtailment gain and an $8 million reduction in pension expense in 2006. This remeasurement increased the U.S. PBO by $200 million. We also agreed to maintain the salaried OPEB obligation for current GMAC retirees and OPEB-eligible employees. GMAC employees who were non OPEB-eligible were offered a cash lump sum payment based on credited service in lieu of GM provided OPEB at their date of retirement. The resulting remeasurement of the U.S. and non-U.S. OPEB plans as of November 30, 2006 generated a $563 million curtailment gain, $27 million settlement loss, and $536 million reduction in OPEB expense for 2006. This remeasurement reduced the U.S. and non-U.S. APBO by $100 million. The impact to extended disability benefits was a curtailment gain of $14 million in 2006.

	U.S. Plans Pension Benefits		Non-U.S. Plans Pension Benefits		U.S. Other Benefits*		Non-U.S. Other Benefits*	
	2007	2006	2007	2006	2007	2006	2007	2006
	(Dollars in millions)							
Change in benefit obligations								
Benefit obligation at beginning of year	$ 85,422	$ 89,133	$ 22,538	$ 20,850	$ 64,584	$ 81,467	$ 3,744	$ 3,797
SFAS 158 measurement date adjustment	—	—	(539)	—	238	—	—	—
Service cost	627	727	486	484	370	551	45	53
Interest cost	4,931	4,965	1,143	967	3,609	3,929	199	190
Plan participants' contributions	—	19	29	30	354	129	—	—
Amendments	3,635	(1,960)	75	(669)	(1,338)	(15,091)	(66)	—
Actuarial (gains) losses	(2,452)	(3,682)	(1,486)	524	(3,225)	(6,468)	(133)	(145)
Benefits paid	(7,574)	(7,013)	(1,287)	(1,049)	(4,753)	(4,188)	(147)	(133)
Medicare Part D receipts	—	—	—	—	215	243	—	—
Exchange rate movements	—	—	2,736	1,250	—	—	666	4
Curtailments, settlements, and other	688	3,233	58	151	(351)	4,012	2	(22)
Benefit obligation at end of year	85,277	85,422	23,753	22,538	59,703	64,584	4,310	3,744

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

	U.S. Plans Pension Benefits		Non-U.S. Plans Pension Benefits		U.S. Other Benefits*		Non-U.S. Other Benefits*	
	2007	2006	2007	2006	2007	2006	2007	2006
	(Dollars in millions)							
Change in plan assets								
Fair value of plan assets at beginning of year	101,392	95,250	11,506	10,063	16,939	20,282	—	—
SFAS 158 measurement date adjustment	—	—	277	—	110	—	—	—
Actual return on plan assets	10,073	13,384	492	1,280	1,183	1,834	—	—
Employer contributions	89	80	848	810	2,470	(1,118)	147	133
Plan participants' contributions	—	19	29	30	354	129	—	—
Benefits paid	(7,574)	(7,013)	(1,287)	(1,049)	(4,753)	(4,188)	(147)	(133)
Exchange rate movements	—	—	1,507	435	—	—	—	—
Curtailments, settlements, and other	90	(328)	(64)	(63)	—	—	—	—
Fair value of plan assets at end of year	104,070	101,392	13,308	11,506	16,303	16,939	—	—
Funded status(a)	18,793	15,970	(10,445)	(11,032)	(43,400)	(47,645)	(4,310)	(3,744)
Employer contributions/withdrawals in fourth quarter	—	—	—	142	—	(60)	—	—
Benefits paid in fourth quarter	—	—	—	—	—	765	—	—
Curtailments and settlements in fourth quarter	—	—	—	17	—	—	—	—
Net amount recognized	$ 18,793	$ 15,970	$ (10,445)	$ (10,873)	$ (43,400)	$ (46,940)	$ (4,310)	$ (3,744)
Noncurrent asset	$ 19,984	$ 17,150	$ 191	$ 216	$ —	$ —	$ —	$ —
Current liability	(85)	(85)	(361)	(250)	(168)	(134)	(167)	(141)
Noncurrent liability	(1,106)	(1,095)	(10,275)	(10,839)	(43,232)	(46,806)	(4,143)	(3,603)
	$ 18,793	$ 15,970	$ (10,445)	$ (10,873)	$ (43,400)	$ (46,940)	$ (4,310)	$ (3,744)
Amounts recognized in accumulated other comprehensive income consist of:								
Net actuarial loss	$ 10,180	$ 15,483	$ 4,981	$ 6,478	$ 16,425	$ 21,957	$ 1,418	$ 1,406
Net prior service cost (credit)	2,617	1,165	81	13	(11,277)	(12,450)	(563)	(501)
Transition obligation	—	—	17	25	—	—	—	—
	$ 12,797	$ 16,648	$ 5,079	$ 6,516	$ 5,148	$ 9,507	$ 855	$ 905

* Table does not include extended disability plans with a total APBO of $701 million at December 31, 2007 and $866 million at December 31, 2006.

The total accumulated benefit obligation, the accumulated benefit obligation and fair value of plan assets for our defined benefit pension plans with accumulated benefit obligations in excess of plan assets, and the projected benefit obligation and fair value of plan assets for defined benefit pension plans with projected benefit obligations in excess of plan assets are as follows:

	U.S. Plans		Non-U.S. Plans	
	2007	2006	2007	2006
	(Dollars in millions)			
Accumulated Benefit Obligation	$ 85,226	$ 85,422	$ 23,179	$ 21,926
Plans with ABO in excess of plan assets				
ABO	$ 1,189	$ 1,180	$ 22,390	$ 21,429
Fair value of plan assets	$ —	$ —	$ 12,351	$ 10,769
Plans with PBO in excess of plan assets				
PBO	$ 1,191	$ 1,180	$ 23,380	$ 22,270
Fair value of plan assets	$ —	$ —	$ 12,941	$ 11,155

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The components of pension and OPEB expense along with the assumptions used to determine benefit obligations are as follows:

	U.S. Plans Pension Benefits			Non-U.S. Plans Pension Benefits			U.S. Other Benefits*			Non-U.S. Other Benefits*		
	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005
	(Dollars in millions)											
Components of expense												
Service cost	$ 627	$ 727	$ 1,117	$ 486	$ 484	$ 345	$ 370	$ 551	$ 702	$ 45	$ 53	$ 50
Interest cost	4,931	4,965	4,883	1,143	967	965	3,609	3,929	4,107	199	190	218
Expected return on plan assets	(7,983)	(8,167)	(7,898)	(984)	(842)	(740)	(1,400)	(1,593)	(1,684)	—	—	—
Amortization of prior service cost (credit)	2,167	785	1,164	32	78	102	(1,830)	(1,071)	(70)	(86)	(82)	8
Amortization of transition obligation	—	—	—	8	7	6	—	—	—	—	—	—
Recognized net actuarial loss	764	1,126	2,065	407	399	281	1,352	1,986	2,250	122	133	88
Curtailments, settlements, and other losses (gains)	75	4,260	115	156	139	114	(213)	(505)	—	(17)	(9)	2
Divestiture of Allison(c)	(30)	(17)	(24)	—	—	—	211	(15)	(21)	—	—	—
Net expense	$ 551	$ 3,679	$ 1,422	$ 1,248	$ 1,232	$ 1,073	$ 2,099	$ 3,282	$ 5,284	$ 263	$ 285	$ 366
Weighted-average assumptions used to determine benefit obligations at December 31(a)												
Discount rate	6.35%	5.90%	5.70%	5.72%	4.76%	4.72%	6.35%	5.90%	5.45%	5.75%	5.00%	5.00%
Rate of compensation increase	5.25%	5.00%	4.90%	3.60%	3.00%	3.10%	3.30%	4.60%	4.20%	4.00%	4.00%	4.00%
Weighted-average assumptions used to determine net expense for years ended December 31(b)												
Discount rate	5.97%	5.70%	5.60%	4.97%	4.72%	5.61%	5.90%	5.45%	5.75%	5.00%	5.00%	6.00%
Expected return on plan assets	8.50%	9.00%	9.00%	7.85%	8.40%	8.50%	8.40%	8.80%	8.80%	—	—	—
Rate of compensation increase	5.00%	4.90%	5.00%	3.46%	3.10%	3.20%	4.60%	4.20%	3.90%	4.00%	4.00%	4.00%

* Table does not include extended disability plans with a total net expense of $63 million, $105 million and $79 million in 2007, 2006 and 2005, respectively (excluding curtailments), as the amounts are not material.

(a) Determined as of end of year.

(b) Determined as of beginning of year and updated for remeasurements. Appropriate discount rates were used during 2007 to measure the effects of curtailments and plan amendments on various plans.

(c) As a result of the Allison divestiture, we recorded an adjustment to the unamortized prior service cost of our U.S. hourly and salaried defined benefit pension plans of $18 million and our U.S. hourly and salaried OPEB plans of $223 million. Those adjustments were included in the determination of the gain recognized on the sale of Allison. The net periodic pension and OPEB benefit expenses related to Allison were reported as a component of discontinued operations.

Estimated amounts to be amortized from Accumulated other comprehensive income into net periodic benefit cost during 2008 based on December 31, 2007 plan measurements are as follows:

	U.S. Plans Pension Benefits	Non-U.S. Plans Pension Benefits	U.S. Other Benefits	Non-U.S. Other Benefits
	(Dollars in millions)			
Amortization of prior service cost (credit)	$ 841	$ 40	$ (1,861)	$ (92)
Amortization of transition obligation	—	7	—	—
Recognized net actuarial loss	263	282	747	102
	$ 1,104	$ 329	$ (1,114)	$ 10

Effective with the December 31, 2007 remeasurement, we will begin amortizing actuarial gains/losses and new prior service costs/credits over the life expectancy of inactive participants in the U.S. hourly healthcare plan due to the changing demographics of the participants in the plan.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Assumptions

Discount Rate

We set the discount rate assumption annually for each of our retirement-related U.S. benefit plans at their respective measurement dates to reflect the yield of a portfolio of high quality, fixed-income debt instruments that would produce cash flows sufficient in timing and amount to defease projected future benefits. We have established for our U.S. defined benefit pension plans and U.S. OPEB plans a discount rate of 6.35% for year-end 2007.

Health Care Trend Rate

Assumed Health-Care Trend Rates	December 31, 2007	2006
Initial health-care cost trend rate	8.2%	9.0%
Ultimate health-care cost trend rate	5.0%	5.0%
Number of years to ultimate trend rate	6	6

A one percentage point increase in the assumed health care trend rates for all future periods would have increased the U.S. APBO by $6.4 billion at December 31, 2007 and the U.S. aggregate service and interest cost components of non-pension postretirement benefit expense for 2007 by $511 million. A one percentage point decrease would have decreased the U.S. APBO by $5.4 billion and the U.S. aggregate service and interest cost components of non-pension postretirement benefit expense for 2007 by $420 million.

Long-term Rate of Return on Plan Assets

We use detailed periodic studies conducted by our outside actuaries and our asset management group to determine our long-term strategic mix among asset classes and the expected return on asset assumptions for our U.S. pension plans. The U.S. study includes a review of alternative asset allocation strategies, anticipated future long-term performance of individual asset classes, risks (standard deviations) and correlations among the asset classes that comprise the plans' asset mix. The primary non-U.S. pension plans conduct similar studies in conjunction with outside actuaries and asset managers. While the studies give appropriate consideration to recent fund performance and historical returns, the assumptions are primarily long-term, prospective rates of return.

Based on a study performed in 2006, our asset management group implemented certain changes in the long-run strategic asset allocations of the U.S. defined benefit pension plans. Specifically, we modified the target allocations to increase the fixed income exposure by 20% of total plan assets and to reduce the equity exposure by a corresponding amount. This change in strategic asset allocation was intended to significantly lower the expected volatility of asset returns and plan funded status, as well as the probability of future contribution requirements. In setting the new strategic asset mix, we considered the likelihood that the selected mix would effectively fund the projected pension plan liabilities while aligning with the risk tolerance of the plans' fiduciaries. Our strategic asset mix for U.S. defined benefit pension plans is intended to reduce exposure to equity market risks, to utilize asset classes which reduce surplus volatility and to utilize asset classes where active management has historically generated excess returns above market returns.

This asset mix is intended to place greater emphasis on investment manager skills than on general market returns to produce expected long-term returns, while employing various risk mitigation strategies to reduce surplus volatility. Based on the target asset allocations and a re-examination of expected asset return assumptions, we revised our expected long-term annual return rate assumption for our U.S. defined benefit plans effective January 1, 2007 to 8.5%, a reduction from our previous level of 9.0%. With the strategic mix fully implemented, our U.S. pension assets have the following target allocation relative to total assets: equity securities, 29%; debt securities, 52%; real estate, 8%; and other alternative investments, 11%. In 2006, our target allocations for such assets were: equity securities, 49%; debt securities, 32%; real estate, 8%; and other alternative investments, 11%.

The hourly VEBA is managed to achieve long-term asset returns while maintaining adequate liquidity for reimbursement of benefit payments, as needed. For 2006, the expected annual return for the hourly VEBA plan was 9.0% and the expected annual return for the

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

salaried VEBA was 4.5%. Based on a reexamination of expected long-term asset return assumptions, we revised our expected annual return assumptions effective January 1, 2007 for the hourly VEBA and salaried VEBA to 8.5% and 6%, respectively.

Plan Assets

Plan assets are valued using quoted market prices when available. Assets for which quoted market prices are not available are valued using independent pricing vendors, dealer or counterparty supplied valuations and net asset values provided by fund managers or portfolio investment advisors whose fair value estimates may utilize appraisals of the underlying assets or discounted cash flow models. In some instances, asset values are estimated by management in the absence of readily determinable fair values. Because of the inherent uncertainty of valuation, estimated fair values may differ significantly from the fair values that would have been used had a ready market existed.

Our defined benefit pension plans and U.S. OPEB plans have the following asset allocations, as of their respective measurement dates in 2007 and 2006:

	Plan Assets U.S. Pension Plans Actual Percentage of Plan Assets		Plan Assets Non-U.S. Pension Plans Actual Percentage of Plan Assets		Plan Assets OPEB Actual Percentage of Plan Assets	
Asset Category	2007	2006	2007	2006	2007	2006
Equity securities	26%	38%	62%	60%	53%	54%
Debt securities	52%	43%	25%	31%	25%	28%
Real estate	9%	8%	10%	9%	4%	4%
Other	13%	11%	3%	0%	18%	14%
Total	100%	100%	100%	100%	100%	100%

Equity securities include our Common Stock in the amounts of $17 million (less than 1% of total pension plan assets) and $24 million (less than 1% of total pension plan assets) at December 31, 2007 and 2006, respectively.

Plan Funding Policy and Contributions

Our funding policy with respect to our qualified defined benefit pension plans is to contribute annually not less than the minimum required by applicable law and regulations, or to directly pay benefit payments where appropriate. We made pension contributions to the U.S. hourly and salaried, other U.S., and non-U.S. defined benefit pension plans, or made direct payments where appropriate, as follows:

	December 31,		
	2007	2006	2005
	(Dollars in millions)		
U.S. hourly and salaried	$ —	$ 2	$ —
Other U.S.	$ 89	$ 78	$ 125
Non-U.S.	$ 848	$ 889	$ 708

In 2008, we do not have any contributions due, and we do not expect to make any discretionary contributions into the U.S. hourly and salaried defined benefit pension plans. We expect to contribute or pay benefits of approximately $100 million to our other U.S. defined benefit pension plans and approximately $900 million to our non-U.S. pension plans.

We contribute to our U.S. hourly and salaried VEBA trusts for U.S. OPEB plans. There were no contributions made to the VEBA trust in 2007 and 2006. Contributions by participants to the U.S. OPEB plans were $354 million and $129 million in 2007 and 2006, respectively. We withdrew a total of $2.7 billion and $4.1 billion from plan assets of our VEBA trusts for OPEB plans in 2007 and 2006, respectively.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Benefit Payments

The following benefit payments, which include assumptions related to estimated future employee service, as appropriate, are expected to be paid in the future:

	Pension Benefits(a)		U.S. Other Benefits(b)		Non-U.S. Other Benefits
	U.S. Plans	Non-U.S. Plans	Gross Benefit Payments	Gross Medicare Part D Receipts	Gross Benefit Payments
	(Dollars in millions)				
2008	$ 7,665	$ 1,357	$ 4,064	$ 219	$ 195
2009	$ 7,604	$ 1,375	$ 4,219	$ 238	$ 208
2010	$ 7,518	$ 1,414	$ 4,381	$ 260	$ 219
2011	$ 7,392	$ 1,451	$ 4,514	$ 280	$ 232
2012	$ 7,168	$ 1,481	$ 4,609	$ 300	$ 244
2013-2017	$ 34,462	$ 8,071	$ 23,920	$ 1,759	$ 1,408

(a) Benefits for most U.S. pension plans and certain non-U.S. pension plans are paid out of plan assets rather than our cash.

(b) U.S. Other Benefit payments exclude any amounts that would be required under the Settlement Agreement when approved.

Note 16. Derivative Financial Instruments and Risk Management

Derivatives and Hedge Accounting

We are exposed to market risk from changes in foreign currency exchange rates, interest rates, and certain commodity prices. In the normal course of business, we enter into a variety of foreign exchange, interest rate, and commodity forward contracts, swaps and options, with the objective of managing our financial and operational exposure arising from these risks by offsetting gains and losses on the underlying exposures with gains and losses on the derivatives used to hedge them. Our risk management control system is used to assist in monitoring the hedging program, derivative positions and hedging strategies. Our hedging documentation includes hedging objectives, practices and procedures, and the related accounting treatment. Hedges that receive designated hedge accounting treatment are evaluated for effectiveness at the time they are designated as well as throughout the hedging period.

Cash Flow Hedges

We use financial instruments designated as cash flow hedges for SFAS No. 133 purposes to hedge our exposure to foreign currency exchange risk associated with buying, selling, and financing in currencies other than the local currencies in which we operate. We also use financial instruments to hedge exposure to variability in cash flows related to foreign-currency-denominated debt. For foreign currency transactions, we typically hedge forecasted exposures up to three years in the future.

For derivatives designated as cash flow hedges for SFAS No. 133 purposes, we record changes in fair value in Other comprehensive income (OCI), then release those changes to earnings contemporaneously with the earnings effects of the hedged item. If the hedge relationship is terminated and the forecasted transaction is probable of not occurring, then the cumulative change in fair value of the derivative recorded in Accumulated OCI (AOCI) is recognized in earnings. To the extent the hedging relationship is not effective, the ineffective portion of the change in fair value of the derivative instrument is recorded in earnings.

Hedge ineffectiveness associated with instruments designated as cash flow hedges for SFAS No. 133 purposes increased Automotive cost of sales by $17 million and decreased Automotive cost of sales by $10 million in 2006 and 2005, respectively. Hedge ineffectiveness in 2007 was not significant. Net derivative gains of $51 million were reclassified from AOCI to Automotive cost of sales and net derivative gains of $225 million were reclassified from AOCI to Automotive revenue in 2007. Net derivative gains of $484 million were reclassified from AOCI to Automotive cost of sales and $693 million were reclassified from AOCI to Automotive revenue in 2006. Net

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

derivative gains of $206 million were reclassified from AOCI to Automotive cost of sales and $200 million were reclassified to Automotive revenue in 2005. These net (losses) gains were offset by net gains (losses) on the transactions being hedged.

Net derivative gains of $122 million included in AOCI at December 31, 2007 are expected to be reclassified into earnings within 12 months from that date.

Fair Value Hedges

We use financial instruments designated as fair value hedges for SFAS No. 133 purposes to manage certain of our exposures to interest rate risk. We are subject to market risk from exposures to changes in interest rates due to our financing, investing, and cash management activities. A variety of instruments are used to hedge our exposure associated with our fixed rate debt and, prior to 2007, mortgage servicing rights (MSRs). We record changes in the fair value of a derivative designated as a fair value hedge for SFAS No. 133 purposes in earnings, offset by corresponding changes in the fair value of the hedged item to the extent the hedge is effective.

Hedge ineffectiveness associated with instruments designated as fair value hedges, primarily due to hedging of MSRs, increased Selling, general and administrative expenses by $1 million and decreased Selling, general and administrative expenses by $26 million in 2006 and 2005, respectively. We recorded no hedging ineffectiveness in 2007.

Net Investment Hedges

We designate foreign-currency-denominated-debt to hedge foreign currency exposure related to our net investment in foreign entities. Foreign currency transaction gains and losses related to these debt instruments are recorded in the Accumulated foreign currency translation adjustment. Unrealized losses of $224 million and $139 million were recorded in Accumulated foreign currency translation adjustment in 2007 and 2006, respectively.

Derivatives Not Designated as Hedges

We use derivatives such as forward contracts and options, including caps, floors and collars to economically hedge exposures. Unrealized and realized gains and losses related to these derivatives that are not designated as accounting hedges are recorded currently in Automotive cost of sales.

We purchase commodities and parts with commodity content for use in production of vehicles which have purchase prices that vary based on commodity price indices. We hedge the commodity price risk economically by entering into derivative contracts. Unrealized and realized gains and losses related to these derivatives that are not designated as accounting hedges are recorded currently in Automotive cost of sales.

Additionally, we are exposed to foreign exchange risk related to forecasted foreign currency purchases of machinery and equipment and foreign-currency-denominated-debt. We hedge this foreign exchange risk economically by entering into derivative contracts. Unrealized and realized gains and losses related to these derivatives that are not designated as accounting hedges are recorded currently in Automotive cost of sales.

Derivatives Not Meeting a Scope Exception from Fair Value Accounting

We enter into purchase contracts to hedge our physical exposure to the availability of certain commodities used in the production of cars and trucks. We have determined that some of these contracts did not qualify for the normal purchases and normal sales scope exception from fair value accounting in SFAS No. 133, and therefore these purchase contracts have been accounted for as derivatives with unrealized gains and losses recorded currently in Automotive cost of sales.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Net Change in Accumulated Other Comprehensive Income

The net change in accumulated OCI related to cash flow hedging activities in 2007 and 2006 is as follows:

	2007	2006
	(Dollars in millions)	
Beginning of year net unrealized gain (loss) on derivatives	$ 359	$ 608
Change in fair value	140	515
Reclassification to earnings	(178)	(764)
End of year net unrealized gain on derivatives	$ 321	$ 359

Note 17. Commitments and Contingencies

Commitments

We had the following minimum commitments under noncancelable operating leases having remaining terms in excess of one year, primarily for property:

	2008	2009	2010	2011	2012	2013 and after
	(Dollars in millions)					
Minimum commitments	$ 719	$ 683	$ 662	$ 565	$ 500	$ 2,731
Sublease income	(218)	(212)	(201)	(199)	(196)	(2,180)
Net minimum commitments	$ 501	$ 471	$ 461	$ 366	$ 304	$ 551

Certain of these minimum commitments fund the obligations of non-consolidated VIEs. Certain of the leases contain escalation clauses and renewal or purchase options. Rental expense under operating leases was $812 million, $1.2 billion and $1 billion in 2007, 2006 and 2005, respectively.

We sponsor credit card programs, which offer rebates that can be applied primarily against the purchase or lease of GM vehicles. The amount of rebates available to qualified cardholders, net of deferred program income, was $3.9 billion at December 31, 2007 and 2006. Refer to Note 2 for additional information regarding our accounting policy for credit card programs we sponsor.

Our credit card program deferred revenue and redemption liability for estimated rebates applicable to sold vehicles are comprised of the following:

	December 31,	
	2007	2006
	(Dollars in millions)	
Current liabilities:		
Other accrued liabilities	$ 214	$ 141
Other liabilities and credits:		
Deferred revenue	$ 532	$ 547

Guarantees

We have provided guarantees related to the residual value of certain operating leases, primarily related to the lease of our corporate headquarters. At December 31, 2007, the maximum potential amount of future undiscounted payments that could be required to be made under these guarantees amount to $754 million. These guarantees terminate during years ranging from 2008 to 2018. Certain leases contain renewal options. In connection with the residual value guarantee related to the lease of our corporate headquarters, we have

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

recorded liabilities totaling $63 million as of December 31, 2007. We expect to record an additional $83 million with respect to the residual value guarantees related to this lease prior to its expiration in May 2008.

We have agreements with third parties to guarantee the fulfillment of certain suppliers' commitments and related obligations. At December 31, 2007, the maximum potential future undiscounted payments that could be required to be made under these guarantees amount to $171 million. These guarantees terminate during years ranging from 2008 to 2017, or upon the occurrence of specific events, such as an entity's cessation of business. In connection with such guarantees, we have recorded liabilities totaling $18 million.

In addition, in some instances, certain assets of the party whose debt or performance is guaranteed may offset, to some degree, the effect of the triggering of the guarantee. The offset of certain payables may also apply to certain guarantees. Accordingly, no liabilities were recorded.

We also provide payment guarantees on outstanding commercial loans made by GMAC with certain third-parties, such as dealers or rental car companies. As of December 31, 2007, the maximum commercial obligations we guaranteed related to these loans were $123 million. Years of expiration related to these guarantees range from 2008 to 2012. Based on the creditworthiness of these third parties, the value ascribed to the guarantees we provided was determined to be insignificant.

We have entered into agreements indemnifying certain parties with respect to environmental conditions related to existing or sold properties. Due to the nature of the indemnifications, our maximum exposure under these guarantees cannot be estimated. No amounts have been recorded for such indemnities as our obligations are not probable or estimable at this time.

In connection with certain divestitures of assets or operating businesses, we have entered into agreements indemnifying certain buyers and other parties with respect to environmental conditions pertaining to real property we owned. Also, in connection with such divestitures, we have provided guarantees with respect to benefits to be paid to former employees relating to pensions, postretirement health care and life insurance. Aside from indemnifications and guarantees related to Delphi or a specific divested unit, both of which are discussed below, due to the conditional nature of these obligations it is not possible to estimate our maximum exposure under these indemnifications or guarantees. No amounts have been recorded for such obligations as they are not probable and estimable at this time.

In addition to the guarantees and indemnifying agreements mentioned above, we periodically enter into agreements that incorporate indemnification provisions in the normal course of business. Due to the nature of these agreements, the maximum potential amount of future undiscounted payments to which we may be exposed cannot be estimated. No amounts have been recorded for such indemnities as our obligations under them are not probable and estimable at this time.

Environmental

Our operations, like operations of other companies engaged in similar businesses, are subject to a wide range of environmental protection laws, including laws regulating air emissions, water discharges, waste management and environmental cleanup. We are in various stages of investigation or remediation for sites where contamination has been alleged. We are involved in a number of remediation actions to clean up hazardous wastes as required by federal and state laws. Such statutes require that responsible parties fund remediation actions regardless of fault, legality of original disposal or ownership of a disposal site.

The future impact of environmental matters, including potential liabilities, is often difficult to estimate. We record an environmental reserve when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. This practice is followed whether the claims are asserted or unasserted. Management expects that the amounts reserved will be paid over the periods of remediation for the applicable sites, which typically range from five to 30 years.

For many sites, the remediation costs and other damages for which we ultimately may be responsible cannot be reasonably estimated because of uncertainties with respect to factors such as our connection to the site or to materials there, the involvement of other potentially responsible parties, the application of laws and other standards or regulations, site conditions, and the nature and scope of investigations, studies and remediation to be undertaken (including the technologies to be required and the extent, duration and success of

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

remediation). As a result, we are unable to determine or reasonably estimate the amount of costs or other damages for which we are potentially responsible in connection with these sites, although that total could be substantial.

While the final outcome of environmental matters cannot be predicted with certainty, it is the opinion of management that none of these items, when finally resolved, is expected to have a material adverse effect on our financial position or liquidity. However, it is possible that the resolution of one or more environmental matters could exceed the amounts accrued in an amount that could be material to our results of operations in any particular reporting period.

Asbestos Claims

Like most automobile manufacturers, we have been subject to asbestos-related claims in recent years. We have seen these claims primarily arise from three circumstances: (1) a majority of these claims seek damages for illnesses alleged to have resulted from asbestos used in brake components; (2) limited numbers of claims have arisen from asbestos contained in the insulation and brakes used in the manufacturing of locomotives; and (3) claims brought by contractors who allege exposure to asbestos-containing products while working on premises we owned.

While we have resolved many of the asbestos-related cases over the years and continue to do so for strategic litigation reasons such as avoiding defense costs and possible exposure to excessive verdicts, management believes that only a small proportion of the claimants has or will develop any asbestos-related impairment. Only a small percentage of the claims pending against us allege causation of a disease associated with asbestos exposure. The amount expended on asbestos-related matters in any year depends on the number of claims filed, the amount of pretrial proceedings and the number of trials and settlements during the period.

We record the estimated liability associated with asbestos personal injury claims where the expected loss is both probable and can reasonably be estimated. Before 2006, we concluded we could not reasonably estimate losses that could arise from future asbestos related claims not yet asserted against us. In the fourth quarter of 2006, we determined that based on our ongoing analysis of data regarding asbestos personal injury claims asserted against us, we had sufficient information to determine a reasonable estimate of incurred but not yet reported claims that could be asserted in the following two years and recognized a liability of $127 million. We continued to monitor and evaluate our claims experience during 2007, and found that we incurred fewer claims and lower expense than we projected in 2006. As a result, we reduced the reserve for existing claims by $251 million.

In the fourth quarter of 2007 we retained Hamilton, Rabinovitz & Associates, Inc., a firm specializing in estimating asbestos claims to assist us in determining our potential liability for pending and unasserted future asbestos personal injury claims. The analysis relies upon and includes the following information and factors:

(1) A third-party forecast of the projected incidence of malignant asbestos related disease likely to occur in the general population of individuals occupationally exposed to asbestos;

(2) Data concerning claims filed against us and resolved, amounts paid, and the nature of the asbestos related disease or condition asserted during approximately the last four years (Asbestos Claims Experience);

(3) The estimated rate of asbestos related claims likely to be asserted against us in the future based on our Asbestos Claims Experience and the projected incidence of asbestos related disease in the general population of individuals occupationally exposed to asbestos;

(4) The estimated rate of dismissal of claims by disease type based on our Asbestos Claims Experience; and

(5) The estimated indemnity value of the projected claims based on our Asbestos Claims Experience, adjusted for inflation.

We reviewed a number of factors, including the analysis provided by Hamilton, Rabinovitz & Associates, Inc. and increased the reserve to $637 million as a reasonable estimate of our probable liability for pending and future asbestos related claims projected to be

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

asserted over the next ten years, including legal defense costs. We will monitor our actual claims experience for consistency with this estimate and make periodic adjustments as appropriate.

We believe that our analysis was based on the most relevant information available combined with reasonable assumptions, and that we may prudently rely on its conclusions to determine the estimated liability for asbestos related claims. We note, however, that the analysis is inherently subject to significant uncertainties. The data sources and assumptions used in connection with the analysis may not prove to be reliable predictors with respect to claims asserted against us. Our experience in the recent past includes substantial variation in relevant factors, and a change in any of these assumptions — which include the source of the claiming population, the filing rate and the value of claims — could affect the estimate significantly up or down. In addition, other external factors such as legislation affecting the format or timing of litigation, the actions of other entities sued in asbestos personal injury actions, the distribution of assets from various trusts established to pay asbestos claims and the outcome of cases litigated to a final verdict could affect the estimate.

Contingent Matters — Litigation

Various legal actions, governmental investigations, claims and proceedings are pending against us, including a number of shareholder class actions, bondholder class actions, shareholder derivative suits and class actions under the U.S. Employee Retirement Income Security Act of 1974, as amended (ERISA), and other matters arising out of alleged product defects, including asbestos-related claims; employment-related matters; governmental regulations relating to safety, emissions, and fuel economy; product warranties; financial services; dealer, supplier and other contractual relationships and environmental matters.

With regard to the litigation matters discussed in the previous paragraph, we have established reserves for matters in which we believe that losses are probable and can be reasonably estimated. Some of the matters may involve compensatory, punitive, or other treble damage claims, or demands for recall campaigns, incurred but not reported asbestos-related claims, environmental remediation programs, or sanctions, that if granted, could require us to pay damages or make other expenditures in amounts that could not be reasonably estimated at December 31, 2007. We believe that we have appropriately accrued for such matters under SFAS No. 5 or, for matters not requiring accrual, that such matters will not have a material adverse effect on our results of operations or financial position based on information currently available to us. Litigation is inherently unpredictable, however, and unfavorable resolutions could occur. Accordingly, it is possible that an adverse outcome from such proceedings could exceed the amounts accrued in an amount that could be material to us with respect to our results of operations in any particular reporting period.

Delphi Corporation

Benefit Guarantee

In 1999, we spun off our Automotive Components Group (ACG) into a new entity, which became Delphi. Delphi is our largest supplier of automotive systems, components and parts and we are Delphi's largest customer. At the time of the spin-off, employees of ACG became employees of Delphi. As part of the separation agreements, Delphi assumed the pension and other postretirement benefit obligations for these transferred U.S. hourly employees who retired after October 1, 2000 and we retained pension and other postretirement obligations for U.S. hourly employees who retired on or before October 1, 2000. Additionally at the time of the spin-off, we entered into separate agreements with the UAW, the IUE-CWA and the USW (Benefit Guarantee Agreements) providing contingent benefit guarantees whereby we would make payments for certain pension benefits and OPEB benefits to certain former U.S. hourly employees that became employees of Delphi (defined as Covered Employees). Each Benefit Guarantee Agreement contains separate benefit guarantees relating to pension and OPEB obligations, with different triggering events. The UAW, IUE-CWA and USW required through the Benefit Guarantee Agreements that in the event that Delphi or its successor companies ceases doing business or becomes subject to financial distress we could be liable if Delphi fails to provide the corresponding benefits at the required level. The Benefit Guarantee Agreements do not obligate us to guarantee any benefits for Delphi retirees in excess of the corresponding benefits we provide at the time to our own hourly retirees. Accordingly, any reduction in the benefits we provide our hourly retirees reduces our obligation under the corresponding benefit guarantee. In turn, Delphi has entered into an agreement (Indemnification Agreement) with us that requires Delphi to indemnify us if we are required to perform under the UAW Benefit Guarantee Agreement. In addition, with respect to pension benefits, our guarantee arises only to the extent that the pension benefits provided by Delphi and the Pension Benefit Guaranty

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Corporation fall short of the guaranteed amount. Our rights under this Indemnification Agreement and our obligations to provide benefits under the Benefit Guarantees expire on March 31, 2008 unless we agree with Delphi and the UAW to extend the period.

We received notice from Delphi, dated October 8, 2005, that it was more likely than not that we would become obligated to provide benefits pursuant to the Benefit Guarantee Agreements, in connection with its commencement of Chapter 11 proceedings under the U.S. Bankruptcy Code. The notice stated that Delphi was unable to estimate the timing and scope of any benefits we might be required to provide under the benefit guarantees; however, in 2005, we believed it was probable that we had incurred a liability under the Benefit Guarantee Agreements. Also, on October 8, 2005, Delphi filed a petition for Chapter 11 proceedings under the U.S. Bankruptcy Code for itself and many of its U.S. subsidiaries. On June 22, 2007, we entered into a Memorandum of Understanding with Delphi and the UAW (Delphi UAW MOU) which included terms relating to the consensual triggering of the Benefit Guarantee Agreement with the UAW as well as additional terms relating to Delphi's restructuring. Under the Delphi UAW MOU we also agreed to pay for certain healthcare costs of Delphi retirees and their beneficiaries in order to provide a level of benefits consistent with those provided to our retirees and their beneficiaries from the Mitigation Plan VEBA. We also committed to pay $450 million to settle a UAW claim asserted against Delphi, which the UAW has directed us to pay directly to the GM UAW VEBA trust. Such amount is expected to be amortized to expense over future years. In August 2007, we entered into a Memorandum of Understanding with Delphi and the IUE-CWA (Delphi IUE-CWA MOU), and we entered into two separate Memoranda of Understanding with Delphi and the USW (collectively the USW MOUs). The terms of the Delphi IUE-CWA MOU and the USW MOUs are similar to the Delphi UAW MOU with regard to the consensual triggering of the Benefit Guarantee Agreements.

Delphi-GM Settlement Agreements

We have entered into comprehensive settlement agreements with Delphi (Delphi-GM Settlement Agreements) consisting of a Global Settlement Agreement, as amended (GSA) and a Master Restructuring Agreement, as amended (MRA) that would become effective upon Delphi's substantial consummation of its Plan of Reorganization and our receipt of consideration provided for in the Plan. The GSA is intended to resolve outstanding issues between Delphi and us that have arisen or may arise before Delphi's emergence from Chapter 11 and will be implemented with Delphi shortly after emergence from bankruptcy. The MRA is intended to govern certain aspects of our commercial relationship following Delphi's emergence from Chapter 11. The more significant items contained in the Delphi-GM Settlement Agreements include our commitment to:

- reimburse Delphi for its costs to provide OPEB to certain of Delphi's hourly retirees from and after January 1, 2007 through the date that Delphi ceases to provide such benefits;
- reimburse Delphi for the "normal cost" of credited service in Delphi's pension plan between January 1, 2007 and the date its pension plans are frozen;
- assume $1.5 billion of net pension obligations of Delphi and Delphi providing us a $1.5 billion note receivable;
- reimburse Delphi for all retirement incentives and half of the buy-out payments made pursuant to the various attrition program provisions and to reimburse certain U.S. hourly buydown payments made to hourly employees of Delphi;
- award future product programs to Delphi and provide Delphi with ongoing preferential sourcing for other product programs, with Delphi re-pricing existing and awarded business;
- reimburse certain U.S. hourly labor costs incurred to produce systems, components and parts for us from October 1, 2006 through September 14, 2015 at certain U.S. facilities owned or to be divested by Delphi (Labor Cost Subsidy);
- reimburse Delphi's cash flow deficiency attributable to production at certain U.S. facilities that continue to produce systems, components and parts for us until the facilities are either closed or sold by Delphi (Production Cash Burn Support); and
- guarantee a minimum recovery of the net working capital that Delphi has invested in certain businesses held for sale.

In addition, Delphi agreed to provide us or our designee with an option to purchase all or any of certain Delphi businesses for one dollar if such businesses have not been sold by certain specified deadlines. If such a business is not sold either to a third party or to us or

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

any affiliate pursuant to the option by the applicable deadline, we (or at our option, an affiliate) will be deemed to have exercised the purchase option, and the unsold business, including materially all of its assets and liabilities, will automatically transfer to the GM "buyer". Similarly, under the Delphi UAW MOU if such a transfer has not occurred by the applicable deadline, responsibility for the UAW hourly employees of such an unsold business affected would automatically transfer to us or our designated affiliate.

The GSA also resolves all claims in existence as of the effective date of Delphi's plan of reorganization that either Delphi or we have or may have against the other. Additionally, the GSA provides that Delphi will pay us: (1) $1.5 billion in a combination of at least $750 million in cash and a second lien note; and (2) $1 billion in junior preferred convertible stock at Plan of Reorganization Value upon Delphi's substantial consummation of its Plan of Reorganization. The ultimate value of any consideration is contingent on the fair market value of Delphi's securities upon emergence from bankruptcy.

We have recorded charges of $1.1 billion, $.5 billion, and $5.5 billion in 2007, 2006 and 2005, respectively, in connection with the Benefit Guarantee Agreements. These charges are net of estimated recoveries that would be due to us upon emergence of Delphi from bankruptcy. In addition, during 2007 we have recorded charges of $.5 billion related to the Delphi-GM Settlement Agreements, consisting primarily of our guarantee of Delphi's recovery of the net working capital at facilities held for sale and amounts due under the Labor Cost Subsidy. Our commitments under the Delphi-GM Settlement Agreements for the Labor Cost Subsidy and Production Cash Burn Support are expected to result in additional expense of between $300 million and $400 million annually beginning in 2008 through 2015, which will be treated as a period cost and expensed as incurred as part of Automotive cost of sales.

In January 2008, Delphi withdrew its March 2006 motion under the U.S. Bankruptcy Code seeking to reject certain supply contracts with us.

The Bankruptcy Court entered an order on January 25, 2008 confirming Delphi's Plan of Reorganization (POR), including the Delphi-GM Settlement Agreements. Delphi is pursuing approximately $6.1 billion in exit financing in support of its POR, which may be particularly difficult in light of the weakness and decline in capacity in the credit markets. We have informed Delphi that we are prepared to reduce the cash portion of our distributions significantly and accept an equivalent amount of debt in the form of a first lien note to help facilitate Delphi's successful emergence from bankruptcy proceedings. If Delphi cannot secure the financing it needs, the Delphi POR would not be consummated on the terms negotiated with us and with other interested parties. We believe that Delphi would likely seek alternative arrangements, but there can be no assurance that Delphi would be successful in obtaining any alternative arrangements. The resulting uncertainty could disrupt our ability to plan future production and realize our cost reduction goals, and could affect our relationship with the UAW and result in our providing additional financial support to Delphi, receiving less than the distributions that we expect from the resolution of Delphi's bankruptcy proceedings or assuming some of Delphi's obligations to its workforce and retirees. Due to these uncertainties it is reasonably possible that additional losses could arise in the future, but we currently are unable to estimate the amount or range of such losses, if any.

Benefit Guarantees Related to Divested Plants

We have entered into various guarantees regarding benefits for our former employees at two previously divested plants that manufacture component parts whose results continue to be included in our consolidated financial statements in accordance with FIN 46(R). For these divested plants, we entered into agreements with both of the purchasers to indemnify, defend and hold each purchaser harmless for any liabilities arising out of the divested plants and with the UAW guaranteeing certain postretirement health care benefits and payment of postemployment benefits.

In 2006, we recorded a charge of $206 million related to the closure of two plants and the permanent idling of 2,000 employees, primarily consisting of a $214 million charge to recognize wage and benefit costs associated with employees accepting retirement packages, buyouts or supplemental unemployment, which was reduced by a curtailment gain of $11 million with respect to other postretirement benefits. During 2007, we recognized favorable adjustments of $44 million related to these plant closures, in addition to a $38 million curtailment gain with respect to OPEB.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Note 18. Income Taxes

Income (loss) from continuing operations before income taxes, equity income, minority interests and a cumulative effect of a change in accounting principle included the following:

	Years Ended December 31,		
	2007	2006	2005
	(Dollars in millions)		
U.S. loss	$ (9,355)	$ (5,917)	$ (16,491)
Non-U.S. income (loss)	3,102	259	(738)
Total	$ (6,253)	$ (5,658)	$ (17,229)

We estimate the provision for income taxes as follows:

	Years Ended December 31,		
	2007	2006	2005
	(Dollars in millions)		
Current income tax expense (benefit):			
U.S. federal	$ (131)	$ —	$ (147)
Non-U.S.	295	1,099	834
U.S. state and local	21	21	(2)
Total current	185	1,120	685
Deferred income tax expense (benefit):			
U.S. federal	32,357	(2,719)	(7,025)
Non-U.S.	5,064	(1,201)	(656)
U.S. state and local	(444)	(246)	950
Total deferred	36,977	(4,166)	(6,731)
Total income tax expense (benefit)	$ 37,162	$ (3,046)	$ (6,046)

Annual tax provisions include amounts considered sufficient to pay assessments that may result from examination of prior year tax returns. Cash paid for income taxes was $404 million, $259 million and $305 million in 2007, 2006 and 2005, respectively.

Provisions are made for estimated U.S. and non-U.S. income taxes, less available tax credits and deductions, which may be incurred on the remittance of our share of subsidiaries' undistributed earnings not deemed to be permanently reinvested. Taxes have not been provided on non-U.S. subsidiaries' earnings, which are deemed permanently reinvested, of $6.1 billion and $5.6 billion at December 31, 2007 and 2006, respectively. Quantification of the deferred tax liability, if any, associated with permanently reinvested earnings is not practicable.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

A reconciliation of the provision (benefit) for income taxes compared with the amounts at the U.S. federal statutory rate is as follows:

	Years Ended December 31,		
	2007	2006	2005
	(Dollars in millions)		
Tax at U.S. federal statutory income tax rate	$ (2,189)	$ (1,978)	$ (6,031)
State and local tax expense	(275)	(147)	(616)
Foreign income taxed at rates other than 35%	149	(499)	(775)
Taxes on unremitted earnings of subsidiaries	(135)	(124)	(100)
Other tax credits	(86)	(115)	(69)
Settlement of prior year tax matters	—	(160)	(515)
Change in valuation allowance (a)	38,892	239	2,780
Change in statutory tax rates (b)	885	(27)	—
Tax effects of foreign reorganizations	269	96	(84)
Medicare prescription drug benefit	(199)	(348)	(324)
Other adjustments	(149)	17	(312)
Total income tax expense (benefit)	$ 37,162	$ (3,046)	$ (6,046)

(a) See discussion related to valuation allowances on certain deferred tax assets below.

(b) Changes in the tax laws of two jurisdictions in 2007 had a significant impact on our consolidated financial statements as follows:

- In December 2007, the Canadian government enacted legislation to reduce its combined statutory corporate tax rates by 3.5% in addition to a .5% rate reduction enacted in June 2007. The combined 4% reduction will be phased in gradually over a period of five years beginning in 2008. The impact of this change was a reduction in the carrying amount of our Canadian deferred tax assets of $376 million as of December 31, 2007. The valuation allowance discussed below has been adjusted to reflect this change in statutory rates.
- In July 2007, the German Parliament passed legislation to lower its statutory corporate tax rate. The President signed the legislation into law on August 14, 2007. This new law reduces by approximately 9%, effective as of January 1, 2008, the combined German business tax rate, which consists of the corporate tax rate, the local trade tax rate, and the solidarity levy tax rate. The impact of this change was a reduction in the carrying amount of our German deferred tax assets of $475 million, which is included in the charge related to the valuation allowance discussed below.

Deferred income tax assets and liabilities at December 31, 2007 and 2006 reflect the effect of temporary differences between amounts of assets, liabilities and equity for financial reporting purposes and the bases of such assets, liabilities and equity as measured by tax laws, as well as tax loss and tax credit carryforwards.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Temporary differences and carryforwards that give rise to deferred tax assets and liabilities are comprised of the following:

	December 31,			
	2007 Deferred Tax		2006 Deferred Tax	
	Assets	Liabilities	Assets	Liabilities
	(Dollars in millions)			
Postretirement benefits other than pensions	$ 17,726	$ —	$ 18,721	$ —
Pension and other employee benefit plans	2,582	6,618	5,044	6,137
Warranties, dealer and customer allowances, claims and discounts	4,148	54	4,070	47
Depreciation and amortization	7,108	4,536	6,098	2,008
Tax carryforwards	14,148	—	13,293	—
Lease transactions	—	136	—	199
Miscellaneous U.S.	7,799	1,556	8,240	2,194
Miscellaneous non-U.S.	2,598	37	2,992	40
Subtotal	56,109	12,937	58,458	10,625
Valuation allowances	(42,489)	—	(6,523)	—
Total deferred taxes	13,620	$ 12,937	51,935	$ 10,625
Net deferred tax assets	$ 683		$ 41,310	

The following deferred tax assets and liabilities are included in the consolidated balance sheet:

	December 31,	
	2007	2006
	(Dollars in millions)	
Current deferred tax assets	$ 493	$ 10,293
Current deferred tax liabilities	(116)	(9)
Non-current deferred tax assets	1,340	31,751
Non-current deferred tax liabilities	(1,034)	(725)
Total	$ 683	$ 41,310

The amount and expiration dates of operating loss and tax credit carryforwards as of December 31, 2007 is as follows:

	Expiration Dates	Amounts (Dollars in millions)
U.S. federal and state net operating loss carryforwards	2024-2027	$ 5,297
Non-U.S. net operating loss carryforwards	Indefinite	2,406
Non-U.S. net operating loss carryforwards	2008-2026	1,648
U.S. alternative minimum tax credit	Indefinite	694
U.S. general business credits(a)	2008-2027	1,514
U.S. foreign tax credits	2010-2017	2,589
Total		$ 14,148

(a) The general business credits principally consist of research and experimentation credits.

In accordance with SFAS No. 109 “Accounting for Income Taxes” (SFAS No. 109), we evaluate our deferred income taxes quarterly to determine if valuation allowances are required or should be adjusted. SFAS No. 109 requires that companies assess whether valuation allowances should be established against their deferred tax assets based on consideration of all available evidence, both positive and negative, using a “more likely than not” standard. This assessment considers, among other matters, the nature, frequency and severity of

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

recent losses, forecasts of future profitability, the duration of statutory carryforward periods, our experience with tax attributes expiring unused and tax planning alternatives. In making such judgments, significant weight is given to evidence that can be objectively verified.

Valuation allowances have been established for deferred tax assets based on a "more likely than not" threshold. Our ability to realize our deferred tax assets depends on our ability to generate sufficient taxable income within the carryback or carryforward periods provided for in the tax law for each applicable tax jurisdiction. We have considered the following possible sources of taxable income when assessing the realization of our deferred tax assets:

- Future reversals of existing taxable temporary differences;
- Future taxable income exclusive of reversing temporary differences and carryforwards;
- Taxable income in prior carryback years; and
- Tax-planning strategies.

The valuation allowances that we have recognized relate to certain net deferred tax assets in U.S. and non-U.S. jurisdictions. The change in the valuation allowance and related considerations are as follows:

	December 31,		
	2007	2006	2005
	(Dollars in millions)		
Balance at January 1	$ 6,523	$ 6,284	$ 3,504
Additions (Reversals):			
U.S.	31,353	250	1,425
Canada	2,435	—	—
Germany	1,927	—	—
Poland	94	6	538
Sweden	91	73	109
Spain	31	—	—
Brazil	16	(48)	617
South Korea	—	(211)	16
Other	19	169	75
Balance at December 31	$ 42,489	$ 6,523	$ 6,284

United States, Canada and Germany: — In the third quarter of 2007, we recorded a charge of $39 billion related to establishing full valuation allowances against our net deferred tax assets in the U.S., Canada and Germany. Concluding that a valuation allowance is not required is difficult when there is significant negative evidence which is objective and verifiable, such as cumulative losses in recent years. We utilize a rolling twelve quarters of results as a measure of our cumulative losses in recent years. We then adjust those historical results to remove certain unusual items and charges. In the U.S., Canada and Germany our analysis indicates that we have cumulative three year historical losses on an adjusted basis. This is considered significant negative evidence which is objective and verifiable and therefore, difficult to overcome. In addition, our near-term financial outlook in the U.S., Canada and Germany deteriorated during the third quarter. While our long-term financial outlook in the U.S., Canada and Germany remains positive, we concluded that our ability to rely on our long-term outlook as to future taxable income was limited due to uncertainty created by the weight of the negative evidence, particularly:

- The possibility for continued or increasing price competition in the highly competitive U.S. market. This was seen in the external market in the third quarter of 2007 when a competitor introduced its new fullsize trucks and offered customer incentives to gain market share. Accordingly, we increased customer incentives on our recently launched fullsize trucks, which were not previously anticipated;
- Continued high fuel prices and the possible effect that may have on consumer preferences related to our most profitable products, fullsize trucks and utility vehicles;

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

- Uncertainty over the effect on our cost structure from more stringent U.S. fuel economy and global emissions standards which may require us to sell a significant volume of alternative fuel vehicles across our portfolio;
- Uncertainty as to the future operating results of GMAC's Residential Capital, LLC mortgage business, and
- Acceleration of tax deductions for OPEB liabilities as compared to prior expectations due to changes associated with the Settlement Agreement.

Accordingly, based on our current circumstances and uncertainty regarding our future taxable income, we recorded full valuation allowances against these net deferred tax assets during the third quarter of 2007. If and when our operating performance improves on a sustained basis, our conclusion regarding the need for full valuation allowances could change, resulting in the reversal of some or all of the valuation allowances in the future.

In the U.S., a valuation allowance was recorded during 2006 and 2005 related to the 2006 and 2005 losses allocable to certain U.S. state jurisdictions where it was previously determined that tax attributes related to those jurisdictions were not realizable.

Brazil — In 2005, we determined that it was more likely than not that the net deferred taxes in our Brazilian operations would not be realized, and accordingly, we recorded a full valuation allowance against all tax credit carryforwards and net timing differences in Brazil. The decision was based on a consideration of historical results at our operations in Brazil coupled with the government imposed 30% annual limitation on net operating loss utilization. In 2007, we reversed a portion of our full valuation allowance because we utilized certain deferred tax assets. However, due to appreciation of the Brazilian Real against the U.S. Dollar in 2007, a net increase in the valuation allowance arose upon translation of the valuation allowance into U.S. Dollars. In the event our operating performance improves on a sustained basis, our conclusion regarding the need for a full valuation allowance could change, resulting in the reversal of some or all of the remaining valuation allowance in the future.

United Kingdom — No valuation allowance has been established for our net deferred tax assets in the U.K. Although our U.K. operations have incurred cumulative losses in recent years, we believe other considerations overcome that fact and, accordingly, these deferred tax assets will more likely than not be realized. This determination is based in particular on the unlimited expiration of net operating loss carryforwards in the U.K., together with those operations' histories of utilizing tax attributions in the past through earnings and strong prospects for future earnings.

Spain — We established a valuation allowance in 2007 against our Spanish deferred tax assets related to investment tax credits, which we do not expect will be realizable under a more likely than not threshold. Although Spanish net operating loss carryforwards expire after 15 years, we believe that our Spanish deferred tax assets related to these net operating loss carryforwards will more likely than not be realized because losses in our Spanish operations have largely been caused by non-recurring transactions. In addition, we believe our Spanish operations continue to have strong prospects for future earnings.

South Korea — While a full valuation allowance had historically been recorded, several positive events occurred during 2006 that lead us to conclude that a valuation allowance was no longer necessary. Accordingly, we reversed our full valuation allowance against the net deferred tax assets in South Korea in 2006. We expect continuing profitability in South Korea and that the net deferred tax asset will more likely than not be realized.

We allocate our income tax expense (benefit) between continuing operations, discontinued operations and other comprehensive income in accordance with SFAS No. 109. SFAS No. 109 is applied by tax jurisdiction, and in periods in which there is a pre-tax loss from continuing operations and pre-tax income in another category, such as discontinued operations or other comprehensive income, income tax expense is first allocated to the other sources of income, with a related benefit recorded in continuing operations.

Upon adoption of FIN 48 as of January 1, 2007, we recorded an increase to Retained earnings of $137 million as a cumulative effect of a change in accounting principle with a corresponding decrease to the liability for uncertain tax positions. At January 1, 2007, we had $2.7 billion of total gross unrecognized tax benefits, of which $2.1 billion represents the amount of unrecognized tax benefits that, if recognized, would favorably affect the effective income tax rate in future periods. At December 31, 2007, the amount of gross unrecognized tax benefits before valuation allowances and the amount that would favorably affect the effective income tax rate in future periods after valuation allowances was $2.8 billion and $.1 billion, respectively. These amounts consider the guidance in FIN 48-1,

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

"Definition of Settlement in FASB Interpretation No. 48." At December 31, 2007, $2.2 billion of the liability for uncertain tax positions reduces deferred tax assets relating to the same tax jurisdictions. The remainder of the liability for uncertain tax positions is classified as a non-current liability.

A reconciliation of the total amounts of unrecognized tax benefits at the beginning and end of the period is as follows (dollars in millions):

Balance at January 1, 2007	$ 2,717
Additions to tax positions recorded during the current year	274
Additions to tax positions recorded during prior years	454
Reductions to tax positions recorded during prior years	(602)
Reductions in tax positions due to lapse of statutory limitations	(75)
Other	(14)
Balance at December 31, 2007	$ 2,754

Our practice is to classify interest income on uncertain tax positions in Automotive interest income and other non-operating income, interest expense in Automotive and other interest expense and penalties in Selling, general and administrative expense. We recognized interest income of $133 million in 2007 on uncertain tax positions, and we recognized a net reduction in interest expense of ($32) million in 2007 principally due to the reversal of $88 million in previously accrued interest expense as the statute of limitations had expired for the related uncertain tax positions. Additionally, we recognized $23 million in penalties in 2007. As of December 31, 2007, we had $132 million accrued for the receipt of interest on uncertain tax positions, $192 million accrued for the payment of interest on uncertain tax positions and $104 million accrued for the payment of penalties.

We have open tax years from 1999 to 2007, with various taxing jurisdictions where our taxes remain subject to examination, including the United States, Australia, Canada, Mexico, Germany, the United Kingdom, Korea and Brazil. In the United States, our federal income tax returns for 2001 through 2006 are currently under review by the Internal Revenue Service, and we anticipate that the examination for years 2001 through 2003 will conclude in early 2008. Our Mexican subsidiary has recently received an income tax assessment related to the 2001 tax year covering warranty, tooling costs and withholding taxes. In addition, our previously filed tax returns are currently under review in Argentina, Australia, Belgium, Canada, China, Colombia, France, Germany, Greece, Hungary, Indonesia, India, Italy, Korea, Portugal, New Zealand, Taiwan, Thailand, Turkey, the United Kingdom, Venezuela and Vietnam, and we have received notices that tax audits will commence in the Netherlands and Spain. As of December 31, 2007, it is not possible to reasonably estimate the expected change to the total amount of unrecognized tax benefits over the next twelve months.

Note 19. Fair Value of Financial Instruments

The estimated fair value of financial instruments has been determined using available market information or other appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop estimates of fair value; therefore, the estimates are not necessarily indicative of the amounts that could be realized or would be paid in a current market exchange. The effect of using different market assumptions and/or estimation methodologies may be material to the estimated fair value amounts.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Book and estimated fair values of financial instruments for which it is practicable to estimate fair value are as follows:

	December 31,			
	2007		2006	
	Book Value	Fair Value	Book Value	Fair Value
	(Dollars in millions)			
Automotive				
Assets				
Derivative assets	$ 1,567	$ 1,567	$ 2,080	$ 2,080
Liabilities				
Long-term debt (a)	$ 33,384	$ 25,940	$ 33,067	$ 28,877
Derivative liabilities	$ 851	$ 851	$ 916	$ 916
Financing and Insurance Operations				
Assets				
Derivative assets	$ 2	$ 2	$ 35	$ 35
Other assets (b)	$ 1,046	$ 933	$ 1,601	$ 1,601
Liabilities				
Debt (a)	$ 4,908	$ 4,918	$ 9,438	$ 9,438
Derivative liabilities	$ 6	$ 6	$ 2	$ 2

(a) Long-term debt has an estimated fair value based on quoted market prices for the same or similar issues or based on the current rates offered to us for debt of similar remaining maturities. Estimated values of Industrial Development Bonds, included in long-term debt, were based on quoted market prices for the same or similar issues.

(b) The fair value of the GMAC Preferred Membership Interest was estimated by discounting the future cash flows considering dividend rate, interest rate, and credit spreads.

Due to their short-term nature, the book value approximates fair value for cash and marketable securities, accounts and notes receivable (less allowances), accounts payable (principally trade), Automotive & Other loans payable and FIO debt payable within one year as of December 31, 2007 and 2006.

Note 20. GMNA Postemployment Benefit Costs

The majority of our hourly employees working within the U.S. are represented by the UAW. The collective bargaining agreement with the UAW contains a job security provision, commonly referred as the JOB Opportunity Bank (JOBS Bank) provisions. As stated in this provision, we are required to pay idled employees certain wage and benefit costs. In connection with our 2007 National Agreement, the provisions of the JOBS Bank were modified to substantially reduce the duration of time an idled employee can remain inactive. The modifications also increases our ability to redeploy and relocate idled employees to active facilities based on required manpower needs.

Historically, costs to idle, consolidate or close facilities and provide postemployment benefits to employees idled on an other than temporary basis were accrued based on management's best estimate of the wage and benefit costs to be incurred for qualified employees under the JOBS Bank provisions of the previous labor agreement through September 2007 plus the estimated costs expected to be paid thereafter factoring in revisions for anticipated policy changes with our new labor contracts. In the third quarter of 2007, we revised our estimate to provide for the new JOBS Bank provisions negotiated in our 2007 National Agreement. Such revisions did not result in a significant change from the previous estimate used to develop the accrual for wage and benefit costs. Costs related to the idling of employees that are expected to be temporary are expensed as incurred. We review the adequacy and continuing need for these liabilities on a quarterly basis in conjunction with our quarterly production and labor forecasts.

In March 2006, we reached an agreement with Delphi and the UAW (the UAW Attrition Program) intended to reduce the number of U.S. hourly employees through an accelerated attrition program (the Attrition Program). Under the UAW Attrition Program, we provided certain UAW-represented employees at GM with: (1) a lump sum payment of $35,000 for normal or early voluntary retirements retroactive to October 1, 2005; (2) a mutually satisfactory retirement for employees with at least 10 years of credited service and 50 years

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

of age or older; (3) payment of gross monthly wages ranging from $2,750 to $2,900 to those employees who participate in a special voluntary pre-retirement program depending on years of credited service and plant work location; and (4) a buyout of $140,000 for employees with 10 or more years of seniority, or $70,000 for employees with less than 10 years seniority, provided such employees severed all ties with us except for any vested pension benefits. Approximately 34,400 GM hourly employees agreed to the terms of the UAW Attrition Program. We recorded a charge of $2.1 billion in 2006 to recognize the wage and benefit cost of those accepting normal and voluntary retirements, buyouts or pre-retirement leaves. As a result of the UAW Attrition Program, the JOBS Bank was substantially reduced as employees from the JOBS Bank retired, accepted a buyout or filled openings created by the UAW Attrition Program. Certain employees who chose to leave GM retired or left by January 1, 2007 but will continue to receive payments until 2010. Throughout 2006, we recorded favorable adjustments totaling $1 billion to the postemployment benefits reserve primarily as a result of: (1) the transfer of employees from idled plants to other plant sites to replace those positions previously held by employees who accepted retirements, buyouts, or pre-retirement leaves; (2) a higher than anticipated level of UAW Attrition Program participation by employees at idled facilities and facilities to be idled that were previously accrued for under the JOBS Bank provisions; and, (3) higher than anticipated headcount reductions associated with the GMNA plant idling activities announced in 2005.

In 2005, we recognized a charge of $1.8 billion for postemployment benefits related to the restructuring of our North American operations. The 2005 charge included 17,500 employees for locations included in this action, with some leaving through attrition and the remainder transferring to other sites.

The liability for postemployment benefit costs of $.9 billion at December 31, 2007 reflects estimated future wages and benefits for 8,900 employees primary located at idled facilities and facilities to be idled, and 3,800 employees subject to the terms of the 2006 Attrition Program. At December 31, 2006, the postemployment benefit cost reserve reflects estimated future wages and benefits of $1.3 billion related to 8,500 employees, primarily located at idled facilities and facilities to be idled as a result of previous announcements, and 10,900 employees under the terms of the UAW Attrition Program. At December 31, 2005, this reserve was $2 billion related to the estimated future wages and benefits of 18,400 employees, primarily at idled facilities and facilities to be idled as a result of previous announcements in 2005. The following table summarizes the activity in the reserve for the years 2007, 2006 and 2005:

	2007	2006	2005
	(Dollars in millions)		
Balance at January 1	$ 1,269	$ 2,012	$ 237
Additions	364	2,212	1,891
Interest accretion	21	31	12
Payments	(792)	(1,834)	(91)
Adjustments	(4)	(1,152)	(37)
Balance at December 31	$ 858	$ 1,269	$ 2,012

Note 21. Restructuring and Other Initiatives

We have executed various restructuring and other initiatives and may execute additional initiatives in the future to align manufacturing capacity to prevailing global automotive production and to improve the utilization of remaining facilities. Such initiatives may include plant closings, consolidation of operations and functions, production relocations or reductions and voluntary and involuntary employee separation programs. Estimates of restructuring and other initiative charges are based on information available at the time such charges are recorded. Due to the inherent uncertainty involved, actual amounts paid for such activities may differ from amounts initially recorded. Accordingly, we may record revisions of previous estimates by adjusting previously established reserves.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The following table summarizes our restructuring and other initiative charges, by segment in 2007, 2006 and 2005:

	Year Ended December 31,		
	2007	2006	2005
	(Dollars in millions)		
Automotive Operations:			
GMNA	$ 9	$ 115	$ 222
GME	579	437	1,068
GMLAAM	18	43	—
GMAP	49	16	65
Total Automotive Operations	655	611	1,355
Financing and Insurance Operations	—	—	—
Corporate and Other	—	—	13
Total restructuring charges	$ 655	$ 611	$ 1,368

Refer to Note 20 for further discussion of postemployment benefits costs related to hourly employees of GMNA, Note 22 for asset impairment charges related to our restructuring initiatives and Note 15 for pension curtailments and other postretirement benefit charges related to our hourly employee separation initiatives.

2007 Activities

The following table details the components of our 2007 restructuring charges by region:

	GMNA	GME	GMLAAM	GMAP	Corporate and Other	Total
	(Dollars in millions)					
Separation costs	$ 9	$ 579	$ 18	$ 49	$ —	$ 655
Contract termination costs	—	—	—	—	—	—
Total restructuring charges	$ 9	$ 579	$ 18	$ 49	$ —	$ 655

GMNA recorded restructuring charges of $9 million in 2007 for a U.S. salaried severance program, which allows involuntarily terminated employees to receive ongoing wages and benefits for no longer than 12 months.

GME recorded charges of $579 million for separation programs during 2007. These charges were related to the following restructuring initiatives:

- Charges of $162 million, primarily related to early retirement programs, along with additional minor separations under other current programs in Germany. Approximately 4,600 employees will leave under early retirement programs in Germany through 2013. The total remaining cost for the early retirements will be recognized over the remaining service period of the employees.
- During the second quarter of 2007, we announced additional separation programs at the Antwerp, Belgium facility. These programs impact 1,900 employees, who will leave through July 2008, and have total estimated costs of $430 million. Of this amount, $353 million was recorded in 2007 in connection with these separation programs. The remaining cost of the Antwerp, Belgium program will be recognized over the remaining service period of the employees through July 2008.
- The remaining $64 million in separation charges relates to initiatives announced in 2006. These include separations in Sweden and the United Kingdom and the closure of our Portugal assembly plant.

GMLAAM recorded restructuring charges of $18 million in 2007 for employee separations at GM do Brasil. These initiatives were announced and completed during the second quarter of 2007 and resulted in the separation of 600 employees.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GMAP recorded charges of $49 million for a voluntary employee separation program at GM Holden's vehicle operations facility, which was announced in the first quarter of 2007. This initiative reduces the facility's workforce by 650 employees as a result of increased plant operational efficiency.

2006 Activities

The following table details the components of our 2006 restructuring charges by region:

	GMNA	GME	GMLAAM	GMAP	Corporate and Other	Total
	(Dollars in millions)					
Separation costs	$ 115	$ 408	$ 43	$ 16	$ —	$ 582
Contract termination costs	—	29	—	—	—	29
Total restructuring charges	$ 115	$ 437	$ 43	$ 16	$ —	$ 611

GMNA recorded restructuring charges of $115 million related to costs incurred under a new salaried severance program, which allows involuntarily terminated employees to receive continued salary and benefits for a period of time after termination.

GME recorded restructuring charges of $437 million in 2006. These charges consisted of separation and contract costs for several restructuring initiatives. Details of the individual restructuring initiatives and charges follow.

- We announced our European operations restructuring initiative in the fourth quarter of 2004. The European restructuring initiative targeted a total reduction of 12,000 employees from 2005 to 2007 through separation programs, early retirements, and selected outsourcing initiatives. GME recorded charges of $184 million in 2006 for activities related to the European restructuring initiative announced in 2004.
- In the third quarter of 2006, we announced the closure of our Azambuja, Portugal assembly plant and the transfer of its production to a lower cost facility in Zaragoza, Spain. The Portugal plant ceased production in December 2006, resulting in a total separation of 1,100 employees. GME recorded separation charges of $53 million and contract cancellation charges of $26 million for this closure.
- In May 2006, we announced the reduction of one shift at the Ellesmere Port plant in the United Kingdom in order to reduce costs and improve competitiveness. This shift reduction was achieved primarily through the offering of a voluntary separation package and reduced the work force in the U.K. by 1,200 employees by the end of 2006. GME recorded separation charges of $131 million and contract cancellation charges of $3 million during 2006 for the shift reduction at Ellesmere Port.
- New separation programs for Belgium, the United Kingdom and Sweden were announced in the fourth quarter of 2006. GME recorded $32 million in restructuring charges for these programs related to the separation of 280 employees, primarily in Sweden. In addition, GME also recorded a charge of $8 million for an early retirement program announced in the fourth quarter of 2006 in Germany. We recognize the cost over the remaining service period of each employee.

GMLAAM recorded restructuring charges of $43 million related to the costs of voluntary employee separations at GM do Brasil. This initiative resulted in separations of 1,500 hourly and administrative employees at our Sao Jose dos Campos and Sao Caetano do Sul facilities during 2006.

GMAP recorded restructuring charges of $16 million related to a voluntary separation program at GM Holden, which we announced in the fourth quarter of 2006. This program provided for the voluntary separation of 205 employees at our GM Holden engine plant.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

2005 Activities

The following table details the components of our 2005 restructuring charges by region:

	GMNA	GME	GMLAAM	GMAP	Corporate and Other	Total
	(Dollars in millions)					
Separation costs	$ 222	$ 1,009	$ —	$ 65	$ 13	$ 1,309
Contract termination costs	—	59	—	—	—	59
Total restructuring charges	$ 222	$ 1,068	$ —	$ 65	$ 13	$ 1,368

During 2005, GMNA and Other Operations recorded restructuring charges of $222 million and $13 million, respectively. These costs related to voluntary early retirement and other separation programs for certain salaried employees in the United States.

GME recorded restructuring charges of $1.1 billion in 2005. These charges consisted primarily of $1 billion in separation costs for our European operations' restructuring initiative, which we announced in the fourth quarter of 2004. In addition, we also recorded contract cancellation charges of $39 million for the dissolution of our Fiat powertrain joint venture in the second quarter of 2005 and contract cancellation charges of $20 million related to the sale of our investment in FHI.

GMAP recorded restructuring charges of $65 million during 2005 related to the elimination of one shift, and the reduction of 1,400 employees by mid-2006 at the Adelaide, Australia plant.

Note 22. Impairments

We periodically review the carrying value of our long-lived assets to be held and used when events and circumstances warrant and in conjunction with the annual business planning cycle. If the carrying value of a long-lived asset or asset group is considered impaired, an impairment charge is recorded for the amount by which the carrying amount exceeds fair market value. Fair market value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. Product-specific assets may become impaired as a result of declines in profitability due to changes in volume, pricing or costs. Asset impairment charges are recorded in Automotive cost of sales in the consolidated statements of operations.

In addition, we test our goodwill for impairment annually and when an event occurs or circumstances change such that it is reasonably possible that impairment may exist. The annual impairment test requires the identification of our reporting units and a comparison of the fair value of each of our reporting units to the respective carrying value. The fair value of our reporting units is determined based on valuation techniques using the best information that is available, primarily discounted cash flow projections. If the carrying value of a reporting unit is greater than the fair value of the reporting unit then impairment may exist.

Our long-lived asset and goodwill impairment charges in 2007, 2006 and 2005 were:

	Year Ended December 31,		
	2007	2006	2005
	(Dollars in millions)		
Goodwill impairments	$ —	$ 828	$ 712
Long-lived asset impairments related to restructuring initiatives	—	89	700
Other long-lived asset impairments	259	596	1,353
Total	$ 259	$ 1,513	$ 2,765

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

2007 Impairments

We recorded long-lived asset impairment charges of $259 million in 2007 for the following segments: (1) GMNA recorded charges of $240 million for product-specific tooling assets; (2) GMAP recorded asset impairment charges of $14 million related to the cessation of production VZ Commodore passenger car derivatives at our Holden facility; and (3) GMLAAM recorded $5 million of vehicle and facility impairments at our South Africa and Chile locations.

2006 Impairments

We recorded long-lived asset impairment charges of $685 million in 2006. Of this amount, $424 million related to product-specific assets, including: (1) $303 million at GMNA; (2) $60 million at GME; and (3) $61 million at GMAP. In addition, GMNA recorded impairment charges totaling $172 million, which included $102 million related to product-specific assets and $70 million related to the write-down of various plant assets due to decreased profitability and production associated with the planned cessation of production at the Doraville, Georgia assembly plant in 2008. Additionally, GME recorded a charge of $89 million in connection with the December 2006 closure of our Portugal assembly plant.

During the third quarter of 2006, GMAC recognized a goodwill impairment charge of $828 million related to its Commercial Finance business. The fair value of the Commercial Finance business was determined using an internally developed discounted cash flow analysis based on five year projected net income and a market driven terminal value multiple. As GMAC was a wholly-owned subsidiary during the third quarter of 2006, the entire amount of this impairment loss is included in Financial services and insurance expense.

2005 Impairments

In November 2005, we announced our North America restructuring initiative (Turnaround Plan), which was implemented to improve capacity utilization of our manufacturing operations and accelerate structural cost reductions. This plan includes ceasing operations at nine assembly, stamping and powertrain facilities and three Service & Parts Operations facilities by 2008. As a result of these capacity reduction initiatives, GMNA recorded an impairment charge of $700 million for the write-down to fair market value of property, plants, and equipment for assets that were still in service as of December 31, 2005. Refer to Note 20 for further discussion of the employee costs associated with this restructuring.

GMNA recorded an additional impairment charge of $134 million for the write-down to fair market value of various plant assets. This charge was related to the first quarter announcement to discontinue production at a Lansing, Michigan assembly plant during the second quarter of 2005.

We accelerated our business planning cycle in 2005 as a result of the lack of improved performance in the second quarter of 2005. In connection with this process, we reviewed the carrying value of certain long-lived assets held and used, other than goodwill and intangible assets with indefinite lives. These reviews resulted in impairment charges for assets still in service in GMNA and GME of $743 million and $262 million, respectively.

In addition, restructuring initiatives were announced in the third quarter of 2005 in GMAP related to production in Australia, resulting in additional impairment charges of $64 million. In GMLAAM, unusually strong South American currencies adversely affected the profitability of GMLAAM's export business. Management's decision to adjust GMLAAM's export volumes resulted in lower expected future cash flows, resulting in a $150 million impairment charge in the region during 2005.

In the fourth quarter of 2005, GMAC recognized a goodwill impairment charge of $712 million related to its Commercial Finance operating segment and, in particular, primarily to the goodwill recognized in connection with the 1999 acquisition of The Bank of New York's commercial finance business. This charge resulted from the annual impairment test that was performed for all of its reporting units. As GMAC was a wholly-owned subsidiary during the fourth quarter of 2005, the entire amount of this impairment loss is included in Financial services and insurance expense.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Note 23. Other Expenses

Other expenses are comprised of the following:

	Years Ended December 31,		
	2007	2006	2005
	(Dollars in millions)		
Loss on sale of 51% interest in GMAC (Note 3)	$ —	$ 2,910	$ —
FHI impairment loss (Note 8)	—	—	812
Delphi contingent exposure (Note 17)	1,547	500	5,500
Pension benefits for certain current and future retirees of Delphi (Note 15)	552	—	—
Goodwill impairment — GMAC (Note 10)	—	828	712
Total other expenses	$ 2,099	$ 4,238	$ 7,024

Note 24. Stockholders' Equity

Common Stock

We have 2 billion shares of Common Stock authorized. The liquidation rights of our Common Stock are subject to certain adjustments if outstanding Common Stock is subdivided, by stock split or otherwise.

Preferred Stock

We have 6 million shares of preferred stock authorized, without par value. The preferred stock is issuable in series with such voting powers, designations, powers, privileges, and rights and such qualifications, limits, or restrictions as may be determined by our Board of Directors, without stockholder approval. The preferred stock ranks senior to our Common Stock and any other class of stock we have issued. Holders of preferred stock shall be entitled to receive cumulative dividends, when and as declared by the Board of Directors on a quarterly basis. No shares of preferred stock were issued and outstanding at December 31, 2007 and 2006.

Accumulated Other Comprehensive Income (Loss)

The following table summarizes the components of Accumulated other comprehensive income (loss), net of taxes:

	Years Ended December 31,		
	2007	2006	2005
	(Dollars in millions)		
Foreign currency translation adjustments	$ (965)	$ (1,965)	$ (2,140)
Net unrealized gain on derivatives	321	359	608
Net unrealized gain on securities	265	282	786
Defined benefit plans	(13,585)	(20,802)	—
Minimum pension liability adjustment	—	—	(3,789)
Accumulated other comprehensive income (loss)	$ (13,964)	$ (22,126)	$ (4,535)

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Other Comprehensive Income

The following table summarizes the components of Other comprehensive income (loss):

	Years Ended December 31,								
	2007			2006			2005		
	Pre-tax Amount	Tax Expense (Credit)	Net Amount	Pre-tax Amount	Tax Expense (Credit)	Net Amount	Pre-tax Amount	Tax Expense (Credit)	Net Amount
	(Dollars in millions)								
Foreign currency translation adjustments	$ 769	$ (231)	$ 1,000	$ 370	$ 195	$ 175	$ (975)	$ (46)	$ (929)
Unrealized gain on securities:									
Unrealized holding gains (losses)	(23)	(6)	(17)	196	69	127	146	51	95
Reclassification adjustment	—	—	—	(971)	(340)	(631)	(249)	(87)	(162)
Net unrealized gain (loss)	(23)	(6)	(17)	(775)	(271)	(504)	(103)	(36)	(67)
Defined benefit plans:									
Prior service cost from plan amendments	(2,813)	(700)	(2,113)	—	—	—	—	—	—
Less: amortization of prior service cost included in net periodic benefit cost	(5)	52	(57)	—	—	—	—	—	—
Net prior service cost	(2,818)	(648)	(2,170)	—	—	—	—	—	—
Actuarial gains (losses) from plan measurements	8,910	2,066	6,844	—	—	—	—	—	—
Less: amortization of actuarial loss included in net periodic benefit cost	1,723	331	1,392	—	—	—	—	—	—
Net actuarial amounts	10,633	2,397	8,236	—	—	—	—	—	—
Net transition asset (obligation) from plan initiations	—	—	—	—	—	—	—	—	—
Less: amortization of transition asset / obligation included in net periodic benefit cost	2	4	(2)	—	—	—	—	—	—
Net transition amounts	2	4	(2)	—	—	—	—	—	—
Defined benefit plans, net	7,817	1,753	6,064	(103)	(36)	(67)	(1,166)	(408)	(758)
Net unrealized gain (loss) on derivatives	(74)	(36)	(38)	(383)	(134)	(249)	51	18	33
Other comprehensive income (loss)	$ 8,489	$ 1,480	$ 7,009	$ (891)	$ (246)	$ (645)	$ (2,193)	$ (472)	$ (1,721)

Note 25. Loss Per Share

Basic loss per share has been computed by dividing Loss from continuing operations by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if securities or other contracts to issue Common Stock were exercised or converted into Common Stock, such as stock options and contingently convertible securities.

Due to net losses from continuing operations for all periods presented, the assumed exercise of certain stock option awards had an antidilutive effect and therefore were excluded from the computation of diluted loss per share. Total shares not considered for inclusion in the computation of diluted earnings per share were 104 million, 106 million and 112 million for the years ended December 31, 2007, 2006 and 2005, respectively.

On March 6, 2007, Series A convertible debentures in the amount of $1.1 billion were put to us and settled entirely in cash. At December 31, 2007, the amount outstanding on the Series A convertible debentures was $39 million. No shares potentially issuable to satisfy the in-the-money amount of the convertible debentures have been included in diluted earnings per share for the years ended December 31, 2007, 2006 and 2005, respectively, as the convertible debentures were not-in-the-money.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Note 26. Stock Incentive Plans

In accordance with the disclosure requirements of SFAS No. 148, "Accounting for Stock-Based Compensation — Transition and Disclosure" (SFAS No. 148), we adopted the fair value based method of accounting for stock-based employee compensation pursuant to SFAS No. 123 effective January 1, 2003, for newly granted stock-based compensation awards only. On January 1, 2006, we adopted SFAS No. 123(R), "Accounting for Stock-Based Compensation" (SFAS No. 123(R)). In 2007, 2006 and 2005, all awards were accounted for at fair value.

Our stock incentive plans consist of the General Motors 2007 Long Term Incentive Plan (2007 GMLTIP), the General Motors 2002 Stock Incentive Plan (GMSIP), the General Motors 2002 Long Term Incentive Plan (2002 GMLTIP), the General Motors 1998 Salaried Stock Option Plan (GMSSOP), the General Motors 2007 Cash-Based Restricted Stock Unit Plan (2007 GMCRSU) and the General Motors 2006 Cash-Based Restricted Stock Unit Plan (2006 GMCRSU), collectively the Plans. The 2007 GMLTIP, GMSIP, and the GMCRSU plans are administered by the Executive Compensation Committee of our Board of Directors. The GMSSOP is administered by the Vice President of Global Human Resources.

The compensation cost for the above plans was $136 million, $170 million and $89 million in 2007, 2006 and 2005, respectively. The total income tax benefit recognized for share-based compensation arrangements was $43 million, $53 million and $31 million in 2007, 2006 and 2005, respectively.

In November 2006, we sold a 51% controlling interest in GMAC. GMAC employees who participated in our stock incentive plans changed status from employee to non-employee. Based on this change in status, certain outstanding share-based payment awards were forfeited under the original terms but were modified to allow continued vesting. This resulted in the cancellation of the original awards and the issuance of a new award to non-employees. The remainder of the awards were not forfeited under the original terms, and thus there was no modification to the outstanding awards. GM awards that require future service with GMAC will be accounted for as awards to non-employees over the remaining service period. The effect on compensation cost was not significant.

In August 2007, we completed the sale of the commercial and military operations of our Allison business. Allison employees who participated in our stock incentive plans were considered terminated employees on the date of sale. Based on this change in employment status, certain outstanding non vested share-based payment awards were forfeited. The remaining outstanding share-based payment awards were prorated for previous services provided under the original terms of the award and will remain exercisable for the earlier of three years from the date of termination, or the expiration of the option.

Stock Options

Under the GMSIP, 27.4 million shares of our Common Stock were eligible for grants from June 1, 2002 through May 31, 2007. Stock option grants awarded since 1997 were generally exercisable one-third after one year, another one-third after two years and fully after three years from the dates of grant. Option prices were 100% of fair market value on the dates of grant, and the options generally expire 10 years from the dates of grant, subject to earlier termination under certain conditions. Our policy is to issue treasury shares upon exercise of employee stock options.

In 2007, the GMSIP was replaced with the 2007 GMLTIP. Under the 2007 GMLTIP, 16 million shares of our Common Stock may be granted from June 5, 2007 through May 31, 2012. At December 31, 2007 16.3 million shares were available for grant as a result of .3 million shares granted and undelivered under the GMSIP due primarily to termination which again become available for grant. Stock options granted under this plan are generally exercisable one-third after one year, another one-third after two years and fully after three years from the dates of grant. Option prices are 100% of fair market value on the dates of grant, and the options generally expire 10 years from the dates of grant, subject to earlier termination under certain conditions. Our policy is to issue treasury shares upon exercise of employee stock options.

Under the GMSSOP, which commenced January 1, 1998 and ended December 31, 2006, the number of shares of our Common Stock that could be granted each year was determined by management. Based on an amendment to the GMSSOP in 2006, there were no shares of our Common Stock available for grants after December 19, 2006. Stock options granted from 1998 through 2004 were exercisable two

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

years from the date of grant. There have been no option grants made under the plan since 2004. Option prices were 100% of fair market value on the dates of grant, and the options generally expire ten years and two days from the grant date subject to earlier termination under certain conditions.

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option-pricing model with the weighted-average assumptions noted in the following table. Expected volatilities are based on both the implied and historical volatility of our stock. We used historical data to estimate option exercise and employee termination within the valuation model. The expected term of options represents the period of time that options granted were expected to be outstanding. The interest rate for periods during the expected life of the option was based on the U.S. Treasury yield curve in effect at the time of the grant.

	2007 GMSIP	2006 GMSIP	2005 GMSIP
Interest rate	4.98%	4.66%	3.80%
Expected life (years)	6.0	6.0	6.0
Expected volatility	35.80%	47.90%	32.50%
Dividend yield	3.43%	4.71%	5.50%

The primary grants to executives on March 20, 2007, February 23, 2006 and January 24, 2005 made under the GMSIP were 2,771,920, 2,702,796 and 7,612,000 shares, respectively, at a grant date fair value of $8.75, $7.06 and $7.21, respectively. The assumptions used to estimate the grant date fair value of these grants are detailed in the table below.

	2007	2006	2005
Interest rate	4.98%	4.63%	3.74%
Expected life (years)	6.0	6.0	6.0
Expected volatility	35.80%	48.40%	32.40%
Dividend yield	3.44%	4.78%	5.50%

Changes in the status of outstanding options in 2007 are as follows:

	2007 GMLTIP (formerly GMSIP) Common Stock			
	Shares Under Option	Weighted-Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Options outstanding at January 1, 2007	81,655,278	$ 52.41		
Granted	2,786,920	$ 29.12		
Exercised	(252,570)	$ 25.36		
Forfeited or expired	(5,723,633)	$ 45.43		
Options outstanding at December 31, 2007	78,465,995	$ 52.09	4.0	$ 9,769,953
Options expected to vest at December 31, 2007	6,534,957	$ 29.53	8.2	$ 6,566,701
Options vested and exercisable at December 31, 2007	71,513,914	$ 54.28	3.6	$ —

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

	GMSSOP Common Stock			
	Shares Under Option	Weighted-Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Options outstanding at January 1, 2007	26,583,895	$ 55.23		
Granted	—	—		
Exercised	(17,771)	$ 40.05		
Forfeited or expired	(1,776,176)	$ 60.41		
Options outstanding at December 31, 2007	24,789,948	$ 54.87	3.3	—
Options vested and exercisable at December 31, 2007	24,789,948	$ 54.87	3.3	—

The weighted-average grant-date fair value was $8.76, $7.19, and $7.23 for the GMSIP options granted in 2007, 2006 and 2005, respectively. There were no GMSSOP options granted in 2007, 2006, and 2005. The total intrinsic value of options exercised under the GMSIP was $3 million, $0 and $2 million in 2007, 2006 and 2005, respectively. The total intrinsic value of GMSSOP options exercised was $0 in 2007, 2006 and 2005. The tax benefit from the exercise of the share-based payment arrangements totaled $0 million, $0 and $1 million in 2007, 2006 and 2005, respectively.

Summary

A summary of the status of our options as of December 31, 2007 and the changes during the year is presented below:

	Shares	Weighted-Average Grant-Date Fair Value
Nonvested at January 1, 2007	10,093,967	$ 8.57
Granted	2,786,920	8.76
Vested	(5,799,594)	9.58
Forfeited	(129,212)	7.91
Nonvested at December 31, 2007	6,952,081	$ 7.82

As of December 31, 2007, there was $7 million of total unrecognized compensation cost related to nonvested share-based compensation arrangements granted under the Plans. That cost is expected to be recognized over a weighted-average period of 0.9 years.

Cash received from option exercise under all share-based payment arrangements was $1 million, $0 and $0 in 2007, 2006 and 2005, respectively.

Market Condition Awards

The 2007 GMLTIP, formerly the 2002 GMLTIP, also consists of award opportunities granted to participants that are based on a minimum percentile ranking of our Total Stockholder Return (TSR) among the companies in the S&P 500. The target number of shares of our Common Stock that may be granted each year is determined by management. The 2006 and 2005 grants under the 2002 GMLTIP are subject to a three year performance period and the final award payout may vary based on the achievement of those criteria. The 2007 grants under the 2002 GMLTIP are subject to four separate performance periods, three one-year performance periods and one three-year performance period, and the final award payout may vary based on the achievement of those criteria.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

A summary of the outstanding 2002 GMLTIP shares is as follows:

	Shares (In millions)	Weighted-Average Grant Date Fair Value
2005	1.8	$ 36.37
2006	2.2	$ 24.81
2007	1.7	$ 33.70
Total outstanding at December 31, 2007	5.7	

We are required to settle these awards in cash. As a result, these cash-settled awards are recorded as a liability until the date of final award payout. In accordance with SFAS No. 123(R), the fair value of each cash-settled award is recalculated at the end of each reporting period and the liability and expense adjusted based on the change in fair value. The preceding is the targeted number of shares that would be used in the final award calculation should the targeted performance condition be achieved. Final payout is subject to approval by the Executive Compensation Committee of the Board of Directors. The fair value at December 31, 2007 was $21.43, $31.11 and $0 for the awards granted in 2007, 2006 and 2005, respectively.

Prior to the adoption of SFAS No. 123(R), the fair value of each award under the GMLTIP was equal to the fair market value of the underlying shares on the date of grant. Beginning January 1, 2006 in accordance with the adoption of SFAS No. 123(R), the fair value of each cash-settled award under the GMLTIP is estimated on the date of grant, and for each subsequent reporting period, using a Monte Carlo simulation valuation model that uses the multiple input variables noted in the following table. Expected volatilities are based on the implied volatility from our tradeable options. The expected term of these target awards represent the remaining time in the performance period. The risk-free rate for periods during the contractual life of the performance shares is based on the U.S. Treasury yield curve in effect at the time of valuation. Since the payout depends on our performance ranked with the S&P 500, the valuation also depends on the performance of other stocks in the S&P 500 from the grant date to the exercise date as well as estimates of the correlations among their future performances. The following are the assumptions used at December 31, 2007 to value open award years:

	2007	2006	2005
Expected volatility	47.66%	48.38%	45.96%
Expected dividends	N/A	N/A	N/A
Expected term (years)	2.0	1.0	—
Risk-free interest rate	3.83%	4.03%	4.54%

The primary grant to executives on March 20, 2007, February 23, 2006 and January 24, 2005 made under the GMLTIP were 1.7 million, 2.4 million and 2 million shares, respectively, at a grant date fair value of $33.70, $24.81 and $36.37, respectively. The assumptions used to estimate fair value at December 31, 2007 and 2006 are detailed in the table above.

The weighted average remaining contractual term was 1.4 years for target awards outstanding at December 31, 2007. As the threshold performance required for a payment under the 2005-2007 GMLTIP was not achieved, there were no cash payments made under this plan in 2007. The 2006-2008 and 2007-2009 performance periods remain open at December 31, 2007.

Cash-Based Restricted Stock Units

In 2006, we established a cash-based restricted stock unit plan that provides cash equal to the value of underlying restricted share units to certain global executives at predetermined vesting dates. Awards under the plan vest and are paid in one-third increments on each anniversary date of the award over a three year period. Compensation expense is recognized on a straight-line basis over the requisite service period for each separately vesting portion of the award. Since the awards are settled in cash, these cash-settled awards are recorded as a liability until the date of payment. In accordance with SFAS No. 123(R), the fair value of each cash-settled award is recalculated at the end of each reporting period and the liability and expense adjusted based on the new fair value.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The fair value of each GMCRSU is based on our stock price on the date of grant and each subsequent reporting period until date of settlement. There were 5.2 million and 4.3 million GMCRSUs granted with a weighted average grant date fair value of $29.39 and $21.04 per share, respectively, in 2007 and 2006, respectively. The fair value at December 31, 2007 was $24.89 per share, and there were 7.4 million GMCRSUs outstanding.

The weighted average remaining contractual term was 1.9 years for the CRSUs outstanding at December 31, 2007. The total payments made for GMCRSUs vested in 2007 was $42.3 million.

Note 27. Transactions with GMAC

We have entered into various operating and financing arrangements with GMAC. The following describes our material transactions with GMAC and the related financial statement effects for the years ended December 31, 2007 and 2006, which are included in our consolidated financial statements.

Marketing Incentives and Operating Lease Residuals

As a marketing incentive, we may sponsor interest rate support, capitalized cost reduction and residual support programs as a way to lower customers' monthly lease and retail contract payments. In addition we may sponsor lease pull-ahead programs to encourage customers to terminate their leases early in conjunction with the acquisition of a new GM vehicle.

Under the interest rate support program, we pay an amount to GMAC at the time of lease or retail contract origination to adjust the interest rate implicit in the lease or retail contract below GMAC's standard interest rate. Such marketing incentives are referred to as rate support or subvention and the amount paid at contract origination represents the present value of the difference between the customer rates and the GMAC standard rates.

Under the capitalized cost reduction program, we pay an amount to GMAC at the time of lease or retail contract origination to reduce the principal amount implicit in the lease or retail contract below our standard MSRP (manufacturers suggested retail price) value.

Under the residual support program, the customers' contractual residual value is adjusted above GMAC's standard residual values. We reimburse GMAC to the extent that sales proceeds are less than the customers' contractual residual value, limited to GMAC's standard residual value. As it relates to U.S. lease originations and U.S. balloon retail contract originations occurring after April 30, 2006 that GMAC retained after the consummation of the GMAC sale, we agreed to begin payment of the present value of the expected residual support owed to GMAC at the time of contract origination as opposed to after contract termination when the related used vehicle is sold. The residual support amount owed to GMAC is adjusted as the contracts terminate and, in cases where the estimate is adjusted, we may be obligated to pay each other the difference. As of December 31, 2007 and 2006, the maximum additional amount that could be paid by us under the U.S. residual support program was $1.1 billion and $276 million, respectively. We believe that it would be unlikely that the proceeds from the entire portfolio of assets would be lower than both the contractual residual value and GMAC's standard residual rates. As of December 31, 2007 and 2006, we had a total reserve recorded on our consolidated balance sheet of $118 million and $4 million, respectively, based on our estimated required future payments to GMAC associated with the maximum additional amount that could be paid by us to GMAC under the U.S. residual support program.

Under the lease pull-ahead program, customers are encouraged to terminate their leases early to buy or lease a new GM vehicle. As part of this program, GMAC waives the customer's remaining payment obligation under their current lease, and we compensate GMAC for any foregone revenue from the waived payments. Since these programs generally accelerate the resale of the vehicle, the proceeds are typically higher than if the vehicle had been sold at the contract maturity. The reimbursement to GMAC for the foregone payments is reduced by the amount of this benefit. We make anticipated payments to GMAC at the end of each month following lease termination. These estimates are adjusted to actual once all vehicles that could have been pulled-ahead have terminated and the vehicles have been resold. To the extent that the original estimates are adjusted, we may be obligated to pay each other the difference.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

In addition to the interest rate support, capitalized cost reduction, residual support and lease pull-ahead programs, we also participate in a risk sharing arrangement that was amended on November 30, 2006 and applies to all new lease contracts. We are responsible for risk sharing on returns of lease vehicles in the U.S. and Canada whose resale proceeds are less than standard GMAC residual values, subject to a limitation. We will also pay GMAC a quarterly leasing payment in connection with the agreement beginning in the first quarter of 2009 and ending in the fourth quarter of 2014. At December 31, 2007 and 2006, the maximum amount guaranteed under the U.S. risk sharing arrangement was $1.1 billion and $339 million, respectively. The maximum amount would only be paid in the unlikely event that the proceeds from all outstanding lease vehicles would be lower than GMAC's standard residual rates, subject to the limitation. As of December 31, 2007 and 2006, we had a total reserve recorded on our consolidated balance sheet of $144 million and $50 million, respectively, based on our estimated future payments to GMAC associated with the maximum amount guaranteed under the U.S. risk sharing arrangement.

In accordance with our revenue recognition accounting policy, the marketing incentives, lease pull-ahead programs and the risk sharing arrangement, are recorded as reductions to Automotive sales at the time the vehicle is sold to the dealer based on the estimated GMAC lease and retail contract penetration. We paid $4.7 billion and $.2 billion under these U.S. programs during the years ended December 31, 2007 and 2006, respectively.

The terms and conditions of interest rate support, capitalized cost reduction, residual support and lease pull-ahead programs, as well as the risk sharing arrangement, are included in the U.S., Canadian and International Consumer Financing Services Agreements, which expire in November 2016.

Equipment on Operating Leases Transferred to Us by GMAC

In November 2006, GMAC transferred certain U.S. lease assets to us, along with related debt and other assets. GMAC retained an investment in a note, which had a balance of $35 million and $471 million at December 31, 2007 and 2006, respectively, and is secured by the lease assets transferred to us. GMAC continues to service the portfolio of leased assets and related debt on our behalf and receives a servicing fee. GMAC is obligated, as servicer, to repurchase any lease asset that is in breach of any of the covenants in the securitization agreements. In addition, in a number of the transactions securitizing the lease assets, the trusts issued one or more series of floating rate debt obligations and entered into derivative transactions to eliminate the market risk associated with funding the fixed payment lease assets with floating interest rate debt. To facilitate these securitization transactions, GMAC entered into secondary derivative transactions with the primary derivative counterparties, essentially offsetting the primary derivatives. As part of the transfer, we assumed the rights and obligations of the primary derivative while GMAC retained the secondary, leaving both companies exposed to market value movements of their respective derivatives. We subsequently entered into derivative transactions with GMAC that are intended to offset the exposure each party has to its component of the primary and secondary derivatives.

Exclusivity Arrangement

Subject to GMAC's fulfillment of certain conditions, we have granted GMAC exclusivity for U.S., Canadian and international GM-sponsored consumer and wholesale marketing incentives for GM products in specified markets around the world, with the exception of Saturn branded products. In return for this exclusivity, GMAC will pay us an annual exclusivity fee of $105 million ($75 million for the U.S. retail business, $15 million for the Canadian retail business, $10 million for retail business in international operations, and $5 million for the dealer business) and is committed to provide financing to our customers and dealers consistent with historical practices. The amount of exclusivity fee revenue we recognized for the year ended December 31, 2007 and the month of December 2006 was $105 million and $9 million, respectively.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Marketing Service Agreement

We have entered into a 10-year marketing, promoting, advertising and customer support arrangement with GMAC related to GM products, GMAC products and the retail financing for GM products. This agreement expires in November 2016.

Royalty Arrangement

For certain insurance products, we have entered into 10-year intellectual property license agreements with GMAC giving GMAC the right to use the GM name on certain insurance products. In exchange, GMAC will pay a royalty fee of 3.25% of revenue, net of cancellations, related to these products with a minimum annual guarantee of $15 million in the U.S. The amount of royalty income recognized in the U.S. for the year ended December 31, 2007 and the month ended December 31, 2006 was $18 million and $1 million, respectively.

Shared and Transition Services Agreement

We entered into a Shared and Transition Services Agreement with GMAC to continue to provide to each other with global support services, primarily treasury, tax, real estate and human resources, generally for a transition period of one to two years from November 30, 2006. GM expects that when the Shared and Transition Services Agreement expires, we will either renew this services agreement with GMAC or GM and GMAC will perform the related services internally or potentially outsource to other providers. We have agreed to continue to provide certain of these services through July 2011.

Balance Sheet

A summary of the balance sheet effects of transactions with GMAC at December 31, 2007 and 2006 is as follows:

	December 31,	
	2007	2006
	(Dollars in millions)	
Assets:		
Accounts and notes receivable (a)	$ 1,285	$ 678
Other assets (b)	$ 30	$ 18
Liabilities:		
Accounts payable (c)	$ 548	$ 694
Short-term borrowings and current portion of long-term debt (d)(e)	$ 2,802	$ 3,175
Accrued expenses (f)	$ 50	$ 1,051
Long-term debt (g)	$ 119	$ 445

(a) Represents wholesale settlements due from GMAC, as well as amounts owed by GMAC with respect to the Equipment on operating leases transferred to us, and the exclusivity fee and royalty arrangement as discussed above.

(b) Primarily represents distributions due from GMAC on our Preferred Membership Interests.

(c) Represents amounts accrued for interest rate support, capitalized cost reduction, residual support and lease pull-ahead programs and the risk sharing arrangement.

(d) Represents wholesale financing, sales of receivable transactions and the short-term portion of term loans provided to certain dealerships wholly-owned by us or in which we have an equity interest. In addition, it includes borrowing arrangements with Adam Opel and arrangements related to GMAC's funding of our company-owned vehicles, rental car vehicles awaiting sale at auction and funding of the sale of our vehicles in which we retain title while the vehicles are consigned to GMAC or dealers, primarily in the United Kingdom. Our financing remains outstanding until the title is transferred to the dealers. This amount also includes the short-

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

term portion of a note provided to our wholly-owned subsidiary holding debt related to the Equipment on operating leases transferred to us from GMAC.

(e) At December 31, 2006, this amount included a note related to the overpayment of $317 million of income taxes by GMAC. These taxes were refunded to GMAC during December 2007.

(f) Primarily represents interest accrued on the transactions in (d) above. At December 31, 2006, this amount also included the $1 billion capital contribution that we owed GMAC to restore its adjusted tangible equity balance to the contractually required amount due to the decrease in adjusted tangible equity balance of GMAC as of November 30 2006.

(g) Primarily represents the long-term portion of term loans and a note payable with respect to the Equipment on operating leases transferred to us mentioned in (d) above.

Statement of Operations

A summary of the income statement effects of transactions with GMAC for the year ended December 31, 2007 and the month of December 2006 is as follows:

	Period Ended December 31,	
	2007	2006
	(Dollars in millions)	
Net sales and revenues (a)	$ (4,323)	$ (63)
Cost of sales and other expenses (b)	$ 590	$ 55
Automotive interest income and other non-operating income (c)	$ 433	$ 20
Interest expense (d)	$ 229	$ 22
Servicing expense (e)	$ 167	$ 18
Derivatives (f)	$ 19	$ 6

(a) Primarily represents the reduction in net sales and revenues for marketing incentives on vehicles which are sold to customers or dealers and financed by GMAC. This includes the estimated amount of residual support accrued under the residual support and risk sharing programs, rate support under the interest rate support programs, operating lease and finance receivable capitalized cost reduction incentives paid to GMAC to reduce the capitalized cost in automotive lease contracts and retail automotive contracts, and costs under lease pull-ahead programs. This amount is offset by net sales for vehicles sold to GMAC for employee and governmental lease programs and third party resale purposes.

(b) Primarily represents cost of sales on the sale of vehicles to GMAC for employee and governmental lease programs and third party resale purposes. Also includes miscellaneous expenses on services performed for us by GMAC.

(c) Represents income on our Preferred Membership Interests in GMAC, exclusivity and royalty fee income and reimbursements by GMAC for certain services we provided. Included in this amount is rental income related to GMAC's primary executive and administrative offices located in the Renaissance Center in Detroit, Michigan. The lease agreement expires on November 30, 2016.

(d) Represents interest incurred on term loans, notes payable and wholesale settlements.

(e) Represents servicing fees paid to GMAC on the automotive leases we retained.

(f) Represents gains recognized in connection with a derivative transaction entered into with GMAC as the counterparty.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Note 28: Supplementary Quarterly Financial Information (Unaudited)

	Quarters			
	1st	2nd	3rd	4th
	(Dollars in millions, except per share amounts)			
2007				
Net sales and revenue	$ 43,387	$ 46,844	$ 43,806	$ 47,085
Income (loss) from continuing operations	$ (42)	$ 784	$ (42,512)	$ (1,527)
Income from discontinued operations	$ 104	$ 107	$ 3,549	$ 805
Net income (loss)	$ 62	$ 891	$ (38,963)	$ (722)
Basic earnings (loss) per share				
Continuing operations	$ (0.07)	$ 1.38	$ (75.12)	$ (2.70)
Discontinued operations	0.18	0.19	6.27	1.42
Total	$ 0.11	$ 1.57	$ (68.85)	$ (1.28)
Diluted earnings (loss) per share				
Continuing operations	$ (0.07)	$ 1.37	$ (75.12)	$ (2.70)
Discontinued operations	0.18	0.19	6.27	1.42
Total	$ 0.11	$ 1.56	$ (68.85)	$ (1.28)
2006				
Total net sales and revenue	$ 51,930	$ 54,018	$ 48,850	$ 50,803
Income (loss) from continuing operations	$ 493	$ (3,494)	$ (277)	$ 855
Income from discontinued operations	$ 109	$ 111	$ 130	$ 95
Net income (loss)	$ 602	$ (3,383)	$ (147)	$ 950
Basic earnings (loss) per share				
Continuing operations	$ 0.87	$ (6.18)	$ (0.49)	$ 1.51
Discontinued operations	0.19	0.20	0.23	0.17
Total	$ 1.06	$ (5.98)	$ (0.26)	$ 1.68
Diluted earnings (loss) per share				
Continuing operations	$ 0.87	$ (6.18)	$ (0.49)	$ 1.50
Discontinued operations	0.19	0.20	0.23	0.17
Total	$ 1.06	$ (5.98)	$ (0.26)	$ 1.67

Results for the three months ended September 30, 2007 included:

- Charges of $39 billion related to establishing valuation allowances against our net deferred tax assets in the U.S., Canada and Germany.

Results for the three months ended December 31, 2007 included:

- Expenses of $622 million related to amendment of the GM-Delphi Settlement Agreements, support of Delphi's disposition of businesses and retiree healthcare and other expenses.
- Expenses of $552 million related to pension benefit increases pursuant to the 2007 National Agreement.
- Income tax expense on the sale of Allison, net of purchase price and other adjustments, in the amount of $805 million was reallocated between discontinued operations, continuing operations and Other comprehensive income.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Results for the three months ended June 30, 2006 included:

- Charges of $6.5 billion related to the UAW Special Attrition program.

Results for the three months ended December 31, 2006 included:

- Other income of $270 million resulting from the sale of our providing ground in Mesa, Arizona.
- Adjustments of $1.1 billion to previously recorded estimates relating to the sale of GMAC.

Note 29. Segment Reporting

We operate in two businesses, consisting of GM Automotive (or GMA) and FIO. Our four automotive segments consist of GMNA, GME, GMLAAM and GMAP. We manufacture our cars and trucks in 35 countries under the following brands: Buick, Cadillac, Chevrolet, GMC, GM Daewoo, Holden, HUMMER, Opel, Pontiac, Saab, Saturn, Vauxhall and Wuling. For 2007 and for the month of December 2006, our FIO business consists of our 49% share of GMAC's operating results, which we account for under the equity method, and Other Financing, which is comprised primarily of two special purpose entities holding automotive leases previously owned by GMAC and its affiliates that we retained, and the elimination of inter-segment transactions between GM Automotive and Corporate and Other. For the eleven months ended November 30, 2006 and for 2005, our FIO business consisted of the consolidated operating results of GMAC's lines of business as follows: Automotive Finance Operations, Mortgage Operations, Insurance, and Other, which included its Commercial Finance business and GMAC's equity investment in Capmark Financial Group (previously GMAC Commercial Finance). Also included in FIO were the equity earnings of financing entities that were not consolidated by GMAC and the elimination of inter-segment transactions between GM Automotive and either GMAC or Corporate and Other.

Corporate and Other includes the elimination of inter-segment transactions, certain non-segment specific revenues and expenditures, including costs related to postretirement benefits for Delphi and other retirees and certain corporate activities. Amounts presented in Automotive sales, Interest income and Interest expense in the tables that follow principally relate to the inter-segment transactions eliminated at Corporate and Other. All inter-segment balances and transactions have been eliminated in consolidation.

In the fourth quarter of 2007, we changed our measure of segment profitability from net income to income before income taxes plus equity income, net of tax and minority interests, net of tax. In the first quarter of 2007, we changed our segment presentation to reflect the elimination of transactions that occur between GM Automotive segments in the Auto Eliminations column within total GMA, which was previously included in the GMNA region. These transactions consist primarily of inter-segment vehicle and service parts sales in accordance with our transfer pricing policy. Amounts for 2006 and 2005 have been revised to reflect these periods on a comparable basis for the changes discussed above. Additionally, 2006 and 2005 amounts have been reclassified for the retroactive effect of discontinued operations as discussed in Note 3.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

	GMNA	GME	GM LAAM	GMAP	Auto Eliminations	Total GMA	Corporate & Other(a)	Total Excluding FIO	GMAC(c)	Other Financing(b)	Total FIO	Total
					(Dollars in millions)							
As of and for the year ended December 31, 2007												
Automotive sales												
External customers	$ 109,024	$ 35,481	$ 18,326	$ 15,368	$ —	$ 178,199	$ —	$ 178,199	$ —	$ —	$ —	$ 178,199
Inter-segment	3,424	1,916	568	5,635	(11,543)	—	—	—	—	—	—	—
Total automotive sales	112,448	37,397	18,894	21,003	(11,543)	178,199	—	178,199	—	—	—	178,199
Financial services and insurance revenues	—	—	—	—	—	—	—	—	—	2,923	2,923	2,923
Total net sales and revenues	$ 112,448	$ 37,397	$ 18,894	$ 21,003	$ (11,543)	$ 178,199	$ —	$ 178,199	$ —	$ 2,923	$ 2,923	$ 181,122
Depreciation, amortization and impairment	$ 5,612	$ 1,679	$ 302	$ 576	$ 48	$ 8,217	$ 37	$ 8,254	$ —	$ 1,259	$ 1,259	$ 9,513
Equity in loss of GMAC	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ (1,245)	$ —	$ (1,245)	$ (1,245)
Interest income	$ 1,174	$ 694	$ 164	$ 163	$ 2	$ 2,197	$ (969)	$ 1,228	$ —	$ 88	$ 88	$ 1,316
Interest expense	$ 2,936	$ 727	$ (4)	$ 236	$ 10	$ 3,905	$ (1,003)	$ 2,902	$ —	$ 405	$ 405	$ 3,307
Income (loss) from continuing operations before income taxes, equity income, minority interests and cumulative effect of a change in accounting principle	$ (3,290)	$ (541)	$ 1,349	$ 557	$ (59)	$ (1,984)	$ (3,619)	$ (5,603)	$ (1,147)	$ 497	$ (650)	$ (6,253)
Equity income (loss), net of tax	22	44	31	425	—	522	2	524	—	—	—	524
Minority interests, net of tax	(46)	(27)	(32)	(301)	—	(406)	12	(394)	—	(12)	(12)	(406)
Income (loss) from continuing operations before income taxes	$ (3,314)	$ (524)	$ 1,348	$ 681	$ (59)	$ (1,868)	$ (3,605)	$ (5,473)	$ (1,147)	$ 485	$ (662)	$ (6,135)
Income from discontinued operations, net of tax	$ 256	$ —	$ —	$ —	$ —	$ 256	$ —	$ 256	$ —	$ —	$ —	$ 256
Gain on sale of discontinued operations, net of tax	$ 4,309	$ —	$ —	$ —	$ —	$ 4,309	$ —	$ 4,309	$ —	$ —	$ —	$ 4,309
Investments in nonconsolidated affiliates	$ 269	$ 476	$ 57	$ 1,081	$ —	$ 1,883	$ 36	$ 1,919	$ 7,079	$ —	$ 7,079	$ 8,998
Total assets	$ 95,433	$ 25,201	$ 7,733	$ 15,567	$ (11,313)	$ 132,621	$ (727)	$ 131,894	$ 12,339	$ 4,650	$ 16,989	$ 148,883
Goodwill	$ 173	$ 563	$ —	$ —	$ —	$ 736	$ —	$ 736	$ —	$ —	$ —	$ 736
Expenditures for property	$ 4,988	$ 1,311	$ 220	$ 899	$ 41	$ 7,459	$ 79	$ 7,538	$ —	$ 4	$ 4	$ 7,542

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

	GMNA	GME	GM LAAM	GMAP	Auto Eliminations	Total GMA	Corporate & Other(a)	Total Excluding FIO	GMAC(c)	Other Financing(b)	Total FIO	Total
						(Dollars in millions)						
As of and for the year ended December 31, 2006												
Automotive sales												
External customers	$ 113,976	$ 31,490	$ 14,024	$ 11,945	$ —	$ 171,435	$ (256)	$ 171,179	$ —	$ —	$ —	$ 171,179
Inter-segment	2,677	1,788	603	3,587	(8,655)	—	—	—	—	—	—	—
Total automotive sales	116,653	33,278	14,627	15,532	(8,655)	171,435	(256)	171,179	—	—	—	171,179
Financial services and insurance revenues	—	—	—	—	—	—	—	—	33,629	793	34,422	34,422
Total net sales and revenues	$ 116,653	$ 33,278	$ 14,627	$ 15,532	$ (8,655)	$ 171,435	$ (256)	$ 171,179	$ 33,629	$ 793	$ 34,422	$ 205,601
Depreciation, amortization and impairment	$ 5,691	$ 1,634	$ 227	$ 483	$ 37	$ 8,072	$ 22	$ 8,094	$ 5,252	$ (2,461)	$ 2,791	$ 10,885
Interest income	$ 1,350	$ 533	$ 87	$ 122	$ 1	$ 2,093	$ (1,375)	$ 718	$ 2,332	$ (480)	$ 1,852	$ 2,570
Interest expense	$ 3,283	$ 664	$ 158	$ 222	$ —	$ 4,327	$ (1,685)	$ 2,642	$ 14,196	$ 105	$ 14,301	$ 16,943
Income (loss) from continuing operations before income taxes, equity income, minority interests and cumulative effect of a change in accounting principle	$ (7,575)	$ (312)	$ 527	$ 1,059	$ (34)	$ (6,335)	$ (1,188)	$ (7,523)	$ 2,242	$ (377)	$ 1,865	$ (5,658)
Equity income (loss), net of tax	104	36	16	365	—	521	3	524	(11)	—	(11)	513
Minority interests, net of tax	(63)	(21)	(25)	(225)	—	(334)	—	(334)	10	—	10	(324)
Income (loss) from continuing operations before income taxes	$ (7,534)	$ (297)	$ 518	$ 1,199	$ (34)	$ (6,148)	$ (1,185)	$ (7,333)	$ 2,241	$ (377)	$ 1,864	$ (5,469)
Income from discontinued operations, net of tax	$ 445	$ —	$ —	$ —	$ —	$ 445	$ —	$ 445	$ —	$ —	$ —	$ 445
Investments in nonconsolidated affiliates	$ 295	$ 408	$ 132	$ 1,100	$ —	$ 1,935	$ 34	$ 1,969	$ 7,523	$ —	$ 7,523	$ 9,492
Total assets	$ 126,478	$ 26,610	$ 4,202	$ 13,273	$ (7,819)	$ 162,744	$ 1,437	$ 164,181	$ 13,050	$ 9,073	$ 22,123	$ 186,304
Goodwill	$ 299	$ 500	$ —	$ —	$ —	$ 799	$ —	$ 799	$ —	$ —	$ —	$ 799
Expenditures for property	$ 5,017	$ 1,103	$ 279	$ 1,030	$ —	$ 7,429	$ 71	$ 7,500	$ 401	$ 1	$ 402	$ 7,902

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

	GMNA	GME	GM LAAM	GMAP	Auto Eliminations	Total GMA	Corporate & Other(a)	Total Excluding FIO	GMAC	Other Financing(b)	Total FIO	Total
						(Dollars in millions)						
As of and for the year ended December 31, 2005												
Automotive sales												
External customers	$ 108,724	$ 30,223	$ 11,136	$ 8,796	$ —	$ 158,879	$ (256)	$ 158,623	$ —	$ —	$ —	$ 158,623
Inter-segment	2,652	1,719	715	2,050	(7,136)	—	—	—	—	—	—	—
Total automotive sales	111,376	31,942	11,851	10,846	(7,136)	158,879	(256)	158,623	—	—	—	158,623
Financial services and insurance revenues	—	—	—	—	—	—	—	—	34,081	346	34,427	34,427
Total net sales and revenues	$ 111,376	$ 31,942	$ 11,851	$ 10,846	$ (7,136)	$ 158,879	$ (256)	$ 158,623	$ 34,081	$ 346	$ 34,427	$ 193,050
Depreciation, amortization and impairment	$ 7,528	$ 1,788	$ 325	$ 379	$ —	$ 10,020	$ 16	$ 10,036	$ 5,548	$ 148	$ 5,696	$ 15,732
Interest income	$ 1,329	$ 420	$ 57	$ 47	$ —	$ 1,853	$ (1,329)	$ 524	$ 2,185	$ (514)	$ 1,671	$ 2,195
Interest expense	$ 3,168	$ 555	$ 197	$ 107	$ —	$ 4,027	$ (1,493)	$ 2,534	$ 13,106	$ (35)	$ 13,071	$ 15,605
Income (loss) from continuing operations before income taxes, equity income, minority interests and cumulative effect of a change in accounting principle	$ (11,021)	$ (1,794)	$ 43	$ (889)	$ (51)	$ (13,712)	$ (6,916)	$ (20,628)	$ 3,426	$ (27)	$ 3,399	$ (17,229)
Equity income (loss), net of tax	(48)	102	15	527	—	596	20	616	(6)	—	(6)	610
Minority interests, net of tax	1	(49)	(11)	(53)	—	(112)	7	(105)	57	—	57	(48)
Income (loss) from continuing operations before income taxes	$ (11,068)	$ (1,741)	$ 47	$ (415)	$ (51)	$ (13,228)	$ (6,889)	$ (20,117)	$ 3,477	$ (27)	$ 3,450	$ (16,667)
Income from discontinued operations, net of tax	$ 313	$ —	$ —	$ —	$ —	$ 313	$ —	$ 313	$ —	$ —	$ —	$ 313
Investments in nonconsolidated affiliates	$ 18	$ 359	$ 155	$ 2,590	$ —	$ 3,122	$ 120	$ 3,242	$ 308	$ (308)	$ —	$ 3,242
Total assets	$ 133,277	$ 21,069	$ 4,340	$ 10,138	$ (6,718)	$ 162,106	$ 218	$ 162,324	$ 320,557	$ (8,613)	$ 311,944	$ 474,268
Goodwill	$ 324	$ 433	$ —	$ —	$ —	$ 757	$ —	$ 757	$ 2,446	$ —	$ 2,446	$ 3,203
Expenditures for property	$ 5,380	$ 1,396	$ 229	$ 839	$ —	$ 7,844	$ 14	$ 7,858	$ 279	$ 4	$ 283	$ 8,141

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

We attribute our revenues to geographic areas based on the country in which the product is sold, except for our revenues from certain joint ventures. In such case, these revenues are attributed based on the geographic location of the joint venture. Information concerning principal geographic areas is as follows:

	2007		2006		2005	
	Net Sales & Revenues	Long Lived Assets(d)	Net Sales & Revenues	Long Lived Assets(d)	Net Sales & Revenues	Long Lived Assets(d)
	(Dollars in millions)					
North America						
U.S.	$ 100,545	$ 32,293	$ 127,260	$ 39,434	$ 123,215	$ 49,619
Canada and Mexico	14,758	5,772	19,979	4,906	16,769	12,739
Total North America	115,303	38,065	147,239	44,340	139,984	62,358
Europe						
France	2,699	309	2,411	284	2,612	333
Germany	6,147	4,172	7,687	3,651	7,384	4,090
Italy	3,671	256	2,883	78	2,971	40
Spain	2,911	1,359	2,866	1,364	2,847	1,182
Sweden	2,330	1,207	2,229	1,255	2,161	1,139
United Kingdom	7,869	1,214	7,975	1,143	7,859	1,958
Other	9,789	2,347	8,380	2,250	7,752	2,615
Total Europe	35,416	10,864	34,431	10,025	33,586	11,357
Latin America						
Brazil	6,477	1,026	4,961	882	3,813	784
Other Latin America	6,875	193	4,777	159	3,836	162
Total Latin America	13,352	1,219	9,738	1,041	7,649	946
Asia Pacific						
Australia	397	10	301	18	357	—
Korea	9,178	2,443	7,550	2,154	2,861	1,523
Other Asia Pacific	6,058	2,185	3,386	2,126	5,387	1,981
Total Asia Pacific	15,633	4,638	11,237	4,298	8,605	3,504
All Other	1,418	239	2,956	158	3,226	313
Total	$ 181,122	$ 55,025	$ 205,601	$ 59,862	$ 193,050	$ 78,478

The aggregation of principal geographic information by U.S. and non-U.S. is as follows:

	2007		2006		2005	
	Net Sales & Revenues	Long Lived Assets(d)	Net Sales & Revenues	Long Lived Assets(d)	Net Sales & Revenues	Long Lived Assets(d)
	(Dollars in millions)					
U.S.	$ 100,545	$ 32,293	$ 127,260	$ 39,434	$ 123,215	$ 49,619
Non-U.S.	80,577	22,732	78,341	20,428	69,835	28,859
Total	$ 181,122	$ 55,025	$ 205,601	$ 59,862	$ 193,050	$ 78,478

(a) Corporate and Other includes charges of $1.5 billion, $.5 billion and $5.5 billion for 2007, 2006 and 2005, respectively, related to the Benefit Guarantee Agreements and the restructuring of Delphi's operations. In addition, Corporate and Other includes $552 million in 2007 related to pension benefit increases granted to Delphi employees and retirees/surviving spouses as part of the 2007 National Agreement.

(b) In 2006, we recognized a non-cash impairment charge of $2.9 billion in connection with the sale of a controlling interest in GMAC, which is reflected in Other Financing. Refer to Note 3. Other Financing also includes the elimination of net receivables from total assets. Receivables eliminated at December 31, 2007, 2006 and 2005 were $4.2 billion, $4.1 billion and $4.5 billion, respectively.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(c) We sold a 51% ownership interest in GMAC in November 2006. The remaining 49% ownership interest is accounted for using the equity method and is included in GMAC's segment assets. Refer to Notes 8 and 27 for summarized financial information of GMAC for the year ended December 31, 2007 and the month of December 2006.
(d) Primarily consists of property and Equipment on operating leases, net. Refer to Notes 7 and 9.

Note 30. Supplemental Information for Consolidated Statements of Cash Flows

	Years Ended December 31,		
	2007	2006	2005
	(Dollars in millions)		
Increase (decrease) in other operating assets and liabilities is as follows:			
Accounts receivable	$ (1,035)	$ (231)	$ 83
Other receivables	214	(2,982)	4,091
Prepaid expenses and other deferred charges	(649)	294	(95)
Inventories	(699)	384	(1,444)
Other assets	(80)	(173)	(32)
Accounts payable	1,119	367	(80)
Deferred taxes and income taxes payable	(1,311)	(75)	345
Accrued expenses and other liabilities	(851)	(5,921)	(775)
Fleet rental — acquisitions	(6,443)	(8,701)	(9,452)
Fleet rental — liquidations	6,323	8,526	7,379
Total	$ (3,412)	$ (8,512)	$ 20
Cash paid for interest	$ 3,346	$ 17,415	$ 15,815

Note 31: Subsequent Event

On February 12, 2008, we announced an agreement was reached with the UAW regarding a Special Attrition Program which is intended to further reduce the number of U.S. hourly employees. The program that will be offered to our 74,000 UAW-represented employees consists of wage and benefit packages for normal and voluntary retirements, buyouts or pre-retirement employees with 26 to 29 years of service. Those employees that are retirement eligible will receive a lump sum payment of $45,000 or $62,500 depending upon classification, that will be funded from our U.S. Hourly Pension Plan in addition to their vested pension benefits. For those employees not retirement eligible, other retirement and buyout options will be offered. These options are similar to the packages offered in our UAW Attrition Program. The cost of the special termination benefits for those employees participating in the program including any effect of curtailments related to our pension, OPEB and extended disability benefit plans is not known. Such effects will be recorded in 2008.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Item 9. ***Changes in and disagreements with accountants on accounting and financial disclosure***

None

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Item 9A. ***Controls and Procedures***

Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended (Exchange Act) is recorded, processed, summarized and reported within the specified time periods and accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chairman and Chief Executive Officer (CEO) and our Vice Chairman and Chief Financial Officer (CFO), evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Exchange Act) as of December 31, 2007. Based on that evaluation, our CEO and CFO concluded that, as of that date, our disclosure controls and procedures required by paragraph (b) of Rules 13a-15 or 15d-15 were not effective at the reasonable assurance level because of the identification of material weaknesses in our internal control over financial reporting, which we view as an integral part of our disclosure controls and procedures.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining effective internal control over financial reporting. This system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

Our internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the consolidated financial statements.

Our management performed an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2007, utilizing the criteria described in the "Internal Control — Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The objective of this assessment was to determine whether our internal control over financial reporting was effective as of December 31, 2007.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis. In our assessment of the effectiveness of internal control over financial reporting as of December 31, 2007, we identified the following material weaknesses:

Material weaknesses previously identified as of December 31, 2006 that continue to exist as of December 31, 2007:

1. Controls over the period-end financial reporting process were not effective. This has resulted in a significant number and magnitude of out-of-period adjustments to our consolidated financial statements and in previously reported restatements. Specifically, controls were not effective to ensure that significant non-routine transactions, accounting estimates, and other adjustments were appropriately reviewed, analyzed and monitored by competent accounting staff on a timely basis. Additionally,

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

some of the adjustments that have been recorded relate to account reconciliations not being performed effectively. A material weakness in the period-end financial reporting process has a pervasive effect on the reliability of our financial reporting and could result in us not being able to meet our regulatory filing deadlines. If not remediated, it is reasonably possible that our consolidated financial statements will contain a material misstatement or that we will miss a filing deadline in the future.

2. Controls to ensure our consolidated financial statements comply with SFAS No. 109, "Accounting for Income Taxes" were not effective. We lacked sufficient technical expertise, reporting standards and policies and procedures. Additionally, we did not maintain adequate controls with respect to: (i) timely tax account reconciliations and analyses; (ii) coordination and communication between Corporate Accounting, Corporate and Regional Tax Staffs; (iii) timely review and analysis of corporate journals recorded in the consolidation process; and (iv) accuracy and completeness of legal entity accounting results. This material weakness resulted in a restatement of prior financial statements, as previously reported in our 2006 Annual Report on Form 10-K, and, if not remediated, it is reasonably possible that a material misstatement of our consolidated financial statements will occur in the future.

Material weakness initially identified as of December 31, 2007:

3. Controls over the accounting for employee benefit arrangements were not effective. We lacked sufficient control procedures as well as adequate involvement of technical accounting resources to ensure that employee benefit arrangements were accounted for properly. Specifically, certain employee benefit plans that we sponsor provide legal services to hourly employees represented by the UAW, IUE-CWA and the CAW (Legal Services Plans) were historically accounted for on a pay as you go basis. However, we have concluded that the Legal Services Plans should have been accounted for as defined benefit plans under the provisions of SFAS No. 106, "Employers Accounting for Postretirement Benefits Other than Pensions." Additionally, out-of-period adjustments have been recorded in 2007 related to our accounting for other benefit plans, including pensions and incentive compensation plans. This material weakness resulted in a restatement of prior periods to correct the accounting for the Legal Services Plans, as described in Note 15 to the Consolidated Financial Statements, and, if not remediated, it is reasonably possible that our consolidated financial statements will contain a material misstatement in the future.

Based on our assessment, and because of the material weaknesses described above, we have concluded that our internal control over financial reporting was not effective as of December 31, 2007.

The effectiveness of our internal control over financial reporting has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Remediation and Changes in Internal Controls

We have developed and are implementing remediation plans to address our material weaknesses. We have taken the following actions to improve our internal control over financial reporting.

Actions to address previously reported material weaknesses that no longer exist as of December 31, 2007:

1. Our 2006 Annual Report on Form 10-K identified a material weakness because we did not maintain a sufficient complement of personnel with an appropriate level of technical accounting knowledge experience, and training in the application of generally accepted accounting principles commensurate with our complex financial accounting and reporting requirements and low materiality thresholds. This was evidenced by a significant number of out-of-period adjustments noted during the year-end closing process. This material weakness contributed to the restatement of prior financial statements, as previously reported in our 2006 Annual Report on Form 10-K. Since December 31, 2006 we have completed the following remedial actions: (i) reorganized and restructured Corporate Accounting by revising the reporting structure, hiring additional technical accounting personnel to address our complex accounting and financial reporting requirements and assessing the technical accounting capabilities in the operating units to ensure the right complement of knowledge, skills and training; (ii) hired a new assistant controller responsible for complex centrally managed accounting processes including compensation and benefit plans, treasury and hedge accounting, certain complex accruals and complex contracts; (iii) hired an experienced professional with strong SEC and technical accounting skills as an assistant controller and divided responsibility for accounting policy and research from SEC reporting to provide greater role clarity and focus;

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(iv) established a new chief accounting officer for our Treasurer's Office; (v) continued the deployment of several key training classes and hired 35 outside accountants in key accounting positions; (vi) hired a new assistant controller for Accounting Operations and Consolidations; and (vii) utilized over 100 external technical accounting resources in areas in which additional technical expertise was needed. Based on the foregoing, we now believe we have a sufficient complement of personnel with an appropriate level of technical accounting knowledge such that it is no longer reasonably possible that our consolidated financial statements will be materially misstated as a result of lack of technical accounting resources.

2. Our 2006 Annual Report on Form 10-K identified a material weakness because we in certain instances lacked the technical expertise and did not maintain adequate procedures to ensure that the accounting for derivative financial instruments under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," was appropriate. Procedures relating to hedging transactions in certain instances did not operate effectively to: (i) properly evaluate hedge accounting treatment; (ii) meet the documentation requirements of SFAS No. 133; (iii) adequately assess and measure hedge effectiveness on a quarterly basis; and (iv) establish the appropriate communication and coordination between relevant departments involved in complex financial transactions. This material weakness resulted in a restatement of prior financial statements, as previously reported in our 2006 Annual Report on Form 10-K. Since December 31, 2006, we have completed the following remedial actions: (i) terminated hedge accounting in areas where important control deficiencies were identified; (ii) enhanced procedures and controls regarding documentation requirements for hedge accounting to ensure compliance with SFAS No. 133; (iii) hired consultants in SFAS No. 133 until the necessary technical accounting personnel have been hired to support our complex hedge accounting activities; (iv) developed and started to provide training to operational organizations and traders; and (v) through regular internal meetings and other forums, have increased operational awareness of the implications of SFAS No. 133. Based on the foregoing, we now believe that it is no longer reasonably possible that our consolidated financial statements will be materially misstated as it relates to accounting for derivatives and hedging.

Actions implemented or initiated to address the material weaknesses described above that exist as of December 31, 2007:

1. Actions to strengthen controls over the period-end financial reporting process include: (i) improving period-end closing procedures by requiring all significant non-routine transactions to be reviewed by Corporate Accounting; (ii) ensuring that account reconciliations and analyses for significant financial statement accounts are reviewed for completeness and accuracy by qualified accounting personnel; (iii) implementing a process that ensures the timely review and approval of complex accounting estimates by qualified accounting personnel and subject matter experts, where appropriate; (iv) developing improved monitoring controls at Corporate Accounting and the operating units; (v) enhancing pre and post-closure communications processes to facilitate early identification, resolution and conclusions on accounting treatment of business transactions putting over 100 technical accounting resources both at headquarters and in the regions to ensure large and complex transactions are appropriately accounted for; and (vi) initiating re-design of our consolidation process.

2. Actions to strengthen controls over income tax accounting include: (i) relocated tax accounting to reside within the tax department to assure that they are aware of tax issues with joint responsibility for tax accounting between controllers and tax; (ii) established focused tax accounting group and began securing necessary in-house and external technical resources; (iii) implemented new tax policies and procedures to ensure that tax account reconciliations and analyses are properly prepared and monitored on a timely basis; (iv) established appropriate communication and collaboration protocols between the Tax Staff and Controller's Staff, and began strengthening global reporting standards; (v) initiated re-engineering of tax accounting procedures and policies to ensure timely and accurate tax accounting, including establishing desk procedures for interim reporting; (vi) initiated corrective action designed to resolve legal entity accounting issues; (vii) initiated efforts designed to strengthen global tax reporting policies; and (viii) developed plans to complete staffing of the Tax Accounting Group.

3. Actions to strengthen controls over accounting for employee benefit arrangements include: (i) established a new Technical Accounting Manager for Compensation; (ii) began utilizing significant external resources to provide necessary technical expertise; (iii) Initiated the hiring of a new Director of Compensation and Benefits Accounting responsible for ensuring adequate involvement of technical accounting resources related to employee benefit arrangements; (iv) began implementing a process to obtain information regarding benefit arrangements world-wide for accounting analysis and to strengthen controls over census data completeness and accuracy; (v) began updating the use of spreadsheets for adequate controls; and (vi) began clarifying responsibilities over close process procedures and updating desk procedures.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

As previously noted we have augmented the resources in Corporate Accounting, the Tax Department and other key departments by utilizing over 100 external resources in technical accounting areas and implemented additional closing procedures during 2007. As a result, we believe that there are no material inaccuracies or omissions of material fact and, to the best of our knowledge, believe that the consolidated financial statements as of and for the year ended December 31, 2007, fairly present in all material respects the financial condition and results of operations in conformity with accounting principles generally accepted in the United States of America.

Other than as described above, there have not been any other changes in our internal control over financial reporting during the quarter ended December 31, 2007, which have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

/s/ G. RICHARD WAGONER, JR.	/s/ FREDERICK A. HENDERSON
G. Richard Wagoner, Jr. Chairman and Chief Executive Officer	Frederick A. Henderson Vice Chairman and Chief Financial Officer
February 28, 2008	February 28, 2008

Limitations on the Effectiveness of Controls

Our management, including our CEO and CFO, does not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system cannot provide absolute assurance due to its inherent limitations; it is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. A control system also can be circumvented by collusion or improper management override. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of such limitations, disclosure controls and internal control over financial reporting cannot prevent or detect all misstatements, whether unintentional errors or fraud. However, these inherent limitations are known features of the financial reporting process, therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Item 9B. ***Other Information***

None

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Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

PART III

Item 10. ***Directors and Executive Officers of the Registrant — Code of Ethics***

We have adopted a code of ethics that applies to the Corporation's directors, officers, and employees, including the Chief Executive Officer, Chief Financial Officer, Controller and Chief Accounting Officer and any other persons performing similar functions. The text of our code of ethics, "Winning With Integrity," has been posted on our website at http://investor.gm.com at "Investor Information — Corporate Governance." We will provide a copy of the code of ethics without charge upon request to Corporate Secretary, General Motors Corporation, Mail Code 482-C38-B71, 300 Renaissance Center, P. O. Box 300, Detroit, MI 48265-3000.

* * * * * *

Items 10, 11, 12, 13 and 14

Information required by Part III (Items 10, 11, 12, 13 and 14) of this Form 10-K is incorporated by reference from our definitive Proxy Statement for our 2008 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission, pursuant to Regulation 14A, not later than 120 days after the end of the 2007 fiscal year, all of which information is hereby incorporated by reference in, and made part of, this Form 10-K, except the information required by Item 10 with respect to our code of ethics in Item 10 above and disclosure of our executive officers, which is included in Item 1 of Part I of this report.

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Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

PART IV

ITEM 15. ***Exhibits and Financial Statement Schedule***

(a) 1. All Financial Statements and Supplemental Information

2. Financial Statement Schedule II — Valuation and Qualifying Accounts

3. Consolidated Financial Statements of GMAC LLC and subsidiaries as of December 31, 2007 and 2006 and for each of the three years in the period ended December 31, 2007.

4. Exhibits

(b) Exhibits

Exhibits listed below, which have been filed with the SEC pursuant to the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, and which were filed as noted below, are hereby incorporated by reference and made a part of this report with the same effect as filed herewith.

(3)(i)	Restated Certificate of Incorporation dated March 1, 2004 incorporated herein by reference to Exhibit 3(i) to General Motors Corporation's Annual Report on Form 10-K filed March 11, 2004.
(3)(ii)	Bylaws of General Motors Corporation, as amended, dated October 3, 2006 incorporated herein by reference to Exhibit 3.1 to General Motors Corporation's Current Report on Form 8-K filed March 9, 2007.
(4)(a)	Indenture, dated as of November 15, 1990, between General Motors Corporation and Citibank, N.A., Trustee, incorporated herein by reference to Exhibit Amendment No. 1(a) to Form S-3 Registration Statement No. 33-41577 filed July 3, 1991.
(4)(b)(i)	Indenture, dated as of December 7, 1995, between General Motors Corporation and Citibank, N.A., Trustee, incorporated herein by reference to Exhibit 4(a) to Amendment No. 1 to Form S-3 Registration Statement No. 33-64229 filed November 14, 1995.
(4)(b)(ii)	First Supplemental Indenture, dated as of March 4, 2002, between General Motors Corporation and Citibank, N.A., incorporated herein by reference to Exhibit 2 to the Current Report on Form 8-K of General Motors Corporation filed March 6, 2002.
(4)(b)(iii)	Second Supplemental Indenture, dated as of November 5, 2004, between General Motors Corporation and Citibank, N.A., incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K of General Motors Corporation filed November 10, 2004.
(4)(b)(iv)	Third Supplemental Indenture, dated as of November 5, 2004, between General Motors Corporation and Citibank, N.A. incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K of General Motors Corporation filed November 10, 2004.
(4)(b)(v)	Fourth Supplemental Indenture, dated as of November 5, 2004, between General Motors Corporation and Citibank, N.A., incorporated herein by reference to Exhibit 4.3 to the Current Report on Form 8-K of General Motors Corporation filed November 10, 2004.
(4)(b)(vi)	Indenture, dated as of January 8, 2008, between General Motors Corporation and The Bank of New York, as Trustee, incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K of General Motors Corporation filed February 25, 2008.
(4)(b)(vii)	First Supplemental Indenture, dated as of February 22, 2008 between General Motors Corporation and The Bank of New York, as Trustee, incorporated herein by reference to Exhibit 10.4 to the Current Report on Form 8-K of General Motors Corporation filed February 25, 2008.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

ITEM 15. ***Exhibits and Financial Statement Schedule — (continued)***

(4)(b)(viii)†	Subordinated Indenture, dated as of January 8, 2008, between General Motors Corporation and The Bank of New York, as Trustee.
(4)(c)	Amended and Restated Credit Agreement, dated July 20, 2006, among General Motors Corporation, General Motors Canada Limited, Saturn Corporation, and a syndicate of lenders, incorporated herein by reference to Exhibit 4 to General Motors Corporation's Quarterly Report on Form 10-Q filed August 8, 2006.
(10)(a)	Agreement, dated as of October 22, 2001, between General Motors Corporation and General Motors Acceptance Corporation, incorporated herein by reference to Exhibit 10 to the Annual Report on Form 10-K of General Motors Corporation filed March 28, 2006.
(10)(b)	Agreement, dated as of November 30, 2006, between General Motors Corporation and GMAC LLC, incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of General Motors Corporation filed November 30, 2006.
(10)(c)	General Motors 2002 Annual Incentive Plan, as amended. Incorporated herein by reference to Exhibit 10(b) to the Annual Report on Form 10-K of General Motors Corporation filed March 14, 2007. .
(10)(d)	General Motors 2002 Stock Incentive Plan, as amended. Incorporated herein by reference to Exhibit 10(c) to the Annual Report on Form 10-K of General Motors Corporation filed March 14, 2007.
(10)(e)*	Compensation Plan for Nonemployee Directors, incorporated herein by reference to Exhibit A to the Proxy Statement of General Motors Corporation filed April 16, 1997.
(10)(f)*	General Motors Company Vehicle Operations -- Senior Management Vehicle Program (SMVP) Supplement, revised December 15, 2005, incorporated herein by reference to Exhibit 10(g) to the Annual Report on Form 10-K of General Motors Corporation filed March 28, 2006.
(10)(g)*	Compensation Statement for G.R. Wagoner, Jr. commencing January 1, 2003, incorporated herein by reference to Exhibit 10(h) to the Annual Report on Form 10-K of General Motors Corporation filed March 28, 2006.
(10)(h)*	Compensation Statement for Frederick A. Henderson commencing January 1, 2006, incorporated herein by reference to Exhibit 10(j) to the Annual Report on Form 10-K of General Motors Corporation filed March 14, 2007.
(10)(i)*	Compensation Statement for Robert A. Lutz commencing January 1, 2003, incorporated herein by reference to Exhibit 10(j) to the Annual Report on Form 10-K of General Motors Corporation filed March 28, 2006.
(10)(j)*	Compensation Statement for G.L. Cowger commencing February 1, 2004, incorporated herein by reference to Exhibit 10(k) to the Annual Report on Form 10-K of General Motors Corporation filed March 28, 2006.
(10)(k)*	Description of Executive and Board Compensation Reductions, incorporated herein by reference to Exhibit 10(o) to the Annual Report on Form 10-K of General Motors Corporation filed March 28, 2006.
(10)(l)*	Deferred Compensation Plan for Executive Employees, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of General Motors Corporation filed December 8, 2006.
(10)(m)†	Settlement Agreement, dated as of February 21, 2008, by and among General Motors Corporation, the International Union, United Automobile, Aerospace and Agricultural Workers of America and the class representatives in the class action case filed against General Motors Corporation on September 26, 2007 by the UAW and putative class representatives of GM-UAW.
(10)(n)†	General Motors 2002 Long-Term Incentive Plan, as amended.
(10)(o)†	General Motors 2007 Long-Term Incentive Plan, as amended.
(10)(p)†	Amended General Motors Corporation 2006 Cash-Based Restricted Stock Unit Plan, as amended October 1, 2007.
(10)(q)†	General Motors Corporation 2007 Cash-Based Restricted Stock Unit Plan, as amended October 1, 2007.
(10)(r)†	General Motors Corporation Compensation Plan for Non-Employee Directors, as amended December

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

4, 2007.

ITEM 15. ***Exhibits and Financial Statement Schedule — (continued)***

(10)(s)†	General Motors Corporation 2007 Annual Incentive Plan, as amended October 1, 2007.
(10)(t)†	General Motors Corporation Deferred Compensation Plan, as amended October 1, 2007.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

ITEM 15. ***Exhibits and Financial Statement Schedule — (continued)***

(10)(u)†	General Motors Executive Retirement Plan, as amended.
(10)(v)†	Form of Compensation Statement.
(10)(w)†	Form of Restricted Stock Unit Grant Award.
(10)(x)†	Form of Special Cash-based RSU Grant for March 2007 Award.
(10)(y)†	Form of Special RSU Grant for March 2007 Award.
(10)(z)	General Motors Corporation $4,372,500,000 principal amount of 6.75% Series U Convertible Senior Debentures due December 31, 2012, dated February 22, 2008, incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of General Motors dated February 25, 2008.
(12)†	Computation of Ratios of Earnings to Fixed Charges for the Years Ended December 31, 2007, 2006, 2005, 2004 and 2003.
(21)†	Subsidiaries of the Registrant as of December 31, 2007.
(23.1)†	Consent of Independent Registered Public Accounting Firm.
(23.2)†	Consent of Hamilton, Rabinovitz & Associates, Inc.
(24)†	Power of Attorney for Directors of General Motors Corporation
(31.1)†	Section 302 Certification of the Chief Executive Officer.
(31.2)†	Section 302 Certification of the Chief Financial Officer.
(32.1)†	Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(32.2)†	Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Management contract or compensatory plan required to be filed as an exhibit pursuant to Item 15(b) of Form 10-K.

† Filed herewith.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

Description	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Additions Charged to Other Accounts	Deductions	Balance at End of Year
			(Dollars in millions)		
For the Year Ended December 31, 2007					
Allowances Deducted from Assets					
Allowance for credit losses	$ —	$ —	$ —	$ —	$ —
Accounts and notes receivable (for doubtful receivables)	397	—	11	70	338
Inventories (principally for obsolescence of service parts)	532	—	—	76	456
Other investments and miscellaneous assets (receivables and other)	17	—	—	3	14
Miscellaneous allowances (mortgage and other)	—	—		—	—
For the Year Ended December 31, 2006					
Allowances Deducted from Assets					
Allowance for credit losses	$ 3,085	$ 1,799	$ —	$ 4,884(a)	$ —
Accounts and notes receivable (for doubtful receivables)	353	56	—	12	397
Inventories (principally for obsolescence of service parts)	411	121	—	—	532
Other investments and miscellaneous assets (receivables and other)	17	—	—	—	17
Miscellaneous allowances (mortgage and other)	84	62		146(a)	—
For the Year Ended December 31, 2005					
Allowances Deducted from Assets					
Allowance for credit losses	$ 3,402	$ 1,074	$ —	$ 1,391	$ 3,085
Accounts and notes receivable (for doubtful receivables)	318	73	—	38	353
Inventories (principally for obsolescence of service parts)	340	71	—	—	411
Other investments and miscellaneous assets (receivables and other)	10	—	7	—	17
Miscellaneous allowances (mortgage and other)	161	25	21	123	84

(a) Primarily reflects allowances removed as a result of sale of 51% controlling interest in GMAC. At the time of the sale GMAC had an allowance for credit loss balance and miscellaneous allowance balance of $3.5 billion and $123 million, respectively.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Member Interest Holders of GMAC LLC:

We have audited the accompanying Consolidated Balance Sheet of GMAC LLC and subsidiaries (the "Company") as of December 31, 2007 and 2006, and the related Consolidated Statements of Income, Changes in Equity, and Cash Flows for each of the three years in the period ended December 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2007 and 2006, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company's internal control over financial reporting as of December 31, 2007, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report (not presented herein) dated February 27, 2008, expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP
Deloitte & Touche LLP

Detroit, Michigan
February 27, 2008

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Consolidated Statement of Income

GMAC LLC •

Year ended December 31, *($ in millions)*	**2007**	2006	2005
Revenue			
Consumer	**$9,469**	$10,472	$9,943
Commercial	**2,947**	3,112	2,685
Loans held for sale	**1,557**	1,777	1,652
Operating leases	**7,214**	7,742	7,032
Total financing revenue	**21,187**	23,103	21,312
Interest expense	**14,776**	15,560	13,106
Depreciation expense on operating lease assets	**4,915**	5,341	5,244
Net financing revenue	**1,496**	2,202	2,962
Other revenue			
Servicing fees	**2,193**	1,893	1,730
Amortization and impairment of servicing rights	**—**	(23)	(869)
Servicing asset valuation and hedge activities, net	**(544)**	(1,100)	61
Insurance premiums and service revenue earned	**4,378**	4,183	3,762
Gain on sale of loans, net	**508**	1,470	1,656
Investment income	**473**	2,143	1,216
Gains on sale of equity-method investments, net	**—**	411	—
Other income	**3,295**	3,643	4,399
Total other revenue	**10,303**	12,620	11,955
Total net revenue	**11,799**	14,822	14,917
Provision for credit losses	**3,096**	2,000	1,074
Noninterest expense			
Compensation and benefits expense	**2,453**	2,558	3,163
Insurance losses and loss adjustment expenses	**2,451**	2,420	2,355
Other operating expenses	**5,286**	4,776	4,134
Impairment of goodwill and other intangible assets	**455**	840	712
Total noninterest expense	**10,645**	10,594	10,364
Income (loss) before income tax expense	**(1,942)**	2,228	3,479
Income tax expense	**390**	103	1,197
Net income (loss)	**($2,332)**	$2,125	$2,282

The Notes to the Consolidated Financial Statements are an integral part of these statements.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Consolidated Balance Sheet

GMAC LLC •

December 31, *($ in millions)*	**2007**	2006
Assets		
Cash and cash equivalents	**$17,677**	$15,459
Investment securities	**16,740**	16,791
Loans held for sale	**20,559**	27,718
Finance receivables and loans, net of unearned income		
Consumer	**87,769**	130,542
Commercial	**39,745**	43,904
Allowance for credit losses	**(2,755)**	(3,576)
Total finance receivables and loans, net	**124,759**	170,870
Investment in operating leases, net	**32,348**	24,184
Notes receivable from General Motors	**1,868**	1,975
Mortgage servicing rights	**4,703**	4,930
Premiums and other insurance receivables	**2,030**	2,016
Other assets	**27,026**	23,496
Total assets	**$247,710**	$287,439
Liabilities		
Debt		
Unsecured	**$102,339**	$113,500
Secured	**90,809**	123,485
Total debt	**193,148**	236,985
Interest payable	**2,253**	2,592
Unearned insurance premiums and service revenue	**4,921**	5,002
Reserves for insurance losses and loss adjustment expenses	**3,089**	2,630
Deposit liabilities	**15,281**	11,854
Accrued expenses and other liabilities	**12,203**	10,805
Deferred income taxes	**1,250**	1,007
Total liabilities	**232,145**	270,875
Preferred interests	**—**	2,195
Equity		
Members' interest	**8,912**	6,711
Preferred interests	**1,052**	—
Retained earnings	**4,649**	7,173
Accumulated other comprehensive income	**952**	485
Total equity	**15,565**	14,369
Total liabilities, preferred interests, and equity	**$247,710**	$287,439

The Notes to the Consolidated Financial Statements are an integral part of these statements.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Consolidated Statement of Changes in Equity

GMAC LLC •

($ in millions)	Common stock and paid-in capital	Members' interest	Preferred interests	Retained earnings	Accumulated other comprehensive income (loss)	Total equity	Comprehensive income (loss)
Balance at December 31, 2004	$5,760	$—	$—	$15,508	$1,168	$22,436	
Net income				2,282		2,282	$2,282
Dividends				(2,500)		(2,500)	
Repurchase transaction (a)				(195)		(195)	
Other comprehensive loss					(338)	(338)	(338)
Balance at December 31, 2005	5,760	—	—	15,095	830	21,685	1,944
Conversion of common stock to members' interest on July 20, 2006	(5,760)	5,760					
Capital contributions		951				951	
Net income				2,125		2,125	2,125
Dividends				(9,739)		(9,739)	
Preferred interest accretion to redemption value and dividends				(295)		(295)	
Cumulative effect of a change in accounting principle, net of tax:							
Transfer of unrealized loss for certain available-for-sale securities to trading securities				(17)	17		
Recognize mortgage servicing rights at fair value				4		4	4
Other comprehensive loss					(362)	(362)	(362)
Balance at December 31, 2006	—	6,711	—	7,173	485	14,369	1,767
Conversion of preferred membership interests		**1,121**	**1,052**			**2,173**	
Capital contributions		**1,080**				**1,080**	
Net loss				**(2,332)**		**(2,332)**	**(2,332)**
Preferred interests dividends				**(192)**		**(192)**	
Other comprehensive income					**450**	**450**	**450**
Cumulative effect of a change in accounting principle, net of tax:							
Adoption of Financial Accounting Standards Board Statement No. 158					**17**	**17**	
Balance at December 31, 2007	**$—**	**$8,912**	**$1,052**	**$4,649**	**$952**	**$15,565**	**($1,882)**

(a) In October 2005, we repurchased operating lease assets and related deferred tax liabilities from GM. Refer to Note 19 to the Consolidated Financial Statements for further detail.

The Notes to the Consolidated Financial Statements are an integral part of these statements.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Consolidated Statement of Cash Flows

GMAC LLC •

Year ended December 31, *($ in millions)*	**2007**	2006	2005
Operating activities			
Net income (loss)	**($2,332)**	$2,125	$2,282
Reconciliation of net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	**5,937**	6,459	5,964
Goodwill impairment	**455**	840	712
Amortization and valuation adjustments of mortgage servicing rights	**1,260**	843	782
Provision for credit losses	**3,096**	2,000	1,074
Gain on sale of loans, net	**(508)**	(1,470)	(1,741)
Net losses (gains) on investment securities	**737**	(1,005)	(104)
Capitalized interest income	**—**	—	(23)
Net change in:			
Trading securities	**628**	370	(1,155)
Loans held for sale (a)	**(6,956)**	(19,346)	(29,119)
Deferred income taxes	**95**	(1,346)	351
Interest payable	**(332)**	(470)	(290)
Other assets	**(121)**	(2,340)	(2,446)
Other liabilities	**686**	(1,067)	45
Other, net	**(1,185)**	(287)	568
Net cash provided by (used in) operating activities	**1,460**	(14,694)	(23,100)
Investing activities			
Purchases of available-for-sale securities	**(16,682)**	(28,184)	(19,165)
Proceeds from sales of available-for-sale securities	**8,049**	6,628	5,721
Proceeds from maturities of available-for-sale securities	**8,080**	23,147	8,887
Net increase in finance receivables and loans	**(41,972)**	(94,869)	(96,028)
Proceeds from sales of finance receivables and loans	**70,903**	117,830	125,836
Purchases of operating lease assets	**(17,268)**	(18,190)	(15,496)
Disposals of operating lease assets	**5,472**	7,303	5,164
Change in notes receivable from GM	**138**	1,660	1,053
Sales (purchases) of mortgage servicing rights, net	**561**	(61)	(267)
Acquisitions of subsidiaries, net of cash acquired	**(209)**	(340)	(2)
Proceeds from sale of business units, net	**15**	8,537	—
Settlement of residual support and risk-sharing obligations with GM	**—**	1,357	—
Other, net (b)	**1,157**	(21)	(1,549)
Net cash provided by investing activities	**18,244**	24,797	14,154

The Notes to the Consolidated Financial Statements are an integral part of these statements.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Consolidated Statement of Cash Flows (continued)

GMAC LLC •

Year ended December 31, *($ in millions)*	**2007**	2006	2005
Financing activities			
Net change in short-term debt	**(9,248)**	2,665	(9,970)
Proceeds from issuance of long-term debt	**70,230**	88,180	77,890
Repayments of long-term debt	**(82,134)**	(100,840)	(69,520)
Dividends paid	**(179)**	(4,755)	(2,500)
Proceeds from issuance of preferred interests	**—**	1,900	—
Other, net (c)	**3,753**	2,259	6,168
Net cash (used in) provided by financing activities	**(17,578)**	(10,591)	2,068
Effect of exchange-rate changes on cash and cash equivalents	**92**	152	(45)
Net increase (decrease) in cash and cash equivalents	**2,218**	(336)	(6,923)
Cash and cash equivalents at beginning of year	**15,459**	15,795	22,718
Cash and cash equivalents at end of year (d)	**$17,677**	$15,459	$15,795
Supplemental disclosures			
Cash paid for:			
Interest	**$14,871**	$15,889	$13,025
Income taxes	**481**	1,087	1,339
Noncash items:			
Increase (decrease) in equity (e)	**2,173**	—	(195)
Loans held for sale transferred to finance receivables and loans	**13,834**	14,549	20,084
Finance receivables and loans transferred to loans held for sale	**8,181**	3,889	3,904
Finance receivables and loans transferred to other assets	**2,976**	1,771	1,017
Trading securities transferred to available-for-sale	**—**	—	257
Various assets and liabilities acquired through consolidation of variable interest entities	**—**	—	325
Available-for-sale securities transferred to trading securities	**—**	927	—
Capital contributions from GM	**56**	951	—
Noncash dividends paid to GM relating to GMAC sale (f)	**—**	4,984	—
Proceeds from sales and repayments of mortgage loans held for investment originally designated as held for sale	**6,790**	7,562	2,063
Liabilities assumed through acquisition	**1,030**	342	—
Deconsolidation of loans, net	**25,856**	—	—
Deconsolidation of collateralized borrowings	**26,599**	—	—

(a) Includes origination of mortgage servicing rights of $1.6 billion, $1.7 billion, and $1.3 billion for 2007, 2006, and 2005, respectively.
(b) Includes securities lending transactions where cash collateral is received and a corresponding liability is recorded, both of which are presented in investing activities in the amount of $856 million and $445 million for 2007 and 2006, respectively.
(c) 2007 includes a $1 billion capital contribution from General Motors pursuant to the sale of 51% of GMAC to FIM Holdings LLC.
(d) 2005 includes $371 million of cash and cash equivalents classified as assets held for sale.
(e) Represents conversion of preferred membership interests in 2007. Represents the repurchase of operating lease assets and related deferred tax liabilities from GM in 2005.
(f) Further described in Note 19 to the Consolidated Financial Statements.

The Notes to the Consolidated Financial Statements are an integral part of these statements.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

1. Description of Business and Significant Accounting Policies

GMAC LLC (referred to herein as GMAC, we, our, or us) was founded in 1919 as a wholly owned subsidiary of General Motors Corporation (General Motors or GM). On November 30, 2006, GM sold a 51% interest in us for approximately $7.4 billion (the Sale Transactions) to FIM Holdings LLC (FIM Holdings). FIM Holdings is an investment consortium led by Cerberus FIM Investors, LLC, the sole managing member. The consortium also includes Citigroup Inc., Aozora Bank Ltd., and a subsidiary of The PNC Financial Services Group, Inc.

Throughout most of 2007, the domestic and international residential real estate and capital markets experienced significant dislocation. As a result, ResCap's liquidity was negatively impacted by margin calls, changes to advance rates on secured facilities, and the loss of significant asset-backed commercial paper conduit financing capacity, along with other secured sources of liquidity, including weak securitization markets. The market dislocation prompted ResCap's liquidity providers to evaluate their risk tolerance for their exposure to mortgage-related credits. ResCap has identified several risks and uncertainties, which could impact their liquidity position in 2008. The risks and uncertainties include, but are not limited to, the following: further negative rating agency actions; their ability to close new and renew existing key sources of liquidity; further tightening by liquidity providers, such as, encountering more counterparties opting for shorter-dated extensions of existing facilities with more expensive terms and lower advance rates; and incremental margin calls related to potentially lower valuations of collateralized assets and credit support annexes on interest rate and foreign exchange swaps.

ResCap actively manages liquidity and capital positions and has developed plans to address liquidity needs, including debt maturing in 2008, and the identified risks and uncertainties. The plans include, but are not limited to, the following: continue to work proactively and maintain an active dialog with all key credit providers to optimize all available liquidity options including negotiating credit terms, refinancing term loans, and other secured facilities; potential pursuit of strategic alternatives that will improve liquidity, such as, continued strategic reduction of assets and other dispositions; focused production on prime conforming products which currently provide more liquidity options; exploring potential alliances and joint ventures with third parties involving portions of our ResCap business and strategic acquisitions; potential utilization of available committed unsecured lines of credit; and explore opportunities for funding and or capital support.

While successful execution cannot be assured, management believes plans are sufficient to meet ResCap's liquidity requirements and expects ResCap to comply with its financial covenants for the next twelve months. If unanticipated market factors emerged and ResCap was unable to successfully execute their plan, it would have a material adverse effect on our business, results of operations, and our financial position.

Consolidation and Basis of Presentation

The consolidated financial statements include our accounts and accounts of our majority-owned subsidiaries after eliminating all significant intercompany balances and transactions, and includes all variable interest entities in which we are the primary beneficiary. Refer to Note 22 for further details on our variable interest entities. Our accounting and reporting policies conform to accounting principles generally accepted in the United States of America (GAAP). Certain amounts in prior periods have been reclassified to conform to the current period's presentation.

We operate our international subsidiaries in a similar manner as in the United States of America (U.S. or United States), subject to local laws or other circumstances that may cause us to modify our procedures accordingly. The financial statements of subsidiaries that operate outside of the United States generally are measured using the local currency as the functional currency. All assets and liabilities of foreign subsidiaries are translated into U.S. dollars at year-end exchange rates. The resulting translation adjustments are recorded as accumulated other comprehensive income, a component of equity. Income and expense items are translated at average exchange rates prevailing during the reporting period.

Change in Reportable Segment Information

As a result of a change in the management of certain corporate intercompany activities, we have recast certain financial data from our North American Automotive Finance operations operating segment to our Other operating segment. This financial data primarily relates to intercompany borrowing arrangements and certain corporate expenses. Amounts for 2006 and 2005 have been recast to conform to the current management view.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and that affect income and expenses during the reporting period. In developing the estimates and assumptions, management uses all available evidence. However, because of uncertainties associated with estimating the amounts, timing, and

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

likelihood of possible outcomes, actual results could differ from estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and short-term, highly liquid investments with original maturities of 90 days or less. Cash and cash equivalents that have restrictions on our ability to withdraw the funds are included in other assets on our Consolidated Balance Sheet. The balance of cash equivalents was $14.1 billion and $13.4 billion at December 31, 2007 and 2006, respectively. The book value of cash equivalents approximates fair value because of the short maturities of these instruments. Certain securities with original maturities less than 90 days that are held as a portion of longer-term investment portfolios, primarily relating to GMAC Insurance, are classified as investment securities.

Investment Securities

Our portfolio of investment securities includes bonds, equity securities, asset- and mortgage-backed securities, notes, interests in securitization trusts, and other investments. Investment securities are classified based on management's intent. Our trading securities primarily consist of retained and purchased interests in certain securitizations. The retained interests are carried at fair value with changes in fair value recorded in current period earnings. Debt securities that management has the intent and ability to hold to maturity are classified as held-to-maturity and reported at amortized cost as of the trade date. Premiums and discounts on debt securities are amortized as an adjustment to investment yield over the contractual term of the security. All other investment securities are classified as available-for-sale and carried at fair value as of the trade date, with unrealized gains and losses included in accumulated other comprehensive income or loss, a component of equity, on an after-tax basis. We employ a systematic methodology that considers available evidence in evaluating potential other than temporary impairment of our investments classified as available-for-sale or held-to-maturity. If the cost of an investment exceeds its fair value, we evaluate, among other factors, the magnitude and duration of the decline in fair value. We also evaluate the financial health of and business outlook for the issuer, the performance of the underlying assets for interests in securitized assets, and our intent and ability to hold the investment. Once a decline in fair value is determined to be other than temporary, an impairment charge is recorded to investment income in our Consolidated Statement of Income, and a new cost basis in the investment is established. Realized gains and losses on investment securities are reported in investment income and are determined using the specific identification method.

In the normal course of business, we enter into securities lending agreements with various counterparties. Under these agreements, we lend the rights to designated securities we own in exchange for collateral in the form of cash or governmental securities, approximating 102% (domestic) or 105% (foreign) of the value of the securities loaned. These agreements are primarily overnight in nature and settle the next business day. We had loaned securities of $850 million and $439 million and had received corresponding cash collateral of $856 million and $445 million for these loans at December 31, 2007 and 2006, respectively.

Loans Held for Sale

Loans held for sale may include automotive, commercial finance, and residential receivables and loans and are carried at the lower of aggregate cost or estimated fair value. Due to changes in the securitization market in the fourth quarter of 2006, we disaggregated all delinquent nonprime mortgage loans in our evaluation. Fair value is based on contractually established commitments from investors or is based on current investor yield requirements. Revenue recognition on consumer automotive finance receivables and mortgage loans is suspended when placed on nonaccrual status. Interest income accrued at the date a loan is placed on nonaccrual status is reversed and subsequently realized only to the extent it is received in cash. Automotive loans and mortgage loans held for sale are generally placed on nonaccrual status when contractually delinquent for 120 days and 60 days, respectively.

Finance Receivables and Loans

Finance receivables and loans are reported at the principal amount outstanding, net of unearned income, discounts and allowance. Unearned income, which includes deferred origination fees reduced by origination costs and unearned rate support received from GM, is amortized over the contractual life of the related finance receivable or loan using the interest method. Loan commitment fees are generally deferred and amortized into commercial revenue over the commitment period.

We classify finance receivables and loans between loans held for sale and loans held for investment based on management's assessment of our intent and ability to hold loans for the foreseeable future or until maturity. Management's intent and ability with respect to certain loans may change from time to time depending on a number of factors including economic, liquidity, and capital conditions.

Acquired Loans

We acquire certain loans individually and in groups or portfolios that have experienced deterioration of credit quality between origination and our acquisition. The amount

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

paid for these loans reflects our determination that it is probable we will be unable to collect all amounts due according to the loan's contractual terms. These acquired loans are accounted for under American Institute of Certified Public Accountants Statement of Position 03-3, *Accounting for Certain Loans or Debt Securities Acquired in a Transfer* (SOP 03-3). We recognize the accretable yield to the excess of our estimate of undiscounted expected principal, interest, and other cash flows (expected at acquisition to be collected) over our initial investment in the acquired asset.

Over the life of the loan or pool, we update the estimated cash flows we expect to collect. At each balance sheet date, we evaluate whether the expected cash flows of these loans have changed. We adjust the amount of accretable yield for any loans or pools where there is an increase in expected cash flows. We record a valuation allowance for any loans or pools for which there is a decrease in expected cash flows. In accordance with Statement of Financial Accounting Standards No. 114, *Accounting by Creditors for Impairment of a Loan* (SFAS 114), we measure these impairments based upon the present value of the expected future cash flows discounted using the loan's effective interest rate or, as a practical expedient when reliable information is available, through the fair value of the collateral less expected costs to sell. The present value of any subsequent increase in the loan's or pool's actual cash flows or cash flows expected to be collected is used first to reverse any existing valuation allowance for that loan or pool.

Nonaccrual Loans
Consumer and commercial revenue recognition is suspended when finance receivables and loans are placed on nonaccrual status. Prime retail automotive receivables are placed on nonaccrual status when delinquent for 120 days. Nonprime retail automotive receivables are placed on nonaccrual status when delinquent for 60 days. Residential mortgages and commercial real estate loans are placed on nonaccrual status when delinquent for 60 days. Warehouse, construction, and other lending receivables are placed on nonaccrual status when delinquent for 90 days. Revenue accrued but not collected at the date finance receivables and loans are placed on nonaccrual status is reversed and subsequently recognized only to the extent it is received in cash. Finance receivables and loans are restored to accrual status only when contractually current and the collection of future payments is reasonably assured.

Impaired Loans
Commercial loans are considered impaired when we determine it is probable that we will be unable to collect all amounts due according to the terms of the loan agreement and the recorded investment in the loan exceeds the fair value of the underlying collateral. We recognize income on impaired loans as discussed previously for nonaccrual loans. If the recorded investment in impaired loans exceeds the fair value, a valuation allowance is established as a component of the allowance for credit losses. In addition to commercial loans specifically identified for impairment, we have pools of loans that are collectively evaluated for impairment, as discussed within the allowance for credit losses accounting policy.

Allowance for Credit Losses
The allowance for credit losses is management's estimate of incurred losses in the lending portfolios. Portions of the allowance for credit losses are specified to cover the estimated losses on commercial loans specifically identified for impairment in accordance with SFAS 114. The unspecified portion of the allowance for credit losses covers estimated losses on the homogeneous portfolios of finance receivables and loans collectively evaluated for impairment in accordance with Statement of Financial Accounting Standards No. 5, *Accounting for Contingencies* (SFAS 5). Amounts determined to be uncollectible are charged against the allowance for credit losses in our Consolidated Statement of Income. Additionally, losses arising from the sale of repossessed assets, collateralizing automotive finance receivables, and loans are charged to the allowance for credit losses. Recoveries of previously charged-off amounts are credited at time of collection.

Loans outside the scope of SFAS 114 and loans that are individually evaluated and determined not to be impaired under SFAS 114 are grouped into pools, based on similar risk characteristics, and evaluated for impairment in accordance with SFAS 5. Impairment of loans determined to be impaired under SFAS 114 is measured based on the present value of expected future cash flows discounted at the loan's effective interest rate, an observable market price, or the fair value of the collateral, whichever is determined to be the most appropriate. Estimated costs to sell or realize the value of the collateral on a discounted basis are included in the impairment measurement.

We perform periodic and systematic detailed reviews of our lending portfolios to identify inherent risks and to assess the overall collectibility of those portfolios. The allowance relates to portfolios collectively reviewed for impairment, generally consumer finance receivables and loans, and is based on aggregated portfolio evaluations by product type. Loss models are utilized for these portfolios, which consider a variety of factors including, but not limited to, historical loss experience, current economic conditions, anticipated repossessions or foreclosures based on portfolio trends, delinquencies and credit scores, and expected loss factors by receivable and loan type. Loans in the commercial portfolios are generally reviewed on an individual loan basis and, if

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

necessary, an allowance is established for individual loan impairment. Loans subject to individual reviews are analyzed based on factors including, but not limited to, historical loss experience, current economic conditions, collateral performance, performance trends within specific geographic and portfolio segments, and any other pertinent information that results in the estimation of specific allowances for credit losses. The evaluation of these factors for both consumer and commercial finance receivables and loans involves complex, subjective judgments.

Securitizations and Other Off-balance Sheet Transactions

We securitize, sell, and service retail finance receivables, operating leases, wholesale loans, securities, and residential loans. Securitizations are accounted for both as sales and secured financings. Interests in the securitized and sold assets are generally retained in the form of interest-only strips, senior or subordinated interests, cash reserve accounts, and servicing rights. Our retained interests are generally subordinate to investors' interests. The investors and the securitization trusts generally have no recourse to our other assets for failure of debtors to pay when due.

We retain servicing responsibilities for all of our retail finance receivable, operating lease, and wholesale loan securitizations and for the majority of our residential loan securitizations. We may receive servicing fees based on the securitized loan balances and certain ancillary fees, all of which are reported in servicing fees in the Consolidated Statement of Income. We also retain the right to service the residential loans sold as a result of mortgage-backed security transactions with Ginnie Mae, Fannie Mae, and Freddie Mac. We also serve as the collateral manager in the securitizations of commercial investment securities.

Gains or losses on securitizations and sales depend on the previous carrying amount of the assets involved in the transfer and are allocated between the assets sold and the retained interests based on relative fair values, except for certain servicing assets or liabilities, which are initially recorded at fair value at the date of sale. The estimate of the fair value of the retained interests requires us to exercise significant judgment about the timing and amount of future cash flows from interests. Since quoted market prices are generally not available, we estimate the fair value of retained interests by determining the present value of future expected cash flows using modeling techniques that incorporate management's best estimates of key variables, including credit losses, prepayment speeds, weighted average life and discount rates commensurate with the risks involved and, if applicable, interest or finance rates on variable and adjustable rate contracts. Credit loss assumptions are based upon historical experience, market information for similar investments, and the characteristics of individual receivables and loans underlying the securities. Prepayment speed estimates are determined utilizing data obtained from market participants, where available, or based on historical prepayment rates on similar assets. Discount rate assumptions are determined using data obtained from market participants, where available, or based on current relevant U.S. Treasury or LIBOR yields, plus a risk adjusted spread based on analysis of historical spreads on similar types of securities. Estimates of interest rates on variable and adjustable contracts are based on spreads over the applicable benchmark interest rate using market-based yield curves.

Gains or losses on securitizations and sales are reported in gain on sale of loans, net in our Consolidated Statement of Income for retail finance receivables, wholesale loans, and residential loans. Declines in the fair value of retained interests below the carrying amount are reflected in other comprehensive income, a component of equity, or in earnings, if declines are determined to be other than temporary or if the interests are classified as trading. Retained interest-only strips and senior and subordinated interests are generally included in available-for-sale investment securities or in trading investment securities, depending on management's intent at the time of securitization. Retained cash reserve accounts are included in other assets on our Consolidated Balance Sheet.

On December 6, 2007, the American Securitization Forum (ASF) issued the Streamlined Foreclosure and Loss Avoidance Framework for Securitized Subprime Adjustable Rate Mortgage Loans (the ASF Framework). The ASF Framework provides guidance for servicers to streamline borrower evaluation procedures and to facilitate the use of foreclosure and loss prevention efforts in an attempt to reduce the number of subprime residential mortgage borrowers who might default in the coming year because the borrowers cannot afford to pay the increased loan interest rate after their rate reset. The ASF Framework requires a borrower and its loan to meet specific conditions to qualify for a modification under which the qualifying borrower's loan's interest rate would be kept at the existing rate, generally for five years following an upcoming reset period. The ASF Framework is focused on U.S. subprime first-lien adjustable-rate residential mortgages that have an initial fixed interest rate period of 36 months or less; are included in securitized pools; were originated between January 1, 2005, and July 31, 2007; and have an initial interest rate reset date between January 1, 2008 and July 31, 2010 (defined as "Segment 2 Subprime ARM Loans" within the ASF Framework).

On January 8, 2008, the SEC's Office of Chief Accountant (the OCA) issued a letter (the OCA Letter) addressing accounting issues that may be raised by the ASF Framework.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Specifically, the OCA Letter expressed the view that if a Segment 2 Subprime ARM Loan is modified pursuant to the ASF Framework and the loan could legally be modified, the OCA will not object to continued status of the transferee as a qualifying special-purpose entity (QSPE) under Financial Accounting Standards No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* (SFAS 140). Management intends to conform with ASF Framework guidelines and to continue to comply with QSPE requirements under SFAS 140.

Investment in Operating Leases
Investment in operating leases is reported at cost, less accumulated depreciation and net of origination fees or costs. Income from operating lease assets, which includes lease origination fees net of lease origination costs, is recognized as operating lease revenue on a straight-line basis over the scheduled lease term. Depreciation of vehicles is generally provided on a straight-line basis to an estimated residual value over a period, consistent with the term of the underlying operating lease agreement. We evaluate our depreciation policy for leased vehicles on a regular basis.

We have significant investments in the residual values of assets in our operating lease portfolio. The residual values represent an estimate of the values of the assets at the end of the lease contracts and are initially recorded based on residual values established at contract inception by consulting independently published residual value guides. Realization of the residual values is dependent on our future ability to market the vehicles under the prevailing market conditions. Over the life of the lease, we evaluate the adequacy of our estimate of the residual value and may make adjustments to the depreciation rates to the extent the expected value of the vehicle (including any residual support payments from GM) at lease termination changes. In addition to estimating the residual value at lease termination, we also evaluate the current value of the operating lease asset and test for impairment to the extent necessary based on market considerations and portfolio characteristics. Impairment is determined to exist if the undiscounted expected future cash flows are lower than the carrying value of the asset. When a lease vehicle is returned to us, the asset is reclassified from investment in operating leases to other assets at the lower-of-cost or estimated fair value, less costs to sell.

Mortgage Servicing Rights
Primary servicing involves the collection of payments from individual borrowers and the distribution of these payments to the investors. Master servicing rights represent our right to service mortgage- and asset-backed securities and whole-loan packages issued for investors. Master servicing involves the collection of borrower payments from primary servicers and the distribution of those funds to investors in mortgage- and asset-backed securities and whole-loan packages.

We capitalize the value expected to be realized from performing specified mortgage servicing activities for others as mortgage servicing rights (MSRs). These capitalized servicing rights are purchased or retained upon sale or securitization of mortgage loans. Before January 1, 2006, mortgage servicing rights were recorded on both securitizations that were accounted for as sales, as well as those accounted for as secured financings. Effective January 1, 2006, with the adoption of SFAS 156, mortgage-servicing rights are not recorded on securitizations accounted for as secured financings. We measure mortgage servicing assets and liabilities at fair value at the date of sale.

We define our classes of servicing rights based on both the availability of market inputs and the manner in which we manage the risks of our servicing assets and liabilities. We manage our servicing rights at the legal entity level domestically and the reportable operating segment level internationally, and sufficient market inputs exist to determine the fair value of our recognized servicing assets and liabilities.

Since quoted market prices for MSRs are not available, we estimate the fair value of MSRs by determining the present value of future expected cash flows using modeling techniques that incorporate management's best estimates of key variables, including expected cash flows, credit losses, prepayment speeds, and return requirements commensurate with the risks involved. Cash flow assumptions are based on our actual performance, and where possible, the reasonableness of assumptions is periodically validated through comparisons to other market participants. Credit loss assumptions are based upon historical experience and the characteristics of individual loans underlying the MSRs. Prepayment speed estimates are determined from historical prepayment rates on similar assets or obtained from third-party data. Return requirement assumptions are determined using data obtained from market participants, where available, or based on current relevant interest rates plus a risk-adjusted spread. Since many factors can affect the estimate of the fair value of mortgage servicing rights, we regularly evaluate the major assumptions and modeling techniques used in our estimate and review these assumptions against market comparables, if available. We monitor the actual performance of our MSRs by regularly comparing actual cash flow, credit, and prepayment experience to modeled estimates.

Reinsurance
We assume and cede insurance risk under various reinsurance agreements. We seek to reduce the loss that may arise from catastrophes or other events that cause unfavorable

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

underwriting results by reinsuring certain levels of risk with other insurance enterprises. We remain liable with respect to any reinsurance ceded if the assuming companies are unable to meet their obligations under these reinsurance agreements. We also assume insurance risks from other insurance companies, receiving a premium as consideration for the risk assumption. Amounts recoverable from reinsurers on paid losses and loss adjustment expenses are included in premiums and other insurance receivables. Amounts recoverable from reinsurers on unpaid losses, including incurred but not reported losses and loss adjustment expenses, pursuant to reinsurance contracts are estimated and reported with premiums and other insurance receivables. Amounts paid to reinsurers relating to the unexpired portion of reinsurance contracts are reported as prepaid reinsurance premiums within premiums and other insurance receivables.

Repossessed and Foreclosed Assets
Assets are classified as repossessed and foreclosed and included in other assets when physical possession of the collateral is taken, regardless of whether foreclosure proceedings have taken place. Repossessed and foreclosed assets are carried at the lower of the outstanding balance at the time of repossession or foreclosure or the fair value of the asset less estimated costs to sell. Losses on the revaluation of repossessed and foreclosed assets are charged to the allowance for credit losses at the time of repossession. Subsequent holding period losses and losses arising from the sale of repossessed assets collateralizing automotive finance receivables and loans are expensed as incurred in other operating expenses.

Goodwill and Other Intangibles
Goodwill and other intangible assets, net of accumulated amortization, are reported in other assets. In accordance with Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets* (SFAS 142), goodwill represents the excess of the cost of an acquisition over the fair value of net assets acquired. Goodwill is reviewed for impairment utilizing a two-step process. The first step of the impairment test requires us to define the reporting units and compare the fair value of each of these reporting units to the respective carrying value. The reporting units used for our 2006 testing represented our operating segments as disclosed in Note 23. During the third quarter of 2007, we reevaluated our reporting units and determined that our Insurance and ResCap operating segments have reporting units one level below the operating segment, and therefore, goodwill should be evaluated at the lower level. Insurance has four reporting units based on product offerings, while ResCap's reporting units are consistent with its reportable segments in its stand-alone financial statements. The primary factors considered for this change were how management operates, reports, and manages these segments. The fair value of the reporting units in our impairment test is determined based on various analyses, including discounted cash flow projections. If the carrying value is less than the fair value, no impairment exists, and the second step does not need to be completed. If the carrying value is higher than the fair value, there is an indication that impairment may exist, and a second step must be performed to compute the amount of the impairment, if any. SFAS 142 requires goodwill to be tested for impairment annually at the same time every year, and whenever an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Our annual goodwill impairment assessment takes place during the fourth quarter each year. Certain triggering events necessitated an impairment review during the third quarter of 2007 for ResCap's goodwill reporting units. See Note 11 for a discussion of the related goodwill impairment charge.

Other intangible assets, which include customer lists, trademarks, and other identifiable intangible assets, are amortized on a straight-line basis over an estimated useful life of 3 to 15 years.

Impairment of Long-lived Assets
The carrying value of long-lived assets (including premises and equipment and investment in operating leases as well as certain identifiable intangibles) are evaluated for impairment whenever events or changes in circumstances indicate that their carrying values may not be recoverable from the estimated undiscounted future cash flows expected to result from their use and eventual disposition. Recoverability of assets to be held and used is measured by a comparison of their carrying amount to future net undiscounted cash flows expected to be generated by the assets. If these assets are considered to be impaired, the impairment is measured as the amount by which the carrying amount of the assets exceeds the fair value as estimated by discounted cash flows. No material impairment was recognized in 2007, 2006, or 2005.

Property and Equipment
Property and equipment, stated at cost net of accumulated depreciation and amortization, are reported in other assets. Included in property and equipment are certain buildings, furniture and fixtures, leasehold improvements, company vehicles, IT hardware and software, and capitalized software costs. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, which generally ranges from 3 to 30 years. Capitalized software is generally amortized on a straight-line basis over its useful life for a period not to exceed three years. Capitalized software that is not expected to provide substantive service potential or for which development costs significantly exceed the amount originally expected is considered impaired and written down to fair value. Software

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

expenditures that are considered general, administrative, or of a maintenance nature are expensed as incurred. Depreciation and amortization expense for property and equipment for the years ended December 31, 2007, 2006, and 2005, was $196 million, $253 million, and $288 million, respectively.

Deferred Policy Acquisition Costs
Commissions, including compensation paid to producers of extended service contracts and other costs of acquiring insurance that are primarily related to and vary with the production of business, are deferred and recorded in other assets. These costs are subsequently amortized over the terms of the related policies and service contracts on the same basis as premiums and revenue are earned, except for direct response advertising costs, which are amortized over a three-year period based on the anticipated future benefit.

Unearned Insurance Premiums and Service Revenue
Insurance premiums, net of premiums ceded to reinsurers, and service revenue are earned over the terms of the policies. The portion of premiums and service revenue written applicable to the unexpired terms of the policies is recorded as unearned insurance premiums or unearned service revenue. For short duration contracts, premiums and unearned service revenue are earned on a pro rata basis. For extended service and maintenance contracts, premiums and service revenues are earned on a basis proportionate to the anticipated loss emergence.

Reserves for Insurance Losses and Loss Adjustment Expenses
Reserves for insurance losses and loss adjustment expenses are established for the unpaid cost of insured events that have occurred as of a point in time. More specifically, the reserves for insurance losses and loss adjustment expenses represent the accumulation of estimates for reported losses and a provision for losses incurred but not reported, including claims adjustment expenses, relating to direct insurance and assumed reinsurance agreements. Estimates for salvage and subrogation recoverable are recognized at the time losses are incurred and netted against insurance losses and loss adjustment expenses. Reserves are established for each business at the lowest meaningful level of homogeneous data based on actuarial analysis and volatility considerations. Since the reserves are based on estimates, the ultimate liability may be more or less than the reserves. Adjustments in the estimated reserves are included in the period in which the adjustments are considered necessary. These adjustments may occur in future periods and could have a material impact on our consolidated financial position, results of operations, or cash flows.

Derivative Instruments and Hedging Activities
In accordance with SFAS 133, all derivative financial instruments, whether designated for hedging relationships or not, are required to be recorded on the balance sheet as assets or liabilities, carried at fair value. At inception of a hedging relationship, we designate each qualifying derivative financial instrument as a hedge of the fair value of a specifically identified asset or liability (fair value hedge) or as a hedge of the variability of cash flows to be received or paid related to a recognized asset or liability (cash flow hedge). We also use derivative financial instruments, which although acquired for risk management purposes, do not qualify for hedge accounting under GAAP. Changes in the fair value of derivative financial instruments that are designated and qualify as fair value hedges, along with the gain or loss on the hedged asset or liability attributable to the hedged risk, are recorded in current period earnings. For qualifying cash flow hedges, the effective portion of the change in the fair value of the derivative financial instruments is recorded in accumulated other comprehensive income, a component of equity, and recognized in the income statement when the hedged cash flows affect earnings. Changes in the fair value of derivative financial instruments held for risk management purposes that do not meet the criteria to qualify as hedges under GAAP are reported in current period earnings. The ineffective portions of fair value and cash flow hedges are immediately recognized in earnings.

We formally document all relationships between hedging instruments and hedged items, as well as our risk management objectives for undertaking various hedge transactions. This process includes linking all derivatives that are designated as fair value or cash flow hedges to specific assets and liabilities on our Consolidated Balance Sheet to specific firm commitments or the forecasted transactions. Both at the hedge's inception and on an ongoing basis, we formally assess whether the derivatives that are used in hedging relationships are highly effective in offsetting changes in fair values or cash flows of hedged items.

The hedge accounting treatment described herein is no longer applied if a derivative financial instrument is terminated or the hedge designation is removed or is assessed to be no longer highly effective. For these terminated fair value hedges, any changes to the hedged asset or liability remain as part of the basis of the asset or liability and are recognized into income over the remaining life of the asset or liability. In 2007 we discontinued hedge accounting for mortgage loans held for sale. For terminated cash flow hedges, unless it is probable that the forecasted cash flows will not occur within a specified period, any changes in fair value of the derivative financial instrument previously recognized remain in other comprehensive income, a

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

component of equity, and are reclassified into earnings in the same period that the hedged cash flows affect income.

Loan Commitments
We enter into commitments to make loans whereby the interest rate on the loan is set before funding (i.e., interest rate lock commitments). Interest rate lock commitments for loans to be originated or purchased for sale and for loans to be purchased and held for investment are derivative financial instruments carried at fair value in accordance with SFAS 133 and Staff Accounting Bulletin No. 105, *Application of Accounting Principles to Loan Commitments* (SAB 105). SAB 105 provides specific guidance on the measurement of loan commitments, specifying that fair value measurement exclude any expected future cash flows related to the customer relationship or loan servicing. Servicing assets are recognized once they are contractually separated from the underlying loan by sale or securitization. Interest rate lock commitments for loans to be held for sale are recorded as derivatives. Subsequent changes in value from the time of the lock are recognized as assets or liabilities, with a corresponding adjustment to current period earnings. The determination of the change in fair value does not include an estimate of the future MSR that will arise when the loan is sold or securitized.

Income Taxes
Prior to November 30, 2006, we filed a consolidated U.S. federal income tax return with GM. The portion of the consolidated tax recorded by us and our subsidiaries included in the consolidated tax return generally was equivalent to the liability that we would have incurred on a separate return basis and was settled as GM's tax payments became due.

During 2006, we and a number of our U.S. subsidiaries converted to limited liability companies (LLCs) and effective November 28, 2006, became pass-through entities for U.S. federal income tax purposes. Income taxes incurred by these converting entities have been provided through November 30, 2006, as required under the tax-sharing agreement between GM and GMAC. With a few minor exceptions, subsequent to November 30, 2006, U.S. federal and state and local income taxes have not been provided for these entities as they have generally ceased to be taxable entities. Any related deferred taxes have been eliminated with respect to entities that have ceased to be taxable enterprises. Entity level taxes still apply for a small number of state and local tax jurisdictions along with foreign withholding taxes. Where an entity level or withholding tax applies, it has been provided for in the consolidated financial statements.

Our banking, insurance, and foreign subsidiaries are generally corporations and continue to be subject to and provide for U.S. federal, state, and foreign income taxes. Deferred tax assets and liabilities are established for future tax consequences of events that have been recognized in the financial statements or tax returns, based upon enacted tax laws and rates. Deferred tax assets are recognized subject to management's judgment that realization is more likely than not. In addition, tax benefits related to positions considered uncertain are recognized only if, based on the technical merits of the issue, we are more likely than not to sustain the position and then at the largest amount that is greater than 50% likely to be realized upon ultimate settlement.

Membership Interests
Before the Sale Transactions, GMAC was a wholly owned subsidiary of GM and, accordingly, there was no market for our common ownership interests. After the Sale Transactions, there continues to be no established trading market for our ownership interests as we are a privately held company. We currently have authorized and outstanding common membership interests consisting of 55,072 Class A Membership Interests and 52,912 Class B Membership Interests, which have equal rights and preferences in the assets of GMAC. FIM Holdings owns all 55,072 Class A Interests (a 51% ownership interest in us) and GM, through wholly owned subsidiaries, owns all 52,912 Class B Interests (a 49% ownership interest in us). In addition, we have authorized and outstanding 1,021,764 Preferred Membership Interests (Preferred Interests), all of which are held by GM Preferred Finance Co. Holdings Inc., a wholly owned subsidiary of GM.

Effective November 1, 2007, FIM Holdings and GM Finance Co. Holdings LLC (GM Finance) executed an amendment to the GMAC Amended and Restated Limited Liability Company Operating Agreement (the Amendment) that resulted in certain modifications to GMAC's capital structure. Prior to the Amendment, GMAC had authorized and outstanding 51,000 Class A Interests, all held by FIM Holdings, and 49,000 Class B Interests, all held by GM Finance. Prior to the Amendment, GMAC further had authorized and outstanding 2,110,000 Preferred Membership Interests, 555,000 of which were held by FIM Holdings (the Original FIM Preferred Interests), and 1,555,000 of which were held by GM Preferred Finance Co. Holdings Inc. (the Original GM Preferred Interests). The Amendment resulted in the conversion of 100% of the Original FIM Preferred Interests into 4,072 additional Class A Interests and the conversion of 533,236 of the Original GM Preferred Interests into 3,912 additional Class B Interests (collectively, the Conversions). Following the Conversions, FIM Holdings continues to hold 51% of GMAC's Common Equity Interests, and GM Finance and GM Preferred Finance Co. Holdings Inc. collectively hold 49% of GMAC's Common Equity Interests, as described above. The converted Preferred

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Interests have been deemed no longer issued and outstanding. All other terms and conditions related to the Common Equity Interests and the remaining Preferred Interests remain unchanged.

Prior to the Conversions, the Preferred Interests were deemed to be redeemable at the option of the holder, due to the collective holders (FIM Holdings and GM) having control of the Board. In accordance with Emerging Issues Task Force Topic No. D-98, *Classification and Measurement of Redeemable Securities* (EITF D-98), the Preferred Interests were recorded as mezzanine equity at their redemption value, due to this substantive redemption feature, with subsequent revaluation at each balance sheet date. The initial accretion to redemption value, dividends on the Preferred Interests, and revaluation adjustments were recorded to retained earnings. Subsequent to the Conversions, the remaining Preferred Interests are solely owned by GM. As GM does not have control of the Board, the remaining shares do not have the substantive redemption feature, at the option of the holder, noted above. As such, these interests do not qualify as mezzanine equity pursuant to EITF D-98, and were therefore reclassed to permanent equity at their carrying value after the conversions.

We have further authorized 5,820 Class C Membership Interests, which are considered "profit interests" and not "capital interests" as defined in Revenue Procedure 93-27, 1993-2 C.B. 343. These Class C Membership Interests may be issued from time to time pursuant to the GMAC Management LLC Class C Membership Interest Plan. There were 4,799 Class C Membership Interests outstanding as of December 31, 2007.

Membership Interest Distributions

We are required to make certain distributions to holders of the Preferred Interests (preferred holders). Distributions will be made in cash on a pro rata basis within ten business days of delivering the GMAC financial statements to the members. Distributions are issued in units of $1,000 and will accrue yield during each fiscal quarter at a rate of 10% per annum. Our Board may reduce any distribution to the extent required to avoid a reduction of the equity capital of GMAC below a minimum amount of equity capital equal to the net book value of GMAC as of November 30, 2006 (determined in accordance with GAAP). In addition, our Board may suspend the payment distributions with respect to any one or more fiscal quarters with majority members' consent. If distributions are not made with respect to any fiscal quarter, the distributions will be noncumulative and will be reduced to zero. If the accrued yield of GMAC's Preferred Interests for any fiscal quarter is fully paid to the preferred members, the excess of the net financial book income of GMAC in any fiscal quarter over the amount of yield distributed to the holders of our preferred equity interests in such fiscal quarter will be distributed to the holders of our common membership interests (Class A and Class B Membership Interests) as follows: at least 40% of the excess will be paid for fiscal quarters ending prior to December 31, 2008, and at least 70% of the excess will be paid for fiscal quarters ending after December 31, 2008. In this event, distribution priorities are to common membership interest holders first, up to the agreed upon amounts, and then ratably to Class A, Class B, and Class C Membership Interest holders based on the total interest of each such holder. During 2007, there were no distributions to Class A, Class B, and Class C Membership Interest holders. Preferred Interest distributions accrued in 2007 and 2006 were $192 million and $21 million, respectively.

In the event of sale or dissolution of GMAC, cash proceeds available for distribution to the members shall be distributed first to the Preferred Interest holders ratably for the amount of preferred accrued dividends. Thereafter, distributions shall be made to the Preferred Interest holders ratably for the amount of aggregate unreturned preferred capital amounts, until the unreturned preferred capital amounts are fully paid. Following these dividends to preferred holders, distributions shall be made to the holders of our common equity interest ratably until such holders have received a return of their agreed initial value. Finally, remaining distributions shall be made to Class A, Class B, and Class C Membership Interest holders based on the total interest of each such holder.

Share-based Incentive Plans

We have two share-based compensation plans for executives, a Long-Term Phantom Interest Plan (LTIP) and a Management Profits Interest Plan (MPI), which were approved by the Compensation Committee. These compensation plans provide our executives with an opportunity to share in the future growth in value of GMAC. While the plans were formed in 2006, no grants were made until the first quarter of 2007.

The LTIP is an incentive plan for executives based on the appreciation of GMAC's value in excess of a return of 10% during a three-year performance period. The awards vest at the end of the performance period and are paid in cash following a valuation of GMAC performed by FIM Holdings. The awards do not entitle the participant to an equity-ownership interest in GMAC. The plan authorizes 500 units to be granted for the performance period ending December 31, 2009, of which approximately 372 units were granted and outstanding at December 31, 2007. The LTIP awards are accounted for under SFAS No. 123(R), *Share-Based Payment* (SFAS 123(R)), as they meet the definition of share-based compensation awards. Under SFAS 123(R), the awards require liability treatment and are remeasured

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

quarterly at fair value until they are settled. The compensation cost related to these awards will be ratably charged to expense over the requisite service period, which is the vesting period ending December 31, 2009. The quarterly fair value remeasurement will encompass changes in the market and industry, as well as our latest forecasts for the performance period. Changes in fair value relating to the portion of the awards that have vested will be recognized in earnings in the period in which the changes occur. The fair value of the awards outstanding at December 31, 2007, was approximately $41 million of which $12 million was recognized as expense during 2007.

The MPI is an incentive plan whereby Class C Membership interests in GMAC held by a management company are granted to senior executives. The total Class C Membership interests are 5,820 of which approximately 4,799 were outstanding at December 31, 2007. Half of the awards vest based on a service requirement, and half vest based on meeting operating performance objectives. The service portion vests ratably over five years beginning January 3, 2008, and on each of the next four anniversaries thereafter. The performance portion vests based on five separate annual targets. If the performance objectives are met, that year's pro rata share of the awards vest. If the current year objectives are not met, but the annual performance objectives of a subsequent year are met, all unvested shares from previous years will vest. Any unvested awards as of December 31, 2011, shall be forfeited. The MPI awards are accounted for under SFAS 123(R) as they meet the definition of share-based compensation awards. Under SFAS 123(R), the awards require equity treatment and are fair valued as of their grant date using assumptions such as our forecasts, historical trends, and the overall industry and market environment. Compensation expense for the MPI shares is ratably charged to expense over the five-year requisite service period for service-based awards and over each one-year requisite service period for the performance-based awards, both to the extent the awards actually vest. During the third quarter of 2007, the performance vesting for 2007 was not deemed to be probable. As such, the remaining expense for the 2007 performance vesting portion of the awards will be ratably accrued throughout the remaining 2007 and 2008 performance periods. The value of the awards outstanding at December 31, 2007, was approximately $25 million of which $4 million was recognized as expense during 2007.

Change in Accounting Principle

Financial Accounting Standards Board (FASB) Interpretation No. 48 — On January 1, 2007, we adopted FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48), which clarifies SFAS No. 109, *Accounting for Income Taxes,* by defining the confidence level that a tax position must meet in order to be recognized in the financial statements. FIN 48 requires that the tax effects of a position be recognized only if it is "more-likely-than-not" to be sustained solely on its technical merits. The more-likely-than-not threshold represents a positive assertion by management that a company is entitled to the economic benefits of a tax position. If a tax position is not considered more-likely-than-not to be sustained based solely on its technical merits, no benefits of the position are to be recognized. The cumulative effect of applying FIN 48 was recorded directly to retained earnings and reported as a change in accounting principle. The adoption of this interpretation as of January 1, 2007, did not have a material impact on our consolidated financial position. Gross unrecognized tax benefits totaled approximately $126 million at January 1, 2007, of which approximately $124 million would affect our effective tax rate, if recognized.

We recognize interest and penalties accrued related to uncertain income tax positions in interest expense and other operating expenses, respectively. As of January 1, 2007, we had approximately $116 million accrued for the payment of interest and penalties.

SFAS No. 158 — In September 2006, the FASB issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans* (SFAS 158), which amends SFAS No. 87, *Employers' Accounting for Pensions;* SFAS No. 88, *Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits;* SFAS No. 106, *Employers' Accounting for Postretirement Benefits Other Than Pensions;* and SFAS No. 132(R), *Employers' Disclosures about Pensions and Other Postretirement Benefits* (revised 2003). This Statement requires companies to recognize an asset or liability for the overfunded or underfunded status of their benefit plans in their financial statements. The asset or liability is the offset to accumulated other comprehensive income, consisting of previously unrecognized prior service costs and credits, actuarial gains or losses, and accumulated transition obligations and assets. SFAS 158 also requires the measurement date for plan assets and liabilities to coincide with the sponsor's year-end. The standard provides two transition alternatives for companies to make the measurement-date provisions. We adopted the recognition and disclosure elements of SFAS 158, which did not have a material effect on our consolidated financial position, results of operations, or cash flows. In addition, we will adopt the measurement elements of SFAS 158 for the year ending December 31, 2008. We do not expect the adoption of the measurement elements to have a material impact on our consolidated financial condition, results of operations, or cash flows.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Recently Issued Accounting Standards

SFAS No. 157 — In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* (SFAS 157), which provides a definition of fair value, establishes a framework for measuring fair value, and requires expanded disclosures about fair value measurements. The standard applies when GAAP requires or allows assets or liabilities to be measured at fair value and, therefore, does not expand the use of fair value in any new circumstance. SFAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an arm's-length transaction between market participants in the markets where we conduct business. SFAS 157 clarifies that fair value should be based on the assumptions market participants would use when pricing an asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. The fair value hierarchy gives the highest priority to quoted prices available in active markets and the lowest priority to data lacking transparency. The level of the reliability of inputs utilized for fair value calculations drives the extent of disclosure requirements of the valuation methodologies used under the standard. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those years. The provisions of SFAS 157 are required to be applied prospectively, except for certain financial instruments for which the standard should be applied retrospectively. We adopted SFAS 157 on January 1, 2008, on a prospective basis. This included inventorying all items recorded at fair value and, where necessary, modifying valuation models in accordance with SFAS 157. The impact of adopting SFAS 157 on January 1, 2008, resulted in an increase to retained earnings of approximately $18 million, related to the recognition of day-one gains on purchased MSRs and certain residential loan commitments.

SFAS No. 159 — In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (SFAS 159). SFAS 159 permits entities to choose to measure at fair value many financial instruments and certain other items that are not currently required to be measured at fair value. Subsequent changes in fair value for designated items will be required to be reported in earnings in the current period. SFAS 159 also establishes presentation and disclosure requirements for similar types of assets and liabilities measured at fair value. SFAS 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007. We adopted SFAS 159 on January 1, 2008. We elected to measure at fair value certain financial assets and liabilities including certain collateralized debt obligations and certain mortgage loans held for investment in financing securitization structures. The estimated cumulative effect to beginning retained earnings is a decrease of $149 million on January 1, 2008.

FASB Staff Position (FSP) FIN 39-1 — In April 2007, the FASB issued FSP FIN 39-1, *Amendment of FASB Interpretation No. 39*. FSP FIN 39-1 defines "right of setoff" and specifies what conditions must be met for a derivative contract to qualify for this right of setoff. It also addresses the applicability of a right of setoff to derivative instruments and clarifies the circumstances in which it is appropriate to offset amounts recognized for those instruments in the statement of financial position. In addition, this FSP permits offsetting of fair value amounts recognized for multiple derivative instruments executed with the same counterparty under a master netting arrangement and fair value amounts recognized for the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) arising from the same master netting arrangement as the derivative instruments. This interpretation is effective for fiscal years beginning after November 15, 2007, with early application permitted. The adoption of FSP FIN 39-1 on January 1, 2008, did not result in a material change to our consolidated balance sheet and did not impact our results of operations.

SEC Staff Accounting Bulletin No. 109 — In November 2007, the SEC issued Staff Accounting Bulletin No. 109, *Written Loan Commitments Recorded at Fair Value Through Earnings* (SAB 109). SAB 109 provides the SEC staff's views on the accounting for written loan commitments recorded at fair value under GAAP and revises and rescinds portions of SAB 105, *Application of Accounting Principles to Loan Commitments* (SAB 105). SAB 105 provided the views of the SEC staff regarding derivative loan commitments that are accounted for at fair value through earnings pursuant to SFAS 133. SAB 105 states that in measuring the fair value of a derivative loan commitment, the staff believed it would be inappropriate to incorporate the expected net future cash flows related to the associated servicing of the loan. SAB 109 supersedes SAB 105 and expresses the current view of the SEC staff that, consistent with the guidance in SFAS No. 156, *Accounting for Servicing of Financial Assets*, and SFAS 159, the expected net future cash flows related to the associated servicing of the loan should be included in the measurement of all written loan commitments that are accounted for at fair value through earnings. SAB 105 also indicated that the SEC staff believed that internally developed intangible assets (such as customer relationship intangible assets) should not be recorded as part of the fair value of a derivative loan commitment. SAB 109 retains that SEC staff view and broadens its application to all written loan commitments that are accounted for at fair value through earnings.

The SEC staff expects registrants to apply the views of SAB 109 in measuring the fair value of derivative loan commitments on a prospective basis to derivative loan commitments issued or modified in fiscal quarters beginning

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

after December 15, 2007. The impact of adopting SAB 109 will not have a material impact on our consolidated financial condition and results of operations.

SFAS No. 141(R) — In December 2007, the FASB issued SFAS No. 141(R), *Business Combinations* (SFAS 141(R)), which replaces FASB Statement No. 141, *Business Combinations*. SFAS 141(R) establishes principles and requirements for how an acquiring company (1) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree, (2) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase, and (3) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. SFAS 141(R) is effective for business combinations occurring on or after the beginning of the fiscal year beginning on or after December 15, 2008. SFAS 141(R), effective for GMAC on January 1, 2009, applies to all transactions or other events in which GMAC obtains control in one or more businesses. Management will assess each transaction on a case-by-case basis as they occur.

SFAS No. 160 — In December 2007, the FASB also issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51* (SFAS 160), which requires the ownership interests in subsidiaries held by parties other than the parent be clearly identified, labeled, and presented in the consolidated statement of financial position within equity, but separate from the parent's equity. It also requires the amount of consolidated net income attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the consolidated statement of income. SFAS 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008, and early adoption is prohibited. SFAS 160 shall be applied prospectively as of the beginning of the fiscal year in which it is initially applied, except for the presentation and disclosure requirements. The presentation and disclosure requirements shall be applied retrospectively for all periods presented. Management is currently assessing the retrospective impacts of adoption and will assess new transactions as they occur.

FSP FAS 140-3 — In February 2008, the FASB issued FSP FAS 140-3, *Accounting for Transfers of Financial Assets and Repurchase Financing Transactions* (FSP FAS 140-3), which provides a consistent framework for the evaluation of a transfer of a financial asset and subsequent repurchase agreement entered into with the same counterparty. FSP FAS 140-3 provides guidelines that must be met in order for an initial transfer and subsequent repurchase agreement to not be considered linked for evaluation. If the transactions do not meet the specified criteria, they are required to be accounted for as one transaction. This FSP is effective for fiscal years beginning after November 15, 2008, and shall be applied prospectively to initial transfers and repurchase financings for which the initial transfer is executed on or after adoption. Management is currently assessing the impact of further adoption.

2. Insurance Premiums and Service Revenue Earned

The following table is a summary of insurance premiums and service revenue written and earned:

	2007		2006		2005	
Year ended December 31, *($ in millions)*	**Written**	**Earned**	Written	Earned	Written	Earned
Insurance premiums						
Direct	**$2,726**	**$2,810**	$2,575	$2,733	$2,493	$2,644
Assumed	**671**	**675**	696	693	634	595
Gross insurance premiums	**3,397**	**3,485**	3,271	3,426	3,127	3,239
Ceded	**(452)**	**(460)**	(451)	(450)	(401)	(387)
Net insurance premiums	**2,945**	**3,025**	2,820	2,976	2,726	2,852
Service revenue	**1,134**	**1,353**	1,215	1,207	1,345	910
Insurance premiums and service revenue written and earned	**$4,079**	**$4,378**	$4,035	$4,183	$4,071	$3,762

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

3. Other Income

Details of other income were as follows:

Year ended December 31, *($ in millions)*	**2007**	2006	2005
Real estate services	**$218**	$593	$712
Interest and service fees on transactions with GM (a)	**326**	576	568
Interest on cash equivalents	**449**	489	480
Other interest revenue	**581**	536	450
Gain on extinguishment of debt	**563**	—	—
Full-service leasing fees	**332**	280	170
Late charges and other administrative fees	**177**	164	164
Mortgage processing fees and other mortgage income	**96**	136	461
Interest on restricted cash deposits	**145**	119	102
Real estate and other investments	**74**	106	157
Insurance service fees	**154**	131	111
Factoring commissions	**55**	60	74
Specialty lending fees	**39**	57	59
Fair value adjustment on certain derivatives (b)	**100**	6	(36)
Other	**(14)**	390	927
Total other income	**$3,295**	$3,643	$4,399

(a) Refer to Note 19 for a description of transactions with GM.
(b) Refer to Note 16 for a description of our derivative instruments and hedging activities.

4. Other Operating Expenses

Details of other operating expenses were as follows:

Year ended December 31, *($ in millions)*	**2007**	2006	2005
Insurance commissions	**$947**	$898	$901
Technology and communications expense	**655**	573	591
Professional services	**451**	493	452
Advertising and marketing	**282**	363	359
Mortgage representation and warranty obligation	**256**	66	(13)
Premises and equipment depreciation	**196**	253	288
Rent and storage	**227**	243	272
Full-service leasing vehicle maintenance costs	**298**	257	236
Lease and loan administration	**208**	222	196
Auto remarketing and repossession	**220**	288	187
Restructuring expenses	**134**	—	—
Operating lease disposal loss (gain)	**27**	29	(304)
Other	**1,385**	1,091	969
Total other operating expenses	**$5,286**	$4,776	$4,134

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

5. Investment Securities

Our portfolio of securities includes bonds, equity securities, asset- and mortgage-backed securities, notes, interests in securitization trusts, and other investments. The cost, fair value, and gross unrealized gains and losses on available-for-sale and held-to-maturity securities were as follows:

	2007				2006			
		Gross unrealized		Fair		Gross unrealized		Fair
December 31, *($ in millions)*	**Cost**	**gains**	**losses**	**value**	Cost	gains	losses	value
Available-for-sale securities								
Debt securities								
U.S. Treasury and federal agencies	**$1,687**	**$30**	**($1)**	**$1,716**	$3,173	$3	($19)	$3,157
States and political subdivisions	**695**	**23**	**(3)**	**715**	734	23	(1)	756
Foreign government securities	**795**	**7**	**(2)**	**800**	809	6	(5)	810
Mortgage-backed securities:								
Residential	**230**	**1**	**—**	**231**	185	—	(2)	183
Commercial	**18**	**—**	**—**	**18**	26	—	—	26
Asset-backed securities	**1,412**	**1**	**(1)**	**1,412**	1,735	2	—	1,737
Interest-only strips	**11**	**7**	**—**	**18**	43	10	—	53
Corporate debt securities	**6,548**	**24**	**(84)**	**6,488**	3,713	18	(32)	3,699
Other	**1,532**	**4**	**(10)**	**1,526**	994	9	(3)	1,000
Total debt securities (a)	**12,928**	**97**	**(101)**	**12,924**	11,412	71	(62)	11,421
Equity securities	**475**	**185**	**(22)**	**638**	418	161	(5)	574
Total available-for-sale securities	**$13,403**	**$282**	**($123)**	**$13,562**	$11,830	$232	($67)	$11,995
Held-to-maturity securities								
Total held-to-maturity securities	**$3**	**$—**	**$—**	**$3**	$12	$—	$—	$12

(a) In connection with certain borrowings and letters of credit relating to certain assumed reinsurance contracts, $162 million and $194 million of primarily U.S. Treasury securities were pledged as collateral as of December 31, 2007 and 2006, respectively.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

We had other than temporary impairment write-downs of $5 million, $12 million, and $16 million for the years ended December 31, 2007, 2006, and 2005, respectively. Gross unrealized gains and losses on investment securities available-for-sale totaled $989 million and $106 million, respectively, as of December 31, 2005.

The fair value, unrealized gains (losses) and amount pledged as collateral for our portfolio of trading securities were as follows:

December 31, *($ in millions)*	**2007**	2006
Trading securities		
Fair value		
U.S. Treasury Securities	**$257**	$401
Mortgage-backed securities		
Residential	**924**	1,748
Commercial	**6**	—
Mortgage residual interests	**686**	1,019
Asset-backed securities	**469**	19
Interest-only strips	**771**	572
Principal-only strips	**46**	957
Debt and other	**16**	68
Total trading securities	**$3,175**	$4,784
Net unrealized (losses) gains (a)	**($635)**	$118
Pledged as collateral	**$752**	$3,681

(a) Unrealized gains and losses are included in investment income on a current period basis. Net unrealized gains totaled $131 million at December 31, 2005.

The maturity distribution of available-for-sale and held-to-maturity debt securities outstanding is summarized in the following table. Prepayments may cause actual maturities to differ from scheduled maturities.

	Available-for-sale		**Held-to-maturity**	
December 31, 2007 *($ in millions)*	**Cost**	**Fair value**	**Cost**	**Fair value**
Due in one year or less	**$2,943**	**$2,962**	**$—**	**$—**
Due after one year through five years	**5,913**	**5,870**	**—**	**—**
Due after five years through ten years	**1,999**	**2,002**	**—**	**—**
Due after ten years	**699**	**707**	**—**	**—**
Mortgage-backed securities and interests in securitization trusts	**1,374**	**1,383**	**3**	**3**
Total securities	**$12,928**	**$12,924**	**$3**	**$3**

The following table presents gross gains and losses realized upon the sales of available-for-sale securities.

Year ended December 31, *($ in millions)*	**2007**	2006	2005
Gross realized gains (a)	**$253**	$1,081	$186
Gross realized losses	**(65)**	(76)	(66)
Net realized gains	**$188**	$1,005	$120

(a) Gains realized in 2006 primarily relate to the rebalancing of the investment portfolio at our Insurance operations.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Certain available-for-sale securities were sold at a loss in 2007, 2006, and 2005 as a result of market conditions within these respective periods (e.g., a downgrade in the rating of a debt security). In the opinion of management, the gross unrealized losses in the table below are not considered to be other than temporarily impaired.

	2007				2006			
	Less than 12 months		12 months or longer		Less than 12 months		12 months or longer	
($ in millions)	Fair value	Unrealized loss	Fair value	Unrealized loss	Fair value	Unrealized loss	Fair value	Unrealized loss
Available-for-sale securities:								
Debt securities								
U.S. Treasury and federal agencies	**$130**	**$—**	**$212**	**($1)**	$858	($3)	$919	($16)
States and political subdivisions	**78**	**(1)**	**31**	**(2)**	127	(1)	29	—
Foreign government securities	**290**	**(1)**	**51**	**(1)**	338	(3)	81	(2)
Residential mortgage-backed securities	**17**	**—**	**17**	**—**	60	—	82	(2)
Asset-backed securities	**—**	**—**	**185**	**(1)**	—	—	—	—
Corporate debt securities	**1,000**	**(13)**	**3,294**	**(71)**	697	(3)	1,191	(29)
Other	**519**	**(9)**	**53**	**(1)**	299	(1)	107	(2)
Total temporarily impaired debt securities	**2,034**	**(24)**	**3,843**	**(77)**	2,379	(11)	2,409	(51)
Equity securities	**125**	**(19)**	**9**	**(3)**	73	(4)	7	(1)
Total available-for-sale securities	**$2,159**	**($43)**	**$3,852**	**($80)**	$2,452	($15)	$2,416	($52)

6. Finance Receivable and Loans

The composition of finance receivables and loans outstanding was as follows:

	2007			2006		
December 31, *($ in millions)*	Domestic	Foreign	Total	Domestic	Foreign	Total
Consumer						
Retail automotive	**$20,030**	**$25,576**	**$45,606**	$40,568	$20,538	$61,106
Residential mortgages	**34,839**	**7,324**	**42,163**	65,928	3,508	69,436
Total consumer	**54,869**	**32,900**	**87,769**	106,496	24,046	130,542
Commercial						
Automotive						
Wholesale	**14,689**	**8,272**	**22,961**	12,723	7,854	20,577
Leasing and lease financing	**296**	**930**	**1,226**	326	901	1,227
Term loans to dealers and others	**2,478**	**857**	**3,335**	1,843	764	2,607
Commercial and industrial	**6,431**	**2,313**	**8,744**	14,068	2,213	16,281
Real estate construction and other	**2,943**	**536**	**3,479**	2,969	243	3,212
Total commercial	**26,837**	**12,908**	**39,745**	31,929	11,975	43,904
Total finance receivables and loans (a) (b)	**$81,706**	**$45,808**	**$127,514**	$138,425	$36,021	$174,446

(a) Net of unearned income of $4.0 billion and $5.7 billion at December 31, 2007, and 2006, respectively.
(b) The aggregate amount of finance receivables and loans maturing in the next five years is as follows: $46,461 million in 2008; $13,742 million in 2009; $11,232 million in 2010; $7,500 million in 2011; $7,127 million in 2012; and $45,451 million in 2013 and thereafter. Prepayments and charge-offs may cause actual maturities to differ from scheduled maturities.

In addition to the finance receivables and loans outstanding held for investment as summarized in the table above, we had loans held for sale of $20.6 billion and $27.7 billion as of December 31, 2007 and 2006, respectively. As of December 31, 2007, loans held for sale by our Global Automotive Finance operations were $8.5 billion, compared to having no loans held for sale as of December 31, 2006. The increase in loans held for sale by our Global Automotive Finance operations is attributable to a change in our funding strategy as we have moved to an originate to distribute model. As of December 31, 2007, loans held for

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

sale by ResCap were $12.1 billion, as compared to $27.1 billion as of December 31, 2006. As of December 31, 2006, our Commercial Finance operations also had $652 million of loans held for sale.

The following table presents an analysis of the activity in the allowance for credit losses on finance receivables and loans.

Year ended December 31,	2007			2006			2005		
($ in millions)	**Consumer**	**Commercial**	**Total**	Consumer	Commercial	Total	Consumer	Commercial	Total
Allowance at beginning of year	**$2,969**	**$607**	**$3,576**	$2,652	$433	$3,085	$2,931	$471	$3,402
Provision for credit losses	**2,600**	**496**	**3,096**	1,668	332	2,000	1,006	68	1,074
Charge-offs									
Domestic	**(1,956)**	**(442)**	**(2,398)**	(1,436)	(139)	(1,575)	(1,302)	(45)	(1,347)
Foreign	**(219)**	**(74)**	**(293)**	(182)	(35)	(217)	(194)	(26)	(220)
Total charge-offs	**(2,175)**	**(516)**	**(2,691)**	(1,618)	(174)	(1,792)	(1,496)	(71)	(1,567)
Recoveries									
Domestic	**207**	**17**	**224**	198	14	212	168	9	177
Foreign	**67**	**7**	**74**	47	3	50	48	4	52
Total recoveries	**274**	**24**	**298**	245	17	262	216	13	229
Net charge-offs	**(1,901)**	**(492)**	**(2,393)**	(1,373)	(157)	(1,530)	(1,280)	(58)	(1,338)
Reduction of allowance due to deconsolidation (a)	**(1,540)**	**—**	**(1,540)**	—	—	—	—	(28)	(28)
Impacts of foreign currency translation	**13**	**3**	**16**	19	(1)	18	(9)	(15)	(24)
Securitization activity	**—**	**—**	**—**	3	—	3	4	(5)	(1)
Allowance at end of year	**$2,141**	**$614**	**$2,755**	$2,969	$607	$3,576	$2,652	$433	$3,085

(a) During 2007, ResCap completed the sale of residual cash flows related to a number of on-balance sheet securitizations. ResCap completed the approved actions necessary to cause the securitization trusts to satisfy the qualifying special-purpose entity requirement of SFAS No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities*. The actions resulted in the deconsolidation of various securitization trusts.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The following table presents information about commercial finance receivables and loans specifically identified for impairment.

December 31, *($ in millions)*	**2007**	2006
Impaired loans	**$ 677**	$ 1,975
Related allowance	**333**	346
Average balance of impaired loans during the year	**544**	972

We have loans that were acquired in a transfer, which at acquisition had evidence of deterioration of credit quality since origination and for which it was probable, at acquisition, that all contractually required payments would not be collected.

The carrying amount of these loans, included in the balance sheet amounts of finance receivables and loans, was as follows:

December 31, *($ in millions)*	**2007**	2006	2005
Consumer finance receivables	**$2,590**	$2,576	$1,658
Allowance	**(97)**	(105)	(103)
Total carrying amount	**$2,493**	$2,471	$1,555

For loans acquired after December 31, 2005, SOP 03-3 requires us to record revenue using an accretable yield method. The following table represents accretable yield activity:

Year ended December 31, *($ in millions)*	**2007**	2006
Accretable yield at beginning of year	**$146**	$52
Additions	**58**	251
Accretion	**(72)**	(69)
Reclassification from nonaccretable difference	**(6)**	—
Transfers to assets held for sale	**—**	—
Disposals	**(28)**	(88)
Accretable yield at end of year	**$98**	$146

Loans acquired during each year for which it was probable at acquisition that all contractually required payments would not be collected are as follows:

Year ended December 31, *($ in millions)*	**2007**	2006
Contractually required payments receivable at acquisition — consumer	**$2,605**	$6,992
Cash flows expected to be collected at acquisition	**968**	3,155
Basis in acquired loans at acquisition	**691**	2,588

7. Off-balance Sheet Securitizations

We securitize automotive and mortgage financial assets as a funding source. We sell retail finance receivables, wholesale and dealer loans, and residential mortgage loans in securitization transactions structured as sales. The following discussion and related information is only applicable to the transfers of finance receivables and loans that qualify as off-balance sheet securitizations under the requirements of SFAS 140.

We retain servicing responsibilities for and subordinated interests in all of our securitizations of retail finance receivables and wholesale loans. Servicing responsibilities are retained for the majority of our residential loan securitizations, and we may retain subordinated interests in some of these securitizations. We also hold subordinated interests and act as collateral manager in our collateralized debt obligation (CDO) securitization program.

As servicer, we generally receive a monthly fee stated as a percentage of the outstanding sold receivables. Typically, for retail automotive finance receivables where we are paid a fee, we have concluded that the fee represents adequate compensation as a servicer and, as such, no servicing asset or liability is recognized. Considering the short-term revolving nature of wholesale loans, no servicing asset or liability is recognized upon securitization of the loans. As of December 31, 2007, the weighted average basic servicing fees for our primary servicing activities were 100 basis points, 100 basis points, and 33 basis points of the outstanding principal balance for sold retail finance receivables, wholesale loans, and residential mortgage loans, respectively. Additionally, we retain the rights to cash flows remaining after the investors in most securitization trusts have received their contractual payments. In certain retail securitization transactions, retail receivables are sold on a servicing retained basis but with no servicing compensation and, as such, a servicing liability is established and recorded in other liabilities. As of December 31, 2007 and 2006, servicing liabilities of $9 million and $18 million, respectively, were outstanding related to these retail automotive securitization transactions. In addition, in 2005 we completed a retail automotive securitization where the servicing fee received is considered greater than adequate

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

compensation requiring the recording of a servicing asset. As of December 31, 2007 and 2006, the fair value of the servicing asset was $0 million and $9 million, respectively.

For mortgage servicing, we capitalize the value expected to be realized from performing specified residential mortgage servicing activities as mortgage servicing rights. Refer to Note 9.

We maintain cash reserve accounts at predetermined amounts for certain securitization activities in the unlikely event that deficiencies occur in cash flows owed to the investors. The amounts available in these cash reserve accounts related to securitizations of retail finance receivables, wholesale loans, and residential mortgage loans, totaled $100 million, $811 million, and $277 million, as of December 31, 2007, respectively, and $39 million, $1,001 million, and $309 million as of December 31, 2006, respectively.

Key economic assumptions used in measuring the estimated fair value of retained interests of sales completed during 2007, 2006, and 2005, as of the dates of those sales, were as follows:

Year ended December 31,	**Retail finance receivables (a)**	**ResCap (b)**	**Other (c)**
2007			
Key assumptions (d):			
Annual prepayment speed (e)	**1.2-1.4%**	**0.6-43.4%**	
Weighted average life *(in years)*	**1.8-1.9**	**1.1-14.0**	
Expected credit losses	**1.5-2.1%**	**0.0-14.5%**	
Discount rate	**16.0-20.0%**	**4.3-32.6%**	
2006			
Key assumptions (d):			
Annual prepayment speed (e)	0.9-1.7%	0.0-90.0%	
Weighted average life *(in years)*	1.5-1.8	1.1-10.5	
Expected credit losses	0.4-0.9%	0.0-18.3%	
Discount rate	9.5-16.0%	7.0-25.0%	
2005			
Key assumptions (d):			
Annual prepayment speed (e)	0.9-1.1%	0.0-60.0%	0.0-50.0%
Weighted average life *(in years)*	1.6-1.7	1.1-8.5	0.3-9.9
Expected credit losses	0.4-1.6%	0.0-4.9%	0.0%
Discount rate	9.5-15.0%	6.5-21.4%	4.2-12.0%

(a) The fair value of retained interests in wholesale securitizations approximates cost because of the short-term and floating-rate nature of wholesale loans.
(b) Included within residential mortgage loans are home equity loans and lines, high loan-to-value loans, and residential first and second mortgage loans.
(c) Represents the former GMAC Commercial Mortgage, for which we sold approximately 79% of our equity interest on March 23, 2006.
(d) The assumptions used to measure the expected yield on variable-rate retained interests are based on a benchmark interest rate yield curve plus a contractual spread, as appropriate. The actual yield curve utilized varies depending on the specific retained interests.
(e) Based on the weighted average maturity (WAM) for finance receivables and constant prepayment rate (CPR) for mortgage loans.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The following table summarizes pretax gains on securitizations and certain cash flows received from and paid to securitization trusts for transfers of finance receivables and loans completed during 2007.

	2007		
Year ended December 31, *($ in millions)*	**Retail finance receivables**	**Wholesale loans**	**ResCap**
Pretax gains on securitizations	**$141**	**$511**	**$45**
Cash inflows:			
Proceeds from new securitizations	**11,440**	**1,318**	**36,089**
Servicing fees received	**96**	**157**	**545**
Other cash flows received on retained interests	**284**	**522**	**401**
Proceeds from collections reinvested in revolving securitizations	**—**	**87,985**	**122**
Repayments of servicing advances	**79**	**—**	**987**
Cash outflows:			
Servicing advances	**(90)**	**—**	**(1,023)**
Purchase obligations and options:			
Mortgage loans under conditional call option	**—**	**—**	**(147)**
Representations and warranties obligations	**—**	**—**	**(457)**
Administrator or servicer actions	**(39)**	**—**	**(54)**
Asset performance conditional calls	**—**	**—**	**(607)**
Cleanup calls	**(8)**	**—**	**(254)**

The following table summarizes pretax (losses) gains on securitizations and certain cash flows received from and paid to securitization trusts for transfers of finance receivables and loans completed during 2006 and 2005.

	2006			2005			
Year ended December 31, *($ in millions)*	Retail finance receivables	Wholesale loans	ResCap	Retail finance receivables	Wholesale loans	ResCap	Other (a)
Pretax (losses) gains on securitizations	($51)	$601	$825	($2)	$543	$513	$76
Cash inflows:							
Proceeds from new securitizations	6,302	—	65,687	4,874	7,705	41,987	4,731
Servicing fees received	65	181	480	65	179	245	21
Other cash flows received on retained interests	232	140	587	249	503	583	304
Proceeds from collections reinvested in revolving securitizations	—	96,969	—	—	102,306	—	—
Repayments of servicing advances	46	—	1,199	43	—	1,115	198
Cash outflows:							
Servicing advances	(51)	—	(1,265)	(46)	—	(1,163)	(188)
Purchase obligations and options:							
Mortgage loans under conditional call option	—	—	(20)	—	—	(9)	—
Representations and warranties obligations	—	—	(94)	—	—	(29)	—
Administrator or servicer actions	(27)	—	(60)	(76)	—	—	—
Asset performance conditional calls	—	—	(82)	—	—	(99)	—
Cleanup calls	(242)	—	(1,055)	(715)	—	(2,202)	—

(a) Represents the former GMAC Commercial Mortgage for which we sold approximately 79% of our equity interest on March 23, 2006.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The following table summarizes the key economic assumptions and the sensitivity of the fair value of retained interests at December 31, 2007 and 2006, to immediate 10% and 20% adverse changes in those assumptions.

	2007		2006	
Year ended December 31, *($ in millions)*	**Retail finance receivables (a)**	**ResCap**	Retail finance receivables	ResCap
Carrying value/fair value of retained interests	**$1,097**	**$912**	$355	$1,420
Weighted average life (in years)	**0.0-1.7**	**1.5-35.5**	0.0-1.3	1.0-8.9
Annual prepayment rate	**0.6-1.3%WAM**	**0.0-60.7%CPR**	0.8-1.4%WAM	0.0-90.0%CPR
Impact of 10% adverse change	**($5)**	**($26)**	($4)	($55)
Impact of 20% adverse change	**(10)**	**(49)**	(7)	(102)
Loss assumption	**0.3-2.3 (b)**	**0.0-38.0%**	0.4-1.0% (b)	0.0-12.8%
Impact of 10% adverse change	**($17)**	**($47)**	($5)	($37)
Impact of 20% adverse change	**(33)**	**(86)**	(10)	(70)
Discount rate	**6.7-25.0%**	**4.4-33.9%**	9.5-16.0%	6.5-43.5%
Impact of 10% adverse change	**($29)**	**($40)**	($6)	($51)
Impact of 20% adverse change	**(57)**	**(76)**	(12)	(94)
Market rate	**(c)**	**(c)**	(c)	(c)
Impact of 10% adverse change	**($2)**	**($13)**	($4)	($38)
Impact of 20% adverse change	**(4)**	**(23)**	(9)	(74)

(a) The fair value of retained interests in wholesale securitizations approximates cost of $959 million because of the short-term and floating-rate nature of wholesale receivables.
(b) Net of a reserve for expected credit losses totaling $7 million and $8 million at December 31, 2007 and 2006, respectively. These amounts are included in the fair value of the retained interests, which are classified as investment securities.
(c) Forward benchmark interest rate yield curve plus contractual spread.

These sensitivities are hypothetical and should be used with caution. Changes in fair value based on a 10% and 20% variation in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, in this table, the effect of a variation in a particular assumption on the fair value of the retained interest is calculated without changing any other assumption. In reality, changes in one factor may result in changes in another, which may magnify or counteract the sensitivities. Additionally, we hedge interest rate and prepayment risks associated with certain of the retained interests; the effects of these hedge strategies have not been considered herein.

Expected static pool net credit losses include actual incurred losses plus projected net credit losses divided by the original balance of the outstandings comprising the securitization pool. The following table displays the expected static pool net credit losses on our securitization transactions.

December 31, (a)	**2007**	2006	2005
Retail automotive	**1.1%**	0.6%	0.4%
Residential mortgage	**0.0-38.0%**	0.0-12.8%	0.0-16.9%
Other	**(b)**	(b)	0.0-6.7%

(a) Static pool losses not applicable to wholesale finance receivable securitizations because of their short-term nature.
(b) Represents the former commercial mortgage operations, for which we sold approximately 79% of our equity interest on March 23, 2006.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The following table presents components of securitized financial assets and other assets managed, along with quantitative information about delinquencies and net credit losses.

	Total finance receivables and loans		Amount 60 days or more past due		Net credit losses	
December 31, *($ in millions)*	**2007**	2006	**2007**	2006	**2007**	2006
Retail automotive	**$68,382**	$68,348	**$654**	$693	**$672**	$707
Residential mortgage	**192,579**	217,972	**12,360**	15,175	**4,302**	981
Total consumer	**260,961**	286,320	**13,014**	15,868	**4,974**	1,688
Wholesale	**40,820**	40,484	**54**	66	**2**	2
Commercial mortgage (a)	**—**	—	**—**	—	**—**	6
Other automotive and commercial	**16,864**	23,385	**580**	1,582	**388**	8
Total commercial	**57,684**	63,869	**634**	1,648	**390**	16
Total managed portfolio (b)	**318,645**	350,189	**$13,648**	$17,516	**$5,364**	$1,704
Securitized finance receivables and loans	**(170,572)**	(148,009)				
Loans held for sale (unpaid principal)	**(20,559)**	(27,734)				
Total finance receivables and loans	**$127,514**	$174,446				

(a) On March 23, 2006, we sold approximately 79% of our equity interest in Capmark, our commercial mortgage operations.
(b) Managed portfolio represents finance receivables and loans on the balance sheet or that have been securitized, excluding securitized finance receivables and loans that we continue to service but have no other continuing involvement (i.e., in which we retain an interest or risk of loss in the underlying receivables).

8. Investment in Operating Leases

Investments in operating leases were as follows:

December 31, *($ in millions)*	**2007**	2006
Vehicles and other equipment, at cost	**$40,410**	$30,281
Accumulated depreciation	**(8,062)**	(6,097)
Investment in operating leases, net (a)	**$32,348**	$24,184

(a) On November 22, 2006, $12.6 billion of operating lease assets consisting of $15.7 billion of vehicles at cost, net of $3.1 billion of accumulated depreciation were distributed to GM. Refer to Note 19 for further description of the distribution.

The future lease payments due from customers for equipment on operating leases at December 31, 2007, totaled $15,531 million and are due as follows: $6,873 million in 2008, $5,016 million in 2009, $2,887 million in 2010, $714 million in 2011, and $41 million in 2012 and after.

Our investments in operating lease assets represents the expected future cash flows we expect to realize under the operating leases and includes both customer payments and the expected residual value upon remarketing the vehicle at the end of the lease. As described in Note 19, GM may sponsor residual support programs that result in the contractual residual value being in excess of our standard residual value. GM reimburses us if remarketing sales proceeds are less than the customer's contract residual value limited to our standard residual value. In addition to residual support programs, GM also participates in a risk-sharing arrangement whereby GM shares equally in residual losses to the extent that remarketing proceeds are below our standard residual rates (limited to a floor). In connection with the sale of 51% ownership interest in GMAC, GM settled its estimated liabilities with respect to residual support and risk sharing on a portion of our operating lease portfolio. Based on the December 31, 2007 outstanding U.S. operating lease portfolio, the maximum amount that could be paid by GM under the residual support programs and the risk-sharing arrangement is approximately $1.1 billion and $1.1 billion, respectively, as more fully discussed in Note 19.

9. Mortgage Servicing Rights

We define our classes of servicing rights based on both the availability of market inputs and the manner in which we manage our risks of our servicing assets and liabilities. We manage our servicing rights at the reportable operating segment level and where sufficient market inputs exist to determine the fair value of our recognized servicing assets and servicing liabilities.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The following table summarizes activity related to mortgage servicing rights (MSRs) carried at fair value.

($ in millions)	**2007**	2006
Estimated fair value at January 1,	**$4,930**	$4,021
Additions obtained from sales of financial assets	**1,597**	1,723
Additions from purchases of servicing rights	**3**	12
Subtractions from disposals	**(564)**	—
Changes in fair value:		
Due to changes in valuation inputs or assumptions used in the valuation model	**(687)**	(44)
Other changes in fair value	**(572)**	(776)
Other changes that affect the balance	**(4)**	(6)
Estimated fair value at December 31,	**$4,703**	$4,930

Changes in fair value, due to changes in valuation inputs or assumptions used in the valuation models, include all changes due to a revaluation by a model or by a benchmarking exercise. This line item also includes changes in fair value due to a change in valuation assumptions and/or model calculations. Other changes in fair value primarily include the accretion of the present value of the discount related to forecasted cash flows and the economic run-off of the portfolio, as well as foreign currency adjustments and the extinguishment of mortgage servicing rights related to clean-up calls of securitization transactions.

The key economic assumptions and sensitivity of the current fair value of MSRs to immediate 10% and 20% adverse changes in those assumptions are as follows:

December 31, *($ in millions)*	**2007**	2006
Range of prepayment speeds (constant prepayment rate)	**0.0-49.1%**	1.0-43.2%
Impact on fair value of 10% adverse change	**($265)**	($227)
Impact on fair value of 20% adverse change	**($501)**	($413)
Range of discount rates	**5.0-29.0%**	8.0-14.0%
Impact on fair value of 10% adverse change	**($66)**	($67)
Impact on fair value of 20% adverse change	**($120)**	($132)

These sensitivities are hypothetical and should be considered with caution. Changes in fair value based on a 10% variation in assumptions generally cannot be extrapolated because the relationship of the change in assumptions to the change in fair value may not be linear. Also, the effect of a variation in a particular assumption on the fair value is calculated without changing any other assumption. In reality, changes in one factor may result in changes in another (e.g., increased market interest rates may result in lower prepayments and increased credit losses), which could magnify or counteract the sensitivities. Further, these sensitivities show only the change in the asset balances and do not show any expected change in the fair value of the instruments used to manage the interest rates and prepayment risks associated with these assets.

The primary risk relating to servicing rights is interest rate risk and the resulting impact on prepayments. A significant decline in interest rates could lead to higher than expected prepayments, which could reduce the value of the mortgage servicing rights. We economically hedge the income statement impact of these risks with both derivative and nonderivative financial instruments. These instruments include interest rate swaps, caps and floors, options to purchase these items, futures, and forward contracts and/or purchasing or selling U.S. Treasury and principal-only securities. At December 31, 2007, the fair value of derivative financial instruments and nonderivative financial instruments used to mitigate these risks amounted to $901 million and $257 million, respectively. At December 31, 2006, the fair value of derivative financial instruments and nonderivative financial instruments used to mitigate these risks amounted to $159 million and $1.3 billion, respectively. The change in the fair value of the derivative financial instruments amounted to a loss of $716 million and $281 million for the years ended December 31, 2007 and 2006, respectively, and is included in servicing asset valuation and hedge activities, net in our Consolidated Statement of Income.

The components of servicing fees were as follows:

Year ended December 31, *($ in millions)*	**2007**	2006
Contractual servicing fees, net of guarantee fees and including subservicing	**$1,517**	$1,327
Late fees	**164**	130
Ancillary fees	**110**	127
Total	**$1,791**	$1,584

We pledged MSRs of $2.7 billion and $2.4 billion as collateral for borrowings at December 31, 2007 and 2006, respectively.

We have an active risk management program to hedge the value of MSRs. The MSRs risk management program contemplates the use of derivative financial instruments, U.S. treasury securities, and principal-only securities that experience changes in value offsetting those of the MSRs in response to changes in market interest rates. See Note 16 for a discussion of the derivative financial instruments used to hedge mortgage-servicing rights. U.S. Treasury securities used in connection with this risk management strategy are designated as trading or available-for-sale.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

10. Premiums and Other Insurance Receivables

Premiums and other insurance receivables consisted of the following:

December 31, *($ in millions)*	**2007**	2006
Prepaid reinsurance premiums	**$364**	$367
Reinsurance recoverable on unpaid losses	**893**	876
Reinsurance recoverable on paid losses (a)	**52**	95
Premiums receivable (b)	**721**	678
Total premiums and other insurance receivables	**$2,030**	$2,016

(a) Net of $1 million allowance for uncollectible reinsurance recoverable on paid losses at December 31, 2006.
(b) Net of $9 million and $7 million allowance for uncollectible premiums receivable at December 31, 2007 and 2006, respectively.

11. Other Assets

Other assets consisted of:

December 31, *($ in millions)*	**2007**	2006
Property and equipment at cost	**$1,759**	$1,645
Accumulated depreciation	**(1,200)**	(1,067)
Net property and equipment	**559**	578
Cash reserve deposits held for securitization trusts (a)	**3,350**	2,623
Fair value of derivative contracts in receivable position	**4,448**	2,544
Real estate and other investments (b)	**2,237**	3,074
Restricted cash collections for securitization trusts (c)	**2,397**	1,858
Goodwill	**1,496**	1,827
Deferred policy acquisition cost	**1,702**	1,740
Accrued interest and rent receivable	**881**	1,315
Repossessed and foreclosed assets, net	**1,347**	1,215
Debt issuance costs	**601**	643
Servicer advances	**1,847**	606
Securities lending	**856**	445
Investment in used vehicles held for sale, at lower of cost or market	**792**	423
Subordinated note receivable	**250**	250
Intangible assets, net of accumulated amortization (d)	**93**	59
Receivables related to taxes	**—**	9
Other assets	**4,170**	4,287
Total other assets	**$27,026**	$23,496

(a) Represents credit enhancement in the form of cash reserves for various securitization transactions we have executed. On November 22, 2006, $710 million of cash reserve deposits were transferred to GM as part of a distribution of certain securitized U.S. lease assets. Refer to Note 19 for further description of the distribution.
(b) Includes residential real estate investments of $1 billion and $2 billion and related accumulated depreciation of $16 million and $13 million for years ended December 31, 2007 and 2006, respectively.
(c) Represents cash collection from customer payments on securitized receivables. These funds are distributed to investors as payments on the related secured debt.
(d) Aggregate amortization expense on intangible assets was $18 million and $16 million, including $1 million for Capmark for the year ended December 31, 2006. Amortization expense is expected to average $12 million per year over the next five fiscal years. In addition, during 2006, our Commercial Finance Group had $13 million of intangible assets that were deemed impaired and subsequently written off during the third quarter of 2006.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The changes in the carrying amounts of goodwill for the periods shown were as follows:

($ in millions)	North American Operations	International Operations	ResCap	Insurance	Other	Total
Goodwill at beginning of 2006	$14	$504	$460	$669	$799	$2,446
Goodwill acquired	—	—	3	148	—	151
Impairment losses (a)	—	—	—	—	(827)	(827)
Other	—	3	1	—	—	4
Foreign currency translation effect	—	16	7	2	28	53
Goodwill at beginning of 2007	**$14**	**$523**	**$471**	**$819**	$—	**$1,827**
Goodwill acquired	—	—	—	**134**	**—**	**134**
Impairment losses (b)	—	—	**(455)**	—	**—**	**(455)**
Other	—	—	**(2)**	—	**2**	—
Foreign currency translation effect	—	**4**	**(14)**	—	**—**	**(10)**
Goodwill at end of 2007	**$14**	**$527**	**$—**	**$953**	**$2**	**$1,496**

(a) Following attrition of key personnel around the middle of 2006, our Commercial Finance reporting unit initiated a goodwill impairment test, in accordance with SFAS 142, outside the normal fourth quarter cycle. A necessary precedent to this test was a thorough review of the business by new leadership, with a particular focus on long-term strategy. As a result of the review the operating divisions were reorganized, and the decision was made to implement a different exit strategy for the workout portfolio and to exit product lines with lower returns. These decisions had a significant impact on expected asset levels and growth rate assumptions used to estimate the fair value of the business. In particular, the analysis performed during the third quarter incorporates management's decision to discontinue activity in the equipment finance business, which had a portfolio of over $1 billion, representing approximately 20% of Commercial Finance business's average commercial loan portfolio during 2006. Consistent with the prior analysis, the fair value of the Commercial Finance business was determined using an internally developed discounted cash flow analysis based on five-year projected net income and a market driven terminal value multiple. Based upon the results of the assessment, we concluded the carrying value of goodwill exceeded its fair value, resulting in an impairment loss of $827 million during 2006.

(b) During the three months ended September 30, 2007, we initiated an evaluation of goodwill of ResCap for potential impairment in accordance with SFAS 142. This interim test was initiated in light of deteriorating conditions in the residential and home building markets, including significant changes in the mortgage secondary market, tightening underwriting guidelines, reducing product offerings, and recent credit downgrades of ResCap's unsecured debt obligations. These factors had a significant impact on our view of ResCap's future expected asset levels and growth rate assumptions. Consistent with prior assessments, the fair value of the ResCap business was determined using an internally developed discounted cash flow methodology. In addition, we took into consideration other relevant indicators of value available in the marketplace such as recent market transactions and trading values of all ResCap goodwill exceeded its fair value, resulting in an impairment loss of $455 million in 2007.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

12. Debt

In the following table, we classify domestic and foreign debt on the basis of the location of the office recording the transaction.

December 31, *($ in millions)*	Weighted average interest rates (a) 2007	Weighted average interest rates (a) 2006	2007 Domestic	2007 Foreign	2007 Total	2006 Domestic	2006 Foreign	2006 Total
Short-term debt								
Commercial paper			**$440**	**$999**	**$1,439**	$742	$781	$1,523
Demand notes			**6,382**	**202**	**6,584**	5,917	157	6,074
Bank loans and overdrafts			**563**	**6,619**	**7,182**	991	5,272	6,263
Repurchase agreements and other (b)			**7,920**	**10,681**	**18,601**	22,506	7,232	29,738
Total short-term debt	**6.6%**	5.8%	**15,305**	**18,501**	**33,806**	30,156	13,442	43,598
Long-term debt								
Due within one year	**6.1%**	5.5%	**23,356**	**14,173**	**37,529**	20,010	15,204	35,214
Due after one year	**6.3%**	5.9%	**95,833**	**25,409**	**121,242**	135,693	22,589	158,282
Total long-term debt	**6.3%**	5.9%	**119,189**	**39,582**	**158,771**	155,703	37,793	193,496
Fair value adjustment (c)			**592**	**(21)**	**571**	(3)	(106)	(109)
Total debt			**$135,086**	**$58,062**	**$193,148**	$185,856	$51,129	$236,985

(a) The weighted average interest rates include the effects of derivative financial instruments designated as hedges of debt.
(b) Repurchase agreements consist of secured financing arrangements with third parties at ResCap. Other primarily includes nonbank secured borrowings, as well as notes payable to GM. Refer to Note 19 for further details.
(c) To adjust designated fixed-rate debt to fair value in accordance with SFAS 133.

The following summarizes assets restricted as collateral for the payment of the related debt obligation primarily arising from securitization transactions accounted for as secured borrowings and repurchase agreements:

December 31, *($ in millions)*	2007 Assets	2007 Related secured debt (a)	2006 Assets	2006 Related secured debt (a)
Loans held for sale	**$10,437**	**$6,765**	$22,834	$20,525
Mortgage assets held for investment and lending receivables	**45,534**	**33,911**	80,343	68,333
Retail automotive finance receivables	**23,079**	**19,094**	17,802	16,439
Wholesale automotive finance receivables	**10,092**	**7,709**	2,108	1,479
Investment securities	**880**	**788**	3,662	4,523
Investment in operating leases, net	**20,107**	**17,926**	8,258	7,636
Real estate investments and other assets	**14,429**	**4,616**	8,025	4,550
Total	**$124,558**	**$90,809**	$143,032	$123,485

(a) Included as part of secured debt are repurchase agreements of $3.6 billion and $11.5 billion where we have pledged assets as collateral for approximately the same amount of debt at December 31, 2007 and 2006, respectively.

From time to time, we repurchase our publicly traded debt as part of our cash and liquidity management strategy. In the fourth quarter of 2007, we paid $900 million through open-market repurchases and $241 million through a tender offer for publicly traded ResCap debt securities, resulting in an after-tax gain of $563 million. Also in the fourth quarter, we paid $287 million through open-market repurchases of GMAC debt securities, resulting in an after-tax gain of $16 million. In October 2006, we successfully completed a debt tender offer by paying $1 billion to retire a portion of our deferred interest debentures, resulting in a $135 million after-tax loss.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The following table presents the scheduled maturity of long-term debt at December 31, 2007, assuming no early redemptions will occur. The actual payment of secured debt may vary based on the payment activity of the related pledged assets.

Year ended December 31, *($ in millions)*	Secured	Unsecured	Total
2008	$19,590	$17,575	$37,165
2009	16,146	14,910	31,056
2010	12,636	10,066	22,702
2011	2,510	13,397	15,907
2012	2,823	7,804	10,627
2013 and thereafter	19,288	22,431	41,719
Long-term debt (a)	72,993	86,183	159,176
Unamortized discount	(108)	(297)	(405)
Total long-term debt	$72,885	$85,886	$158,771

(a) Debt issues totaling $13,985 million are redeemable at or above par, at our option anytime before the scheduled maturity dates, the latest of which is November 2049.

To achieve the desired balance between fixed and variable-rate debt, we utilize interest rate swap and interest rate cap agreements. The use of these derivative financial instruments had the effect of synthetically converting $76.6 billion of our $111.6 billion of fixed-rate debt into variable-rate obligations and $9.5 billion of our $81.3 billion of variable-rate debt into fixed-rate obligations at December 31, 2007. In addition, certain of our debt obligations are denominated in currencies other than the currency of the issuing country. Foreign currency swap agreements are used to hedge exposure to changes in the exchange rates of these obligations.

Liquidity facilities

Liquidity facilities represent additional funding sources. The financial institutions providing the uncommitted facilities are not legally obligated to advance funds under them. The following table summarizes the liquidity facilities that we maintain.

	Total capacity		**Unused capacity**		**Outstanding**	
December 31, *($ in billions)*	**2007**	2006	**2007**	2006	**2007**	2006
Committed unsecured:						
Automotive Finance operations	**$8.9**	$10.2	**$7.0**	$9.1	**$1.9**	$1.1
ResCap	**3.6**	4.0	**1.8**	2.0	**1.8**	2.0
Other	**0.2**	0.3	**0.2**	0.3	**—**	—
Committed secured:						
Automotive Finance operations	**90.3**	91.2	**57.9**	65.9	**32.4**	25.3
ResCap	**33.2**	29.5	**17.5**	7.9	**15.7**	21.6
Other	**22.8**	13.9	**11.5**	10.1	**11.3**	3.8
Total committed facilities	**159.0**	149.1	**95.9**	95.3	**63.1**	53.8
Uncommitted unsecured:						
Automotive Finance operations	**9.7**	8.7	**1.4**	1.4	**8.3**	7.3
ResCap	**0.6**	1.5	**0.2**	0.7	**0.4**	0.8
Other	**0.2**	0.1	**—**	—	**0.2**	0.1
Uncommitted secured:						
ResCap	**21.6**	73.3	**9.5**	51.9	**12.1**	21.4
Total uncommitted facilities	**32.1**	83.6	**11.1**	54.0	**21.0**	29.6
Total	**$191.1**	$232.7	**$107.0**	$149.3	**$84.1**	$83.4

Certain of ResCap's credit facilities contain a financial covenant, among other covenants, requiring ResCap to maintain a minimum consolidated tangible net worth (as defined in each respective agreement) as of the end of each fiscal quarter. Under the agreements, ResCap's tangible net worth cannot fall below a base amount plus an amount equal to 25% of ResCap's net income (if positive) for the fiscal year since the closing date of the applicable agreement. As of December 31, 2007, the most

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

restrictive provision requires a minimum tangible net worth of $5.4 billion. ResCap's reported tangible net worth as of December 31, 2007, was $6.0 billion.

13. Reserves for Insurance Losses and Loss Adjustment Expenses

The following table provides a reconciliation of the activity in the reserves for insurance losses and loss adjustment expenses.

Year ended December 31, *($ in millions)*	**2007**	2006	2005
Balance at beginning of year	**$2,630**	$2,534	$2,505
Reinsurance recoverables	**(876)**	(762)	(775)
Net balance at beginning of year	**1,754**	1,772	1,730
Net reserves from acquisitions	**418**	80	—
Incurred related to			
Current year	**2,522**	2,513	2,471
Prior years (a)	**(71)**	(93)	(116)
Total incurred (b)	**2,451**	2,420	2,355
Paid related to			
Current year	**(1,641)**	(1,723)	(1,682)
Prior years	**(808)**	(803)	(619)
Total paid	**(2,449)**	(2,526)	(2,301)
Other (c)	**22**	8	(12)
Net balance at end of year (d)	**2,196**	1,754	1,772
Reinsurance recoverables	**893**	876	762
Balance at end of year	**$3,089**	$2,630	$2,534

(a) Incurred losses and loss adjustment expenses during 2007 and 2006 were reduced by $71 million and $93 million, respectively, as a result of decreases in prior years' reserve estimates for private passenger automobile coverages and certain reinsurance coverages assumed in both the United States and internationally, and extended service contracts internationally. In addition, 2006 included a $20 million reduction of reserves related to an insurance program, which was ultimately transferred to GM.

(b) Reflected net of reinsurance recoveries totaling $246 million, $306 million, and $342 million for the years ended December 31, 2007, 2006, and 2005, respectively.

(c) Effects of exchange-rate changes for the years ended December 31, 2007, 2006, and 2005.

(d) Includes exposure to asbestos and environmental claims from the reinsurance of general liability, commercial multiple peril, homeowners' and workers' compensation claims. Reported claim activity to date has not been significant. Net reserves for loss and loss adjustment expenses for these matters were $5 million at December 31, 2007 and 2006, and $6 million at December 31, 2005.

14. Deposit Liabilities

Deposit liabilities consisted of the following:

December 31, *($ in millions)*	**2007**	2006
Noninterest bearing deposits	**$1,570**	$1,366
NOW and money market checking accounts	**3,673**	1,810
Certificate of deposit	**7,697**	6,390
Dealer wholesale deposits	**2,300**	2,213
Dealer term-loan deposits	**41**	75
Deposit liabilities	**$15,281**	$11,854

Noninterest bearing deposits primarily represent third-party escrows associated with ResCap's loan servicing portfolio. The escrow deposits are not subject to an executed agreement and can be withdrawn without penalty at any time. At December 31, 2007, certificates of deposit included $6.6 billion of brokered certificates of deposit.

The following table presents the scheduled maturity of brokered deposits at December 31, 2007.

Year ended December 31, *($ in millions)*	
2008	$4,823
2009	1,235
2010	413
2011	115
2012	14
Total brokered deposits	$6,600

15. Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities consisted of:

December 31, *($ in millions)*	**2007**	2006
Fair value of derivative contracts in payable position	**$1,311**	$1,745

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Employee compensation and benefits	**458**	540
Factored client payables	**770**	813
Securitization trustee payable	**1,152**	902
GM payable, net	**513**	70
Taxes payable	**425**	249
Accounts payable	**1,970**	1,844
Deferred revenue	**1,184**	1,623
Other liabilities	**4,420**	3,019
Total accrued expenses and other liabilities	**$12,203**	$10,805

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

16. Derivative Instruments and Hedging Activities

We enter into interest rate and foreign currency futures, forwards, options, and swaps in connection with our market risk management activities. Derivative instruments are used to manage interest rate risk relating to specific groups of assets and liabilities, including investment securities, loans held for sale, mortgage servicing rights, debt, and deposits, as well as off-balance sheet securitizations. In addition, foreign exchange contracts are used to hedge foreign-currency-denominated debt and foreign exchange transactions. In accordance with SFAS 133, as amended and interpreted, we record derivative financial instruments on our Consolidated Balance Sheet as assets or liabilities at fair value. Changes in fair value are accounted for depending on the use of the derivative financial instruments and whether it qualifies for hedge accounting treatment.

Our primary objective for utilizing derivative financial instruments is to manage market risk volatility associated with interest rate and foreign currency risks related to the assets and liabilities of the automotive finance and mortgage operations. Managing this volatility enables us to price our finance and mortgage offerings at competitive rates and to minimize the impact of market risk on our earnings. These strategies are applied on a decentralized basis by the respective Global Automotive Finance and ResCap operations, consistent with the level at which market risk is managed, but are subject to various limits and controls at both the local unit and consolidated level. One of the key goals of our strategy is to modify the asset and liability and interest rate mix, including the assets and liabilities associated with securitization transactions that may be recorded in off-balance sheet special-purpose entities. In addition, we use derivative financial instruments to mitigate the risk of changes in the fair values of mortgage loans held for sale and mortgage servicing rights. Derivative financial instruments are also utilized to manage the foreign currency exposure related to foreign-currency-denominated debt. The following summarizes our derivative activity based on the accounting hedge designation:

Fair Value Hedges

Our fair value hedges consist of hedges of fixed-rate debt obligations. Interest rate swaps are used to modify our exposure to interest rate risk by converting fixed-rate debt to a floating rate. Generally, individual swaps are designated as hedges of specific debt at the time of issuance with the terms of the swap matching the terms of the underlying debt. As the terms of the swap are designed to match the terms of the debt, a significant portion of our debt obligation hedging relationships receive short-cut treatment under SFAS 133, resulting in the assumption of no hedge ineffectiveness. However, certain of our fair value hedges of debt do not receive short-cut treatment, because of differences in option features between the interest rate swap and the companion hedged debt or the underlying debt hedged was partially repurchased after the swap was traded. Ineffectiveness is measured based on the difference in the fair value movement of the swap and the related hedged debt. Effectiveness is assessed using historical data. We assess hedge effectiveness employing a statistical-based approach, which must meet thresholds for R-squared, slope, F-statistic, and T-statistic.

Cash Flow Hedges

We enter into derivative financial instrument contracts to hedge exposure to variability in cash flows related to floating-rate and foreign currency financial instruments. Interest rate swaps are used to modify exposure to variability in expected future cash flows attributable to variable-rate debt. Currency swaps and forwards are used to hedge foreign exchange exposure on foreign-currency-denominated debt by converting the funding currency to the same currency of the assets being financed. Similar to our fair value hedges, the swaps are generally entered or traded concurrent with the debt issuance, with the terms of the swap matching the terms of the underlying debt.

Economic Hedges not Designated as Accounting Hedges

We utilize certain derivative financial instruments that do not qualify or are not designated as hedges under SFAS 133 to facilitate securitization transactions and manage risks related to interest rate, price, and foreign currency. As these derivatives are not designated as accounting hedges, changes in the fair value of the derivative instruments are recognized in earnings each period.

- *Mortgage servicing rights* — We enter into a combination of derivative contracts that are economic hedges of the servicing rights associated with groups of similar mortgage loans. These derivatives include interest rate caps and floors, futures options, futures, mortgage-backed security options, interest rate swaps and swaptions. The maturities of these instruments range between six months and twenty years. We have entered into written options on U.S. Treasury futures for notional amounts lower than purchased options on futures. The purchased option coverage is at a strike price less than or equal to the corresponding written option coverage, thereby mitigating our loss exposure. We are required to deposit cash in margin accounts maintained by counterparties for unrealized losses on future contracts.
- *Loans held for sale* — We use derivative financial instruments to hedge exposure to risk associated with our mortgage and automotive loans held for sale. After

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

mortgage loans are funded, they are generally sold into the secondary market to various investors, often as mortgage-backed securities sponsored by Fannie Mae, Freddie Mac, or Ginnie Mae. Mortgage loans that are not eligible for agency-sponsored securitization are sold through public or private securitization transactions or in whole-loan sales. Automotive loans are sold through public or private securitization transactions or in whole-loan sales. The primary risk associated with closed loans awaiting sale is a change in the fair value of the loans attributable to fluctuations in interest rates. Our primary strategies to protect against this risk are selling loans or mortgage-backed securities forward to investors using mandatory and optional forward commitments and the use of interest rate swaps.

- *Off-balance sheet securitization activities* — We enter into interest rate swaps to facilitate securitization transactions where the underlying receivables are sold to a nonconsolidated QSPE. As the underlying assets are carried in a nonconsolidated entity, the interest rate swaps do not qualify for hedge accounting treatment.
- *Foreign currency debt* — We have elected not to treat currency swaps that are used to convert foreign denominated debt back into the functional currency at a floating rate as hedges for accounting purposes. Although these currency swaps are similar to the foreign currency cash flow hedges described in the foregoing, we have not designated them as hedges as the changes in the fair values of the currency swaps are substantially offset by the foreign currency revaluation gains and losses of the underlying debt.
- *Mortgage related securities* — We use interest rate options, futures, swaps, caps, and floors to mitigate risk related to mortgage related securities classified as trading.
- *Callable debt obligations* — We enter into cancellable interest rate swaps as economic hedges of certain callable fixed-rate debt in connection with our market risk management policy. If the hedging relationship does not meet a specified effectiveness assessment threshold, it will be treated as an economic hedge. Prior to May 2007, all cancellable swaps hedging callable debt were treated as economic hedges.

The following table summarizes the pretax earnings effect for each type of hedge classification, segregated by the asset or liability hedged.

Year ended December 31, *($ in millions)*	**2007**	2006	2005	Income statement classification
Fair value hedge ineffectiveness gain (loss):				
Debt obligations	**$54**	$—	($2)	Interest expense
Mortgage servicing rights	**—**	—	57	Servicing asset valuation and hedge activities, net
Loans held for sale	**(1)**	(1)	(29)	Gain on sale of loans, net
Cash flow hedges ineffectiveness gain (loss):				
Debt obligations	**—**	—	3	Interest expense
Economic hedge change in fair value:				
Off-balance sheet securitization activities:				
Automotive Finance operations	**114**	2	(36)	Other income
Mortgage operations	**—**	—	1	Other income
Foreign currency debt (a)	**33**	54	(202)	Interest expense
Loans held for sale or investment	**(293)**	35	59	Gain on sale of loans, net
Mortgage servicing rights	**716**	(281)	(55)	Servicing asset valuation and hedge activities, net
Mortgage related securities	**(161)**	3	(42)	Investment income
Callable debt obligations	**49**	(22)	(240)	Interest expense
Other	**(37)**	21	(11)	Other income, Interest expense, Other operating expenses
Net gains (losses)	**$474**	($189)	($497)	

(a) Amount represents the difference between the changes in the fair values of the currency swap, net of the revaluation of the related foreign denominated debt.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The following table presents additional information related to our derivative financial instruments.

Year ended December 31, *($ in millions)*	**2007**	2006	2005
Net gain on fair value hedges excluded from assessment of effectiveness	**$ —**	$ —	$ 59
Expected reclassifications from other comprehensive income to earnings (a)	**2**	8	12

(a) Estimated to occur over the next 12 months.

Derivative financial instruments contain an element of credit risk if counterparties are unable to meet the terms of the agreements. Credit risk associated with derivative financial instruments is measured as the net replacement cost should the counterparties which owe us under the contract completely fail to perform under the terms of those contracts, assuming no recoveries of underlying collateral, as measured by the market value of the derivative financial instrument. At December 31, 2007 and 2006, the market value of derivative financial instruments in an asset or receivable position (from our perspective) was $4.4 billion and $2.5 billion, including accrued interest of $400 million and $600 million, respectively. We minimize the credit risk exposure by limiting the counterparties to those major banks and financial institutions that meet established credit guidelines. As of December 31, 2007, more than 88% of our exposure is with counterparties with a Fitch rating of A+ or higher (or an equivalent rating from another rating agency if a counterparty is not rated by Fitch), compared with more than 74% as of December 31, 2006. Additionally, we reduce credit risk on the majority of our derivative financial instruments by entering into legally enforceable agreements that permit the closeout and netting of transactions with the same counterparty upon occurrence of certain events. To further mitigate the risk of counterparty default, we maintain collateral agreements with certain counterparties. The agreements require both parties to maintain cash deposits in the event the fair values of the derivative financial instruments meet established thresholds. We have placed cash deposits totaling $67 million and $206 million at December 31, 2007 and 2006, respectively, in accounts maintained by counterparties. We have received cash deposits from counterparties totaling $944 million and $215 million at December 31, 2007 and 2006, respectively. The cash deposits placed and received are included on our Consolidated Balance Sheet in other assets and accrued expenses and other liabilities, respectively.

17. Pension and Other Postretirement Benefits

Pension

Certain of our employees were eligible to participate in separate retirement plans that provide for pension payments to eligible employees upon retirement based on factors such as length of service and salary. Pursuant to the Sale Transactions, we transferred, froze or terminated a portion of our other defined benefit plans. During 2006, we froze the benefits and participation of a pension plan covering primarily ResCap employees, which resulted in a curtailment gain of approximately $43 million. We also curtailed the GMAC Commercial Finance UK and GMAC Commercial Finance Canada (CF Canada) retirement plans in 2006, and subsequently terminated the CF Canada plan in 2007. We recorded a curtailment charge of approximately $9 million in 2006 for these plans, which was revised to approximately $4 million in 2007. Additionally, on April 30, 2007, we closed the GMAC UK (Car Care) pension plan to future accrual, thereby freezing the benefits for all participants. This resulted in a minimal impact on earnings. In 2006, we also recorded expense payments of approximately $48 million as a Section 75 debt obligation to fully fund the GMAC portion of the GM U.K. pension plans, as required under the UK Pension Act of 2004. All income and expense noted for pension accounting was recorded in compensation and benefits expense in our Consolidated Statement of Income.

Furthermore, prior to the consummation of the Sale Transactions on November 30, 2006, a number of our employees were eligible to participate in various domestic and foreign pension plans of GM. While we were a participating employer in these plans, GM allocated to us a portion of their pension expense, which was made on a pro rata basis and affected by the various assumptions (discount rate, return on plan assets, etc.) that GM utilized in determining its pension obligation. Upon completion of the sale, our employees were no longer eligible to participate in these pension plans. We also transferred to GM the financial liability associated with the GMAC portion of certain GM plans in Canada as of the sale date.

We adopted SFAS 158 in the fiscal year ended December 31, 2007, resulting in a $21 million increase in other assets, a $3 million increase in deferred tax assets, an $11 million increase in other liabilities, and a $13 million increase in accumulated other comprehensive income, net of tax. Each overfunded pension plan is recognized as an asset, and each underfunded pension plan is recognized as a liability. Unrecognized prior service costs or credits, net actuarial gains or losses and net transition obligations, as well as the subsequent changes in the funded status, are recognized as a component of accumulated other comprehensive loss in equity.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

December 31, 2007 *($ in millions)*	Pre-SFAS 158 adoption	FAS 158 adjustments	Post-SFAS 158 adoption
Other assets	$27,005	$ 21	$27,026
Deferred income taxes	1,253	(3)	1,250
Accrued expenses and other liabilities	12,192	11	12,203
Accumulated other comprehensive income (net of tax)	939	13	952

The following summarizes information relating to our pension plans:

Year ended December 31, *($ in millions)*	2007	2006
Projected benefit obligation	$ 432	$434
Fair value of plan assets	426	391
Funded status	(6)	(43)
Unrecognized net actuarial gain	—	16
Unrecognized prior service cost	—	2
Net transition obligation	—	—
Accrued pension cost	($6)	($25)

The expected rate of return on plan assets is an estimate we determine by calculating the expected inflation and the expected real rate of return on stocks and bonds based on allocation percentages within the trust. The weighted average assumptions used for determining the net periodic benefit cost are as follows:

Year ended December 31,	2007	2006
Discount rate	5.60%	5.47%
Expected long-term return on plan assets	8.59%	8.48%
Rate of compensation increase	3.09%	4.40%

Net periodic pension expense includes the curtailment and other gains and losses from the transactions described above for 2007 and 2006. Net pension expense (income) for non-GM-sponsored plans totaled ($2) million, ($3) million, and $28 million for 2007, 2006, and 2005, respectively. Allocations received from GM related to net pension expense for our employees that participated in GM-sponsored plans in 2006 and 2005 was $80 million and $60 million, respectively.

Employer contributions to our pension plans for 2007 and 2006 were approximately $3 million and $4 million, respectively. We expect these contribution levels to remain minimal for 2008. The weighted-average asset allocations for our pension plans at December 31, 2007, by asset category are were follows: equity securities 58%, debt securities 35%, and other 7%.

Other Postretirement Benefits

Certain of our subsidiaries participated in various postretirement medical, dental, vision, and life insurance plans of GM, whereas other subsidiaries participated in separately maintained postretirement plans. These benefits were funded as incurred from our general assets. We previously accrued postretirement benefit costs over the active service period of employees to the date of full eligibility for these benefits. Effective November 30, 2006, upon completion of the sale, our employees were no longer eligible to participate in GM's postretirement plans. Before the sale, GM agreed to assume or retain approximately $801 million of liabilities related to U.S.-based, GM-sponsored other postretirement benefit programs for our employees, as well as approximately $302 million of related deferred tax assets, and the net amount was recorded as a capital contribution. We have provided for certain amounts associated with estimated future postretirement benefits other than pensions and characterized such amounts as other postretirement benefits. Notwithstanding the recording of these amounts and the use of these terms, we do not admit or otherwise acknowledge that these amounts or existing postretirement benefit plans (other than pensions) represent legally enforceable liabilities. Other postretirement benefits expense (income), which is recorded in compensation and benefits expense in our Consolidated Statement of Income, totaled ($2) million, $35 million, and $88 million in 2007, 2006, and 2005, respectively. The decrease in expense during 2007 relates to the transactions described above. We expect our other postretirement benefit expense to be minimal in future years. The impact of the adoption of SFAS 158 for other postretirement benefits was a decrease to other liabilities of $5 million, an increase to deferred tax liabilities of $2 million, and an increase to accumulated other comprehensive income of approximately $3 million, net of tax.

Defined Contribution Plan

A significant number of our employees are covered by defined contribution plans. Employer contributions vary based on criteria specific to each individual plan and amounted to $71 million, $40 million, and $41 million in 2007, 2006, and 2005, respectively. These costs were also recorded in compensation and benefit expenses in our Consolidated Statement of Income. The increase in contributions for 2007 mainly resulted from the change of our benefit structure at the end of 2006 from defined benefit plans to defined contribution plans. Based on this benefit restructuring, we expect contributions for 2008 to be similar to contributions made in 2007.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

18. Income Taxes

Effective November 28, 2006, GMAC, along with certain U.S. subsidiaries, became pass-through entities for U.S. federal income tax purposes. Income taxes incurred by these converting entities have been provided through November 30, 2006, as required under the tax-sharing agreement between GM and GMAC. Subsequent to November 30, 2006, U.S. federal and state and local income taxes have generally not been provided for these entities as they ceased to be taxable entities, with the exception of a few local jurisdictions that continue to tax LLCs or partnerships. Due to our change in tax status, a net deferred tax liability was eliminated through income tax expense totaling $791 million in 2006. Members each report their share of our taxable income in their respective income tax returns. Our banking, insurance, and foreign subsidiaries are generally corporations and continue to be subject to and provide for U.S. federal and foreign income taxes. The income tax expense related to these corporations is included in our income tax expense, along with other miscellaneous state, local, and franchise taxes of GMAC and certain other subsidiaries.

The significant components of income tax expense were as follows:

Year ended December 31, *($ in millions)*	**2007**	2006	2005
Current income tax expense			
U.S. federal	**$268**	$1,115	$620
Foreign	**114**	432	52
State and local	**(55)**	43	17
Total current expense	**327**	1,590	689
Deferred income tax expense			
U.S. federal	**108**	(396)	168
Foreign	**(76)**	(316)	271
State and local	**31**	16	69
Total deferred expense (benefit)	**63**	(696)	508
Total income tax expense before change in tax status	**390**	894	1,197
Change in tax status	**—**	(791)	—
Total income tax expense	**$390**	$103	$1,197

A reconciliation of the statutory U.S. federal income tax rate to our effective tax rate applicable to income and our change in tax status is shown in the following table.

Year ended December 31,	**2007**	2006	2005
Statutory U.S. federal tax rate	**35.0%**	35.0%	35.0%
Change in tax rate resulting from:			
State and local income taxes, net of federal income tax benefit	**—**	1.8	1.8
Tax-exempt income	**0.5**	(0.9)	(1.1)
Foreign income tax rate differential	**(4.5)**	(5.4)	(1.9)
Goodwill impairment	**(0.4)**	7.5	—
Other (a)	**0.1**	(0.8)	0.6
Effective tax rate before change in tax status	**30.7**	37.2	34.4
Effect of valuation allowance change	**(4.7)**		
Effect of tax status change	**—**	(35.5)	—
LLC loss not subject to federal or state income taxes	**(46.1)**	2.9	—
Effective tax rate	**(20.1)%**	4.6%	34.4%

Results for 2007 reflect the effect of our domestic subsidiaries generally not being taxed at the entity level resulting in our effective tax rate on a consolidated basis varying significantly in comparison with the same period in 2006. The primary reason is that the majority of the net loss experienced at ResCap is attributable to its LLCs and no tax benefits for these losses are recorded. Excluding ResCap, the consolidated effective tax rate is approximately 17%, which represents the provision for taxes

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

at our non-LLC subsidiaries combined with taxable income that is not subject to tax at our LLC subsidiaries. The effective tax rates applicable to our non-LLC subsidiaries remain comparable with 2006.

At December 31, 2007, the valuation allowance is attributable to certain foreign subsidiaries, principally Canada, that based on actual and forecast operating results and, after consideration for available tax planning, we believe will be unable to utilize all or a portion of their loss carryforwards.

Deferred tax assets and liabilities result from differences between assets and liabilities measured for financial reporting purposes and those measured for income tax return purposes. Under the terms of the Purchase and Sale Agreement between GM and FIM Holdings LLC, the distribution of lease assets and assumption by GM of certain postretirement benefits resulted in a reduction of deferred tax liabilities and assets of $1,845 million and $302 million, respectively, in 2006. Additionally, the change in tax status resulted in a $791 million reduction in income tax expense related to the elimination of deferred tax liabilities and assets of $1,486 million and $695 million, respectively. The significant components of deferred tax assets and liabilities after consideration of these adjustments are reflected in the following table.

December 31, *($ in millions)*	**2007**	**2006**
Deferred tax liabilities		
Lease transactions	**$ 1,549**	$ 1,236
Deferred acquisition costs	**560**	560
Tax on unremitted earnings	**51**	46
Unrealized gains on securities	**44**	54
Accumulated translation adjustment	**19**	8
State and local taxes	**17**	1
Sales of finance receivables	**8**	45
Debt issuance costs	**6**	10
Other	**18**	82
Gross deferred tax liabilities	**2,272**	2,042
Deferred tax assets		
Unearned insurance premiums	**299**	317
Tax loss carryforwards	**248**	156
Provision for credit losses	**191**	156
Contingency	**141**	82
Manufacturer incentive payments	**58**	132
Tax credit carryforwards	**52**	49
Depreciation	**22**	5
Postretirement benefits	**15**	27
Hedging transactions	**9**	1
Goodwill	**3**	(2)
Other	**73**	112
Gross deferred tax assets	**1,111**	1,035
Valuation allowance	**(89)**	—
Net deferred tax assets	**$ 1,022**	$ 1,035
Net deferred tax liability	**$ 1,250**	$ 1,007

At December 31, 2007, the book basis of our net assets for flow-through entities exceeded their tax basis by approximately $6,080 million as compared with $2,460 million at December 31, 2006, primarily related to lease transactions, mortgage-servicing rights, and sales of finance receivables.

Foreign pretax income (loss) totaled ($333) million in 2007, $336 million in 2006, and $988 million in 2005. Foreign pretax income is subject to U.S. taxation when effectively repatriated. For our entities that are disregarded for U.S. federal income tax purposes, it is the responsibility of our members to provide federal income taxes on the undistributed earnings of foreign subsidiaries to the extent these earnings are not deemed indefinitely reinvested outside the United States. For our banking and insurance subsidiaries that continue to be subject to U.S. federal income taxes, we provide for federal income taxes on the

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

undistributed earnings of foreign subsidiaries, except to the extent these earnings are indefinitely reinvested outside the United States. At December 31, 2007, $4,895 million of accumulated undistributed earnings of foreign subsidiaries were indefinitely reinvested. Quantification of the deferred tax liability, if any, associated with indefinitely reinvested earnings is not practicable.

For the eleven months ending November 30, 2006, and year ending December 31, 2005, GM had consolidated federal net operating losses. After GM utilized all prior year federal carryback potential, the remaining net operating losses were carried forward. The consolidated federal net operating losses also created charitable contribution deduction and foreign tax credit carryforwards. Pursuant to the tax-sharing agreement between GM and us, our allocation of consolidated tax attributes from GM for these periods' federal net operating losses (due to certain loss subsidiaries), charitable contributions deduction, and foreign tax credits are carried forward for our subsidiaries that remain separate U.S. tax-paying entities. For GMAC and certain subsidiaries, which have converted to limited liability companies and have elected to be treated as pass-through entities, intercompany receivables from GM related to tax attributes totaling $1.1 billion were dividended to GM as of November 30, 2006.

Under the terms of the Purchase and Sale Agreement between GM and FIM Holdings LLC, the tax-sharing agreement between GM and us was terminated as of November 30, 2006. Terms of the sale agreement stipulate GM will indemnify us for any contingent tax liabilities related to periods before November 30, 2006, in excess of those established as of the sale date. Additionally, net tax-related assets consisting of tax deposits, claims, and contingencies as of November 30, 2006, for the converting entities have been assumed by and transferred to GM through equity totaling $107 million.

We adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes,* on January 1, 2007. The cumulative effect of applying FIN 48 was recorded directly to retained earnings and reported as a change in accounting principle. The adoption of this interpretation did not have a material impact on our consolidated financial position. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

($ in millions)

Balance at January 1, 2007	$ 126
Additions based on tax positions related to the current year	13
Additions for tax positions of prior years	5
Reductions for tax positions of prior years	(2)
Settlements	(1)
Foreign currency translation adjustments	14
Balance at December 31, 2007	$ 155

The amount of unrecognized tax benefits that, if recognized, would affect our effective tax rate is approximately $153 million.

Included within deferred taxes and excluded from unrecognized tax benefits detailed above at December 31, 2007, are $260 million of tax positions for which ultimate deductibility is certain but for which there is uncertainty about the timing of deductibility. Under deferred tax accounting, the timing of deductibility would not affect the effective tax rate but would accelerate the payment of cash to the taxing authority to an earlier period.

We recognize interest and penalties accrued related to uncertain income tax positions in interest expense and other operating expenses, respectively. For the year ending December 31, 2007, $38 million was accrued for interest and penalties with the cumulative accrued balance as of that date totaling $164 million.

We anticipate the Internal Revenue Service examination of our U.S. income tax returns for 2001 through 2003, along with the examinations by various state and local jurisdictions, will be completed within the next twelve months. As such, it is reasonably possible that certain tax positions may be settled and the unrecognized tax benefits would decrease by approximately $10 million.

We file tax returns in the U.S. federal jurisdiction, and various states and foreign jurisdictions. For our most significant operations, as of December 31, 2007, the oldest tax years that remain subject to examination are: United States — 2001, Canada — 2003, Germany — 2003, United Kingdom — 1995, Mexico — 2001, Brazil — 2003, and Australia — 2002.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

19. Related Party Transactions

Balance Sheet

A summary of the balance sheet effect of transactions with GM, FIM Holdings, and affiliated companies is as follows:

December 31, *($ in millions)*	**2007**	2006
Assets:		
Available-for-sale investment in asset-backed security (a)	**$35**	$471
Finance receivables and loans, net of unearned income		
Wholesale auto financing (b)	**717**	938
Term loans to dealers (b)	**166**	207
Lending receivables (c)	**145**	—
Investment in operating leases, net (d)	**330**	290
Notes receivable from GM (e)	**1,868**	1,975
Other assets		
Receivable related to taxes due from GM (f)	**—**	317
Subvention receivables (rate and residual support)	**365**	—
Lease pull-ahead receivable	**22**	
Other	**60**	50
Liabilities:		
Unsecured debt		
Notes payable to GM	**585**	60
Accrued expenses and other liabilities		
Wholesale payable	**466**	499
Subvention receivables (rate and residual support)	**—**	(309)
Lease pull-ahead receivable	**—**	(62)
Other receivables (payables)	**55**	(100)
Preferred interests (g)	**—**	2,195
Equity:		
Dividends to members (h)	**—**	9,739
Preferred interests (g)	**1,052**	—
Conversion of preferred membership interests (g)	**1,121**	—
Capital contributions received (i)	**1,080**	951
Preferred interest accretion to redemption value and dividends	**192**	295

(a) In November 2006, GMAC retained an investment in a note secured by operating lease assets transferred to GM. As part of the transfer, GMAC provided a note to a trust, a wholly owned subsidiary of GM. The note is classified in investment securities on our Consolidated Balance Sheet.

(b) Represents wholesale financing and term loans to certain dealerships wholly owned by GM or in which GM has an interest.

(c) Primarily represents loans with various affiliates of FIM Holdings.

(d) Includes vehicles, buildings, and other equipment classified as operating lease assets that are leased to GM-affiliated and FIM Holdings-affiliated entities.

(e) During 2007 and 2006, we have also provided wholesale financing to GM for vehicles, parts, and accessories in which GM retains title while consigned to us or dealers in the UK, Italy, and Germany. The financing to GM remains outstanding until the title is transferred to the dealers. The amount of financing provided to GM under this arrangement varies based on inventory levels. Also included in the 2007 balance is the note receivable from GM referenced in (f) below.

(f) In November 2006, GMAC transferred NOL tax receivables to GM for entities converting to an LLC. For all nonconverting entities, the amount was reclassified to deferred income taxes on our Consolidated Balance Sheet. At December 31, 2006, this balance represents a 2006 overpayment of taxes from GMAC to GM under our former tax-sharing arrangement and was included in accrued expenses and other liabilities on our Consolidated Balance Sheet.

(g) During the fourth quarter of 2007, GM and FIM Holdings converted $1.1 billion of preferred membership interest into common equity interests. Refer to Note 1 for further discussion.

(h) Amount includes cash dividends of $4.8 billion and noncash dividends of $4.9 billion in 2006. During the fourth quarter of 2006, in connection with the Sale Transactions, GMAC paid $7.8 billion of dividends to GM, which was composed of the following: (i) a cash dividend of $2.7 billion representing a one-time distribution to GM primarily to reflect the increase in GMAC's equity resulting from the elimination of a portion of our net deferred tax liabilities arising from the conversion of GMAC and certain of our subsidiaries to a limited liability company; (ii) certain assets with respect to automotive leases owned by GMAC and its affiliates having a net book value of approximately $4.0 billion and related deferred tax liabilities of $1.8 billion; (iii) certain Michigan properties with a carrying value of approximately $1.2 billion to GM; (iv) intercompany receivables from GM related to tax attributes of $1.1 billion; (v) net contingent tax assets of $491 million; and (vi) other miscellaneous transactions.

(i) During the first quarter of 2007, under the terms of the Sale Transactions, GM made a capital contribution of $1 billion to GMAC. The amount in 2006 was composed of the following: (i) approximately $801 million of liabilities related to U.S.- and Canadian-based, GM-sponsored, other postretirement programs and related deferred tax assets of $302 million; (ii) contingent tax liabilities of $384 million assumed by GM; and (iii) deferred tax assets transferred from GM of $68 million.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Income Statement
A summary of the income statement effect of transactions with GM and affiliated companies is as follows:

Year ended December 31, *($ in millions)*	**2007**	2006	2005
Net financing revenue:			
GM and affiliates lease residual value support (a)	**$1,024**	$749	$507
Wholesale subvention and service fees from GM	**269**	207	159
Interest paid on loans from GM	**(23)**	(50)	(46)
Consumer lease payments from GM (b)	**39**	74	168
Insurance premiums earned from GM	**254**	334	384
Other income:			
Interest on notes receivable from GM and affiliates	**134**	282	300
Interest on wholesale settlements (c)	**179**	183	150
Revenues from GM leased properties, net	**13**	93	79
Derivatives (d)	**(6)**	(2)	—
Other	**18**	—	—
Service fee income:			
GMAC of Canada operating lease administration (e)	**—**	—	18
Rental car repurchases held for resale (f)	**—**	18	22
U.S. Automotive operating leases (g)	**26**	37	—
Expense:			
Employee retirement plan costs allocated by GM	**(1)**	136	157
Off-lease vehicle selling expense reimbursement (h)	**(38)**	(29)	(17)
Payments to GM for services, rent, and marketing expenses (i)	**156**	106	131

(a) Represents total amount of residual support and risk sharing paid (or invoiced) under the residual support and risk-sharing programs and deferred revenue related to the settlement of residual support and risk-sharing obligations for a portion of the lease portfolio in 2006, as described below.
(b) GM sponsors lease pull-ahead programs whereby consumers are encouraged to terminate lease contracts early in conjunction with the acquisition of a new GM vehicle, with the customer's remaining payment obligation waived. For certain programs, GM compensates us for the waived payments, adjusted based on the remarketing results associated with the underlying vehicle.
(c) The settlement terms related to the wholesale financing of certain GM products are at shipment date. To the extent wholesale settlements with GM are made before the expiration of transit, we receive interest from GM.
(d) Represents income (loss) related to derivative transactions entered into with GM as counterparty.
(e) GMAC of Canada, Limited administered operating lease receivables on behalf of GM of Canada, Limited (GMCL) and received a servicing fee, which was included in other income. As of October 2005, GMAC of Canada, Limited no longer administers these operating lease receivables.
(f) Represents receive a servicing fee from GM related to the resale of rental car repurchases. At December 31, 2006, this program was terminated.
(g) Represents servicing income related to automotive leases distributed to GM on November 22, 2006.
(h) An agreement with GM provides for the reimbursement of certain selling expenses incurred by us on off-lease vehicles sold by GM at auction.
(i) We reimburse GM for certain services provided to us. This amount includes rental payments for our primary executive and administrative offices located in the Renaissance Center in Detroit, Michigan, as well as exclusivity and royalty fees.

Retail and Lease Programs
GM may elect to sponsor incentive programs (on both retail contracts and operating leases) by supporting financing rates below the standard market rates at which we purchase retail contracts and leases. These marketing incentives are also referred to as rate support or subvention. When GM utilizes these marketing incentives, it pays us the present value of the difference between the customer rate and our standard rate at contract inception, which we defer and recognize as a yield adjustment over the life of the contract.

GM may also sponsor lease residual support programs as a way to lower customer monthly payments. Under residual support programs, the customer's contractual residual value is adjusted above our standard residual values. Historically, GM reimbursed us at the time of the vehicle's disposal if remarketing sales proceeds were less than the customer's contractual residual value limited to our standard residual value. In addition to residual support programs, GM also participated in a risk-sharing arrangement whereby GM shared equally in residual losses to the extent that remarketing proceeds were below our standard residual values (limited to a floor).

In connection with the Sale Transactions, GM settled its estimated liabilities with respect to residual support and risk sharing on a portion of our operating lease portfolio and on the entire U.S. balloon retail receivables portfolio in a series of lump-sum payments. A negotiated amount totaling approximately $1.4 billion was agreed to by GM under these leases and balloon contracts and was paid to us. The payments were recorded as a deferred amount in accrued

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

expenses and other liabilities on our Consolidated Balance Sheet. As these contracts terminate and the vehicles are sold at auction, the payments are treated as a component of sales proceeds in recognizing the gain or loss on sale of the underlying assets. As of December 31, 2007, the remaining deferred amount is $749 million.

In addition, with regard to U.S. lease originations and all U.S. balloon retail contract originations occurring after April 30, 2006, that remained with us after the consummation of the Sale Transactions. GM agreed to begin payment of the present value of the expected residual support owed to us at the time of contract origination as opposed to after contract termination at the time of sale of the related vehicle. The residual support amount GM actually owes us is finalized as the leases actually terminate. Under the terms of the residual support program, in cases where the estimate was incorrect, GM may be obligated to pay us, or we may be obligated to reimburse GM. For the affected contracts originated during the year ended December 31, 2007, GM paid or agreed to pay us a total of $1.1 billion.

Based on the December 31, 2007, outstanding U.S. operating lease portfolio, the additional maximum amount that could be paid by GM under the residual support programs is approximately $1.1 billion and would only be paid in the unlikely event that the proceeds from the entire portfolio of lease assets were lower than both the contractual residual value and our standard residual rates. Based on the December 31, 2007, outstanding U.S. operating lease portfolio, the maximum amount that could be paid under the risk-sharing arrangements is approximately $1.1 billion and would only be paid in the unlikely event that the proceeds from all outstanding lease vehicles were lower than our standard residual rates.

Retail and lease contracts acquired by us that included rate and residual subvention from GM, payable directly or indirectly to GM dealers, as a percentage of total new retail installment and lease contracts acquired, were as follows:

Year ended December 31,	**2007**	2006
GM and affiliates rate subvented contracts acquired:		
North American operations	**85%**	90%
International operations (a)	**42%**	52%

(a) The decrease in 2007 is primarily due to a price repositioning in Mexico, which improved the competitiveness of nonsubvented products and increased Mexico's retail penetration by 2% in comparison with 2006 levels.

Distribution of Operating Lease Assets

In connection with the sale by GM of a 51% interest in GMAC, on November 22, 2006, GMAC transferred to GM certain GMAC U.S. lease assets, along with related secured debt and other assets as described in Notes 8, 11, and 12, respectively. GMAC retained an investment in a note, which had a balance as of December 31, 2007, of $35 million secured by the lease assets distributed to GM as described in Note 5. GMAC continues to service the assets and related secured debt on behalf of GM and receives a fee for this service. As it does for other securitization transactions, GMAC is obligated as servicer to repurchase any lease asset that is in breach of any of the covenants of the securitization documents. In addition, in a number of the transactions securitizing the lease assets transferred to GM, the trusts issued one or more series of floating-rate debt obligations and entered into primary derivative transactions to remove the market risk associated with funding the fixed payment lease assets with floating interest rate debt. To facilitate these securitization transactions, GMAC entered into secondary derivative transactions with the primary derivative counterparties, essentially offsetting the primary derivatives. As part of the distribution, GM assumed the rights and obligations of the primary derivative whereas GMAC retained the secondary, leaving both companies exposed to market value movements of their respective derivatives. GMAC and GM have subsequently entered into derivative transactions with each other intended to offset the exposure each party has to its component of the primary and secondary derivatives.

Exclusivity Arrangement

GM and GMAC have entered into several service agreements, which codify the mutually beneficial historical relationship between GM and GMAC. In connection with the agreements, GMAC has been granted a 10-year exclusivity right covering U.S. subvented automotive consumer business that ends in November 2016. In return for this exclusivity, GMAC will pay GM an annual exclusivity fee of $75 million and is committed to provide financing to GM customers in accordance with historical practices. Specifically, in connection with the U.S. Consumer Financing Agreement, GMAC must meet certain targets with respect to consumer retail and lease financings of new GM vehicles. If the contractual commitments are not met, GM may assess financial penalties to GMAC, or even rescind GMAC's exclusivity rights. The agreement provides GMAC ample flexibility to provide GM with required financing support without compromising GMAC's underwriting standards.

In addition, we have entered into various services agreements with GM designed to document and maintain the current and historical relationship between us. We are required to pay GM fees in connection with certain of these agreements related to our financing of GM consumers and dealers in certain parts of the world.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Royalty Arrangement
For certain insurance products, GM and GMAC have entered into the Intellectual Property License Agreement for the right of GMAC to use the GM name on certain insurance products. In exchange, GMAC will pay to GM a minimum annual guaranteed royalty fee of $15 million.

Other
GM also provides payment guarantees on certain commercial assets we have outstanding with certain third-party customers. As of December 31, 2007 and 2006, commercial obligations guaranteed by GM were $107 million and $216 million, respectively. In addition, we have a consignment arrangement with GM for commercial inventories in Europe. As of December 31, 2007 and 2006, commercial inventories related to this arrangement were $90 million and $151 million, respectively, and are reflected in other assets on our Consolidated Balance Sheet.

GM Call Option
GM retains an option to repurchase certain assets from us related to the Automotive Finance operations of our North American operations and our International operations. This option, which was granted pursuant to the Purchase and Sale Agreement, expires on the earlier of (i) November 2016 and (ii) the date upon which GM's common equity interest in GMAC falls below 15%. GM's exercise of the option is conditional on GM's credit rating being investment grade or higher than our credit rating. The call option price will be calculated as the higher of (i) fair market value, determined in accordance with procedures set forth in the Purchase and Sale Agreement, or (ii) 9.5 times the consolidated net income of our Automotive Finance operations in either the calendar year the call option is exercised or the calendar year immediately following the year the call option is exercised. As required by the Purchase and Sale Agreement, we have created a subsidiary and have contributed to it certain Automotive Finance assets to facilitate GM's potential exercise of the call option.

20. Comprehensive Income

Comprehensive income is composed of net income and other comprehensive income, which includes the after-tax change in unrealized gains and losses on available-for-sale securities, foreign currency translation adjustments, cash flow hedging activities, and SFAS 158 adoption. The following table presents the components and annual activity in other comprehensive income:

Year ended December 31, *($ in millions)*	**Unrealized gains (losses) on investment securities (a)**	**Translation adjustments (b)**	**Cash flow hedges**	**Cumulative effect of SFAS 158 adoption**	**Accumulated other comprehensive income (loss)**
Balance at December 31, 2004	$626	$366	$176	$—	$1,168
2005 net change	(89)	(295)	46	—	(338)
Balance at December 31, 2005	537	71	222	—	830
2006 net change	(431)	291	(205)	—	(345)
Balance at December 31, 2006	106	362	17	—	485
2007 net change	**(14)**	**490**	**(26)**	**17**	**467**
Balance at December 31, 2007	**$92**	**$852**	**($9)**	**$17**	**$952**

(a) Primarily represents the after-tax difference between the fair value and amortized cost of our available-for-sale securities portfolio.
(b) Includes after-tax gains and losses on foreign currency translation from operations for which the functional currency is other than the U.S. dollar. Net change amounts are net of tax expense of $11 million, tax benefit of $37 million, and tax benefit $35 million for the years ended December 31, 2007, 2006, and 2005, respectively.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The net changes in the following table represent the sum of net unrealized gains (losses) of available-for-sale securities and net unrealized gains (losses) on cash flow hedges with the respective reclassification adjustments. Reclassification adjustments are amounts recognized in net income during the current year and that were reported in other comprehensive income in previous years. The 2006 amounts also include the cumulative effect of a change in accounting principle due to the adoption of SFAS 156. SFAS 156, upon initial adoption, permitted a one-time reclassification of available-for-sale securities to trading securities for securities, which were identified as offsetting an entity's exposure or liabilities that a servicer elects to subsequently measure at fair value.

Year ended December 31, *($ in millions)*	**2007**	2006	2005
Available-for-sale securities:			
Cumulative effect of a change in accounting principle, net of taxes:			
Transfer of unrealized loss for certain available-for-sale securities	**$—**	$17	$—
Net unrealized (losses) gains arising during the period, net of taxes (a)	**(1)**	204	(11)
Reclassification adjustment for net gains included in net income, net of taxes (b)	**(13)**	(652)	(78)
Net change	**(14)**	(431)	(89)
Cash flow hedges:			
Net unrealized (losses) gains on cash flow hedges, net of taxes (c)	**(71)**	(207)	45
Reclassification adjustment for net losses included in net income, net of taxes (d)	**45**	2	1
Net change	**($26)**	($205)	$46

(a) Net of tax expense of $24 million for 2007, tax expense of $106 million for 2006, and tax benefit of $6 million for 2005.
(b) Net of tax expense of $8 million for 2007, $351 million for 2006, and $42 million for 2005.
(c) Net of tax benefit of $12 million for 2007, tax benefit of $121 million for 2006, and tax expense of $23 million for 2005.
(d) Net of tax benefit of $12 million for 2007, and $1 million for 2006, and 2005.

21. Fair Value of Financial Instruments

The fair value of financial instruments is the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced sale or liquidation. When possible, we use quoted market prices to determine fair value. Where quoted market prices are not available, the fair value is internally derived based upon appropriate valuation methodologies with respect to the amount and timing of future cash flows and estimated discount rates. However, considerable judgment is required in interpreting market data to develop estimates of fair value, so the estimates are not necessarily indicative of the amounts that could be realized or would be paid in a current market exchange. The effect of using different market assumptions or estimation methodologies could be material to the estimated fair values. Fair value information presented herein is based on information available at December 31, 2007 and 2006. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been updated since those dates; therefore, the current estimates of fair value at dates after December 31, 2007 and 2006, could differ significantly from these amounts.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The following table presents the carrying and estimated fair value of assets and liabilities considered financial instruments under Statements of Financial Accounting Standards No. 107, *Disclosures about Fair Value of Financial Instruments* (SFAS 107). Accordingly, certain items that are not considered financial instruments are excluded from the table.

	2007		2006	
December 31, *($ in millions)*	**Carrying value**	**Fair value**	Carrying value	Fair value
Financial assets				
Investment securities	**$16,740**	**$16,740**	$16,791	$16,791
Loans held for sale	**20,559**	**20,852**	27,718	28,025
Finance receivables and loans, net	**124,759**	**122,378**	170,870	171,076
Notes receivable from GM	**1,868**	**1,868**	1,975	1,975
Derivative assets	**4,448**	**4,448**	2,544	2,544
Financial liabilities				
Debt (a)	**193,547**	**179,400**	237,338	237,733
Deposit liabilities	**12,851**	**13,020**	9,566	9,566
Derivative liabilities	**1,311**	**1,311**	1,745	1,745

(a) Debt includes deferred interest for zero-coupon bonds of $399 million and $353 million for 2007 and 2006, respectively.

The following describes the methodologies and assumptions used to determine fair value for the respective classes of financial instruments.

Investment Securities
Bonds, equity securities, notes, and other available-for-sale investment securities are carried at fair value, which is primarily based on quoted market prices. The fair value of mortgage-related trading securities is based on market quotes to the extent available, discounted using market prepayment assumptions, and discount rates. If external quotes are not available, valuations are based on internal valuation models using market-based assumptions. Held-to-maturity investment securities are carried at amortized cost. The fair value of the held-to-maturity investment securities is based on valuation models using market-based assumptions. Interests in securitization trusts are carried at fair value based on expected cash flows discounted at current market rates.

Loans Held for Sale
The fair value of loans held for sale is based upon actual prices received on recent sales of loans and securities to investors and projected prices obtained through investor indications considering interest rates, loan type, and credit quality.

Finance Receivables and Loans, Net
The fair value of finance receivables is estimated by discounting the future cash flows using applicable spreads to approximate current rates applicable to each category of finance receivables. The carrying value of wholesale receivables and other automotive and mortgage lending receivables for which interest rates reset on a short-term basis with applicable market indices are assumed to approximate fair value either because of the short-term nature or because of the interest rate adjustment feature. The fair value of mortgage loans held for investment is based on discounted cash flows, using interest rates currently being offered for loans with similar terms to borrowers with similar credit quality; the net realizable value of collateral; and/or the estimated sales price based on quoted market prices where available or actual prices received on comparable sales of mortgage loans to investors.

Notes Receivable from GM
The fair value is estimated by discounting the future cash flows using applicable spreads to approximate current rates applicable to certain categories of other financing assets.

Derivative Assets and Liabilities
The fair value of interest rate swaps is estimated based on discounted expected cash flows using quoted market interest rates. The fair value of caps, written and purchased options, and mortgage-related interest rate swaps is based upon quoted market prices or broker-dealer quotes. The fair value of foreign currency swaps is based on discounted expected cash flows using market exchange rates over the remaining term of the agreement.

Debt
The fair value of debt is determined by using quoted market prices for the same or similar issues, if available, or based on the current rates offered to us for debt with similar remaining maturities. Commercial paper, master notes, and demand notes have an original term of less than 270 days; therefore, the carrying amount of these liabilities is considered to approximate fair value.

Deposit Liabilities
Deposit liabilities represent certain consumer bank deposits as well as mortgage escrow deposits. The fair value of deposits with no stated maturity is equal to their carrying

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

amount. The fair value of fixed-maturity deposits was estimated by discounting cash flows using currently offered rates for deposits of similar maturities.

22. Variable Interest Entities

The following describes the variable interest entities that we have consolidated or in which we have a significant variable interest as described in Interpretation No. 46, *Consolidation of Variable Interest Entities* (FIN 46R).

Automotive finance receivables — In certain securitization transactions, we transfer consumer finance receivables and wholesale lines of credit into bank-sponsored, multiseller, commercial paper conduits. These conduits provide a funding source to us (as well as other transferors into the conduit) as they fund the purchase of the receivables through the issuance of commercial paper. Total assets outstanding in these bank-sponsored conduits approximated $12.4 billion as of December 31, 2007. Although we have variable interests in these conduits, we are not considered to be the primary beneficiary, as we do not retain the majority of the expected losses or returns. Our maximum exposure to loss because of our involvement with these nonconsolidated variable interest entities is $152 million and would only be incurred in the event of a complete loss on the assets that we transferred.

Mortgage warehouse funding — Our ResCap operations transfer residential mortgage loans, lending receivables, home equity loans, and lines of credit pending permanent sale or securitization through various structured finance arrangements to provide funds for the origination and purchase of future loans. These structured finance arrangements include transfers to warehouse funding entities, including GMAC and bank-sponsored commercial paper conduits. Transfers of assets into each facility are accounted for as either sales (off-balance sheet) or secured financings (on-balance sheet) based on the provisions of SFAS 140. However, in either case, creditors of these facilities have no legal recourse to our general credit. Some of these warehouse funding entities represent variable interest entities under FIN 46R.

Management has determined that for certain mortgage warehouse funding facilities, we are the primary beneficiary, and as such, we consolidate the entities in accordance with FIN 46R. The assets of these residential mortgage warehouse entities totaled $7.7 billion at December 31, 2007, the majority of which are included in loans held for sale, on our Consolidated Balance Sheet. The beneficial interest holders of these variable interest entities do not have legal recourse to our general credit.

Residential mortgage loan alliances — ResCap has invested in strategic alliances with several mortgage loan originators. These alliances may include common or preferred equity investments, working capital or other subordinated lending, and warrants. In addition to warehouse lending arrangements, management has determined that we do not have the majority of the expected losses or returns and as such, consolidation is not appropriate. Total assets in these alliances were $32 million at December 31, 2007. Our maximum exposure to loss under these alliances, including commitments to lend additional funds or purchase loans at above-market rates, is $16 million at December 31, 2007.

Construction and real estate lending — We use a special-purpose entity to finance construction-lending receivables. This special-purpose entity purchases and holds the receivables and funds the majority of the purchases through financing obtained from third-party asset-backed commercial paper conduits.

The results of our variable interest analysis indicate that we are the primary beneficiary, and as such, we consolidate the entity. The assets in this entity totaled $2.6 billion and $2.1 billion at December 31, 2007 and 2006, respectively, which are included in finance receivables and loans, net of unearned income, on our Consolidated Balance Sheet. The beneficial interest holders of this variable interest entity do not have legal recourse to our general credit.

We have subordinated real estate lending arrangements with certain entities. These entities are created to develop land and construct properties. Management has determined that we do not have the majority of the expected losses or returns, and as such, consolidation is not appropriate. Total assets in these entities were $549 million at December 31, 2007, of which $195 million represents our maximum exposure to loss.

Warehouse lending — We have a facility in which we transfer mortgage warehouse lending receivables to a 100% owned SPE that then sells a senior participation interest in the receivables to an unconsolidated QSPE. The QSPE funds the purchase of the participation interest from the SPE through financing obtained from third-party asset-backed commercial paper conduits. The SPE funds the purchase of the receivables from us with cash obtained from the QSPE, as well as a subordinated loan and/or an equity contribution from us. The senior participation interest sold to the QSPE and the commercial paper issued were not included in our assets or liabilities in 2004. However, the QSPE was terminated and a new SPE was created in 2005. As a result, the senior participation interest sold and commercial paper issued were included on our Consolidated Balance Sheet at December 31, 2007 and 2006, respectively. Once the receivables have been sold, they may not be purchased by us except in very limited circumstances, such as a breach in representations or warranties.

Management has determined that we are the primary beneficiary of the SPE, and as such, consolidates the entity. The assets of the SPE totaled $514 million and $14.5 billion at December 31, 2007 and 2006, respectively, which are included

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

in finance receivables and loans, net of unearned income, on our Consolidated Balance Sheet. The beneficial interest holders of this variable interest entity do not have legal recourse to our general credit.

Collateralized debt obligations (CDOs) — Our ResCap operations sponsors and manages the collateral of certain CDOs. Under CDO transactions, a trust is established that purchases a portfolio of securities and issues debt and equity certificates, representing interests in the portfolio of assets. Bonds representing the collateral for the CDO include both those issued by us from loan securitizations and those issued by third parties. In addition to receiving variable compensation for managing the portfolio, we sometimes retain equity investments in the CDOs.

Management has determined that for certain CDO entities, we are the primary beneficiary, and as such, we consolidate the entities. The assets in these entities totaled $363 million and $732 million at December 31, 2007 and 2006, respectively, the majority of which are included in investment securities on our Consolidated Balance Sheet. The beneficial interest holders of these variable interest entities do not have legal recourse to our general credit.

Commercial finance receivables — We have a facility in which we transfer commercial lending receivables to a 100% owned SPE, which, in turn, issues notes received to third-party financial institutions, GMAC Commercial Finance, and asset-backed commercial paper conduits. The SPE funds the purchase of receivables from us with cash obtained from the sale of notes. Management has determined that we are the primary beneficiary of the SPE and, as such, consolidates the entity. The assets of the SPE totaled $1.7 billion as of December 31, 2007, and are included in finance receivables and loans, net of unearned income, on our Consolidated Balance Sheet. The beneficial interest holders of this variable interest entity do not have legal recourse to our general credit.

In other securitization transactions, we transfer commercial trade receivables into bank-sponsored multiseller commercial paper conduits. These conduits provide a funding source to us (as well as other transferors into the conduit) as they fund the purchase of the receivables through the issuance of commercial paper. Total assets outstanding in these bank-sponsored conduits approximated $2.0 billion as of December 31, 2007. Although we have a variable interest in these conduits, we may at our discretion prepay all or any portion of the loans at any time.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

23. Segment and Geographic Information

Operating segments are defined as components of an enterprise that engage in business activity from which revenues are earned and expenses incurred for which discrete financial information is available that is evaluated regularly by the chief operating decision makers in deciding how to allocate resources and in assessing performance. Financial information for our reportable operating segments is summarized as follows:

Year ended December 31, *($ in millions)*	Automotive Finance operations (a)					
	North American operations (b)	International operations (c)	ResCap	Insurance	Other (b)(d)	Consolidated
2007						
Net financing revenue	**$90**	**$824**	**$36**	**$—**	**$546**	**$1,496**
Other revenue	**3,151**	**890**	**1,640**	**4,902**	**(280)**	**10,303**
Total net revenue	**3,241**	**1,714**	**1,676**	**4,902**	**266**	**11,799**
Provision for credit losses	**390**	**120**	**2,580**	**—**	**6**	**3,096**
Impairment of goodwill and other intangible assets	**—**	**—**	**455**	**—**	**—**	**455**
Other noninterest expense	**1,642**	**1,090**	**3,023**	**4,235**	**200**	**10,190**
Income (loss) before income tax expense	**1,209**	**504**	**(4,382)**	**667**	**60**	**(1,942)**
Income tax expense (benefit) expense	**110**	**118**	**(36)**	**208**	**(10)**	**390**
Net income (loss)	**$1,099**	**$386**	**($4,346)**	**$459**	**$70**	**($2,332)**
Total assets	**$125,235**	**$36,129**	**$81,260**	**$13,770**	**($8,684)**	**$247,710**
2006						
Net financing revenue	($291)	$765	$958	$—	$770	$2,202
Other revenue	3,081	806	3,360	5,616	(243)	12,620
Total net revenue	2,790	1,571	4,318	5,616	527	14,822
Provision for credit losses	425	85	1,334	—	156	2,000
Impairment of goodwill and other intangible assets	—	—	—	—	840	840
Other noninterest expense	1,614	1,065	2,568	3,990	517	9,754
Income (loss) before income tax expense	751	421	416	1,626	(986)	2,228
Income tax expense (benefit)	(184)	113	(289)	499	(36)	103
Net income (loss)	$935	$308	$705	$1,127	($950)	$2,125
Total assets	$103,506	$31,097	$130,569	$13,424	$8,843	$287,439
2005						
Net financing revenue	($419)	$877	$1,352	$—	$1,152	$2,962
Other revenue	3,108	809	3,508	4,259	271	11,955
Total net revenue	2,689	1,686	4,860	4,259	1,423	14,917
Provision for credit losses	313	102	626	—	33	1,074
Impairment of goodwill and other intangible assets	—	—	—	—	712	712
Other noninterest expense	1,216	1,018	2,607	3,627	1,184	9,652
Income (loss) before income tax expense	1,160	566	1,627	632	(506)	3,479
Income tax expense (benefit)	415	158	606	215	(197)	1,197
Net income (loss)	$745	$408	$1,021	$417	($309)	2,282
Total assets	$128,868	$27,285	$118,608	$12,624	$33,172	$320,557

(a) North American operations consist of automotive financing in the United States and Canada. International operations consist of automotive financing and full-service leasing in all other countries and Puerto Rico through March 31, 2006. Beginning April 1, 2006, Puerto Rico is included in North American operations.

(b) Refer to Note 1 for a description of changes to historical financial data for North American operations and Other operating segment.

(c) Amounts include intrasegment eliminations between the North American operations and International operations.

(d) Represents our Commercial Finance business, Capmark, certain corporate activities and reclassifications and elimination between the reporting segments. The financial results for 2006 reflect our approximately 21% equity interest in Capmark commencing March 23, 2006, whereas the 2005 financial results represent Capmark as wholly owned. At December 31, 2007, total assets were $5.3 billion for the Commercial Finance business, and ($14.0) billion in corporate intercompany activity, reclassifications, and eliminations.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Information concerning principal geographic areas was as follows:

Year ended December 31, *($ in millions)*	**Revenue (a)**	**Long-lived assets (b)**
2007		
Canada	**$522**	**$9,861**
Europe	**1,177**	**2,725**
Latin America	**1,075**	**186**
Asia-Pacific	**86**	**238**
Total foreign	**2,860**	**13,010**
Total domestic	**8,939**	**19,897**
Total	**$11,799**	**$32,907**
2006		
Canada	$596	$8,447
Europe	1,642	2,357
Latin America	924	138
Asia-Pacific	79	201
Total foreign	3,241	11,143
Total domestic	11,581	13,619
Total	$14,822	$24,762
2005		
Canada	$539	$7,784
Europe	1,693	2,740
Latin America	864	121
Asia-Pacific	77	201
Total foreign	3,173	10,846
Total domestic	11,744	22,119
Total	$14,917	$32,965

(a) Revenue consists of total net financing revenue and other revenue as presented in our Consolidated Statement of Income.
(b) Consists of net operating leases assets and net property and equipment.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

24. Restructuring Charges

On October 17, 2007, ResCap announced a restructuring plan that would reduce its workforce, streamline its operations and revise its cost structure to enhance its flexibility, allowing ResCap to scale operations up or down more rapidly to meet changing market conditions. The restructuring plan announced included reducing the ResCap worldwide workforce by approximately 25%, or approximately 3,000 associates, with the majority of these reductions occurring in the fourth quarter of 2007. This reduction in workforce was in addition to measures undertaken in the first half of 2007 when 2,000 positions were eliminated.

In the fourth quarter, ResCap incurred restructuring costs related to severance and related costs associated with the workforce reduction of $58 million, contract termination costs related to closure of facilities of $46 million, and asset write-downs of $23 million.

Additionally, in the fourth quarter, our North American Automotive Finance operations and Insurance operations incurred restructuring costs related to severance and related costs of $4 million each.

The restructuring charges primarily include severance pay, the buyout of employee agreements and lease terminations. The following table summarizes by category, restructuring charge activity for the year ended December 31, 2007:

($ in millions)	**Liability balance at September 30, 2007**	**Restructuring charges through December 31, 2007**	**Cash paid or otherwise settled through December 31, 2007**	**Liability balance at December 31, 2007**
Restructuring charges:				
Employee severance	$—	$66	($34)	$32
Lease termination	—	68	(23)	45
Total restructuring charges	$—	$134	($57)	$77

25. Guarantees, Commitments, Contingencies and Other Risks

Guarantees

Guarantees are defined as contracts or indemnification agreements that contingently require us to make payments to third parties based on changes in an underlying agreement that is related to a guaranteed party. The following summarizes our outstanding guarantees made to third parties on our Consolidated Balance Sheet, for the periods shown.

	2007		2006	
December 31, *($ in millions)*	**Maximum liability**	**Carrying value of liability**	Maximum liability	Carrying value of liability
Standby letters of credit	**$161**	**$40**	$191	$37
Securitization and sales:				
HLTV and international securitizations	**67**	**—**	108	—
Agency loan	**6,005**	**—**	6,390	—
Guarantees for repayment of third-party debt	**543**	**—**	617	—
Repurchase guarantees	**135**	**—**	204	—
Nonfinancial guarantees	**211**	**—**	233	—
Other guarantees	**185**	**8**	223	4

Standby letters of credit — Our finance operations (primarily through our Commercial Finance Group) issues financial standby letters of credit to customers that represent irrevocable guarantees of payment of specified financial obligations (typically to client's suppliers). In addition, our ResCap operations issues financial standby letters of credit as part of its warehouse and construction lending activities. Expiration dates on the letters of credit range from 2006 to ongoing commitments and are generally collateralized by assets of the client (trade receivables, cash deposits, etc.).

High loan-to-value (HLTV) and international securitizations — Our ResCap operations have entered into agreements to provide credit loss protection for certain HLTV and international securitization transactions. The maximum potential obligation for certain agreements is equal

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

to the lesser of a specified percentage of the original loan pool balance or a specified percentage of the current loan pool balance. We are required to perform on our guaranty obligation when the bond insurer makes a payment under the bond insurance policy. We pledged mortgage loans held for sale totaling $32 million and $60 million and cash of $0 million and $9 million as collateral for these obligations as of December 31, 2007 and 2006, respectively. For certain other HLTV securitizations, the maximum obligation is equivalent to the pledged collateral amount. We pledged mortgage loans held for sale totaling $51 million and $57 million as collateral for these obligations as of December 31, 2007 and 2006, respectively. The event which will require us to perform on our guaranty obligation occurs when the security credit enhancements are exhausted and losses are passed through to over the counter dealers. The guarantees terminate the first calendar month during which the aggregate note amount is reduced to zero.

Agency loan program — Our ResCap operations deliver loans to certain agencies that allow streamlined loan processing and limited documentation requirements. In the event any loans delivered under these programs reach a specified delinquency status, we may be required to provide certain documentation or, in some cases, repurchase the loan or indemnify the investors for any losses sustained. Each program includes termination features whereby once the loan has performed satisfactorily for a specified period of time we are no longer obligated under the program. The maximum liability represents the principal balance for loans sold under these programs.

Guarantees for repayment of third-party debt — Under certain arrangements, we guarantee the repayment of third-party debt obligations in the case of default. Some of these guarantees are collateralized by letters of credit.

Our Commercial Finance Group provides credit protection to third parties that guarantee payment of specified financial obligations of the third parties customers, without purchasing the obligations.

Repurchase guarantees — Our ResCap operations have issued repurchase guarantees to buyers of certain mortgage loans whereby, if a closing condition or document deficiency is identified by an investor after the closing, we may be required to indemnify the investor if the loan becomes delinquent.

Nonfinancial guarantees — In connection with the sale of approximately 79% of our equity in Capmark, we were released from all financial guarantees related to the former GMAC Commercial Holdings business. Certain nonfinancial guarantees did survive closing, but are indemnified by Capmark for payment made or liabilities incurred by us in connection with these guarantees.

Other guarantees — We have other standard indemnification clauses in certain of our funding arrangements that would require us to pay lenders for increased costs resulting from certain changes in laws or regulations. Since any changes would be dictated by legislative and regulatory actions, which are inherently unpredictable, we are not able to estimate a maximum exposure under these arrangements. To date, we have not made any payments under these indemnification clauses.

Our ResCap operations have guaranteed certain amounts related to servicing advances, set-aside letters, and credit enhancement and performance guarantees.

In connection with certain asset sales and securitization transactions, we typically deliver standard representations and warranties to the purchaser regarding the characteristics of the underlying transferred assets. These representations and warranties conform to specific guidelines, which are customary in securitization transactions. These clauses are intended to ensure that the terms and conditions of the sales contracts are met upon transfer of the asset. Before any sale or securitization transaction, we perform due diligence with respect to the assets to be included in the sale to ensure they meet the purchaser's requirements, as expressed in the representations and warranties. Due to these procedures, we believe the potential for loss under these arrangements is remote. Accordingly, no liability is reflected on our Consolidated Balance Sheet related to these potential obligations. The maximum potential amount of future payments we could be required to make would be equal to the current balances of all assets subject to these securitization or sale activities. We do not monitor the total value of assets historically transferred to securitization vehicles or through other asset sales. Therefore, we are unable to develop an estimate of the maximum payout under these representations and warranties.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Commitments

Financing Commitments

The contract amount and gain and loss positions of financial commitments were as follows:

December 31, *($ in millions)*	**2007**			2006		
	Contract amount	**Gain position**	**Loss position**	Contract amount	Gain position	Loss position
Commitments to:						
Originate/purchase mortgages or securities (a)	**$6,464**	**$6**	**($22)**	$14,248	$—	($48)
Sell mortgages or securities (a)	**11,958**	**6**	**(29)**	20,702	28	(1)
Remit excess cash flows on certain loan portfolios (b)	**—**	**—**	**—**	5,334	39	—
Sell retail automotive receivables (c)	**17,500**	**—**	**—**	21,500	—	—
Provide capital to equity-method investees (d)	**273**	**—**	**—**	278	—	—
Fund construction lending (e)	**127**	**—**	**—**	352	—	—
Unused mortgage lending commitments (f)	**8,063**	**—**	**—**	9,019	—	—
Bank certificates of deposit	**8,116**	**—**	**—**	6,686	—	—
Unused revolving credit line commitments (g)	**6,361**	**—**	**—**	7,381	—	—

(a) The fair value is estimated using published market information associated with commitments to sell similar instruments. Included as of December 31, 2007 and 2006 are commitments accounted for as derivatives with a contract amount of $18,118 million and $37,082 million, a gain position of $11 million and $28 million, and a loss position of $41 million and $49 million, respectively.

(b) Under certain residential mortgage purchase agreements, we are committed to remitting to its shared execution partners' cash flows that exceed a required rate of return less credit loss reimbursements to the mortgage originators. This commitment is accounted for as a derivative.

(c) We have entered into agreements with third-party banks to sell automotive retail receivables in which we transfer all credit risk to the purchaser (whole loan sales).

(d) We are committed to lend equity capital to certain private equity funds. The fair value of these commitments is considered in the overall valuation of the underlying assets with which they are associated.

(e) We are committed to fund the completion of the development of certain lots and model homes up to the amount of the agreed upon amount per project.

(f) The fair value of these commitments is considered in the overall valuation of the related assets.

(g) The unused portions of revolving lines of credit reset at prevailing market rates and, as such, approximate market value.

The mortgage lending and revolving credit line commitments contain an element of credit risk. Management reduces its credit risk for unused mortgage lending and unused revolving credit line commitments by applying the same credit policies in making commitments as it does for extending loans. We typically require collateral as these commitments are drawn.

Lease Commitments

Future minimum rental payments required under operating leases, primarily for real property, with noncancelable lease terms expiring after December 31, 2007, are as follows:

Year ended December 31, *($ in millions)*	
2008	$200
2009	153
2010	124
2011	88
2012	71
2013 and thereafter	165
Total minimum payment required	$801

Certain of the leases contain escalation clauses and renewal or purchase options. Rental expenses under operating leases were $227 million, $230 million, and $224 million in 2007, 2006, and 2005 respectively.

Contractual Commitments — We have entered into multiple agreements for information technology, marketing and advertising, and voice and communication technology and maintenance. Many of the agreements are subject to variable price provisions, fixed or minimum price provisions, and termination or renewal provisions. Future payment obligations under these agreements totaled $3,117 million and are due as follows: $2,505 million in 2008, $382 million in 2009 and 2010, $165 million in 2011 and 2012, and $65 million after 2013.

Extended Service and Maintenance Contract Commitments — Extended service contract programs provide consumers with expansions and extensions of vehicle warranty coverage for specified periods of time and mileages. The coverage generally provides for the repair or replacement of components in the event of failure. The terms

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

of these contracts, which are sold through automobile dealerships and direct mail, range from 3 to 120 months.

The following table presents an analysis of activity in unearned service contract revenue.

Year ended December 31, *($ in millions)*	**2007**	2006
Balance at beginning of year	**$3,161**	$3,159
Written service contract revenue	**1,134**	1,215
Earned service contract revenue	**(1,353)**	(1,207)
Foreign currency translation effect	**5**	(6)
Balance at end of year	**$2,947**	$3,161

Legal Contingencies
We are subject to potential liability under laws and government regulations and various claims and legal actions that are pending or may be asserted against us.

We are named as defendants in a number of legal actions and are, from time to time, involved in governmental proceedings arising in connection with our various businesses. Some of the pending actions purport to be class actions. We establish reserves for legal claims when payments associated with the claims become probable and the costs can be reasonably estimated. The actual costs of resolving legal claims may be substantially higher or lower than the amounts reserved for those claims. Based on information currently available, advice of counsel, available insurance coverage, and established reserves, it is the opinion of management that the eventual outcome of the actions against us will not have a material adverse effect on our consolidated financial condition, results of operations or cash flows.

Other Contingencies
We are subject to potential liability under various other exposures including tax, nonrecourse loans, self-insurance, and other miscellaneous contingencies. We establish reserves for these contingencies when the item becomes probable and the costs can be reasonably estimated. The actual costs of resolving these items may be substantially higher or lower than the amounts reserved for any one item. Based on information currently available, it is the opinion of management that the eventual outcome of these items will not have a material adverse effect on our consolidated financial condition, results of operations or cash flows.

Other Risks
Loans Sold with Recourse
Our outstanding recourse obligations were as follows:

December 31, *($ in millions)*	**2007**	2006
Loans sold with recourse (a)	**$249**	$800
Maximum exposure on loans sold with recourse (b):		
Full exposure	**127**	189
Limited exposure	**28**	58
Total exposure	**$155**	$247

(a) Represents loans sold in the normal course of the securitization process with various forms of representations for early payment defaults.
(b) Maximum recourse exposure is net of amounts reinsured with third parties totaling $1 million and $1 million at December 31, 2007 and 2006, respectively.

Concentrations
Our primary business is to provide vehicle financing for GM products to GM dealers and their customers. Wholesale and dealer loan financing relates primarily to GM dealers, with collateral consisting of primarily GM vehicles (for wholesale) and GM dealership property (for loans). For wholesale financing, we are also provided further protection by GM factory repurchase programs. Retail installment contracts and operating lease assets relate primarily to the secured sale and lease, respectively, of vehicles (primarily GM). Any protracted reduction or suspension of GM's production or sale of vehicles, resulting from a decline in demand, work stoppage, governmental action, or any other event, could have a substantial adverse effect on us. Conversely, an increase in production or a significant marketing program could positively impact our results.

The majority of our finance receivables and loans and operating lease assets are geographically diversified throughout the United States. Outside the United States, finance receivables and loans and operating lease assets are concentrated in Canada, Germany, the United Kingdom, Italy, Australia, Mexico, and Brazil.

Our Insurance operations have a concentration of credit risk related to loss and loss adjustment expenses and prepaid reinsurance ceded to certain state insurance funds. Michigan insurance law and our large market share in North Carolina, result in credit exposure to the Michigan Catastrophic Claims Association and the North Carolina Reinsurance Facility totaling $819 million and $909 million at December 31, 2007 and 2006, respectively.

We originate and purchase residential mortgage loans that have contractual features that may increase our exposure to credit risk and thereby result in a concentration of credit risk. These mortgage loans include loans that may subject

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

borrowers to significant future payment increases, create the potential for negative amortization of the principal balance or result in high loan-to-value ratios. These loan products include interest only mortgages (classified as prime conforming or nonconforming for domestic production and prime nonconforming or nonprime for international production), option adjustable rate mortgages (prime nonconforming), high loan-to-value mortgage loans (nonprime), and teaser rate mortgages (prime or nonprime). Our total loan production related to these products and our combined exposure related to these products recorded in finance receivables and loans and loans held for sale (unpaid principal balance) for the years ended and as of December 31, 2007 and 2006 is summarized as follows:

	Loan production for the year		Unpaid principal as of December 31,	
($ in millions)	**2007**	2006	**2007**	2006
Interest only mortgages	**$30,058**	$48,335	**$18,218**	$22,416
Option adjustable rate mortgages	**7,595**	18,308	**1,695**	1,955
High loan-to-value (100% or more) mortgages	**5,897**	8,768	**5,824**	11,978
Below market initial rate (teaser) mortgages	**38**	257	**1**	192

- *Interest-only mortgages* — Allow interest-only payments for a fixed period. At the end of the interest-only period, the loan payment includes principal payments and increases significantly. The borrower's new payment, once the loan becomes amortizing (i.e., includes principal payments), will be greater than if the borrower had been making principal payments since the origination of the loan.
- *Option adjustable rate mortgages* — Permit a variety of repayment options. The repayment options include minimum, interest-only, fully amortizing 30-year, and fully amortizing 15-year payments. The minimum payment option sets the monthly payment at the initial interest rate for the first year of the loan. The interest rate resets after the first year, but the borrower can continue to make the minimum payment. The interest-only option sets the monthly payment at the amount of interest due on the loan. If the interest-only option payment would be less than the minimum payment, the interest-only option is not available to the borrower. Under the fully amortizing 30- and 15-year payment options, the borrower's monthly payment is set based on the interest rate, loan balance, and remaining loan term.
- *High loan-to-value mortgages* — Defined as first-lien loans with loan-to-value ratios in excess of 100% or second-lien loans that when combined with the underlying first-lien mortgage loan result in a loan-to-value ratio in excess of 100%.
- *Below market rate (teaser) mortgages* — Contain contractual features that limit the initial interest rate to a below market interest rate for a specified time period with an increase to a market interest rate in a future period. The increase to the market interest rate could result in a significant increase in the borrower's monthly payment amount.

All of the mortgage loans we originate and most of the mortgages we purchase (including the higher risk loans in the preceding table) are subject to our underwriting guidelines and loan origination standards. This includes guidelines and standards that we have tailored for these products and include a variety of factors, including the borrower's capacity to repay the loan, their credit history, and the characteristics of the loan, including certain characteristics summarized in the table that may increase our credit risk. When we purchase mortgage loans from correspondent lenders, we either re-underwrite the loan before purchase or delegate underwriting responsibility to the correspondent originating the loan. We believe our underwriting procedures adequately consider the unique risks that may come from these products. We conduct a variety of quality control procedures and periodic audits to ensure compliance with our origination standards, including our criteria for lending and legal requirements. We leverage technology in performing both our underwriting process and our quality control procedures.

Capital Requirements

Certain of our international subsidiaries are subject to regulatory and other requirements of the jurisdictions in which they operate. These entities either operate as banks or regulated finance companies in their local markets. The regulatory restrictions primarily dictate that these subsidiaries meet certain minimum capital requirements, restrict dividend distributions and require that some assets be restricted. To date, compliance with these various regulations has not had a materially adverse effect on our financial position, results of operations or cash flows. Total assets in these entities approximated $17.7 billion and $15.5 billion as of December 31, 2007 and 2006, respectively.

GMAC Bank, which provides services to both the Automotive and ResCap operations, is licensed as an industrial bank pursuant to the laws of Utah, and its deposits are insured by the Federal Deposit Insurance Corporation (FDIC). GMAC is required to file periodic reports with the FDIC concerning its financial condition. Assets in GMAC Bank totaled $28.4 billion at December 31, 2007. As of December 31, 2005, certain depository institution assets were held at a Federal savings bank that was wholly owned by ResCap. Effective November 22, 2006, substantially all of

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

these federal savings bank assets and liabilities were transferred at book value to GMAC Bank.

As of December 31, 2007, we have met all regulatory requirements and were in compliance with the minimum capital requirements.

On June 24, 2005, we entered into an operating agreement with GM and ResCap, the holding company for our residential mortgage business, to create separation between GM and us, on the one hand, and ResCap, on the other. The operating agreement restricts ResCap's ability to declare dividends or prepay subordinated indebtedness to us. This operating agreement was amended on November 27, 2006, and again on November 30, 2006, in conjunction with the Sale Transactions. Among other things, these amendments removed GM as a party to the agreement.

The restrictions contained in the ResCap operating agreement include the requirements that ResCap's member's equity be at least $6.5 billion for dividends to be paid. If ResCap is permitted to pay dividends pursuant to the previous sentence, the cumulative amount of these dividends may not exceed 50% of our cumulative net income (excluding payments for income taxes from our election for federal income tax purposes to be treated as a limited liability company), measured from July 1, 2005, at the time the dividend is paid. These restrictions will cease to be effective if ResCap's member's equity has been at least $12 billion as of the end of each of two consecutive fiscal quarters or if we cease to be the majority owner. In connection with the Sale Transactions, GM was released as a party to this operating agreement, but it remains in effect between ResCap and us. At December 31, 2007, ResCap had consolidated equity of approximately $6.0 billion.

GMAC Insurance is subject to certain minimum aggregated capital requirements, restricted net assets, and restricted dividend distributions under applicable state insurance law, the National Association of Securities Dealers, the Financial Services Authority in England, the Office of the Superintendent of Financial Institution of Canada, and the National Insurance and Bonding Commission of Mexico. To date, compliance with these various regulations has not had a materially adverse effect on our financial condition, results of operations or cash flows.

Under various U.S. state insurance regulations, dividend distributions may be made only from statutory unassigned surplus, and the state regulatory authorities must approve these distributions if they exceed certain statutory limitations. As of the December 31, 2007, the maximum dividend that could be paid by the insurance subsidiaries over the next twelve months without prior statutory approval approximates $380 million.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

26. Quarterly Financial Statements (unaudited)

2007 *($ in millions)*	**First quarter**	**Second quarter**	**Third quarter**	**Fourth quarter**
Net financing revenue	**$544**	**$408**	**$390**	**$154**
Total other revenue	**2,436**	**2,867**	**1,863**	**3,137**
Total net revenue	**2,980**	**3,275**	**2,253**	**3,291**
Provision for credit losses	**681**	**430**	**964**	**1,021**
Impairment of goodwill and other intangible assets	**—**	**—**	**455**	**—**
Other noninterest expense	**2,454**	**2,393**	**2,498**	**2,845**
Income (loss) before income tax expense	**(155)**	**452**	**(1,664)**	**(575)**
Income tax expense (benefit)	**150**	**159**	**(68)**	**149**
Net income (loss)	**($305)**	**$293**	**($1,596)**	**($724)**

2006 *($ in millions)*	First quarter	Second quarter	Third quarter	Fourth quarter
Net financing revenue	$451	$397	$633	$721
Total other revenue	2,899	3,522	3,015	3,184
Total net revenue	3,350	3,919	3,648	3,905
Provision for credit losses	166	268	503	1,063
Impairment of goodwill and other intangible assets	—	—	840	—
Other noninterest expense	2,467	2,504	2,295	2,488
Income (loss) before income tax expense	717	1,147	10	354
Income tax expense (benefit)	222	360	183	(662) (b)
Net income (loss)	$495	$787	($173) (a)	$1,016

(a) Decline in third quarter 2006 net income primarily relates to goodwill impairment taken at our Commercial Finance business. Refer to Note 11.

(b) Effective November 28, 2006, GMAC, along with certain U.S. subsidiaries, became disregarded or pass-through entities for U.S. federal income tax purposes. Due to our change in tax status, a net deferred tax liability was eliminated through income tax expense totaling $791 million.

27. Subsequent Event

On February 20, 2008, we announced a restructuring of our North American Automotive Finance operations to reduce costs, streamline operations, and position the business for scalable growth.

The restructuring will include merging a number of separate business offices into five regional business centers located in the areas of Atlanta, Chicago, Dallas, Pittsburgh, and Toronto. The plan includes reducing the North American Automotive Finance operations workforce by approximately 930 employees, which represents about 15 percent of the 6,275 employees of these operations. These actions are planned to occur largely by the end of 2008.

We expect to incur restructuring charges of approximately $65 million to $85 million, which includes costs related to severance and other employee-related costs of approximately $60 million to $70 million and the closure of facilities of approximately $5 million to $15 million. These charges will be incurred over the course of 2008, with the majority of the charges occurring in the second half of the year. The charges are expected to result in future cash expenditures of approximately $65 million to $85 million.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

GENERAL MOTORS CORPORATION
(Registrant)

Date: February 28, 2008

By: /s/ G. RICHARD WAGONER, JR.

G. Richard Wagoner, Jr.
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on this 28th day of February 2008 by the following persons on behalf of the Registrant and in the capacities indicated, including a majority of the directors.

Signature	Title
/s/ G. RICHARD WAGONER, JR. (G. Richard Wagoner, Jr.)	Chairman and Chief Executive Officer
/s/ FREDERICK A. HENDERSON (Frederick A. Henderson)	Vice Chairman and Chief Financial Officer
/s/ WALTER G. BORST (Walter G. Borst)	Treasurer
/s/ NICK S. CYPRUS (Nick S. Cyprus)	Controller and Chief Accounting Officer
/s/ PERCY BARNEVIK (Percy Barnevik)	Director
/s/ ERSKINE BOWLES (Erskine Bowles)	Director
/s/ JOHN H. BRYAN (John H. Bryan)	Director
/s/ ARMANDO CODINA (Armando Codina)	Director
/s/ ERROLL B. DAVIS, JR. (Erroll B. Davis, Jr.)	Director
/s/ GEORGE M.C. FISHER (George M.C. Fisher)	Director

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

/s/ KAREN KATEN Director

(Karen Katen)

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Signature	Title
/s/ KENT KRESA	Director
(Kent Kresa)	
/s/ ELLEN J. KULLMAN	Director
(Ellen J. Kullman)	
/s/ PHILIP A. LASKAWY	Director
(Philip A. Laskawy)	
/s/ KATHRYN V. MARINELLO	Director
(Kathryn V. Marinello)	
/s/ ECKHARD PFEIFFER	Director
(Eckhard Pfeiffer)	

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit 4(b)(viii)

GENERAL MOTORS CORPORATION
AND
THE BANK OF NEW YORK,
TRUSTEE
SUBORDINATED INDENTURE
Dated as of January 8, 2008
SUBORDINATED DEBT SECURITIES

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

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THIS SUBORDINATED INDENTURE, dated as of the 8th day of January, 2008 between GENERAL MOTORS CORPORATION, a corporation duly organized and existing under the laws of the State of Delaware (hereinafter sometimes called the "Corporation"), party of the first part, and THE BANK OF NEW YORK, a banking corporation duly incorporated and existing under the laws of the State of New York, as trustee hereunder (hereinafter sometimes called the "Trustee," which term shall include any successor trustee appointed pursuant to Article Seven).

WITNESSETH:

WHEREAS, the Corporation deems it necessary or appropriate to issue from time to time for its lawful purposes securities (hereinafter called the "Securities" or, in the singular, "Security") evidencing its unsecured indebtedness and has duly authorized the execution and delivery of this Indenture to provide for the issuance of the Securities in one or more series, unlimited as to principal amount, to bear such rates of interest, to mature at such time or times and to have such other provisions as shall be fixed as hereinafter provided; and

WHEREAS, the Corporation represents that all acts and things necessary to constitute these presents a valid and legally binding indenture and agreement according to its terms, have been done and performed, and the execution of this Indenture has in all respects been duly authorized by the Corporation, and the Corporation, in the exercise of legal rights and power in it vested, is executing this Indenture;

NOW, THEREFORE:

In order to declare the terms and conditions upon which the Securities are authenticated, issued and received, and in consideration of the premises, of the purchase and acceptance of the Securities by the Holders thereof and of the sum of one U.S. Dollar to it duly paid by the Trustee at the execution of these presents, the receipt whereof is hereby acknowledged, the Corporation covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective Holders from time to time of the Securities, as follows:

Article 1
DEFINITIONS

SECTION 1.01. Definitions. The terms defined in this Section (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section. All other terms used in this Indenture which are defined in the Trust Indenture Act of 1939 or which are by reference therein defined in the Securities Act of 1933, as amended, shall have the meanings (except as herein otherwise expressly provided or unless the context otherwise clearly requires) assigned to such terms in said Trust Indenture Act and in said Securities Act as in force at the date of this Indenture as originally executed.

The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole, including the Exhibits to this instrument, and not to any particular Article, Section or other subdivision. Certain terms used wholly or principally within an Article of this Indenture may be defined in that Article.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

When used with respect to any Security, the words “convert”, “converted” and “conversion” are intended to refer to the right of the Holder or the Corporation to convert or exchange such Security into or for securities or other property in accordance with such terms, if any, as may hereafter be specified for such Security as contemplated by Section 2.01, and these words are not intended to refer to any right of the Holder or the Corporation to exchange such Security for other Securities of the same series and like tenor pursuant to Section 2.05, 2.06, 2.07, 3.04 or 10.04 or another similar provision of this Indenture, unless the context otherwise requires; and references herein to the terms of any Security that may be converted mean such terms as may be specified for such Security as contemplated in Section 2.01.

“Additional Amounts” means any additional amounts which are required by a Security or by or pursuant to a Board Resolution under circumstances specified therein, to be paid by the Corporation in respect of certain taxes, assessments or governmental charges imposed on certain Holders of Securities and which are owing to such Holders of Securities.

“Authorized Newspaper” means a newspaper in an official language of the country of publication of general circulation in the place in connection with which the term is used. If it shall be impractical in the opinion of the Trustee to make any publication of any notice required hereby in an Authorized Newspaper, any publication or other notice in lieu thereof which is made or given with the approval of the Trustee shall constitute a sufficient publication of such notice.

“Board of Directors” means the Board of Directors of the Corporation or any committee established by the Board of Directors.

“Board Resolution” means a resolution certified by the Secretary or Assistant Secretary of the Corporation to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

“Business Day” means, with respect to any Security, a day (other than a Saturday or Sunday) that in the city (or in any of the cities, if more than one) in which amounts are payable as specified on the face of the form of such Security, is neither a legal holiday nor a day on which banking institutions are authorized or required by law, regulation or executive order to close.

“Conversion Agent” shall mean initially The Bank of New York and subsequently, any other conversion agent appointed by the Corporation from time to time in respect of the Securities.

“Corporate Trust Office” means the principal office of the Trustee at which at any time its corporate trust business shall be administered, which office at the date hereof is located at 101 Barclay Street, Floor 8 West, New York, New York 10286, Attention: Corporate Trust Administration, or such other address as the Trustee may designate from time to time by notice to the Holders and the Corporation, or the principal corporate trust office of any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the Holders and the Corporation).

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

"Corporation" means the person named as the "Corporation" in the first paragraph of this instrument until a successor corporation shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Corporation" means such successor corporation.

"Corporation Order" and "Corporation Request" mean any request, order or confirmation signed by a person designated pursuant to Section 2.03 and delivered to the Trustee.

"Coupon" means any interest coupon appertaining to a Security.

"Coupon Security" means any Security authenticated and delivered with one or more Coupons appertaining thereto.

"Depository" means, with respect to the Securities of any series issuable or issued in whole or in part in the form of one or more Global Securities, the Person designated as Depository by the Corporation pursuant to Section 2.01 until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Depository" shall mean or include each Person who is then a Depository hereunder, and if at any time there is more than one such Person, "Depository" as used with respect to the Securities of any such series shall mean the Depository with respect to the Securities of that series.

"Event of Default" means any event specified as such in Section 6.01.

"Global Security" means a Registered Security or an Unregistered Security evidencing all or part of a series of Securities issued to the Depository for such series in accordance with Section 2.03.

"Holder," "Holder of Securities," "Securityholder" or other similar terms, means (a) in the case of any Registered Security, the person in whose name at the time such Security is registered on the registration books kept for that purpose in accordance with the terms hereof, and (b) in the case of any Unregistered Security, the bearer of such Security.

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

"Interest Payment Date" when used with respect to any Security, means the stated maturity of an installment of interest on such Security.

"Issue Date" means, with respect to Securities of any tranche, whether evidenced by a Registered Security or an Unregistered Security, the date such Securities are authenticated pursuant to Section 2.03.

"Maturity Date" when used with respect to any Security, means the stated maturity of the Security.

"Officers' Certificate" means a certificate signed on behalf of the Corporation (and without personal liability) by the Chairman of the Board of Directors or any Vice Chairman of the Board of Directors or the President or any Executive Vice President or any Group Vice

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

President or any Vice President or the Treasurer or any Assistant Treasurer and by the Secretary or any Assistant Secretary of the Corporation.

"Opinion of Counsel" means an opinion in writing signed by legal counsel, who may be an employee of or counsel to the Corporation.

"Original Issue Discount Securities" means any Securities which are initially sold at a discount from the principal amount thereof and which provide upon an Event of Default for declaration of an amount less than the principal amount thereof to be due and payable upon acceleration thereof.

The term "outstanding" when used with reference to Securities, means, subject to the provisions of Section 7.08 and Section 8.04, as of any particular time, all Securities authenticated and delivered by the Trustee under this Indenture, except:

(a) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Securities, or portions thereof, for the payment or redemption of which moneys in the necessary amount shall have been deposited in trust with the Trustee or with any paying agent (other than the Corporation) or shall have been set aside and segregated in trust by the Corporation (if the Corporation shall act as its own paying agent), provided, that if such Securities are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article Three provided, or provisions satisfactory to the Trustee shall have been made for giving such notice; and

(c) Securities in lieu of and in substitution for which other Securities shall have been authenticated and delivered pursuant to the terms of Article Two, unless proof satisfactory to the Trustee is presented that any such Securities are held by bona fide Holders in due course.

The term "paying agent" means initially The Bank of New York, and subsequently, any other paying agent appointed by the Corporation from time to time in respect of the Securities.

The term "person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust or other entity, unincorporated organization or government or any agency or political subdivision thereof.

"Place of Payment," when used with respect to the Securities of any series, means the place or places where the principal of (and premium, if any) and interest, if any, (and Additional Amounts, if any) on the Securities of that series are payable.

"Registered Security" means any Security registered on the Security registration books of the Corporation.

"Regular Record Date" for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Sections 2.01 and 2.04.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

"Responsible Officer" shall mean, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such Person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"Securities" has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

"Security Register" and "Security Registrar" have the respective meanings specified in Section 2.05.

"Senior Indebtedness" means the principal of, premium, if any, and unpaid interest on the following, whether outstanding at the date hereof or thereafter incurred or created: (i) indebtedness of the Corporation for money borrowed evidenced by notes or other written obligations; (ii) indebtedness of the Corporation evidenced by securities (other than the Securities), debentures, bonds or other securities issued under the provisions of an indenture or similar instrument; (iii) obligations of the Corporation as lessee under capitalized leases and leases of property made as part of any sale and leaseback transactions; (iv) indebtedness of others of any of the kinds described in the preceding clauses (i) through (iii) assumed or guaranteed by the Corporation; and (v) renewals, extensions and refundings of, and indebtedness and obligations of a successor corporation issued in exchange for or in replacement of, indebtedness or obligations of the kinds described in the preceding clauses (i) through (iv), unless in the case of any particular indebtedness, obligation, renewal, extension or refunding the instrument creating or evidencing the same or the assumption or guarantee thereof expressly provides that such indebtedness, obligation, renewal, extension or refunding is not superior in right of payment to the Securities.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended.

"United States" means the United States of America (including the States and the District of Columbia) and its possessions (including the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

"Unregistered Security" means any Security other than a Registered Security.

"U.S. Dollar" or "$" mean a dollar or other equivalent unit in such coin or currency of the United States of America as at the time shall be legal tender for the payment of public and private debts.

SECTION 1.02. Notice to Securityholders. Except as otherwise expressly provided herein or in the provisions of any Security, where this Indenture provides for notice to Holders of Securities of any event, such notice shall be sufficiently given if in writing and mailed, first class, postage prepaid, to each Holder at such Holder's address as it appears in the Securities Register, not later than the latest date, and not earlier than the earliest date prescribed for such notice.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder of a Security shall affect the sufficiency of such notice with respect to other Holders of Securities.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders of Securities shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Article 2
ISSUE, EXECUTION, REGISTRATION AND EXCHANGE OF SECURITIES

SECTION 2.01. Amount Unlimited; Issuable in Series. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. There shall be established in or pursuant to a Board Resolution, and set forth in an Officers' Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series:

(a) the designation of the Securities of the series (which shall distinguish the Securities of the series from all other Securities);

(b) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 2.05, 2.06, 2.07, 3.02 or 10.04);

(c) the date or dates on which the principal of the Securities of the series is payable, or the manner by which such date or dates shall be determined or extended;

(d) the rate or rates, which may be fixed or variable, at which the Securities of the series shall bear interest, if any, and if the rate or rates are variable, the manner of calculation thereof, the date or dates from which such interest shall accrue, the Interest Payment Dates on which such interest shall be payable and, in the case of Registered Securities, the Regular Record Date for the determination of Holders of such Securities to whom interest is payable on any Interest Payment Date;

(e) the place or places (in addition to such place or places specified in this Indenture) where the principal of (and premium, if any), interest, if any, and Additional Amounts, if any, on Securities of the series shall be payable;

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(f) the right, if any, of the Corporation to redeem Securities, in whole or in part, at its option and the period or periods within which, the price or prices at which and the terms and conditions upon which Securities of the series may be redeemed pursuant to any sinking fund or otherwise;

(g) the obligation or the right, if any, of the Corporation to redeem, purchase or repay Securities of the series pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a Holder thereof and the period or periods within which, the price or prices at which and the terms and conditions upon which Securities of the series shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligation;

(h) if other than U.S. Dollars, the currency or currencies in which the Securities of the series shall be denominated and in which payments of principal of (and premium, if any), interest, if any, on and any other amounts, if any, payable with respect to such Securities shall or may be payable; or in the manner in which such currency, currencies or composite currencies will be determined; and if the principal of (and premium, if any) and interest, if any, on and any other amounts payable with respect to the Securities of such series are to be payable, at the election of the Corporation or a Holder thereof, in a currency or currencies, including composite currencies, other than that or those in which the Securities are stated to be payable, the currency or currencies in which payment of the principal of (and premium, if any) and interest, if any, on and any other amounts payable with respect to the Securities of such series as to which such election is made shall be payable, and the periods within which and the terms and conditions upon which such election is to be made;

(i) if the amount of principal of and interest on the Securities of the series may be determined with reference to an index based on a currency or currencies other than that in which the Securities of the series are denominated, the manner in which such amounts shall be determined;

(j) the denominations in which Securities of the series shall be issuable, if other than U.S.$l,000 or integral multiples thereof with respect to Registered Securities and denominations of U.S.$1,000 and U.S.$5,000 for Unregistered Securities;

(k) if other than the principal amount thereof, the portion of the principal amount of Securities of the series which shall be payable upon declaration of acceleration of the maturity thereof or which the Trustee shall be entitled to claim pursuant to Section 6.02;

(l) whether the Securities of the series will be issuable as Registered Securities or Unregistered Securities (with or without Coupons), or both, any restrictions applicable to the offer, sale or delivery of Unregistered Securities and, if other than as provided for in Section 2.05, the terms upon which Unregistered Securities of the series may be exchanged for Registered Securities of such series and vice versa; and whether the Securities of the series shall be issued in whole or in part in the form of one or more Global Securities and, in such case, the Depository for such Global Security or Securities and whether any Global Securities of the series are to be issuable initially in temporary form and whether any Global Securities of the series are to be issuable in definitive form with or without Coupons and, if so, whether beneficial owners of interests in any such definitive Global Security may exchange such interests for Securities of

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

such series and of like tenor of any authorized form and denomination and the circumstances under which and the place or places where any such exchanges may occur, if other than in the manner provided in Section 2.05;

(m) whether and under what circumstances the Corporation will pay Additional Amounts on the Securities of the series in respect of any tax, assessment or governmental charge withheld or deducted and, if so, whether the Corporation will have the option to redeem such Securities rather than pay such Additional Amounts;

(n) the provisions, if any, for the defeasance of the Securities of the series;

(o) if the Securities of such series are to be issuable in definitive form (whether upon original issue or upon exchange of a temporary Security of such series) only upon receipt of certain certificates or other documents or satisfaction of other conditions, the form and terms of such certificates, documents or conditions;

(p) any trustees, depositaries, authenticating and paying agents, transfer agents, registrars or any other agents with respect to the Security of such series;

(q) the securities exchange or exchanges, if any, on which the Securities will be listed;

(r) the percentage of their principal amount at which the Securities are issued, if less than 100%;

(s) the terms, if any, on which Holders of Securities may convert or exchange Securities of the series into any securities of any person;

(t) if the Securities of the series are to be issued upon the exercise of warrants, the time, manner and place for such Securities to be authenticated and delivered; and

(u) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture).

All Securities of any one series shall be substantially identical except (i) as to denomination, (ii) that Securities of any series may be issuable as either Registered Securities or Unregistered Securities and (iii) as may otherwise be provided in or pursuant to such Board Resolution and set forth in such Officers' Certificate or in any such indenture supplemental hereto. Not all Securities of any one series need be issued at the same time, and, unless otherwise provided, a series may be reopened for issuances of additional Securities of such series.

If any of the terms of the series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or any Assistant Secretary of the Corporation and delivered to the Trustee at the same time as or prior to the delivery of the Officers' Certificate setting forth the terms of the series.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

SECTION 2.02. Form of Trustee's Certificate of Authentication. The Trustee's certificate of authentication shall be in the following form:

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK, as Trustee,

Dated: _____ By: _____
Authorized Signatory

Dated: _____

SECTION 2.03. Form, Execution, Authentication, Delivery and Dating of Securities. The Securities of each series and the Coupons, if any, to be attached thereto, shall be in the forms approved from time to time by or pursuant to a Board Resolution, or established in one or more indentures supplemental hereto, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any securities exchange on which the Securities may be listed, or to conform to usage.

Each Security and Coupon, if any, shall be executed on behalf of the Corporation by its Chairman of the Board of Directors or any Vice Chairman of the Board of Directors or the President or any Executive Vice President or any Group Vice President or any Vice President or the Treasurer or any Assistant Treasurer and by the Secretary or any Assistant Secretary, under its Corporate seal. Such signatures may be the manual or facsimile signatures of the present or any future such officers. The seal of the Corporation may be in the form of a facsimile thereof and may be impressed, affixed, imprinted or otherwise reproduced on the Securities.

Each Security and Coupon bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Security, or the Security to which such Coupon appertains. At any time and from time to time after the execution and delivery of this Indenture, the Corporation may deliver Securities of any series executed by the Corporation and, in the case of Coupon Securities, having attached thereto appropriate Coupons, to the Trustee for authentication, together with a Corporation Order for the authentication and delivery of such Securities, and the Trustee in accordance with such Corporation Order shall authenticate and deliver such Securities. If the form or terms of the Securities or Coupons of the series have been established in or pursuant to one or more Board Resolutions as permitted by this Section and Section 2.01, in authenticating such Securities, and accepting the additional responsibilities

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

under this Indenture in relation to such Securities, the Trustee shall be provided with, and (subject to Section 7.01) shall be fully protected in relying upon, an Opinion of Counsel stating:

(a) if the form of such Securities or Coupons has been established by or pursuant to Board Resolution as permitted by Section 2.01, that such form has been established in conformity with the provisions of this Indenture;

(b) if the terms of such Securities have been established by or pursuant to Board Resolution as permitted by Section 2.01, that such terms have been established in conformity with the provisions of this Indenture; and

(c) that each such Security and Coupon, when authenticated and delivered by the Trustee and issued by the Corporation in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Corporation, enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws of general applicability relating to or affecting the enforcement of creditors' rights and to general equity principles, whether applied in a proceeding at law or in equity. If such form or terms has been so established, the Trustee shall not be required to authenticate such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and the Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Every Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture. Notwithstanding the foregoing, if any Security shall have been duly authenticated and delivered hereunder but never issued and sold by the Corporation, and the Corporation shall deliver such Security to the Trustee for cancellation as provided in Section 2.08 together with a written statement (which need not comply with Section 15.04 and need not be accompanied by an Opinion of Counsel) stating that such Security has never been issued and sold by the Corporation, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

If the Corporation shall establish pursuant to Section 2.01 that the Securities of a series are to be issued in whole or in part in the form of one or more Global Securities, then the Corporation shall execute and the Trustee shall in accordance with this Section and the Corporation Order with respect to such series authenticate and deliver the Global Security or Securities that (i) shall represent and shall be denominated in an aggregate amount equal to the aggregate principal amount of outstanding Securities of such series to be represented by the Global Security or Securities, (ii) shall be registered, if in registered form, in the name of the Depository for such Global Security or Securities or the nominee of such Depository, and (iii)

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

shall be delivered by the Trustee to such Depository or pursuant to such Depository's instructions.

Each Depository designated pursuant to Section 2.01 for a Global Security in registered form must, at the time of its designation and at all times while it serves as Depository, be a clearing agency registered under the Securities Exchange Act of 1934 and any other applicable statute or regulation.

SECTION 2.04. Denominations; Record Date. The Securities shall be issuable as Registered Securities or Unregistered Securities in such denominations as may be specified as contemplated in Section 2.01. In the absence of any such specification with respect to any series, such Securities shall be issuable in the denominations contemplated by Section 2.01.

The term "record date" as used with respect to an Interest Payment Date (except a date for payment of defaulted interest) means such day or days as shall be specified in the terms of the Registered Securities of any particular series as contemplated by Section 2.01; provided, however, that in the absence of any such provisions with respect to any series, such term means (1) the last day of the calendar month next preceding such Interest Payment Date if such Interest Payment Date is the fifteenth day of a calendar month; or (2) the fifteenth day of a calendar month next preceding such Interest Payment Date if such Interest Payment Date is the first day of the calendar month.

The person in whose name any Registered Security is registered at the close of business on the Regular Record Date with respect to an Interest Payment Date shall be entitled to receive the interest payable and Additional Amounts, if any, payable on such Interest Payment Date notwithstanding the cancellation of such Registered Security upon any transfer or exchange thereof subsequent to such Regular Record Date and prior to such Interest Payment Date; provided, however, that if and to the extent the Corporation shall default in the payment of the interest and Additional Amounts, if any, due on such Interest Payment Date, such defaulted interest and Additional Amounts, if any, shall be paid to the persons in whose names outstanding Registered Securities are registered on a subsequent record date established by notice given by mail by or on behalf of the Corporation to the Holders of Securities of the series in default not less than fifteen days preceding such subsequent record date, such record date to be not less than five days preceding the date of payment of such defaulted interest.

SECTION 2.05. Exchange and Registration of Transfer of Securities. Registered Securities of any series may be exchanged for a like aggregate principal amount of Registered Securities of other authorized denominations of such series. Registered Securities to be exchanged shall be surrendered at the office or agency to be designated and maintained by the Corporation for such purpose in the Borough of Manhattan, The City of New York, in accordance with the provisions of Section 4.02, and the Corporation shall execute and register and the Trustee shall authenticate and deliver in exchange therefor the Registered Security or Registered Securities which the Holder making the exchange shall be entitled to receive.

If the Securities of any series are issued in both registered and unregistered form, except as otherwise specified pursuant to Section 2.01, at the option of the Holder thereof, Unregistered Securities of any series may be exchanged for Registered Securities of such series of any

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

authorized denominations and of a like aggregate principal amount, upon surrender of such Unregistered Securities to be exchanged at the agency of the Corporation that shall be maintained for such purpose in accordance with Section 4.02, with, in the case of Unregistered Securities that are Coupon Securities, all unmatured Coupons and all matured Coupons in default thereto appertaining. At the option of the Holder thereof, if Unregistered Securities of any series are issued in more than one authorized denomination, except as otherwise specified pursuant to Section 2.01, such Unregistered Securities may be exchanged for Unregistered Securities of such series of other authorized denominations and of a like aggregate principal amount, upon surrender of such Unregistered Securities to be exchanged at the agency of the Corporation that shall be maintained for such purpose in accordance with Section 4.02 or as specified pursuant to Section 2.01, with, in the case of Unregistered Securities that are Coupon Securities, all unmatured Coupons and all matured Coupons in default thereto appertaining. Unless otherwise specified pursuant to Section 2.01, Registered Securities of any series may not be exchanged for Unregistered Securities of such series. Whenever any Securities are so surrendered for exchange, the Corporation shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

The Corporation (or its designated agent (the "Security Registrar")) shall keep, at such office or agency, a Security Register (the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Corporation shall register Securities and shall register the transfer of Registered Securities as in this Article. The Security Register shall be in written form or in any other form capable of being converted into written form within a reasonable time. At all reasonable times the Security Register shall be open for inspection by the Trustee. Upon due presentment for registration of transfer of any Registered Security of a particular series at such office or agency, the Corporation shall execute and the Corporation or the Security Registrar shall register and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Registered Security or Registered Securities of such series for an equal aggregate principal amount.

Unregistered Securities (except for any temporary bearer Securities) and Coupons shall be transferable by delivery.

All Securities presented for registration of transfer or for exchange, redemption or payment, as the case may be, shall (if so required by the Corporation or the Trustee) be duly endorsed by, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Corporation and the Trustee duly executed by, the Holder or his attorney duly authorized in writing.

No service charge shall be made for any exchange or registration of transfer of Registered Securities, but the Corporation may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

The Corporation shall not be required to exchange or register a transfer of (a) any Registered Securities of any series for a period of fifteen days next preceding any selection of such Registered Securities of such series to be redeemed, or (b) any Security of any such series selected for redemption except in the case of any such series to be redeemed in part, the portion thereof not to be so redeemed.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Notwithstanding anything herein or in the terms of any series of Securities to the contrary, neither the Corporation nor the Trustee (which shall rely on an Officers' Certificate and an Opinion of Counsel) shall be required to exchange any Unregistered Security for a Registered Security if such exchange would result in adverse Federal income tax consequences to the Corporation (including the inability of the Corporation to deduct from its income, as computed for Federal income tax purposes, the interest payable on any Securities) under then applicable United States Federal income tax laws.

SECTION 2.06. Temporary Securities. Pending the preparation of definitive Securities of any series, the Corporation may execute and upon receipt of a Corporation Order the Trustee shall authenticate and deliver temporary Securities of such series (printed or lithographed). Temporary Securities of any series shall be issuable in any authorized denominations, and in the form approved from time to time by or pursuant to a Board Resolution but with such omissions, insertions and variations as may be appropriate for temporary Securities, all as may be determined by the Corporation. Every temporary Security shall be executed by the Corporation and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Securities. Without unnecessary delay the Corporation shall execute and shall furnish definitive Securities of such series and thereupon any or all temporary Registered Securities of such series may be surrendered in exchange therefor without charge at the office or agency to be designated and maintained by the Corporation for such purpose in the Borough of Manhattan, The City of New York, in accordance with the provisions of Section 4.02 and in the case of Unregistered Securities at any agency maintained by the Corporation for such purpose as specified pursuant to Section 2.01, and the Trustee shall authenticate and deliver in exchange for such temporary Securities an equal aggregate principal amount of definitive Securities of the same series of authorized denominations and in the case of such Securities that are Coupon Securities, having attached thereto the appropriate Coupons. Until so exchanged the temporary Securities of any series shall be entitled to the same benefits under this Indenture as definitive Securities of such series. The provisions of this Section 2.06 are subject to any restrictions or limitations on the issue and delivery of temporary Unregistered Securities of any series that may be established pursuant to Section 2.01 (including any provision that Unregistered Securities of such series initially be issued in the form of a single global Unregistered Security to be delivered to a depositary or agency of the Corporation located outside the United States and the procedures pursuant to which definitive Unregistered Securities of such series would be issued in exchange for such temporary global Unregistered Security).

SECTION 2.07. Mutilated, Destroyed, Lost or Stolen Securities. In case any temporary or definitive Security of any series or, in the case of a Coupon Security, any Coupon appertaining thereto, shall become mutilated or be destroyed, lost or stolen, the Corporation in the case of a mutilated Security or Coupon shall, and in the case of a lost, stolen or destroyed Security or Coupon may, in its discretion, execute, and upon receipt of a Corporation Order the Trustee shall authenticate and deliver, a new Security of the same series as the mutilated, destroyed, lost or stolen Security or, in the case of a Coupon Security, a new Coupon Security of the same series as the mutilated, destroyed, lost or stolen Coupon Security or, in the case of a Coupon, a new Coupon Security of the same series as the Coupon Security to which such mutilated, destroyed, lost or stolen Coupon appertains, bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated Security, or in lieu of and in

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

substitution for the Security so destroyed, lost or stolen or in exchange for the Coupon Security to which such mutilated, destroyed, lost or stolen Coupon appertains, with all appurtenant Coupons not destroyed, lost or stolen. In every case the applicant for a substituted Security or Coupon shall furnish to the Corporation and to the Trustee such security or indemnity as may be required by them to save each of them harmless, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Corporation and to the Trustee evidence to their satisfaction of the destruction, loss or theft of such Security or Coupon, as the case may be, and of the ownership thereof. The Trustee may authenticate any such substituted Security and deliver the same upon the written request or authorization of any officer of the Corporation. Upon the issuance of any substituted Security or Coupon, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith and in addition a further sum not exceeding ten dollars for each Security so issued in substitution. In case any Security or Coupon which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Corporation may, instead of issuing a substituted Security, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Security or Coupon) if the applicant for such payment shall furnish the Corporation and the Trustee with such security or indemnity as they may require to save them harmless and, in case of destruction, loss or theft, evidence to the satisfaction of the Corporation and the Trustee of the destruction, loss or theft of such Security or Coupon and of the ownership thereof.

Every substituted Security with, in the case of any such Security that is a Coupon Security, its Coupons, issued pursuant to the provisions of this Section by virtue of the fact that any Security or Coupon is destroyed, lost or stolen shall, with respect to such Security or Coupon, constitute an additional contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Security or Coupon shall be found at any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities, and the Coupons appertaining thereto, duly issued hereunder.

All Securities and any Coupons appertaining thereto shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities and Coupons appertaining thereto and shall, to the extent permitted by law, preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 2.08. Cancellation. All Securities surrendered for payment, redemption, exchange or registration of transfer, and all Coupons surrendered for payment as the case may be, shall, if surrendered to the Corporation or any agent of the Corporation or of the Trustee, be delivered to the Trustee and promptly cancelled by it or, if surrendered to the Trustee, be cancelled by it, and no Securities or Coupons shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall dispose of cancelled Securities and Coupons in its customary manner and deliver a certificate of destruction to the Corporation upon its request therefor.

SECTION 2.09. Computation of Interest. Except as otherwise specified as contemplated by Section 2.01 for Securities of any series, interest on the Securities of each series

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

shall be computed on the basis of a 360-day year of twelve 30-day months and interest on the Securities of each series for any partial period shall be computed on the basis of a 360-day year of twelve 30-day months and the number of days elapsed in any partial month.

The amount of interest (or amounts deemed to be interest under applicable law) payable or paid on any Security shall be limited to an amount which shall not exceed the maximum nonusurious rate of interest allowed by the applicable laws of the State of New York, or any applicable law of the United States permitting a higher maximum nonusurious rate that preempts such applicable New York law, which could lawfully be contracted for, taken, reserved, charged or received (the "Maximum Interest Rate"). If, as a result of any circumstances whatsoever, the Corporation or any other Person is deemed to have paid interest (or amounts deemed to be interest under applicable law) or any Holder of a Security is deemed to have contracted for, taken, reserved, charged or received interest (or amounts deemed to be interest under applicable law), in excess of the Maximum Interest Rate, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of validity, and if under any such circumstance, the Trustee, acting on behalf of the Holders, or any Holder shall ever receive interest or anything that might be deemed interest under applicable law that would exceed the Maximum Interest Rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing on the applicable Security or Securities and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance of any such Security or Securities, such excess shall be refunded to the Corporation; provided that the Corporation and not the Trustee shall be responsible for collecting any such refund from the Holders. In addition, for purposes of determining whether payments in respect of any Security are usurious, all sums paid or agreed to be paid with respect to such Security for the use, forbearance or detention of money shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such Security.

SECTION 2.10. Securities in Global Form. If Securities of a series are issuable in global form, as specified by Section 2.01, then, notwithstanding Section 2.01(i) and the provisions of Section 2.04, such Security shall represent such of the outstanding Securities of such series as shall be specified therein and may provide that it shall represent the aggregate amount of outstanding Securities from time to time endorsed thereon and that the aggregate amount of outstanding Securities represented thereby may from time to time be reduced to reflect exchanges. Any endorsement of a Security in global form to reflect the amount, or any increase or decrease in the amount, of outstanding Securities represented thereby shall be made by the Trustee in such manner and upon instructions given by such Person or Persons as shall be specified therein or in the Corporation Order to be delivered to the Trustee pursuant to Section 2.03 or Section 2.06. Subject to the provisions of Section 2.03 and, if applicable, Section 2.06, the Trustee shall deliver and redeliver any Security in definitive global bearer form in the manner and upon written instructions given by the Person or Persons specified therein or in the applicable Corporation Order. If a Corporation Order pursuant to Section 2.03 or 2.06 has been, or simultaneously is, delivered, any instructions by the Corporation with respect to endorsement or delivery or redelivery of a Security in global form shall be in writing but need not comply with Section 15.04 and need not be accompanied by an Opinion of Counsel. The beneficial owner of a Security represented by a definitive Global Security in bearer form may, upon no less than 30 days written notice to the Trustee, given by the beneficial owner through a Depository, exchange its interest in such definitive Global Security for a definitive bearer Security or

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Securities, or a definitive Registered Security or Securities, of any authorized denomination, subject to the rules and regulations of such Depository and its members. No individual definitive bearer Security will be delivered in or to the United States.

The provisions of the last sentence of the third to the last paragraph of Section 2.03 shall apply to any Security represented by a Security in global form if such Security was never issued and sold by the Corporation and the Corporation delivers to the Trustee the Security in global form together with written instructions (which need not comply with Section 15.04 and need not be accompanied by an Opinion of Counsel) with regard to the reduction in the principal amount of Securities represented thereby, together with the written statement contemplated by the last sentence of the third to the last paragraph of Section 2.03.

Unless otherwise specified as contemplated by Section 2.01, payment of principal of and any premium and any interest on any Security in definitive global form shall be made to the Person or Persons specified therein.

SECTION 2.11. Medium-Term Securities. Notwithstanding any contrary provision herein, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Corporation Order, Officers' Certificate, supplemental indenture or Opinion of Counsel otherwise required pursuant to Sections 15.04, 2.01 2.03 and 2.06 at or prior to the time of authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued.

An Officers' Certificate or supplemental indenture, delivered pursuant to this Section 2.11 in the circumstances set forth in the preceding paragraph may provide that Securities which are the subject thereof will be authenticated and delivered by the Trustee on original issue from time to time upon the written order of persons designated in such Officers' Certificate or supplemental indenture and that such persons are authorized to determine, consistent with such Officers' Certificate or any applicable supplemental indenture such terms and conditions of said Securities as are specified in such Officers' Certificate or supplemental indenture, provided that the foregoing procedure is acceptable to the Trustee.

SECTION 2.12. CUSIP Numbers. The Corporation in issuing the Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Corporation will promptly notify the Trustee of any change in the "CUSIP" numbers.

Article 3
REDEMPTION OF SECURITIES

SECTION 3.01. Redemption of Securities; Applicability of Article. Redemption of Securities of any series as permitted or required by the terms thereof shall be made in accordance with such terms and this Article; provided, however, that if any provision of

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

any series of Securities shall conflict with any provision of this Article, the provision of such series of Securities shall govern.

The notice date for a redemption of Securities means the date on which notice of such redemption is given in accordance with the provisions of Section 3.02 hereof.

SECTION 3.02. Notice of Redemption; Selection of Securities. The election of the Corporation to redeem any Securities shall be evidenced by an Officers' Certificate. In case the Corporation shall desire to exercise the right to redeem all, or, as the case may be, any part of a series of Securities pursuant to the terms and provisions applicable to such series, it shall fix a date for redemption and shall mail a notice of such redemption at least thirty and not more than sixty days prior to the date fixed for redemption (unless a different maximum or minimum number of days is specified in the Securities of such series) to the Holders of the Securities of such series which are Registered Securities to be redeemed as a whole or in part at their last addresses as the same appear on the Security Register, provided that if the Trustee is asked to give the notice it shall be given at least 15 days prior notice to the giving of the notice of redemption. Such mailing shall be by prepaid first class mail. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder shall have received such notice. In any case, failure to give notice by mail, or any defect in the notice to the Holder of any Security of a series designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Security of such series.

Notice of redemption to the Holders of Unregistered Securities to be redeemed as a whole or in part, who have filed their names and addresses with the Trustee as described in Section 313(c) of the Trust Indenture Act of 1939, shall be given by mailing notice of such redemption, by first class mail, postage prepaid, at least thirty days and not more than sixty days prior to the date fixed for redemption, to such Holders at such addresses as were so furnished to the Trustee (and, in the case of any such notice given by the Corporation, the Trustee shall make such information available to the Corporation for such purpose). Notice of redemption to any other Holder of an Unregistered Security of such series shall be published in an Authorized Newspaper in the Borough of Manhattan, The City of New York and in an Authorized Newspaper in London (and, if required by Section 4.04, in an Authorized Newspaper in Luxembourg), in each case, once in each of two successive calendar weeks, the first publication to be not less than thirty nor more than sixty days prior to the date fixed for redemption. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder shall have received such notice. In any case, failure to give notice by mail, or any defect in the notice to the Holder of any Security of a series designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Security of such series.

Each such notice of redemption shall specify the provisions of such Securities under which such redemption is made, that the conditions precedent, if any, to such redemption have occurred, shall describe the same and the date fixed for redemption, the redemption price at which such Securities are to be redeemed, the Place of Payment, that payment will be made upon presentation and surrender of such Securities and, in the case of Coupon Securities, of all Coupons appertaining thereto maturing after the date fixed for redemption, that interest and

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Additional Amounts, if any, accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest, if any, thereon or on the portions thereof to be redeemed will cease to accrue. If less than all of the Securities of a series are to be redeemed, any notice of redemption published in an Authorized Newspaper shall specify the numbers of the Securities to be redeemed and, if applicable, the CUSIP numbers thereof. In case any Security is to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed and shall state that upon surrender of such Security, a new Security or Securities in principal amount equal to the unredeemed portion thereof will be issued of the same series. In case any Security is convertible, the notice of redemption shall state the terms of conversion, the date on which the right to convert the Security to be redeemed will terminate and the place or places where such Security may be surrendered for conversion.

At least one Business Day prior to the redemption date specified in the notice of redemption given for Unregistered Securities as provided in this Section and on or prior to the redemption date specified in the notice of redemption given for all Securities other than Unregistered Securities, the Corporation will deposit in trust with the Trustee or with one or more paying agents an amount of money sufficient to redeem on the redemption date all the Securities or portions of Securities so called for redemption, other than any Securities called for redemption on the redemption date which have been converted prior to the date of such deposit, at the appropriate redemption price, together with interest, if any, and Additional Amounts, if any, accrued to the date fixed for redemption.

If less than all of the Securities of a series are to be redeemed, the Trustee shall select, pro rata or by lot or in such other manner as it shall deem reasonable and fair, the numbers of the Securities to be redeemed in whole or in part.

Unless otherwise specified as contemplated by Section 2.01, if any Security selected for partial redemption is converted in part before termination of the conversion right with respect to the portion of the Security so selected, the converted portion of such Security shall be deemed (so far as may be) to be the portion selected for redemption. Securities which have been converted during a selection of Securities to be redeemed shall be treated by the Trustee as outstanding for the purpose of such selection.

If any Security called for redemption is converted, any money deposited with the Trustee or with any paying agent or so segregated and held in trust for the redemption of such Security shall (subject to any right of the Holder of such Security or any predecessor Security to receive interest as provided in the last paragraph of Section 4.01 or in the terms of such Security) be paid to the Corporation upon its request or, if then held by the Corporation, shall be discharged from such trust.

SECTION 3.03. Payment of Securities Called for Redemption. If notice of redemption has been given as above provided, the Securities or portions of Securities with respect to which such notice has been given shall become due and payable on the date and at the Place of Payment stated in such notice at the applicable redemption price, together with interest, if any (and Additional Amounts, if any), accrued to the date fixed for redemption, and on and after said date (unless the Corporation shall default in the payment of such Securities at the redemption price, together with interest, if any, and Additional Amounts, if any, accrued to said

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date) interest on the Securities or portions of Securities so called for redemption shall cease to accrue. On presentation and surrender of such Securities subject to redemption at said Place of Payment in said notice specified, the said Securities or the specified portions thereof shall be paid and redeemed by the Corporation at the applicable redemption price, together with interest, if any, and Additional Amounts, if any, accrued thereon to the date fixed for redemption. Interest, if any (and Additional Amounts, if any), maturing on or prior to the date fixed for redemption shall continue to be payable (but without interest thereon unless the Corporation shall default in payment thereof) in the case of Coupon Securities to the bearers of the Coupons for such interest upon surrender thereof, and in the case of Registered Securities to the Holders thereof registered as such on the Security Register on the relevant record date subject to the terms and provisions of Section 2.04. At the option of the Corporation payment may be made by check to (or to the order of) the Holders of the Securities or other persons entitled thereto against presentation and surrender of such Securities.

If any Coupon Security surrendered for redemption shall not be accompanied by all appurtenant Coupons maturing after the date fixed for redemption, the surrender of such missing Coupon or Coupons may be waived by the Corporation and the Trustee, if there be furnished to each of them such security or indemnity as they may require to save each of them harmless.

SECTION 3.04. Securities Redeemed in Part. Upon presentation of any Security redeemed in part only, the Corporation shall execute and the Trustee shall authenticate and deliver to the Holder thereof, at the expense of the Corporation, a new Security or Securities, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the Security so presented of the same series.

Article 4
PARTICULAR COVENANTS OF THE CORPORATION

SECTION 4.01. Payment of Principal, Premium, Interest and Additional Amounts. The Corporation will duly and punctually pay or cause to be paid the principal of (and premium, if any), interest, if any, and Additional Amounts, if any, on each of the Securities at the place, at the respective times and in the manner provided in the terms of the Securities and in this Indenture. The interest on Coupon Securities (together with any Additional Amounts) shall be payable only upon presentation and surrender of the several Coupons for such interest installments as are evidenced thereby as they severally mature. The interest, if any, on any temporary bearer Securities (together with any Additional Amounts) shall be paid, as to the installments of interest evidenced by Coupons attached thereto, if any, only upon presentation and surrender thereof, and, as to the other installments of interest, if any, only upon presentation of such Securities for notation thereon of the payment of such interest. The interest on Registered Securities (together with any Additional Amounts) shall be payable only to the Holders thereof and at the option of the Corporation may be paid by (i) mailing checks for such interest payable to or upon the order of such Holders at their last addresses as they appear on the Security Register for such Securities or (ii) wire transfer of immediately available funds, but only if the Trustee has received wire transfer instructions in writing on or before the date and time such moneys are to be paid to the Holders of the Securities in accordance with the terms thereof.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

SECTION 4.02. Offices for Notices and Payments, Etc. As long as any of the Securities of a series remain outstanding, the Corporation will designate and maintain, in the Borough of Manhattan, The City of New York, an office or agency where the Registered Securities of such series may be presented for registration of transfer or exchange or for conversion as in this Indenture provided, an office or agency where notices and demands to or upon the Corporation in respect of the Securities of such series or of this Indenture may be served, and an office or agency where the Securities of such series may be presented for payment. The Corporation will give to the Trustee notice of the location of each such office or agency and of any change in the location thereof. In case the Corporation shall fail to maintain any such office or agency in the Borough of Manhattan, The City of New York, or shall fail to give such notice of the location or of any change in the location thereof, presentations may be made and notices and demands may be served at the corporate trust office of the Trustee in the Borough of Manhattan, The City of New York, and the Corporation hereby appoints the Trustee as its agent to receive all such presentations, notices and demands.

If Unregistered Securities of any series are outstanding, the Corporation will maintain or cause the Trustee to maintain one or more agencies in a city or cities located outside the United States (including any city in which such an agency is required to be maintained under the rules of any stock exchange on which the Securities of such series are listed) where such Unregistered Securities, and Coupons, if any, appertaining thereto may be presented for payment. No payment on any Unregistered Security or Coupon will be made upon presentation of such Unregistered Security or Coupon at an agency of the Corporation within the United States nor will any payment be made by transfer to an account in, or by mail to an address in, the United States, except, at the option of the Corporation, if the Corporation shall have determined that, pursuant to applicable United States laws and regulations then in effect such payment can be made without adverse tax consequences to the Corporation. Notwithstanding the foregoing, payments in U.S. Dollars with respect to Unregistered Securities of any series and Coupons appertaining thereto which are payable in U.S. Dollars may be made at an agency of the Corporation maintained in the Borough of Manhattan, The City of New York if such payment in U.S. Dollars at each agency maintained by the Corporation outside the United States for payment on such Unregistered Securities is illegal or effectively precluded by exchange controls or other similar restrictions.

The Corporation hereby initially designates The Bank of New York, located at its Corporate Trust Office as the Security Registrar and as the office or agency of the Corporation in the Borough of Manhattan, The City of New York, where the Securities may be presented for payment and, in the case of Registered Securities, for registration of transfer and for exchange as in this Indenture provided and where notices and demands to or upon the Corporation in respect of the Securities of any series or of this Indenture may be served.

SECTION 4.03. Provisions as to Paying Agent.

(a) Whenever the Corporation shall appoint a paying agent other than the Trustee with respect to the Securities of any series, it will cause such paying agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section:

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(i) that it will hold sums held by it as such agent for the payment of the principal of (and premium, if any), interest, if any, or Additional Amounts, if any, on the Securities of such series in trust for the benefit of the Holders of the Securities of such series, or Coupons appertaining thereto, as the case may be, entitled thereto and will notify the Trustee of the receipt of sums to be so held,

(ii) that it will give the Trustee notice of any failure by the Corporation (or by any other obligor on the Securities of such series) to make any payment of the principal of (or premium, if any), interest, if any, or Additional Amounts, if any, on the Securities of such series when the same shall be due and payable, and

(iii) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such paying agent.

(b) If the Corporation shall act as its own paying agent, it will, on or before each due date of the principal of (and premium, if any), interest, if any, or Additional Amounts, if any, on the Securities of any series set aside, segregate and hold in trust for the benefit of the Holders of the Securities of such series entitled thereto a sum sufficient to pay such principal (and premium if any), interest, if any, or Additional Amounts, if any, so becoming due. The Corporation will promptly notify the Trustee of any failure to take such action.

(c) Anything in this Section to the contrary notwithstanding, the Corporation may, at any time, for the purpose of obtaining a satisfaction and discharge with respect to one or more or all series of Securities hereunder, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust for such series by it or any paying agent hereunder as required by this Section, such sums to be held by the Trustee upon the trusts herein contained.

(d) Anything in this Section to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section is subject to the provisions of Sections 12.03, 12.04 and 12.05.

SECTION 4.04. Luxembourg Publications. In the event of the publication of any notice pursuant to Section 3.02, 6.07, 7.10, 7.11, 9.02, 10.02 or 12.05, the party making such publication shall also, to the extent that notice is required so to be given to Holders of Securities of any series by applicable Luxembourg law or stock exchange regulation, make a similar publication the same number of times in Luxembourg.

SECTION 4.05. Statement by Officer as to Compliance. On or before April 1, 2008, and on or before April 1 in each year thereafter, the Corporation will deliver to the Trustee a brief certificate of the Corporation's principal executive officer, principal financial officer or principal accounting officer as to such officer's knowledge of the Corporation's compliance with all conditions and covenants under this Indenture (such compliance to be determined without regard to any period of grace or requirement of notice provided under this Indenture), as required by Section 314(a)(4) of the Trust Indenture Act.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article 5
SECURITYHOLDER LISTS AND REPORTS BY
THE CORPORATION AND THE TRUSTEE

SECTION 5.01. Securityholder Lists. The Corporation covenants and agrees that it will furnish or cause to be furnished to the Trustee with respect to the Securities of each series:

(a) semiannually, not later than each Interest Payment Date (in the case of any series having semiannual Interest Payment Dates) or not later than the dates determined pursuant to Section 2.01 (in the case of any series not having semiannual Interest Payment Dates) a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders of Securities of such series as of the Regular Record Date (or as of such other date as may be determined pursuant to Section 2.01 for such series) therefor, and

(b) at such other times as the Trustee may request in writing, within thirty days after receipt by the Corporation of any such request, a list in such form as the Trustee may reasonably require of the names and addresses of the Holders of Securities of a particular series specified by the Trustee as of a date not more than fifteen days prior to the time such information is furnished; provided, however, that if and so long as the Trustee shall be the Security Registrar any such list shall exclude names and addresses received by the Trustee in its capacity as Security Registrar, and if and so long as all of the Securities of any series are Registered Securities, such list shall not be required to be furnished.

SECTION 5.02. Preservation and Disclosure of Lists.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the Holders of each series of Securities (i) contained in the most recent list furnished to it as provided in Section 5.01, (ii) received by the Trustee in its capacity as Security Registrar or a paying agent, or (iii) filed with it within the preceding two years pursuant to Section 313(c) of the Trust Indenture Act of 1939. The Trustee may destroy any list furnished to it as provided in Section 5.01 upon receipt of a new list so furnished.

(b) In case three or more Holders of Securities (hereinafter referred to as "applicants") apply in writing to the Trustee and furnish to the Trustee reasonable proof that each such applicant has owned a Security of such series for a period of at least six months preceding the date of such application, and such application states that the applicants' desire to communicate with other Holders of Securities of a particular series (in which case the applicants must hold Securities of such series) or with Holders of all Securities with respect to their rights under this Indenture or under such Securities and it is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Trustee shall, within five Business Days after the receipt of such application, at its election, either:

(i) afford to such applicants access to the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section, or

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(ii) inform such applicants as to the approximate number of Holders of Securities of such series or all Securities, as the case may be, whose names and addresses appear in the information preserved at the time by the Trustee, in accordance with the provisions of subsection (a) of this Section, and as to the approximate cost of mailing to such Securityholders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford to such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each Holder of such series or all Securities, as the case may be, whose name and address appear in the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section a copy of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing, unless within five days after such tender, the Trustee shall mail to such applicants and file with the Securities and Exchange Commission, together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interests of the Holders of Securities of such series or all Securities, as the case may be, or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. If said Commission, after opportunity for a hearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections or if, after the entry of an order sustaining one or more of such objections, said Commission shall find, after notice and opportunity for hearing, that all the objections so sustained have been met, and shall enter an order so declaring, the Trustee shall mail copies of such material to all such Holders with reasonable promptness after the entry of such order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligation or duty to such applicants respecting their application.

(c) Each and every Holder of Securities, by receiving and holding the same, agrees with the Corporation and the Trustee that neither the Corporation nor the Trustee nor any agent of the Corporation or of the Trustee shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders of Securities in accordance with the provisions of subsection (b) of this Section, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under said subsection (b).

SECTION 5.03. Reports by the Corporation. The Corporation covenants:

(a) to file with the Trustee within fifteen days after the Corporation has filed the same with the Securities and Exchange Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as said Commission may from time to time by rules and regulations prescribe) which the Corporation may be required to file with said Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934; or, if the Corporation is not required to file information, documents or reports pursuant to either of such sections, then to file with the Trustee and said Commission, in accordance with rules and regulations prescribed from time to time by said Commission, such of the supplementary and periodic information, documents and

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reports which may be required pursuant to Section 13 of the Securities Exchange Act of 1934 in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations. The annual reports, information, documents and other reports that the Corporation files with the Commission via the EDGAR filing system (or any successor system thereto) or otherwise makes widely available via electronic means shall be deemed to be filed with the Trustee in compliance with the provisions of this Section 5.03.

(b) to file with the Trustee and the Securities and Exchange Commission, in accordance with the rules and regulations prescribed from time to time by said Commission, such additional information, documents, and reports with respect to compliance by the Corporation with the conditions and covenants provided for in this Indenture as may be required from time to time by such rules and regulations;

(c) to transmit by mail to all the Holders of Securities of each series, as the names and addresses of such Holders appear on the Security Register, within thirty days after the filing thereof with the Trustee, such summaries of any information, documents and reports required to be filed by the Corporation with respect to each such series pursuant to subsections (a) and (b) of this Section as may be required by rules and regulations prescribed from time to time by the Securities and Exchange Commission; and

(d) If Unregistered Securities of any series are outstanding, to file with the listing agent of the Corporation with respect to such series such documents and reports of the Corporation as may be required from time to time by the rules and regulations of any stock exchange on which such Unregistered Securities are listed.

Delivery of such reports, information and documents contemplated under this Section to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Corporation's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

SECTION 5.04. Reports by the Trustee.

(a) On or before August 1, 2008 and on or before August 1 of each year thereafter, so long as any Securities of any series are outstanding hereunder, the Trustee shall transmit to the Holders of Securities of such series, in the manner provided by Section 313(c) of the Trust Indenture Act, a brief report dated as of the preceding May 15, as may be required by Sections 313(a) and (b) of the Trust Indenture Act.

(b) A copy of each such report shall, at the time of such transmission to Holders of Securities of a particular series, be filed by the Trustee with each stock exchange upon which the Securities of such series are listed and also with the Securities and Exchange Commission. The Corporation agrees to notify the Trustee when and as the Securities of any series become listed on any stock exchange or delisted therefrom.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article 6
REMEDIES ON DEFAULT

SECTION 6.01. Events of Default. In case one or more of the following Events of Default with respect to a particular series of Securities shall have occurred and be continuing, that is to say:

(a) default in the payment of the principal of (or premium, if any, on) any of the Securities of such series as and when the same shall become due and payable either at maturity, upon redemption, by declaration or otherwise; or

(b) default in the payment of any installment of interest, if any, or in the payment of any Additional Amounts upon any of the Securities of such series as and when the same shall become due and payable, and continuance of such default for a period of thirty days; or

(c) failure on the part of the Corporation duly to observe or perform any other of the covenants or agreements on the part of the Corporation applicable to such series of the Securities or contained in this Indenture for a period of ninety days after the date on which written notice of such failure, requiring the Corporation to remedy the same, shall have been given to the Corporation by the Trustee, or to the Corporation and the Trustee by the Holders of at least twenty-five percent in aggregate principal amount of the Securities of such series at the time outstanding; or

(d) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Corporation in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Corporation or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of ninety days; or

(e) the Corporation shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Corporation or for any substantial part of its property, or shall make any general assignment for the benefit of creditors.

If an Event of Default described in clause (a), (b) or (c) shall have occurred and be continuing, and in each and every such case, unless the principal amount of all the Securities of such series shall have already become due and payable, either the Trustee or the Holders of not less than twenty-five percent in aggregate principal amount of the Securities of all series affected thereby then outstanding hereunder, by notice in writing to the Corporation (and to the Trustee if given by Holders of such Securities) may declare the principal amount of all the Securities (or, with respect to Original Issue Discount Securities, such lesser amount as may be specified in the terms of such Securities) of the series affected thereby to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, any provision of this Indenture or the Securities of such series contained to the contrary

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

notwithstanding, or, if an Event of Default described in clause (d) or (e) shall have occurred and be continuing, and in each and every such case, either the Trustee or the Holders of not less than twenty-five per cent in aggregate principal amount of all the Securities then outstanding hereunder (voting as one class), by notice in writing to the Corporation (and to the Trustee if given by Holders of Securities), may declare the principal of all the Securities not already due and payable (or, with respect to Original Issue Discount Securities, such lesser amount as may be specified in the terms of such Securities) to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, any provision in this Indenture or in the Securities to the contrary notwithstanding. The foregoing provisions, however, are subject to the conditions that if, at any time after the principal of the Securities of any one or more or all series, as the case may be, shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Corporation shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest, if any, and all Additional Amounts, if any, due upon all the Securities of such series or of all the Securities, as the case may be, and the principal of (and premium, if any, on) all Securities of such series or of all the Securities, as the case may be (or, with respect to Original Issue Discount Securities, such lesser amount as may be specified in the terms of such Securities), which shall have become due otherwise than by acceleration (with interest, if any, upon such principal and premium, if any, and, to the extent that payment of such interest is enforceable under applicable law, on overdue installments of interest and Additional Amounts, if any, at the same rate as the rate of interest specified in the Securities of such series, as the case may be (or, with respect to Original Issue Discount Securities at the rate specified in the terms of such Securities for interest on overdue principal thereof upon maturity, redemption or acceleration of such series, as the case may be), to the date of such payment or deposit), and such amount as shall be payable to the Trustee pursuant to Section 7.06, and any and all defaults under the Indenture shall have been remedied, then and in every such case the Holders of a majority in aggregate principal amount of the Securities of such series (or of all the Securities, as the case may be) then outstanding, by written notice to the Corporation and to the Trustee, may waive all defaults with respect to that series or with respect to all Securities, as the case may be and rescind and annul such declaration and its consequences; but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon. If the principal of all Securities shall have been declared to be payable pursuant to this Section 6.01, in determining whether the Holders of a majority in aggregate principal amount thereof have waived all defaults and rescinded and annulled such declaration, all series of Securities shall be treated as a single class and the principal amount of Original Issue Discount Securities shall be deemed to be the amount declared payable under the terms applicable to such Original Issue Discount Securities.

In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of such rescission and annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Corporation, Trustee and the Holders of Securities, as the case may be, shall be restored respectively to their former positions and rights hereunder, and all rights, remedies and powers of the Corporation, the Trustee and the Holders of Securities, as the case may be, shall continue as though no such proceedings had been taken.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

SECTION 6.02. Payment of Securities on Default; Suit Therefor. The Corporation covenants that (1) in case default shall be made in the payment of any installment of interest, if any, on any of the Securities of any series or any Additional Amounts in payable respect of any of the Securities of any series, as and when the same shall become due and payable, and such default shall have continued for a period of thirty days or (2) in case default shall be made in the payment of the principal of (or premium, if any, on) any of the Securities of any series, as and when the same shall have become due and payable, whether upon maturity of such series or upon redemption or upon declaration or otherwise, then upon demand of the Trustee, the Corporation will pay to the Trustee, for the benefit of the Holders of the Securities of such series, and the Coupons, if any, appertaining to such Securities, the whole amount that then shall have become due and payable on all such Securities of such series and such Coupons, for principal (and premium, if any) or interest, if any, or Additional Amounts, if any, as the case may be, with interest upon the overdue principal (and premium, if any) and (to the extent that payment of such interest is enforceable under applicable law) upon overdue installments of interest, if any, and Additional Amounts, if any, at the same rate as the rate of interest specified in the Securities of such series (or, with respect to Original Issue Discount Securities, at the rate specified in the terms of such Securities for interest on overdue principal thereof upon maturity, redemption or acceleration); and, in addition thereto, such further amounts as shall be payable pursuant to Section 7.06.

In case the Corporation shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Corporation or other obligor upon such Securities and collect in the manner provided by law out of the property of the Corporation or other obligor upon such Securities wherever situated the moneys adjudged or decreed to be payable.

In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Corporation or any other obligor upon Securities of any series under Title 11 of the United States Code or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Corporation or such other obligor, or in case of any other judicial proceedings relative to the Corporation or such other obligor, or to the creditors or property of the Corporation or such other obligor, the Trustee, irrespective of whether the principal of the Securities of such series shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of principal (or, with respect to Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of that series), and premium, if any, interest, if any, and Additional Amounts, if any, owing and unpaid in respect of the Securities of such series, and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee under Section 7.06 and of the Holders of the Securities and Coupons of such series allowed in any such judicial proceedings relative to the Corporation or other obligor upon the Securities of such series, or to the creditors or property of the Corporation or such other obligor, and to collect and receive any moneys or other property payable or deliverable on any such

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

claims, and to distribute all amounts received with respect to the claims of the Securityholders of such series and of the Trustee on their behalf; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the Holders of the Securities and Coupons of such series to make payments to the Trustee and, in the event that the Trustee shall consent to the making of payments directly to the Securityholders of such series, to pay to the Trustee such amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys and counsel, and all other reasonable expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

All rights of action and of asserting claims under this Indenture, or under any of the Securities, may be enforced by the Trustee without the possession of any of the Securities or Coupons appertaining to such Securities, or the production thereof on any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Trustee shall be brought in its own name and as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the Holders of the Securities or Coupons appertaining thereto.

In case of a default hereunder the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

SECTION 6.03. Application of Moneys Collected by Trustee. Any moneys collected by the Trustee pursuant to Section 6.02 shall, subject to the subordination provisions hereof, be applied in the order following, at the date or dates fixed by the Trustee and, in case of the distribution of such moneys on account of principal (or premium, if any) or interest, if any, upon presentation of the several Securities and Coupons in respect of which moneys have been collected, and stamping thereon the payment, if only partially paid, and upon surrender thereof, if fully paid:

FIRST: To the payment of the amounts payable to the Trustee pursuant to Section 7.06;

SECOND: In case the principal of the Securities in respect of which moneys have been collected shall not have become due, to the payment of interest, if any, and Additional Amounts, if any, on the Securities of such series in the order of the maturity of the installments of such interest, with interest (to the extent that such interest has been collected by the Trustee) upon the overdue installments of interest at the same rate as the rate of interest, if any, and Additional Amounts, if any, specified in the Securities of such series (or, with respect to Original Issue Discount Securities, at the rate specified in the terms of such Securities for interest on overdue

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

principal thereof upon maturity, redemption or acceleration), such payments to be made ratably to the persons entitled thereto, without discrimination or preference;

THIRD: In case the principal of the Securities in respect of which moneys have been collected shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon the Securities of such series for principal (and premium, if any), interest, if any, and Additional Amounts, if any, and (to the extent that such interest has been collected by the Trustee) upon overdue installments of interest, if any, and Additional Amounts, if any, at the same rate as the rate of interest specified in the Securities of such series (or, with respect to Original Issue Discount Securities, at the rate specified in the terms of such Securities for interest on overdue principal thereof upon maturity, redemption or acceleration); and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Securities of such series, then to the payment of such principal (and premium, if any), interest, if any, and Additional Amounts, if any, without preference or priority of principal (and premium, if any), over interest, if any, and Additional Amounts, if any, or of interest, if any, and Additional Amounts, if any, over principal (and premium, if any), or of any installment of interest, if any, or Additional Amounts, if any, over any other installment of interest, if any, or Additional Amounts, if any, or of any Security of such series over any other Security of such series, ratably to the aggregate of such principal (and premium, if any), and accrued and unpaid interest, if any, and Additional Amounts, if any; and

FOURTH: To the Corporation.

SECTION 6.04. Proceedings by Securityholders. No Holder of any Security of any series or of any Coupon appertaining thereto shall have any right by virtue or by availing of any provision of this Indenture to institute any action or proceedings at law or in equity or in bankruptcy or otherwise, upon or under or with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such Holder previously shall have given to the Trustee written notice of default and of the continuance thereof, as hereinbefore provided, and unless also the Holders of not less than twenty-five percent in aggregate principal amount of the Securities of such series then outstanding or, in the case of any Event of Default described in Section 6.01(d) or 6.01(e), twenty-five per cent in aggregate principal amount of all the Securities at the time outstanding (voting as one class) shall have made written request upon the Trustee to institute such action or proceedings in its own name as trustee hereunder and shall have offered to the Trustee such indemnity satisfactory to it as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for sixty days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action or proceedings and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 6.06; it being understood and intended, and being expressly covenanted by the taker and Holder of every Security with every other taker and Holder and the Trustee, that no one or more Holders of Securities or Coupons appertaining to such Securities shall have any right in any manner whatever by virtue of or by availing himself of any provision of this Indenture to affect, disturb or prejudice the rights of any other Holder of Securities or Coupons appertaining to such Securities, or to obtain or seek to obtain priority over or preference to any other such Holder or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all Holders of Securities and Coupons. For the protection and enforcement of the provisions

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

of this Section, each and every Securityholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provisions in this Indenture, however, the right of any Holder of any Security to receive payment of the principal of (and premium, if any) and interest, if any, and Additional Amounts, if any, on such Security or Coupon, on or after the respective due dates expressed in such Security or Coupon, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder. With respect to Original Issue Discount Securities, principal means such amount as shall be due and payable as specified in the terms of such Securities.

SECTION 6.05. Remedies Cumulative and Continuing. All powers and remedies given by this Article Six to the Trustee or to the Holders of Securities or Coupons shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the Holders of Securities or Coupons, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee or of any Holder of any of the Securities or Coupons to exercise any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and, subject to the provisions of Section 6.04, every power and remedy given by this Article Six or by law to the Trustee or to the Holders of Securities or Coupons may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Holders of Securities or Coupons, as the case may be.

SECTION 6.06. Direction of Proceedings. The Holders of a majority in aggregate principal amount of the Securities of any or all series affected (voting as one class) at the time outstanding shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; provided, however, that (i) such direction shall not be in conflict with any rule of law or with this Indenture, (ii) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction and (iii) the Trustee shall have the right to decline to follow any such direction if the Trustee, being advised by counsel, determines that the action or proceedings so directed would be prejudicial to the Holders not joining in such direction or may not lawfully be taken or if the Trustee in good faith by its Responsible Officers shall determine that the action or proceedings so directed would potentially involve the Trustee in personal liability.

Prior to any declaration accelerating the maturity of the Securities of any series, the Holders of a majority in aggregate principal amount of the Securities of such series at the time outstanding may on behalf of the Holders of all of the Securities of such series waive any past default or Event of Default hereunder and its consequences except a default in the payment of principal of (premium, if any) or interest, if any, or Additional Amounts, if any, on any Securities of such series or in respect of a covenant or provision hereof which may not be modified or amended without the consent of the Holders of each outstanding Security of such series affected. Upon any such waiver the Corporation, the Trustee and the Holders of the Securities of such series shall be restored to their former positions and rights hereunder,

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

respectively; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon. Whenever any default or Event of Default hereunder shall have been waived as permitted by this Section 6.06, said default or Event of Default shall for all purposes of the Securities of such series and this Indenture be deemed to have been cured and to be not continuing.

SECTION 6.07. Notice of Defaults. The Trustee shall, within ninety days after the occurrence of a default with respect to the Securities of any series, give notice of all defaults with respect to that series known to a Responsible Officer of the Trustee (i) if any Unregistered Securities of that series are then outstanding, to the Holders thereof, by publication at least once in an Authorized Newspaper in the Borough of Manhattan, The City of New York and at least once in an Authorized Newspaper in London (and, if required by Section 4.04, at least once in an Authorized Newspaper in Luxembourg), (ii) if any Unregistered Securities of that series are then outstanding, to all Holders thereof who have filed their names and addresses with the Trustee as described in Section 313(c) of the Trust Indenture Act of 1939, by mailing such notice to such Holders at such addresses and (iii) to all Holders of then outstanding Registered Securities of that series, by mailing such notice to such Holders at their addresses as they shall appear on the Security Register, unless in each case such defaults shall have been cured before the mailing or publication of such notice (the term "defaults" for the purpose of this Section being hereby defined to be the events specified in Sections 6.01(a), 6.01(b), 6.01(c), 6.01(d) and 6.01(e) and any additional events specified in the terms of any series of Securities pursuant to Section 2.01, not including periods of grace, if any, provided for therein, and irrespective of the giving of written notice specified in Section 6.01(c) or in the terms of any Securities established pursuant to Section 2.01); and provided that, except in the case of default in the payment of the principal of (premium, if any), interest, if any, or Additional Amounts, if any, on any of the Securities of such series, the Trustee shall be protected in withholding such notice if and so long as a Responsible Officer of the Trustee in good faith determines that the withholding of such notice is in the interests of the Holders of the Securities of such series.

SECTION 6.08. Undertaking to Pay Costs. All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Securityholders of any series, or group of such Securityholders, holding in the aggregate more than ten percent in aggregate principal amount of all Securities (voting as one class), or to any suit instituted by any Securityholders for the enforcement of the payment of the principal of (or premium, if any), interest, if any, or Additional Amounts, if any, on any Security on or after the due date expressed in such Security (or, in the case of redemption, on or after the redemption date) or for the enforcement of the right to convert any Security in accordance with its terms.

Article 7
CONCERNING THE TRUSTEE

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

SECTION 7.01. Duties and Responsibilities of Trustee. The Trustee, prior to the occurrence of an Event of Default of a particular series and after the curing of all Events of Default of such series which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default with respect to a particular series has occurred (which has not been cured), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(a) prior to the occurrence of an Event of Default with respect to a particular series and after the curing of all Events of Default with respect to such series which may have occurred:

(i) the duties and obligations of the Trustees with respect to such series shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein);

(b) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of Securities pursuant to Section 6.06 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

No provision of this Indenture shall be construed as requiring the Trustee to expend or risk its own funds or otherwise to incur any personal financial liability in the performance of any

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

of its duties hereunder, or in the exercise of any of its rights or powers, if there shall be reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

SECTION 7.02. Reliance on Documents, Opinions, Etc. Subject to the provisions of Section 7.01:

(a) the Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, note, Coupon or other paper or document (whether in its original or facsimile form) reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Corporation mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Corporation by the Chairman of the Board of Directors or any Vice Chairman of the Board of Directors or the President or any Executive Vice President or any Group Vice President or any Vice President or the Treasurer or any Assistant Treasurer and by the Secretary or any Assistant Secretary of the Corporation; and a Board Resolution may be evidenced to the Trustee by a copy thereof certified by the Secretary or any Assistant Secretary of the Corporation;

(c) the Trustee may consult with counsel and any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with such Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Securityholders, pursuant to the provisions of this Indenture, unless such Securityholders shall have offered to the Trustee reasonable security or indemnity satisfactory to it against the costs, expenses, and liabilities which might be incurred therein or thereby;

(e) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, coupon or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled, upon reasonable written notice to the Corporation, to examine the relevant books, records and premises of the Corporation, personally or by agent or attorney;

(f) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, provided, however, that the Trustee shall be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it hereunder;

(g) the Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(h) the Trustee shall not be deemed to have notice of any default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Securities and this Indenture;

(i) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder; and

(j) in no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

SECTION 7.03. No Responsibility for Recitals, Etc. The recitals contained herein and in the Securities, other than the Trustee's certificate of authentication, shall be taken as the statements of the Corporation, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities, provided that the Trustee shall not be relieved of its duty to authenticate Securities only as authorized by this Indenture. The Trustee shall not be accountable for the use or application by the Corporation of Securities or the proceeds thereof.

SECTION 7.04. Ownership of Securities or Coupons. The Trustee or any agent of the Corporation or of the Trustee, in its individual or any other capacity, may become the owner or pledgee of Securities or Coupons with the same rights it would have if it were not Trustee, or an agent of the Corporation or of the Trustee.

SECTION 7.05. Moneys to Be Held in Trust. Subject to the provisions of Sections 12.04 and 12.05 hereof, all moneys received by the Trustee or any paying agent shall, until used or applied as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. Neither the Trustee nor any paying agent shall be under any liability for interest on any moneys received by it hereunder except such as it may agree with the Corporation to pay thereon. So long as no Event of Default shall have occurred and be continuing, all interest allowed on any such moneys shall be paid from time to time upon the written order of the Corporation, signed by the Chairman of the Board of Directors or any Vice Chairman of the Board of Directors or the President or any Executive Vice President or any Group Vice President or any Vice President or the Treasurer or any Assistant Treasurer of the Corporation.

SECTION 7.06. Compensation, Indemnification and Expenses of Trustee. The Corporation covenants and agrees to pay to the Trustee as agreed upon in writing from time to time, and the Trustee shall be entitled to, reasonable compensation, and, except as otherwise expressly provided the Corporation will pay or reimburse the Trustee upon its request for all reasonable out of pocket expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation, expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance shall be determined to have been

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

caused by its own negligence, bad faith or willful misconduct. The Corporation also covenants to indemnify the Trustee (and any predecessor Trustee) for, and to hold it harmless against, any and all loss, liability, claim, damage or reasonable expense (including reasonable out of pocket legal fees and expenses) incurred without negligence, bad faith or willful misconduct on the part of the Trustee, arising out of or in connection with the acceptance or administration of this trust, including the reasonable costs and expenses of defending itself against any claim of liability in the premises. The obligations of the Corporation under this Section to compensate the Trustee and to pay or reimburse the Trustee for reasonable expenses, disbursements and advances shall constitute additional indebtedness hereunder. Such additional indebtedness shall be secured by a lien prior to that of the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the Holders of particular Securities or Coupons.

When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 6.01(d) or Section 6.01(e), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable Federal or state bankruptcy, insolvency or other similar law.

The provisions of this Section shall survive the termination of this Indenture and the resignation or removal of the Trustee.

SECTION 7.07. Officers' Certificate as Evidence. Subject to the provisions of Section 7.01, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action to be taken hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate, delivered to the Trustee, and such Certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the faith thereof.

SECTION 7.08. Conflicting Interest of Trustee. The Trustee shall comply with Section 310(b) of the Trust Indenture Act.

SECTION 7.09. Eligibility of Trustee. There shall at all times be a trustee hereunder which shall be a corporation organized and doing business under the laws of the United States or of any State or Territory thereof or of the District of Columbia, which (a) is authorized under such laws to exercise corporate trust powers and (b) is subject to supervision or examination by Federal, State, Territorial or District of Columbia authority and (c) shall have at all times a combined capital and surplus of not less than twenty-five million dollars. If such corporation publishes reports of condition at least annually, pursuant to law, or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation at any time shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 7.10.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

SECTION 7.10. Resignation or Removal of Trustee.

(a) The Trustee, or any trustee or trustees hereafter appointed, may, upon sixty days written notice to the Corporation, at any time resign with respect to one or more or all series by giving written notice of resignation to the Corporation (i) if any Unregistered Securities of a series affected are then outstanding, by giving notice of such resignation to the Holders thereof, by publication at least once in an Authorized Newspaper in London (and, if required by Section 4.04, at least once in an Authorized Newspaper in Luxembourg), (ii) if any Unregistered Securities of a series affected are then outstanding, by mailing notice of such resignation to the Holders thereof who have filed their names and addresses with the Trustee as described in Section 313(c) of the Trust Indenture Act of 1939 at such addresses as were so furnished to the Trustee and (iii) by mailing notice of such resignation to the Holders of then outstanding Registered Securities of each series affected at their addresses as they shall appear on the Security Register. Upon receiving such notice of resignation the Corporation shall promptly appoint a successor trustee with respect to the applicable series by written instrument, in duplicate, executed by order of the Board of Directors of the Corporation, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within sixty days after the mailing of such notice of resignation to the Securityholders, the resigning Trustee may petition, at the expense of the Corporation, any court of competent jurisdiction for the appointment of a successor trustee, or any Securityholder who has been a bona fide Holder of a Security or Securities of the applicable series for at least six months may, subject to the provisions of Section 6.08, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(i) the Trustee shall fail to comply with the provisions of subsection 7.08(a) with respect to any series of Securities after written request therefor by the Corporation or by any Securityholder who has been a bona fide Holder of a Security or Securities of such series for at least six months, or

(ii) the Trustee shall cease to be eligible in accordance with the provision of Section 7.09 with respect to any series of Securities and shall fail to resign after written request therefor by the Corporation or by any such Securityholder, or

(iii) the Trustee shall become incapable of acting with respect to any series of Securities, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, the Corporation may remove the Trustee with respect to the applicable series of Securities and appoint a successor trustee with respect to such series by written instrument, in

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

duplicate, executed by order of the Board of Directors of the Corporation, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to the provisions of Section 6.08, any Securityholder of such series who has been a bona fide Holder of a Security or Securities of the applicable series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee with respect to such series. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The Holders of a majority in aggregate principal amount of the Securities of all series (voting as one class) at the time outstanding may at any time remove the Trustee with respect to Securities of all series and appoint a successor trustee with respect to the Securities of all series.

(d) Any resignation or removal of the Trustee and any appointment of a successor trustee pursuant to any of the provisions of this Section shall become effective upon acceptance of appointment by the successor trustee as provided in Section 7.11.

SECTION 7.11. Acceptance by Successor Trustee. Any successor trustee appointed as provided in Section 7.10 shall execute, acknowledge and deliver to the Corporation and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee with respect to all or any applicable series shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations with respect to such series of its predecessor hereunder, with like effect as if originally named as trustee herein; but, nevertheless, on the written request of the Corporation or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due it pursuant to the provisions of Section 7.06, execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon request of any such successor trustee, the Corporation shall execute any and all instruments in writing in order more fully and certainly to vest in and confirm to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 7.06.

In case of the appointment hereunder of a successor trustee with respect to the Securities of one or more (but not all) series, the Corporation, the predecessor Trustee and each successor trustee with respect to the Securities of any applicable series shall execute and deliver an indenture supplemental hereto which shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the predecessor Trustee with respect to the Securities of any series as to which the predecessor Trustee is not retiring shall continue to be vested in the predecessor Trustee, and shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one trustee, it being understood that nothing herein or in such

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

supplemental indenture shall constitute such trustees co-trustees of the same trust and that each such trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such trustee.

No successor trustee shall accept appointment as provided in this Section unless at the time of such acceptance such successor trustee shall be qualified under the provisions of Section 7.08 and eligible under the provisions of Section 7.09.

Upon acceptance of appointment by a successor trustee as provided in this Section, the Corporation shall give notice of the succession of such trustee hereunder (a) if any Unregistered Securities of a series affected are then outstanding, to the Holders thereof, by publication of such notice at least once in an Authorized Newspaper in the Borough of Manhattan, The City of New York and at least once in an Authorized Newspaper in London (and, if required by Section 4.04, at least once in an Authorized Newspaper in Luxembourg), (b) if any Unregistered Securities of a series affected are then outstanding, to the Holders thereof who have filed their names and addresses with the Trustee pursuant to Section 313(c) of the Trust Indenture Act of 1939, by mailing such notice to such Holders at such addresses as were so furnished to the Trustee (and the Trustee shall make such information available to the Corporation for such purpose) and (c) to the Holders of Registered Securities of each series affected, by mailing such notice to such Holders at their addresses as they shall appear on the Security Register. If the Corporation fails to mail such notice in the prescribed manner within ten days after the acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be so given at the expense of the Corporation.

SECTION 7.12. Successor by Merger, Etc. Any corporation or other entity into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation or other entity resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation or other entity succeeding to the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation or other entity shall be qualified under the provisions of Section 7.08 and eligible under the provisions of Section 7.09, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 7.13. Limitations on Rights of Trustee as Creditor. The Trustee shall comply with Section 311(a) of the Trust Indenture Act.

SECTION 7.14. Preferential Collection of Claims Against Corporation. If and when the Trustee shall be or become a creditor of the Corporation (or any obligor upon the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Corporation (or any such other obligor).

SECTION 7.15. Appointment of Authenticating Agent. The Trustee may appoint an Authenticating Agent or Agents with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon original issue and upon exchange, registration of transfer or partial redemption thereof or pursuant to Section 2.07, and Securities so authenticated shall be

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Corporation and shall at all times be a corporation organized and doing business under the laws of the United States of America, any state thereof or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than twenty-five million dollars and subject to supervision or examination by federal or state authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section 7.15, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section 7.15, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section 7.15.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation or other entity resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to all or substantially all of the corporate agency or corporate trust business of an Authenticating Agent shall be the successor Authenticating Agent hereunder, provided such corporation or other entity shall be otherwise eligible under this Section 7.15, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Corporation. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Corporation. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section 7.15, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Corporation and shall give notice of such appointment to all Holders of Securities of the series with respect to which such Authenticating Agent will serve. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section 7.15.

The Corporation agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section 7.15.

If an appointment with respect to one or more series is made pursuant to this Section 7.15, the Securities of such series may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternative certificate of authentication in the following form:

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK, as Trustee,

Dated: _____ By: _____
as Authenticating Agent

Dated: _____
Authorized Signatory

Article 8
CONCERNING THE SECURITYHOLDERS

SECTION 8.01. Action by Securityholders. Whenever in this Indenture it is provided that the Holders of a specified percentage in aggregate principal amount of the Securities of any or all series may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the Holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by Securityholders in person or by agent or proxy appointed in writing, or (b) by the record of the Holders of Securities voting in favor thereof at any meeting of Securityholders duly called and held in accordance with the provisions of Article Nine, or (c) by a combination of such instrument or instruments and any such record of such a meeting of Securityholders.

In determining whether the Holders of a specified percentage in aggregate principal amount of the Securities have taken any action (including the making of any demand or request, the waiving of any notice, consent or waiver or the taking of any other action), the principal amount of any Original Issue Discount Security that may be counted in making such determination and that shall be deemed to be outstanding for such purposes shall be equal to the amount of the principal thereof that could be declared to be due and payable upon an Event of Default pursuant to the terms of such Original Issue Discount Security at the time the taking of such action is evidenced to the Trustee.

SECTION 8.02. Proof of Execution by Securityholders. Subject to the provisions of Sections 7.01, 7.02 and 9.05, proof of the execution of any instrument by a Securityholder or its agent or proxy shall be sufficient if made in the following manner:

(a) In the case of Holders of Unregistered Securities, the fact and date of the execution by any such person of any instrument may be proved by the certificate of any notary public or other officer of any jurisdiction authorized to take acknowledgments of deeds or administer oaths that the person executing such instruments acknowledged to him the execution thereof or by an affidavit of a witness to such execution sworn to before any such notary or other such officer. Where such execution is by or on behalf of any legal entity other than an individual, such certificate or affidavit shall also constitute sufficient proof of the authority of the person executing the same. The fact of the holding by any Holder of a Security of any series,

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

and the identifying number of such Security and the date of his holding the same, may be proved by the production of such Security or by a certificate executed by any trust company, bank, banker or recognized securities dealer wherever situated satisfactory to the Trustee, if such certificate shall be deemed by the Trustee to be satisfactory. Each such certificate shall be dated and shall state that on the date thereof a Security of such series bearing a specified identifying number was deposited with or exhibited to such trust company, bank, banker or recognized securities dealer by the person named in such certificate. Any such certificate may be issued in respect of one or more Securities of one or more series specified therein. The holding by the person named in any such certificate of any Securities of any series specified therein shall be presumed to continue for a period of one year from the date of such certificate unless at the time of any determination of such holding (1) another certificate bearing a later date issued in respect of the same Securities shall be produced, or (2) the Security of such series specified in such certificate shall be produced by some other person, or (3) the Security of such series specified in such certificates shall have ceased to be outstanding. Subject to Sections 7.01, 7.02 and 9.05, the fact and date of the execution of any such instrument and the amount and numbers of Securities of any series held by the person so executing such instrument and the amount and numbers of any Security or Securities for such series may also be proven in accordance with such reasonable rules and regulations as may be prescribed by the Trustee for such series or in any other manner which the Trustee for such series may deem sufficient.

(b) In the case of Registered Securities, the ownership of such Securities shall be proved by the Security Register or by a certificate of the Security Registrar.

SECTION 8.03. Who Are Deemed Absolute Owners. The Corporation, the Trustee, any paying agent, any transfer agent and any Security Registrar may treat the Holder of any Unregistered Security and the Holder of any Coupon as the absolute owner of such Unregistered Security or Coupon (whether or not such Unregistered Security or Coupon shall be overdue) for the purpose of receiving payment thereof or on account thereof and for all other purposes and neither the Corporation, the Trustee, any paying agent, any transfer agent nor any Security Registrar shall be affected by any notice to the contrary. The Corporation, the Trustee, any paying agent, any transfer agent and any Security Registrar may, subject to Section 2.04 hereof, treat the person in whose name a Registered Security shall be registered upon the Security Register as the absolute owner of such Registered Security (whether or not such Registered Security shall be overdue) for the purpose of receiving payment thereof or on account thereof and for all other purposes and neither the Corporation, the Trustee, any paying agent, any transfer agent nor any Security Registrar shall be affected by any notice to the contrary.

SECTION 8.04. Corporation-Owned Securities Disregarded. In determining whether the Holders of the required aggregate principal amount of Securities have concurred in any direction, consent or waiver under this Indenture, Securities which are owned by the Corporation or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Corporation, shall be disregarded and deemed not to be outstanding for the purpose of any such determination, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver only Securities which a Responsible Officer of the Trustee actually knows are so owned shall be disregarded. Securities so owned which have been pledged in good faith may be regarded as outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Trustee the pledgee's right to vote such Securities and that the pledgee is not a person directly or indirectly controlling or controlled by or under direct or indirect common control with the Corporation. In the case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

SECTION 8.05. Revocation of Consents; Future Securityholders Bound. At any time prior to the taking of any action by the Holders of the percentage in aggregate principal amount of the Securities specified in this Indenture in connection with such action, any Holder of a Security the identifying number of which is shown by the evidence to be included in the Securities the Holders of which have consented to such action may, by filing written notice with the Trustee at its office and upon proof of holding as provided in Section 8.02, revoke such action so far as concerns such Security. Except as aforesaid any such action taken by the Holder of any Security shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Security and of any Security issued in exchange or substitution therefor irrespective of whether or not any notation in regard thereto is made upon such Security. Any action taken by the Holders of the percentage in aggregate principal amount of the Securities specified in this Indenture in connection with such action shall be conclusively binding upon the Corporation, the Trustee and the Holders of all the Securities of each series intended to be affected thereby.

SECTION 8.06. Securities in a Foreign Currency. Unless otherwise specified in an Officers' Certificate delivered pursuant to Section 2.01 of this Indenture, or in an indenture supplemental hereto, with respect to a particular series of Securities, on any day when for purposes of this Indenture any action may be taken by the Holders of a specified percentage in aggregate principal amount of two or more series of outstanding Securities and, at such time, there are outstanding Securities of at least one such series which are denominated in a coin or currency other than that of at least one other such series, then the principal amount of Securities of each such series (other than any such series denominated in U.S. Dollars) which shall be deemed to be outstanding for the purpose of taking such action shall be that amount of U.S. Dollars that could be obtained for such amount at the Market Exchange Rate. For purposes of this Section 8.06, Market Exchange Rate shall mean the noon U.S. Dollar buying rate for that currency for cable transfers quoted in The City of New York on such day as certified for customs purposes by the Federal Reserve Bank of New York. If such Market Exchange Rate is not available for any reason with respect to such currency, the Corporation shall use, in its sole discretion and without liability on its part, such quotation of the Federal Reserve Bank of New York, as of the most recent available date. The provisions of this paragraph shall apply in determining the equivalent number of votes which each Securityholder or proxy shall be entitled to pursuant to Section 9.05 in respect of Securities of a series denominated in a currency other than U.S. Dollars.

All decisions and determinations of the Corporation regarding the Market Exchange Rate shall be in its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and irrevocably binding upon the Corporation and all Holders.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article 9
SECURITYHOLDERS' MEETINGS

SECTION 9.01. Purposes of Meetings. A meeting of Securityholders of any or all series may be called at any time and from time to time pursuant to the provisions of this Article for any of the following purposes:

(a) to give any notice to the Corporation or to the Trustee, or to give any directions to the Trustee, or to waive any default hereunder and its consequences, or to take any other action authorized to be taken by Securityholders pursuant to any of the provisions of Article Six;

(b) to remove the Trustee and appoint a successor trustee pursuant to the provisions of Article Seven;

(c) to consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 10.02; or

(d) to take any other action authorized to be taken by or on behalf of the Holders of any specified aggregate principal amount of the Securities of any or all series, as the case may be, under any other provision of this Indenture or under applicable law.

SECTION 9.02. Call of Meetings by Trustee. The Trustee may at any time call a meeting of Holders of Securities of any or all series to take any action specified in Section 9.01, to be held at such time and at such place in the Borough of Manhattan, The City of New York, or in London, as the Trustee shall determine. Notice of every meeting of the Holders of Securities of any or all series, setting forth the time and place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given (a) if any Unregistered Securities of a series that may be affected by the action proposed to be taken at such meeting are then outstanding, to all Holders thereof, by publication at least twice in an Authorized Newspaper in the Borough of Manhattan, The City of New York and at least twice in an Authorized Newspaper in London (and, if required by Section 4.04, at least twice in an Authorized Newspaper in Luxembourg) prior to the date fixed for the meeting, the first publication, in each case, to be not less than twenty nor more than one hundred eighty days prior to the date fixed for the meeting and the last publication to be not more than five days prior to the date fixed for the meeting, (b) if any Unregistered Securities of a series that may be affected by the action proposed to be taken at such meeting are then outstanding, to all Holders thereof who have filed their names and addresses with the Trustee as described in Section 313(c) of the Trust Indenture Act of 1939, by mailing such notice to such Holders at such addresses, not less than twenty nor more than one hundred eighty days prior to the date fixed for the meeting and (c) to all Holders of then outstanding Registered Securities of each series that may be affected by the action proposed to be taken at such meeting, by mailing such notice to such Holders at their addresses as they shall appear on the Security Register, not less than twenty nor more than one hundred eighty days prior to the date fixed for the meeting. Failure of any Holder or Holders to receive such notice or any defect therein shall in no case affect the validity of any action taken at such meeting. Any meeting of Holders of Securities of all or any series shall be valid without notice if the Holders of all such Securities outstanding, the Corporation and the Trustee are present in person or by proxy or shall have waived notice thereof before or after the meeting.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The Trustee may fix, in advance, a date as the record date for determining the Holders entitled to notice of or to vote at any such meeting at not less than twenty or more than one hundred eighty days prior to the date fixed for such meeting.

SECTION 9.03. Call of Meetings by Corporation or Securityholders. In case at any time the Corporation, pursuant to a Board Resolution, or the Holders of at least ten percent in aggregate principal amount of the Securities of any or all series, as the case may be, then outstanding, shall have requested the Trustee to call a meeting of Securityholders of any or all series to take any action authorized in Section 9.01, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed or published as provided in Section 9.02, the notice of such meeting within thirty days after receipt of such request, then the Corporation or the Holders of such Securities in the amount above specified may determine the time and the place in said Borough of Manhattan or London for such meeting and may call such meeting to take any action authorized in Section 9.01, by mailing notice thereof as provided in Section 9.02.

SECTION 9.04. Qualification for Voting. To be entitled to vote at any meeting of Securityholders a person shall be a Holder of one or more Securities of a series with respect to which a meeting is being held or a person appointed by an instrument in writing as proxy by such a Holder. The only persons who shall be entitled to be present or to speak at any meeting of the Securityholders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Corporation and its counsel.

SECTION 9.05. Regulations. Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Securityholders, in regard to proof of the holding of Securities and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Corporation or by Securityholders as provided in Section 9.03, in which case the Corporation or the Securityholder calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Holders of a majority in principal amount of the Securities represented at the meeting and entitled to vote.

Subject to the provisions of Sections 8.01, 8.04 and 8.06, at any meeting each Securityholder or proxy shall be entitled to one vote for each U.S. $1,000 principal amount of Securities held or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any Security challenged as not outstanding and ruled by the chairman of the meeting not to be outstanding. The chairman of the meeting shall have no right to vote except as a Securityholder or proxy. Any meeting of Securityholders duly called pursuant to the provisions of Section 9.02 or 9.03 may be adjourned from time to time, and the meeting may be held as so adjourned without further notice.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

SECTION 9.06. Voting. The vote upon any resolution submitted to any meeting of Securityholders shall be by written ballot on which shall be subscribed the signatures of the Securityholders or proxies and on which shall be inscribed the identifying number or numbers or to which shall be attached a list of identifying numbers of the Securities held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Securityholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavit by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in Section 9.02. The record shall be signed and verified by the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Corporation and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

Article 10
SUPPLEMENTAL INDENTURES

SECTION 10.01. Supplemental Indentures Without Consent of Securityholders. The Corporation, when authorized by Board Resolution, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act) for one or more of the following purposes:

(a) to evidence the succession of another corporation or other entity to the Corporation, or successive successions, and the assumption by any successor corporation or other entity of the covenants, agreements and obligations of the Corporation pursuant to Article Eleven hereof;

(b) to add to the covenants of the Corporation such further covenants, restrictions, conditions or provisions as its Board of Directors and the Trustee shall consider to be for the protection of the Holders of Securities of any or all series, or the Coupons appertaining to such Securities, and to make the occurrence, or the occurrence and continuance, of a default in any of such additional covenants, restrictions, conditions or provisions a default or an Event of Default with respect to any or all series permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth, with such period of grace, if any, and subject to such conditions as such supplemental indenture may provide;

(c) to add or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities of any series in bearer form, registrable or not registrable as to principal, and with or without interest Coupons, and to provide for exchangeability of such Securities with Securities issued hereunder in fully registered form and to make all appropriate changes for such purpose, and to add or change any of the provisions of

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

this Indenture to such extent as shall be necessary to permit or facilitate the issuance of uncertificated Securities of any series;

(d) to cure any ambiguity or mistake contained herein or in any supplemental indenture or in any Security; or to correct or supplement any provision contained herein or in any supplemental indenture or in any Security which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture or in any Security; or to make such other provisions in regard to matters or questions arising under this Indenture as shall not adversely affect the interests of the Holders of any series of Securities or any Coupons appertaining to such Securities;

(e) to convey, transfer, assign, mortgage or pledge any property to or with the Trustee;

(f) to evidence and provide for the acceptance and appointment hereunder by a successor trustee with respect to the Securities of one or more series and to add or change any provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one trustee, pursuant to Section 7.11;

(g) to establish the form or terms of Securities of any series as permitted by Sections 2.01 and 2.03;

(h) to change or eliminate any provision of this Indenture, provided that any such change or elimination (i) shall become effective only when there is no Security outstanding of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision or (ii) shall not apply to any Security outstanding; and

(i) to add to or change any of the provisions of this Indenture with respect to any Securities that by their terms may be converted into any securities of any person, in order to permit or facilitate the issuance, payment or conversion of such Securities.

The Trustee is hereby authorized to join with the Corporation in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture which adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section may be executed by the Corporation and the Trustee without the consent of the Holders of any of the Securities at the time outstanding, notwithstanding any of the provisions of Section 10.02.

SECTION 10.02. Supplemental Indentures With Consent of Securityholders. With the consent (evidenced as provided in Section 8.01) of the Holders of not less than a majority in the aggregate principal amount of the Securities of all series at the time outstanding affected by such supplemental indenture (voting as one class), the Corporation, when authorized by a Board Resolution, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indentures or modifying in any manner the rights of the Holders of the Securities of each such series or any Coupons appertaining to such Securities; provided, however, that no such supplemental indenture shall (i) change the fixed maturity of any Securities, or reduce the principal amount thereof (or premium, if any), or reduce the rate or extend the time of payment of any interest or Additional Amounts thereon or reduce the amount due and payable upon acceleration of the maturity thereof or the amount provable in bankruptcy, or make the principal of (premium, if any) or interest, if any, or Additional Amounts, if any, on any Security payable in any coin or currency other than that provided in such Security, (ii) in the case of Securities that are convertible, change in any manner adverse to the Holders (A) the amounts payable upon the redemption of the Securities, (B) the dates, if any, on which the Holders have the right to require the Corporation to repurchase the Securities, or the transactions or events, if any, upon which the Holders have the right to require the Corporation to repurchase the Securities or the amounts payable upon the repurchase thereof or (C) the circumstances, if any, under which the Holders have the right to convert the Securities or the amounts receivable upon conversion thereof (but excluding from operation of this clause (ii) any adjustment to the conversion rate), (iii) impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the redemption date therefor) or (iv) reduce the aforesaid percentage of Securities, the consent of the Holders of which is required for any such supplemental indenture, or the percentage required for the consent of the Holders pursuant to Section 6.01 to waive defaults, without the consent of the Holder of each Security so affected.

Upon the request of the Corporation, accompanied by a copy of a Board Resolution certified by the Secretary or an Assistant Secretary of the Corporation authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Securityholders as aforesaid, the Trustee shall join with the Corporation in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Securityholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution and delivery by the Corporation and the Trustee of any supplemental indenture pursuant to the provisions of this Section, the Trustee shall give notice of such supplemental indenture (i) to the Holders of then outstanding Registered Securities of each series affected thereby, by mailing a notice thereof by first-class mail to such Holders at their addresses as they shall appear on the Security Register, (ii) if any Unregistered Securities of a series affected thereby are then outstanding, to the Holders thereof who have filed their names and addresses with the Trustee as described in Section 313(c) of the Trust Indenture Act of 1939, by mailing a notice thereof by first-class mail to such Holders at such addresses as were so furnished to the Trustee and (iii) if any Unregistered Securities of a series affected thereby are then outstanding, to all Holders thereof, if by publication of a notice thereof at least once in an Authorized Newspaper in London (and, if required by Section 4.04, at least once in an Authorized Newspaper in Luxembourg), and in each case such notice shall set forth in general

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

terms the substance of such supplemental indenture. Any failure of the Corporation to mail or publish such notice, or any defect therein, shall not, however in any way impair or affect the validity of any such supplemental indenture.

SECTION 10.03. Compliance with Trust Indenture Act; Effect of Supplemental Indentures. Any supplemental indenture executed pursuant to the provisions of this Article Ten shall comply with the Trust Indenture Act. Upon the execution of any supplemental indenture pursuant to the provisions of this Article Ten, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee, the Corporation and the Holders of Securities shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

The Trustee, subject to the provisions of Sections 7.01 and 7.02, will be provided with an Opinion of Counsel and an Officers' Certificate each stating that any such supplemental indenture complies with the provisions of this Article Ten and that the supplemental indenture is authorized or permitted by this Indenture.

SECTION 10.04. Notation on Securities. Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to the provision of this Article Ten may bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. New Securities of any series so modified as to conform, in the opinion of the Trustee and the Board of Directors of the Corporation, to any modification of this Indenture contained in any such supplemental indenture may be prepared by the Corporation, authenticated by the Trustee and delivered, without charge to the Securityholders, in exchange for the Securities of such series then outstanding.

Article 11
CONSOLIDATION MERGER, SALE OR CONVEYANCE

SECTION 11.01. Corporation May Consolidate, Etc., on Certain Terms. The Corporation covenants that it will not merge or consolidate with any other corporation or other entity or sell or convey all or substantially all of its assets to any person, corporation or other entity, unless (a) either the Corporation shall be the continuing corporation, or the successor corporation or other entity (if other than the Corporation) shall be a corporation or other entity organized and existing under the laws of the United States of America or a state thereof and such successor corporation or other entity shall expressly assume the due and punctual payment of the principal of (and premium, if any), interest, if any, and Additional Amounts, if any, on all the Securities and any Coupons, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture to be performed by the Corporation by supplemental indenture satisfactory to the Trustee, executed and delivered to the Trustee by such corporation and (b) the Corporation or such successor corporation or other entity, as the case may be, shall not, immediately after such merger or consolidation, or such sale or conveyance, be in default in the performance of any such covenant or condition.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

SECTION 11.02. Successor Corporation Substituted. In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor corporation or other entity, such successor corporation or other entity shall succeed to and be substituted for the Corporation, with the same effect as if it had been named herein as the party of the first part. Such successor corporation or other entity thereupon may cause to be signed, and may issue either in its own name or in the name of General Motors Corporation, any or all of the Securities, and any Coupons appertaining thereto, issuable hereunder which theretofore shall not have been signed by the Corporation and delivered to the Trustee; and, upon the order of such successor corporation or other entity, instead of the Corporation, and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Securities or Coupons which previously shall have been signed and delivered by the officers of the Corporation to the Trustee for authentication, and any Securities or Coupons which such successor corporation or other entity thereafter shall cause to be signed and delivered to the Trustee for that purpose. All of the Securities, and any Coupons appertaining thereto, so issued shall in all respects have the same legal rank and benefit under this Indenture as the Securities or Coupons theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Securities, and any Coupons appertaining thereto, had been issued at the date of the execution hereof.

In case of any such consolidation, merger, sale or conveyance such changes in phraseology and form (but not in substance) may be made in the Securities and Coupons thereafter to be issued as may be appropriate.

SECTION 11.03. Opinion of Counsel to Be Given Trustee. The Trustee, subject to the provisions of Sections 7.01 and 7.02, will be provided with an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale or conveyance, and any such assumption, complies with the provisions of this Article Eleven.

Article 12
SATISFACTION AND DISCHARGE OF INDENTURE; UNCLAIMED MONEYS

SECTION 12.01. Discharge of Indenture. If at any time (a) the Corporation shall have delivered to the Trustee for cancellation all Securities of any series theretofore authenticated (other than any Securities of such series and Coupons appertaining thereto which shall have been destroyed, lost or stolen and which shall have been replaced or paid as provided in Section 2.07) or (b) all such Securities of such series and any Coupons appertaining to such Securities not theretofore delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and the Corporation shall deposit or cause to be deposited with the Trustee as trust funds the entire amount (other than moneys repaid by the Trustee or any paying agent to the Corporation in accordance with Sections 12.04 and 12.05) sufficient to pay at maturity or upon redemption all Securities of such series and all Coupons appertaining to such Securities not theretofore delivered to the Trustee for cancellation (other than any Securities of such series and Coupons pertaining thereto that shall have been destroyed, lost or stolen and that shall have been replaced or paid as provided in Section 2.07), including principal (and premium, if any), interest, if any, and Additional Amounts, if any, due or to become due to such date of maturity or date

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

fixed for redemption, as the case may be, and if in either case the Corporation shall also pay or cause to be paid all other sums payable hereunder by the Corporation with respect to such series, then this Indenture shall cease to be of further effect with respect to the Securities of such series or any Coupons appertaining to such Securities, and the Trustee, on demand of and at the cost and expense of the Corporation and subject to Section 15.04, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture with respect to the Securities of such series and all Coupons appertaining to such Securities. The Corporation agrees to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred by the Trustee in connection with this Indenture or the Securities of such series or any Coupons appertaining to such Securities.

SECTION 12.02. Satisfaction, Discharge and Defeasance of Securities of Any Series. If pursuant to Section 2.01 provision is made for the defeasance of Securities of a series, then the provisions of this Section 12.02 shall be applicable except as otherwise specified as contemplated by Section 2.01 for Securities of such series. At the Corporation's option, either:

(a) the Corporation shall be deemed to have paid and discharged the entire indebtedness on all the outstanding Securities of any such series and the Trustee, at the expense of the Corporation, shall execute proper instruments acknowledging satisfaction and discharge of such indebtedness; or

(b) the Corporation shall cease to be under any obligation to comply with any term, provision, condition or covenant specified as contemplated by Section 2.01, when

(i) either

(A) with respect to all outstanding Securities of such series,

(1) the Corporation has deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose an amount (in such currency in which such outstanding Securities and any related Coupons are then specified as payable at stated maturity) sufficient to pay and discharge the entire indebtedness of all outstanding Securities of such series for principal (and premium, if any), interest, if any, and Additional Amounts, if any, to the stated maturity or any redemption date as contemplated by the last paragraph of this Section 12.02, as the case may be; or

(2) the Corporation has deposited or caused to be deposited with the Trustee as obligations in trust for the purpose such amount of direct noncallable obligations of, or noncallable obligations the payment of principal of and interest on which is fully guaranteed by, the United States of America, or to the payment of which obligations or guarantees the full faith and credit of the United States of America is pledged, maturing as to principal and interest in such amounts and at such times as will, together with the income to accrue thereon (but without reinvesting

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

any proceeds thereof), be sufficient to pay and discharge the entire indebtedness on all outstanding Securities of such series for principal (and premium, if any), interest, if any, and Additional Amounts, if any, to the stated maturity or any redemption date as contemplated by the last paragraph of this Section 12.02, as the case may be; or

(B) the Corporation has properly fulfilled such other terms and conditions to the satisfaction and discharge as is specified, as contemplated by Section 2.01, as applicable to the Securities of such series, and

(ii) the Corporation has paid or caused to be paid all other sums payable with respect to the outstanding Securities of such series, and

(iii) The Corporation has delivered to the Trustee an Opinion of Counsel stating that the Holders of the outstanding Securities and any related Coupons will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to Federal income tax on the same amounts and in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred; provided that in the case of a defeasance in Section 11.02(a) above, such opinion must be based either on a ruling received from or published by the Internal Revenue Service, or a change in applicable Federal Tax law occurring after the date of this Indenture, and

(iv) the Corporation has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of the entire indebtedness on all outstanding Securities of any such series have been complied with, and

(v) No event or condition shall exist that, pursuant to the provisions of Article Thirteen, would prevent the Corporation from making payments of the principal of (and any premium) or interest on the Securities of such series on the date of such deposit or at any time on or prior to the ninetieth day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until such ninetieth day shall have ended), and

(vi) The Corporation has delivered to the Trustee an Opinion of Counsel substantially to the effect that (x) the trust funds deposited pursuant to this Section will not be subject to any rights of Holders of Senior Indebtedness, including those arising under Article Thirteen, and (y) after the ninetieth day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally, except that if a court were to rule under any such law in any case or proceeding that the trust funds remained property of the

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Corporation, no opinion is given as to the effect of such laws on the trust funds except the following: (A) assuming such trust funds remained in the possession of the trustee with whom such funds were deposited prior to such court ruling to the extent not paid to Holders of such Securities, such trustee would hold, for the benefit of such Holders, a valid and perfected security interest in such trust funds that is not avoidable in bankruptcy or otherwise, (B) such Holders would be entitled to receive adequate protection of their interests in such trust funds if such trust funds were used and (C) no property, rights in property or other interests granted to such trustee (or the Trustee) or such Holders in exchange for or with respect to any such funds would be subject to any prior rights of Holders of Senior Indebtedness, including those arising under Article Thirteen.

Any deposits with the Trustee referred to in Section 12.02(b)(i)(A) above shall be irrevocable and shall be made under the terms of an escrow trust agreement in form and substance satisfactory to the Trustee. If any outstanding Securities of such series are to be redeemed prior to their stated maturity, whether pursuant to any optional redemption provisions or in accordance with any mandatory sinking fund requirement or otherwise, the applicable escrow trust agreement shall provide therefor and the Corporation shall make such arrangements as are satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Corporation.

SECTION 12.03. Deposited Moneys to Be Held in Trust by Trustee. All moneys deposited with the Trustee pursuant to Section 12.01 or 12.02 shall be held in trust and applied by it to the payment, either directly or through any paying agent (including the Corporation acting as its own paying agent), to the Holders of the particular Securities and of any Coupons appertaining to such Securities for the payment or redemption of which such moneys have been deposited with the Trustee, of all sums due and to become due thereon for principal (and premium, if any), interest, if any, and Additional Amounts, if any. Moneys so held in trust shall not be subject to the provisions of Article Thirteen, provided that the applicable conditions of Section 12.02 have been satisfied. All moneys deposited with the Trustee pursuant to Section 12.01 (and held by it or any paying agent) for the payment of Securities subsequently converted shall be returned to the Corporation upon request by the Corporation. The Trustee is not responsible to anyone for interest on any deposited funds except as agreed in writing.

SECTION 12.04. Paying Agent to Repay Moneys Held. In connection with the satisfaction and discharge of this Indenture with respect to Securities of any series all moneys with respect to such Securities then held by any paying agent under the provisions of this Indenture shall, upon demand of the Corporation, be repaid to it or paid to the Trustee and thereupon such paying agent shall be released from all further liability with respect to such moneys.

SECTION 12.05. Return of Unclaimed Moneys. Any moneys deposited with or paid to the Trustee or any paying agent for the payment of the principal of (and premium, if any), interest, if any, and Additional Amounts, if any, on any Security and not applied but remaining unclaimed for two years after the date upon which such principal (and premium, if any), interest, if any, and Additional Amounts, if any, shall have become due and payable, shall, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

property law, be repaid to the Corporation by the Trustee or such paying agent on demand, and the Holder of such Security or any Coupon appertaining to such Security shall, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property law, thereafter look only to the Corporation for any payment which such Holder may be entitled to collect and all liability of the Trustee or any paying agent with respect to such moneys shall thereupon cease; provided, however, that the Trustee or such paying agent, before being required to make any such repayment with respect to moneys deposited with it for any payment in respect of Unregistered Securities of any series, may at the expense of the Corporation cause to be published once, in an Authorized Newspaper in the Borough of Manhattan, The City of New York and once in an Authorized Newspaper in London (and, if required by Section 4.04, once in an Authorized Newspaper in Luxembourg), notice that such moneys remain and that, after a date specified therein, which shall not be less than thirty days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Corporation.

Article 13
SUBORDINATION OF SECURITIES

SECTION 13.01. Agreement To Subordinate. The Corporation covenants and agrees, and each Holder of Securities issued hereunder by his acceptance thereof likewise covenants and agrees, that all Securities issued hereunder shall be issued subject to the provisions of this Article; and each person holding any Security, whether upon original issue or upon transfer, assignment or exchange thereof, accepts and agrees to be bound by such provisions. The provisions of this Article are made for the benefit of the holders of Senior Indebtedness, and such holders shall, at any time, be entitled to enforce such provisions against the Corporation or any Holders.

All Securities issued hereunder shall, to the extent and in the manner hereinafter in this Article set forth, be subordinate and junior in right of payment to the prior payment in full of all Senior Indebtedness.

SECTION 13.02. No Payment On Securities If Senior Indebtedness In Default. No payment (including any payment which may be payable by reason of the payment of any other indebtedness of the Corporation being subordinated to the payment of the Securities) on account of principal of (and premium, if any), interest and any Additional Amounts, if any, on the Securities or on account of the purchase or other acquisition of Securities shall be made unless full payment of amounts then due for principal of (and premium, if any), interest and any Additional Amounts, if any, on all Senior Indebtedness has been made or duly provided for. No payment (including the making of any deposit in trust with the Trustee in accordance with Section 12.01) on account of principal of (and premium, if any), interest and any Additional Amounts, if any, on the Securities shall be made if, at the time of such payment or immediately after giving effect thereto, (i) there shall exist a default in the payment of principal of (and premium, if any), interest and any Additional Amounts, if any, with respect to any Senior Indebtedness, or (ii) there shall have occurred an event of default (other than a default in the payment of principal of (and premium, if any), interest and any Additional Amounts, if any,) with respect to any Senior Indebtedness, as defined therein or in the instrument under which the same is outstanding, permitting the holders thereof to accelerate the maturity thereof, and such event of default shall not have been cured or waived or shall not have ceased to exist. The

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foregoing provision shall not prevent the Trustee from making payments on the Securities from moneys or Securities deposited with the Trustee pursuant to the terms of Section 12.01 if at the time such deposit was made or immediately after giving effect thereto the conditions in clause (i) or (ii) of this Section did not exist.

In the event that, notwithstanding the foregoing, the Corporation shall make any payment to the Trustee or the Holder of any Security prohibited by the provisions of this Section, and if such fact shall, at or prior to the time of such payment, have been made known to the Trustee or, as the case may be, such Holder, then and in such event such payment shall be paid over and delivered forthwith to the Corporation.

SECTION 13.03. Priority Of Senior Indebtedness. In the event of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization under Title 11 of the United States Code or any other similar applicable Federal or state law, or other similar proceedings in connection therewith, relative to the Corporation or to its creditors, as such, or to its property, and in the event of any proceedings for voluntary or involuntary liquidation, dissolution or other winding-up of the Corporation or assignment for the benefit of creditors or any other marshalling of assets of the Corporation, whether or not involving insolvency or bankruptcy, then the holders of Senior Indebtedness shall be entitled to receive payment in full of all principal of (and premium, if any), interest and any Additional Amounts, if any, on all Senior Indebtedness including interest on such Senior Indebtedness after the date of filing of a petition or other action commencing such proceeding, or provision shall be made for such payment in cash or cash equivalents or otherwise in a manner satisfactory to the holders of Senior Indebtedness, before the Holders of the Securities are entitled to receive any payment on account of the principal of (and premium, if any), interest and any Additional Amounts, if any, on the Securities (except that Holders of Securities shall be entitled to receive such payments from moneys or securities deposited with the Trustee pursuant to the terms of Section 12.01 if at the time such deposit was made or immediately after giving effect thereto the conditions in clause (i) or (ii) of Section 13.02 did not exist), and any payment or distribution of any kind or character which may be payable or deliverable in any such proceedings in respect of the Securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Corporation being subordinated to the payment of the Securities but excluding any such payment or distribution of securities which are subordinate and junior in right of payment to the payment of all Senior Indebtedness then outstanding, shall be paid by the person making such payment or distribution directly to the holders of Senior Indebtedness to the extent necessary to make payment in full of all Senior Indebtedness, after giving effect to any concurrent payment or distribution to the holders of Senior Indebtedness. In the event that any payment or distribution of cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Corporation being subordinated to the payment of the Securities, shall be received by the Trustee or the Holders of the Securities in contravention of this Section before all Senior Indebtedness is paid in full, or provision made for the payment thereof, such payment or distribution shall be held in trust for the benefit of and shall be paid over to the holders of such Senior Indebtedness or their representative or representatives, or to the trustee or trustees under any indenture under which any instrument evidencing any of such Senior Indebtedness may have been issued, or to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other person making payment or distribution of assets of the

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Corporation for application to the payment of all Senior Indebtedness remaining unpaid, as their respective interests may appear, to the extent necessary to pay in full all Senior Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Senior Indebtedness. Any taxes that have been withheld or deducted from any payment or distribution in respect of the Securities, or any taxes that ought to have been withheld or deducted from any such payment or distribution that have been remitted to the relevant taxing authority, shall not be considered to be an amount that the Trustee or the Holder of any Security receives for purposes of this Section.

For purposes of this Article only, the words “cash, property or securities” shall not be deemed to include shares of stock of the Corporation as reorganized or readjusted, or securities of the Corporation or any other corporation or other entity provided for by a plan of reorganization or readjustment which are subordinated in right of payment to all Senior Indebtedness which may at the time be outstanding to substantially the same extent as, or to a greater extent than, the Securities are so subordinated as provided in this Article. The consolidation of the Corporation with, or the merger of the Corporation into, or the conveyance, transfer or lease by the Corporation of its properties and assets substantially as an entirety to, another person upon the terms and conditions set forth in Article Eleven, or the liquidation or dissolution of the Corporation following any such conveyance or transfer, shall not be deemed a dissolution, winding-up, liquidation, reorganization, assignment for the benefit of creditors or marshalling of assets and liabilities of the Corporation for the purposes of this Section if the person formed by such consolidation or into which the Corporation is merged or the person which acquires by conveyance, transfer or lease of such properties and assets substantially as an entirety, as the case may be, shall, as a part of such consolidation, merger, conveyance or transfer, comply with the conditions set forth in Article Eleven.

In the event that any Security is declared due and payable before its stated maturity because of the occurrence of an Event of Default (under circumstances when the provisions of the first paragraph of this Section shall not be applicable), the holders of the Senior Indebtedness outstanding at the time the Securities of such series so become due and payable because of such occurrence of such an Event of Default shall be entitled to receive payment in full of all principal of (and premium, if any), interest and any Additional Amounts, if any, on all Senior Indebtedness or provisions shall be made for such payment in cash before the Holders of the Securities of such series are entitled to receive any payment (including any payment which may be payable by reason of the payment of any other indebtedness of the Corporation being subordinated to the payment of the Securities) on account of the principal of (and premium, if any), interest and any Additional Amounts, if any, on the Securities of such series or on account of the purchase or other acquisition of Securities except that Holders of Securities of such series shall be entitled to receive payments from moneys or securities deposited with the Trustee pursuant to the terms of Section 12.01, if at the time of such deposit no Security of such series had been declared due and payable before its expressed maturity because of the occurrence of an Event of Default.

In the event that, notwithstanding the foregoing, the Corporation shall make any payment to the Trustee or the Holder of any Security prohibited by the foregoing provisions of this Section, and if such fact shall, at or prior to the time of such payment, have been made known to

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

the Trustee or, as the case may be, such Holder, then and in such event such payment shall be paid over and delivered forthwith to the Corporation.

Nothing in this Section shall apply to claims of, or payments to, the Trustee under or pursuant to Section 7.06.

SECTION 13.04. Payment Permitted In Certain Situations. Nothing contained in this Article or elsewhere in this Indenture or in any of the Securities shall prevent (a) the Corporation, at any time except during the pendency of any case, proceeding, dissolution, liquidation or other winding-up, assignment for the benefit of creditors or other marshalling of assets and liabilities of the Corporation referred to in Section 13.03 or under the other conditions described in Section 13.02 or 13.03, from making payments at any time of or on account of the principal of (and premium, if any), interest or any Additional Amounts, if any, on the Securities or on account of the purchase or other acquisition of the Securities, or (b) the application by the Trustee of any money deposited with it hereunder to the payment of or on account of the principal of (and premium, if any), interest or any Additional Amounts, if any, on the Securities or the retention of such payment by the Holders, if, at the time of such application by the Trustee, it did not have knowledge that such payment would have been prohibited by the provisions of this Article.

SECTION 13.05. Corporation To Give Notice Of Certain Events; Reliance By Trustee. The Corporation shall give prompt written notice to the Trustee of any insolvency or bankruptcy proceedings, any receivership, liquidation, reorganization under Title 11 of the United States Code or any other similar applicable Federal or state law, or similar proceedings and any proceedings for voluntary liquidation, dissolution or winding up of the Corporation within the meaning of this Article. The Trustee shall be entitled to assume that no such event has occurred unless the Corporation or any one or more holders of Senior Indebtedness or any trustee therefor has given such notice together with proof satisfactory to the Trustee of such holding of Senior Indebtedness or the authority of such trustee. Upon any payment or distribution of assets of the Corporation referred to in this Article, the Trustee, in the absence of its own negligence, bad faith or willful misconduct, and any Holder of a Security shall be entitled to rely conclusively upon a certificate of the receiver, trustee in bankruptcy, liquidation trustee, agent or other person making such payment or distribution, delivered to the Trustee or to the Holders of Securities, for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Senior Indebtedness and other indebtedness of the Corporation, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article. In the event that the Trustee determines, in good faith, that further evidence is required with respect to the right of any person as a holder of Senior Indebtedness to participate in any payment or distribution pursuant to this Article, the Trustee may request such person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness held by such person, as to the extent to which such person is entitled to participate in such payment or distribution and as to other facts pertinent to the rights of such person under this Article, and if such evidence is not furnished, the Trustee may defer any payment to such person pending judicial determination as to the right of such person to receive such payment.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

With respect to the holders of Senior Indebtedness, the Trustee undertakes to perform or to observe only such covenants and obligations as are specifically set forth in this Indenture and no implied covenants or obligations with respect to holders of Senior Indebtedness shall be read into this Indenture against the Trustee. The Trustee does not have any fiduciary duties to holders of Senior Indebtedness and shall not be liable to any such Holders if it shall in good faith pay over or distribute to holders of Securities or the Corporation or any other person, moneys or assets to which any holder of Senior Indebtedness shall be entitled by virtue of this Article or otherwise.

Nothing in this Section shall apply to claims of, or payments to, the Trustee under or pursuant to Section 7.06.

SECTION 13.06. Subrogation Of Securities. Subject to the payment in full of all Senior Indebtedness or the provision for such payment in cash or cash equivalents or otherwise in a manner satisfactory to the holders of Senior Indebtedness, the Holders of the Securities shall be subrogated to the extent of the payments or distributions made to the holders of such Senior Indebtedness pursuant to the provisions of this Article (equally and ratably with the holders of indebtedness of the Corporation which by its express terms is subordinated to indebtedness of the Corporation to substantially the same extent as the Securities are subordinated to the Senior Indebtedness and is entitled to like rights of subrogation) to the rights of the holders of Senior Indebtedness to receive payments or distributions of assets of the Corporation made on the Senior Indebtedness until the principal of (and premium, if any), interest and any Additional Amounts, if any, on the Securities shall be paid in full; and, for the purposes of such subrogation, no payments or distributions to the holders of Senior Indebtedness of any cash, property or securities to which the Holders of the Securities or the Trustee would be entitled except for the provisions of this Article, and no payment pursuant to the provisions of this Article to the holders of Senior Indebtedness by Holders of the Securities, or by the Trustee, shall, as between the Corporation, its creditors other than the holders of Senior Indebtedness, and the Holders of Securities, be deemed to be a payment or distribution by the Corporation to or on account of Senior Indebtedness, and no payments or distributions to the Trustee or the Holders of the Securities of cash, property or securities payable or distributable to the holders of the Senior Indebtedness to which the Trustee or the Holders of the Securities shall become entitled pursuant to the provisions of this Section, shall, as between the Corporation, its creditors other than the holders of Senior Indebtedness, and the Holders of the Securities, be deemed to be a payment by the Corporation to the Holders of or on account of the Securities.

SECTION 13.07. Corporation Obligation To Pay Unconditional. The provisions of this Article are solely for the purpose of defining the relative rights of the holders of Senior Indebtedness on the one hand, and the Holders of the Securities on the other hand, and nothing herein or elsewhere in this Indenture or in the Securities shall (i) impair, as between the Corporation, its creditors, other than holders of Senior Indebtedness, and the Holders of the Securities, the obligation of the Corporation, which is unconditional and absolute (and which, subject to the rights under this Article of the holders of Senior Indebtedness, is intended to rank equally with all other general obligations of the Corporation), to pay to the Holders thereof the principal thereof (and premium, if any), interest and any Additional Amounts, if any, thereon in accordance with the terms of the Securities and this Indenture; or (ii) affect the relative rights against the Corporation of the Holders of the Securities and creditors of the Corporation other

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

than the holders of the Senior Indebtedness; or (iii) prevent the Holders of the Securities or the Trustee from exercising all remedies otherwise permitted by applicable law or under the Securities and this Indenture upon default under the Securities and this Indenture, subject to the rights of holders of Senior Indebtedness under the provisions of this Article to receive cash, property or securities otherwise payable or deliverable to the Holders of the Securities.

SECTION 13.08. Authorization Of Holders Of Securities To Trustee To Effect Subordination. Each Holder of Securities by his acceptance thereof authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article and appoints the Trustee his attorney-in-fact for any and all such purposes.

SECTION 13.09. No Waiver Of Subordination Provisions. No right of any present or future holder of any Senior Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Corporation or by any act or failure to act, in good faith, by any such holder, or by any non-compliance by the Corporation with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

Without in any way limiting the generality of the foregoing paragraph, the holders of Senior Indebtedness may, at any time and from time to time, without the consent of or notice to the Trustee or the Holders of the Securities, without incurring responsibility to the Holders of the Securities and without impairing or releasing the subordination provided in this Article or the obligations hereunder of the Holders of the Securities to the holders of Senior Indebtedness, do any one or more of the following: (i) change the manner, place or terms of payment or extend the time of payment of, or renew or alter, Senior Indebtedness or otherwise amend or supplement in any manner Senior Indebtedness or any instrument evidencing the same or any agreement under which Senior Indebtedness is outstanding; (ii) release any person liable in any manner for the collection of Senior Indebtedness; and (iii) exercise or refrain from exercising any rights against the Corporation and any other person.

SECTION 13.10. Notice To Trustee Of Facts Prohibiting Payments. Notwithstanding any of the provisions of this Article or any other provision of this Indenture, the Trustee shall not at any time be charged with knowledge of the existence of any facts which would prohibit the making of any payment of moneys to or by the Trustee, unless and until the Trustee shall have received written notice thereof from the Corporation or from one or more holders of Senior Indebtedness or from any trustee therefor, together with proof satisfactory to the Trustee of such holding of Senior Indebtedness or the authority of such trustee, and, prior to the receipt of any such written notice, the Trustee, subject to the provisions of Section 7.01, shall be entitled in all respects to assume that no such facts exist; provided, that, if prior to the second business day preceding the date upon which by the terms hereof any such moneys may become payable for any purpose (including, without limitation, the payment of the principal of or premium, if any, or interest on any Security), the Trustee shall not have received with respect to such moneys the notice provided for in this Section, then, anything herein contained to the contrary notwithstanding, the Trustee shall have full power and authority to receive such moneys and to apply the same to the purpose for which they were received, and shall not be affected by any notice to the contrary which may be received by it on or after such day, and provided,

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

further, that nothing contained herein shall prevent conversions of the Securities in accordance with the provisions of this Indenture.

SECTION 13.11. Trustee May Hold Senior Indebtedness. The Trustee in its individual capacity shall be entitled to all the rights set forth in this Article with respect to any Senior Indebtedness at the time held by it, to the same extent as any other holder of Senior Indebtedness, and nothing in this Indenture shall deprive the Trustee of any of its rights as such holder.

SECTION 13.12. All Indenture Provisions Subject To This Article. Notwithstanding anything herein contained to the contrary, all the provisions of this Indenture shall be subject to the provisions of this Article, so far as the same may be applicable thereto.

SECTION 13.13. Article Applicable To Paying Agents. In case at any time any paying agent other than the Trustee shall have been appointed by the Corporation and be then acting hereunder, the term "Trustee" as used in this Article shall in such case (unless the context otherwise requires) be construed as extending to and including such paying agent within its meaning as fully for all intents and purposes as if such paying agent were named in this Article in addition to or in place of the Trustee.

SECTION 13.14. Reliance on Judicial Order or Certificate of Liquidating Agent. Upon any payment or distribution of assets of the Corporation referred to in this Article, the Trustee, subject to the provisions of Section 7.01, and the Holders of the Securities shall be entitled to conclusively rely upon any order or decree entered by any court of competent jurisdiction in which such insolvency, bankruptcy, receivership, liquidation, reorganization, dissolution, winding up or similar case or proceeding is pending, or a certificate of the trustee in bankruptcy, liquidating trustee, Custodian, receiver, assignee for the benefit of creditors, agent or other person making such payment or distribution, delivered to the Trustee or to the Holders of the Securities, for the purpose of ascertaining the persons entitled to participate in such payment or distribution, the holders of Senior Indebtedness and other indebtedness of the Corporation, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article.

Article 14
IMMUNITY OF INCORPORATORS, STOCKHOLDERS

SECTION 14.01. Indenture and Securities Solely Corporate Obligations. No recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in any covenant or agreement contained in this Indenture or any indenture supplemental hereto, or in any Security, or because of any indebtedness evidenced thereby, shall be had against any past, present or future incorporator, stockholder, officer or director, or other applicable principal, as such, of the Corporation or of any successor corporation or other entity, either directly or through the Corporation or any successor corporation or other entity, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Securities by the Holders thereof and as part of the consideration for the issue of the Securities and Coupons.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article 15
MISCELLANEOUS PROVISIONS

SECTION 15.01. Benefits of Indenture Restricted to Parties and Securityholders. Nothing in this Indenture or in the Securities or Coupons, expressed or implied, shall give or be construed to give to any Person, other than the parties hereto and their successors, the Holders of any Senior Indebtedness and the Holders of the Securities or Coupons, any legal or equitable right, remedy or claim under this Indenture or under any covenant or provision herein contained, all such covenants and provisions being for the sole benefit of the parties hereto and their successors, the Holders of any Senior Indebtedness and of the Holders of the Securities or Coupons.

SECTION 15.02. Provisions Binding on Corporation's Successors. All the covenants, stipulations, promises and agreements in this Indenture contained by or on behalf of the Corporation shall bind its successors and assigns, whether so expressed or not.

SECTION 15.03. Addresses for Notices, Etc. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the Holders of Securities to or on the Corporation may be given or served by being deposited postage prepaid first class mail in a post office letter box addressed (until another address is filed by the Corporation with the Trustee), as follows: General Motors Corporation, 767 Fifth Avenue, New York, New York 10153. Any notice, direction, request or demand by any Securityholder to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or made in writing at its Corporate Trust Office, which is at the date of this Indenture, 101 Barclay Street, Floor 8W, New York, New York 10286.

SECTION 15.04. Evidence of Compliance with Conditions Precedent. Upon any application or demand by the Corporation to the Trustee to take any action under any of the provisions of this Indenture, the Corporation shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent have been complied with, except that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.

Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture shall include (1) a statement that the person making such certificate or opinion has read such covenant or condition; (2) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and (3) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based and whether or not, in the opinion of such person, such condition or covenant has been complied with.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

SECTION 15.05. Legal Holidays. In any case where the date of maturity of any interest, premium or Additional Amounts on or principal of the Securities, the date fixed for redemption of any Securities or any date on which a Holder has the right to convert his Security shall not be a Business Day in a city where payment thereof is to be made, then payment of any interest, premium or Additional Amounts on, or principal of such Securities need not be made on such date in such city but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

SECTION 15.06. Trust Indenture Act to Control. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with another provision included in this Indenture by operation of Sections 310 to 317, inclusive, of the Trust Indenture Act (an "incorporated provision"), such incorporated provision shall control.

SECTION 15.07. Execution in Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 15.08. New York Contract. This Indenture and each Security shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be governed by and construed in accordance with the laws of said State, regardless of the laws that might otherwise govern under applicable New York principles of conflicts of law and except as may otherwise be required by mandatory provisions of law. Any claims or proceedings in respect of this Indenture shall be heard in a federal or state court located in the State of New York.

SECTION 15.09. Judgment Currency. The Corporation agrees, to the fullest extent that it may effectively do so under applicable law, that (a) if for the purposes of obtaining judgment in any court it is necessary to convert the sum due in respect of the principal of or interest on the Securities of any series (the "Required Currency") into a currency in which a judgment will be rendered (the "Judgment Currency"), the rate of exchange used shall be the rate at which in accordance with normal banking procedures the Trustee could purchase in The City of New York the Required Currency with the Judgment Currency on the date on which final unappealable judgment is entered, unless such day is not a New York Banking Day, then, to the extent permitted by applicable law, the rate of exchange used shall be the rate at which in accordance with normal banking procedures the Trustee could purchase in The City of New York the Required Currency with the Judgment Currency on the New York Banking Day preceding the day on which final unappealable judgment is entered and (b) its obligations under this Indenture to make payments in the Required Currency (i) shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment (whether or not entered in accordance with subsection (a)), in any currency other than the Required Currency, except to the extent that such tender or recovery shall result in the actual receipt, by the payee, of the full amount of the Required Currency expressed to be payable in respect of such payments, (ii) shall be enforceable as an alternative or additional cause of action for the purpose of recovering in the Required Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Required Currency so expressed to be payable and (iii) shall not be affected by judgment being obtained for any other sum due under this Indenture. For purposes of the foregoing, "New

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

York Banking Day" means any day except a Saturday, Sunday or a legal holiday in The City of New York or a day on which banking institutions in The City of New York are authorized or required by law or executive order to close.

SECTION 15.10. Severability of Provisions. Any prohibition, invalidity or unenforceability of any provision of this Indenture in any jurisdiction shall not invalidate or render unenforceable the remaining provisions hereto in such jurisdiction and shall not invalidate or render unenforceable such provisions in any other jurisdiction.

SECTION 15.11. Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 15.12. Benefits of Indenture.

Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 15.13. Corporation Released from Indenture Requirements under Certain Circumstances. Whenever in this Indenture the Corporation shall be required to do or not to do anything so long as any of the Securities of any series shall be Outstanding, the Corporation shall, notwithstanding any such provision, not be required to comply with such provisions if it shall be entitled to have this Indenture satisfied and discharged pursuant to the provisions hereof, even though in either case the Holders of any of the Securities of that series shall have failed to present and surrender them for payment pursuant to the terms of this Indenture.

SECTION 15.14. Waiver of Jury Trial. EACH OF THE CORPORATION AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE SECURITIES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 15.15. Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

THE BANK OF NEW YORK, the party of the second part, hereby accepts the trusts in this Indenture declared and provided, upon the terms and conditions hereinabove set forth.

IN WITNESS WHEREOF, GENERAL MOTORS CORPORATION, the party of the first part, has caused this Indenture to be signed and acknowledged by the Chairman of the Board of Directors or any Vice Chairman of the Board of Directors or the President or any Executive Vice President or any Group Vice President or any Vice President or the Treasurer or any Assistant Treasurer, and THE BANK OF NEW YORK, the party of the second part, has caused this Indenture to be signed by one of its duly authorized officers, all as of the day and year first above written.

GENERAL MOTORS CORPORATION

By: /s/ Walter G. Borst

THE BANK OF NEW YORK,
as Trustee

By: /s/ Geovanni Barris
Authorized Signatory

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

EXHIBIT 10(m)

SETTLEMENT AGREEMENT

This settlement agreement (which, together with the Exhibits hereto, is referred to as the "Settlement Agreement"), dated February 21, 2008, is between General Motors Corporation ("GM"), by and through its attorneys, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America ("UAW"), by and through its attorneys, and the Class Representatives, on behalf of the Class, by and through Class Counsel, in (1) the class action of *Int'l Union, UAW, et. al. v. General Motors Corp.*, Civil Action No. 07-14074 (E.D. Mich. filed Sept. 9, 2007) ("Henry II"), and/or (2) the class action of *UAW et al. v. General Motors Corp.*, No. 05-CV-73991, 2006 WL 891151 (E.D. Mich. Mar. 31, 2006, *aff'd, Int'l Union, UAW v. General Motors Corp.*, 497 F.3d 615 (6th Cir. 2007) ("Henry I"). This Settlement Agreement shall cover and has application to:

(i) the Class;

(ii) the Covered Group;

(iii) the Existing External VEBA;

(iv) the trustee and committee that administer the Existing External VEBA;

(v) the UAW;

(vi) the GM Plan; and

(vii) GM.

With regard to GM, the UAW and the Class, this Settlement Agreement: (i) resolves and settles all claims that arise in connection with Henry II; (ii) resolves and settles all claims, motions and other issues pertaining to or remaining in Henry I; (iii) amends, supersedes or otherwise supplants the settlement agreement dated December 16, 2005 approved in Henry I ("Henry I Settlement Agreement"); and (iv) provides the basis upon which the judgment entered March 31, 2006 in Henry I shall be satisfied, superseded or amended as necessary to give full force and effect to the terms of this Settlement Agreement. This Settlement Agreement also resolves and settles any and all claims for GM contributions to the Existing External VEBA, and provides for the termination of the Existing External VEBA and the transfer of all assets and liabilities of the Existing External VEBA to the New VEBA. However, except as otherwise specifically set forth herein, nothing in this Settlement Agreement is intended to alter the eligibility provisions of the GM Plan or to provide GM contributions or benefits to individuals who are not otherwise entitled to such under the GM Plan.

This Settlement Agreement is subject to approval by the Court and the parties shall request that the Court incorporate the entirety of this Settlement Agreement in the Approval Order. In the event of an inconsistency between this Settlement Agreement and any prior agreements or documents, including the Memorandum of Understanding Post-Retirement Medical Care September 26, 2007 ("MOU"), this Settlement Agreement shall control. In the event of an inconsistency between the body of this Settlement Agreement and the Exhibits hereto, this Settlement Agreement shall control, unless explicitly stated otherwise in this Settlement Agreement.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

This Settlement Agreement recognizes and approves on the basis set forth herein: (i) the amendment of the GM Plan to terminate coverage for and exclude from coverage the Class and the Covered Group; (ii) the division of the Existing Internal VEBA into the UAW Related Account and Non-UAW Related Account and the transfer of the UAW Related Account to the New VEBA; (iii) the termination of participation by the Class and the Covered Group under the Existing Internal VEBA; (iv) the termination of the Existing External VEBA in conjunction with the establishment of the New Plan, and the transfer to the New VEBA of all assets and liabilities of the Existing External VEBA; (v) that all claims for Retiree Medical Benefits incurred on or after the Implementation Date by the Class and the Covered Group, including but not limited to COBRA continuation coverage where such election is or had been made on or after retirement and any coverage provided on a self-paid basis in retirement, shall be solely the responsibility and liability of the New Plan and the New VEBA; (vi) the Committee's designation under the New Plan and New VEBA as named fiduciary and administrator of the New Plan; (vii) that the New Plan shall replace the GM Plan regarding the provision of Retiree Medical Benefits to the Class and the Covered Group; (viii) that the New VEBA shall receive certain payments as described herein from the Existing Internal VEBA, the Existing External VEBA, and GM; (ix) that GM's obligation to pay into the New VEBA is fixed and capped as described herein; and (x) that the New VEBA shall serve as the exclusive funding mechanism for the New Plan.

1. Definitions

Actuary. The term "Actuary" is defined in Exhibit A to this Settlement Agreement.

Adjustment Event. The term "Adjustment Event" is defined in Section 13 of this Settlement Agreement.

Admissions. The term "Admissions" shall mean any statement, whether written or oral, any act or conduct, or any failure to act, that could be used (whether pursuant to Rules 801(d)(2) or 804(b)(3) of the Federal Rules of Evidence, a similar rule or standard under other applicable law, the doctrines of waiver or estoppel, other rule, law, doctrine or practice, or otherwise) as evidence in a proceeding of proof of agreement with another party's position or proof of adoption of, or acquiescence to, a position that is contrary to the interest of the party making such statement, taking such action, or failing to act.

Alternative Convertible Note. The term "Alternative Convertible Note" is defined in Section 12.F of this Settlement Agreement.

Approval Order or Judgment. The terms "Approval Order" or "Judgment" shall mean an order obtained from the Court approving and incorporating this Settlement Agreement in all respects as set forth in Section 28 of this Settlement Agreement. In the event that the Court enters separate orders certifying the Class and approving this Settlement Agreement, the terms "Approval Order" or "Judgment" shall apply to both orders collectively.

Base Amounts. The term "Base Amounts" shall mean the payment(s) to be made by GM that are specified in Sections 7.D and 8.E of this Settlement Agreement.

Board of Directors. The term "Board of Directors" shall mean the Board of Directors of GM or any committee established by the Board of Directors.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Cash Flow Projections. The term "Cash Flow Projections" shall mean the cash flow projections described in Exhibit A to this Settlement Agreement, which is for the purpose of determining whether payment of a Shortfall Amount is required in a given year.

Class or Class Members. The term "Class" or "Class Members" shall mean all persons who are:

(i) GM-UAW Represented Employees who, as of October 15, 2007, were retired from GM with eligibility for Retiree Medical Benefits under the GM Plan, and their eligible spouses, surviving spouses and dependents;

(ii) surviving spouses and dependents of any GM-UAW Represented Employees who attained seniority and died on or prior to October 15, 2007 under circumstances where such employee's surviving spouse and/or dependents are eligible to receive Retiree Medical Benefits from GM and/or under the GM Plan;

(iii) UAW retirees of Delphi Corporation ("Delphi") who as of October 15, 2007 were retired and as of that date were entitled to or thereafter become entitled to Retiree Medical Benefits from GM and/or the GM Plan under the terms of the UAW-Delphi-GM Memorandum of Understanding Delphi Restructuring dated June 22, 2007, Attachment B to the UAW-Delphi-GM Memorandum of Understanding Delphi Restructuring dated June 22, 2007 (without regard to whether any of the conditions described in Section K.2 of such Memorandum of Understanding or Section 2 of such Attachment B occur), or the Benefit Guarantee agreement between GM and the UAW dated September 30, 1999, and their eligible spouses, surviving spouses and dependents of all such retirees;

(iv) surviving spouses and dependents of any UAW-represented employee of Delphi who attained seniority and died on or prior to October 15, 2007 under circumstances where such employee's surviving spouse and/or dependents are eligible to receive Retiree Medical Benefits from GM and/or the GM Plan under the terms of the UAW-Delphi-GM Memorandum of Understanding Delphi Restructuring dated June 22, 2007, Attachment B to the UAW-Delphi-GM Memorandum of Understanding Delphi Restructuring dated June 22, 2007 (without regard to whether any of the conditions described in Section K.2 of such Memorandum of Understanding or Section 2 of such Attachment B occur), or the Benefit Guarantee agreement between GM and the UAW dated September 30, 1999;

(v) GM-UAW Represented Employees or former UAW-represented employees who, as of October 15, 2007, were retired from any previously sold, closed, divested or spun-off GM business unit (other than Delphi) with eligibility to receive Retiree Medical Benefits from GM and/or the GM Plan by virtue of any other agreement(s) between GM and the UAW, and their eligible spouses, surviving spouses, and dependents; and

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(vi) surviving spouses and dependents of any GM-UAW Represented Employee or any UAW-represented employee of a previously sold, closed, divested or spun-off GM business unit (other than Delphi), who attained seniority and died on or prior to October 15, 2007 under circumstances where such employee's surviving spouse and/or dependents are eligible to receive Retiree Medical Benefits from GM and/or the GM Plan.

Class Certification Order. The term "Class Certification Order" shall mean the final order entered by the Court as described in Section 28.A of this Settlement Agreement.

Class Counsel. The term "Class Counsel" shall mean the law firm of Stember, Feinstein, Doyle & Payne, LLC, or its successor.

Class Representatives. The term "Class Representatives" shall mean Earl L. Henry, Bonnie J. Lauria, Raymond B. Bailey, Theodore J. Genco, Marvin C. Marlow, Charles R. Miller, Laverne M. Soriano, and John Huber.

Committee. The term "Committee" shall mean the governing body set forth in Section 4.A of this Settlement Agreement that acts on behalf of the EBA and serves as the named fiduciary and administrator of the New Plan, as those terms are defined in ERISA and that is so described in the Trust Agreement.

Convertible Note. The term "Convertible Note" shall mean the $4.3725 billion aggregate principal amount of 6.75% Series U Convertible Senior Debentures Due December 31, 2012 issued under that Indenture, dated as of January 8, 2008, between GM and the Bank of New York, as Trustee, including all supplemental indentures thereto, substantially in the form attached as Exhibit B to this Settlement Agreement.

Court. The term "Court" shall mean the United States District Court for the Eastern District of Michigan.

Covered Group. The term "Covered Group" shall mean:

(i) all GM Active Employees who have attained seniority as of September 14, 2007, and who retire after October 15, 2007 under the GM-UAW National Agreements, or any other agreement(s) between GM and the UAW, and who upon retirement are eligible for Retiree Medical Benefits under the GM Plan or the New Plan, as applicable, and their eligible spouses, surviving spouses and dependents;

(ii) all UAW-represented active employees of Delphi or a former Delphi unit who retire from Delphi or such former Delphi unit on or after October 15, 2007, and upon retirement are entitled to or thereafter become entitled to Retiree Medical Benefits from GM and/or the GM Plan or the New Plan under the terms of the UAW-Delphi-GM Memorandum of Understanding Delphi Restructuring dated June 22, 2007, Attachment B to the UAW-Delphi-GM Memorandum of Understanding Delphi Restructuring dated June 22, 2007 (without regard to whether any of the conditions described in Section K.2 of such Memorandum of Understanding or Section 2 of such Attachment B occur), or the Benefit Guarantee agreement between GM and the UAW dated September 30, 1999, and the eligible spouses, surviving spouses and dependents of all such retirees;

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(iii) all surviving spouses and dependents of any UAW-represented employee of Delphi or a former Delphi unit who dies after October 15, 2007 but prior to retirement under circumstances where such employee's surviving spouse and/or dependents are eligible or thereafter become eligible for Retiree Medical Benefits from GM and/or the GM Plan or the New Plan under the terms of the UAW-Delphi-GM Memorandum of Understanding Delphi Restructuring dated June 22, 2007, Attachment B to the UAW-Delphi-GM Memorandum of Understanding Delphi Restructuring dated June 22, 2007 (without regard to whether any of the conditions described in Section K.2 of such Memorandum of Understanding or Section 2 of such Attachment B occur), or the Benefit Guarantee agreement between GM and the UAW dated September 30, 1999;

(iv) all former GM-UAW Represented Employees and all UAW-represented employees who, as of October 15, 2007, remain employed in a previously sold, closed, divested, or spun-off GM business unit (other than Delphi), and upon retirement are eligible for Retiree Medical Benefits from GM and/or the GM Plan or the New Plan by virtue of any other agreement(s) between GM and the UAW, and their eligible spouses, surviving spouses and dependents; and

(v) all eligible surviving spouses and dependents of a GM Active Employee, former GM-UAW Represented Employee or UAW-represented employee identified in (i) or (iv) above who attained seniority on or prior to September 14, 2007 and die after October 15, 2007 but prior to retirement under circumstances where such employee's surviving spouse and/or dependents are eligible for Retiree Medical Benefits from GM and/or the GM Plan or the New Plan.

Debt. The term "Debt" shall mean notes, bonds, debentures or other similar evidences of indebtedness for money borrowed.

Derivative Contracts. The term "Derivative Contracts" shall mean those various derivative instruments substantially in the forms set forth in Exhibit H.

Dispute Party. The term "Dispute Party" is defined in Section 26.B of this Settlement Agreement.

DOL. The term "DOL" shall mean the United States Department of Labor.

Employees Beneficiary Association or EBA. The term "Employees Beneficiary Association" or "EBA" shall mean the employee organization within the meaning of section 3(4) of ERISA that is organized for the purpose of establishing and maintaining the New Plan, with a membership consisting of the individuals who are members of the Class and the Covered Group, and on behalf of which the Committee acts.

ERISA. The term "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

Existing External VEBA. The term "Existing External VEBA" shall mean the defined contribution – Voluntary Employees' Beneficiary Association trust established pursuant to the Henry I Settlement Agreement.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Existing Internal VEBA. The term "Existing Internal VEBA" shall mean the General Motors Welfare Benefit Trust that is funded and maintained by GM.

Fairness Hearing. The term "Fairness Hearing" is defined in Section 27 of this Settlement Agreement.

Final Effective Date. The term "Final Effective Date" shall mean the first date after any appeals from, or other challenges to, the Approval Order have been exhausted or the time periods for filing such appeal(s) or challenge(s) have expired, provided that the Final Effective Date shall be deemed to have occurred only if, at such time, (i) the Approval Order has not been disapproved or modified as a result of any appeal(s) or other challenge(s) and (ii) GM has completed, on a basis reasonably satisfactory to GM, its discussions with the Securities and Exchange Commission ("SEC") regarding the accounting treatment with respect to the New Plan and the New VEBA as set forth in Section 21 of this Settlement Agreement.

General Motors Asset Management Valuation Policies and Procedures. The term "General Motors Asset Management Valuation Policies and Procedures" shall mean GMAM's valuation policies and procedures, copies of which have been provided to the UAW and Class Counsel, as the same may be amended from time to time by GMAM (who shall notify the UAW and the Committee about any such intended amendments in a timely manner).

GM Active Employees. The term "GM Active Employees" shall mean those hourly employees of GM who, as of September 14, 2007 or any date thereafter, are covered by the 2007 GM-UAW National Agreement or are covered by any subsequent GM-UAW National Agreement. For purposes of this definition, "active employee" shall include hourly employees on vacation, layoff, protected status, medical or other leave of absence, and any other employees who have not broken seniority as of September 14, 2007.

GM Actuary. The term "GM Actuary" is defined in Exhibit A to this Settlement Agreement.

GMAM. The term "GMAM" shall mean General Motors Asset Management Corporation and its subsidiaries, and as specifically referring to the investment manager for the Existing Internal VEBA, refers to General Motors Investment Management Corporation. GMAM is a wholly owned subsidiary of General Motors Corporation.

GM Plan. The term "GM Plan" shall mean the collectively bargained General Motors Health Care Program for Hourly Employees as set forth in Exhibit C-1 of the 2007 and prior GM-UAW National Agreements, as applicable to those GM-UAW Represented Employees who had attained seniority prior to September 14, 2007.

GM-UAW National Agreements. The term "GM-UAW National Agreements" shall mean the agreement(s) negotiated on a multi-facility basis and entered into between GM and the UAW covering GM employees represented by the UAW. The current GM-UAW National Agreement is dated October 15, 2007.

GM-UAW Represented Employees. The term "GM-UAW Represented Employees" shall mean those individuals who were represented by the UAW in their employment with GM.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Implementation Date. The term "Implementation Date" shall mean the later of January 1, 2010 or the Final Effective Date.

Indemnified Party. The term "Indemnified Party" is defined in Section 23 of this Settlement Agreement.

Indemnification Liabilities. The term "Indemnification Liabilities" is defined in Section 23 of this Settlement Agreement.

Indemnity Expenses. The term "Indemnity Expenses" is defined in Section 23 of this Settlement Agreement.

Independent Attestation. The term "Independent Attestation" shall mean an agreed-upon procedures engagement performed for GM, the UAW and the Committee by a nationally recognized independent registered public accounting firm selected by GM and conducted in accordance with the attestation standards of the Public Company Accounting Oversight Board, the subject matter of which would be (a) in the case of an Adjustment Event under Section 13.A(i) of this Settlement Agreement whether the balance of the Existing Internal VEBA and/or specified assets therein have been valued in accordance with the General Motors Asset Management Valuation Policies and Procedures; or (b) in the case of an Adjustment Event under Section 13.A(ii) or (iii) of this Settlement Agreement whether specified assets of the Existing Internal VEBA have been valued in accordance with the General Motors Asset Management Valuation Policies and Procedures. The agreed-upon procedures shall be mutually agreed among the accounting firm, GM and the Committee in connection with any such engagement.

Independent Audit. The term "Independent Audit" shall mean an audit of the consolidated financial statements of GM performed in accordance with the standards of the Public Company Accounting Oversight Board by the independent registered public accounting firm that has been designated by GM.

Initial Accounting Period. The term "Initial Accounting Period" shall mean the period before the later of the date that (a) GM determines that its obligations, if any, with respect to the New Plan made available to the Class and Covered Group are subject to settlement accounting as contemplated by paragraphs 90-95 of FASB Statement No. 106, as amended, or its functional equivalent; or (b) GM is no longer obligated to make any further payments or deposits to the New VEBA, including, but not limited to, any Shortfall Amounts.

Initial Effective Date. The term "Initial Effective Date" shall mean the date on which the Court enters the Approval Order.

Initial Shortfall Amount. The term "Initial Shortfall Amount" is defined in Section 7.D of this Settlement Agreement.

Interest. The term "Interest" shall mean an interest rate of 9 percent (9%) per annum (computed on the basis of a 360-day year consisting of twelve 30-day months and the number of days elapsed in any partial month), credited and compounded annually, unless otherwise specified in this Settlement Agreement.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Limited Liability Company. The term "Limited Liability Company" or "LLC" shall mean LBK, LLC, a Delaware limited liability company created by GM under Section 7.B of this Settlement Agreement for the purpose of holding the Convertible Note and the Short Term Note, entering into and holding the Derivative Contracts, and receiving interest on the Convertible Note as described in this Settlement Agreement.

Manufacturing Subsidiary. The term "Manufacturing Subsidiary" shall mean any Subsidiary (A) substantially all the property of which is located within the continental United States of America, (B) which owns a Principal Domestic Manufacturing Property and (C) in which GM's investment, direct or indirect and whether in the form of equity, debt, advances or otherwise, is in excess of U.S. $2,500,000,000 as shown on the books of GM as of the end of the fiscal year immediately preceding the date of determination; provided, however, that "Manufacturing Subsidiary" shall not include GMAC, LLC and its Subsidiaries (or any corporate successor of any of them) or any other Subsidiary which is principally engaged in leasing or in financing installment receivables or otherwise providing financial or insurance services to GM or others or which is principally engaged in financing GM's operations outside the continental United States of America.

Mitigation. The term "Mitigation" shall have the same meaning as in the Henry I Settlement Agreement.

Mortgage. The term "Mortgage" shall mean any mortgage, pledge, lien, security interest, conditional sale or other title retention agreement or other similar encumbrance.

National Institute for Health Care Reform or Institute. The term "National Institute for Health Care Reform" or "Institute" is defined in Section 31 of this Settlement Agreement.

New Plan. The term "New Plan" shall mean the new retiree welfare benefit plan that is the subject of this Settlement Agreement, and that is funded in part by the GM Separate Retiree Account (as defined in the Trust Agreement), which New Plan shall provide Retiree Medical Benefits to the Class and Covered Group.

New VEBA. The term "New VEBA" shall mean a new trust fund to be established as described in Section 4 of this Settlement Agreement.

Non-UAW Related Account. The term "Non-UAW Related Account" is defined in Section 6.A of this Settlement Agreeement.

Notice Order. The term "Notice Order" is defined in Section 27 of this Settlement Agreement.

Pension Plan. The term "Pension Plan" shall mean the General Motors Hourly-Rate Employees Pension Plan.

Principal Domestic Manufacturing Property. The term "Principal Domestic Manufacturing Property" shall mean any manufacturing plant or facility owned by GM or any Manufacturing Subsidiary which is located within the continental United States of America and, in the opinion of the Board of Directors, is of material importance to the total business conducted by GM and its consolidated affiliates as an entity.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Retiree Medical Benefits. The term “Retiree Medical Benefits” shall mean all post retirement medical benefits, including but not limited to hospital surgical medical, prescription drug, vision, dental, hearing aid and the $76.20 Special Benefit related to Medicare.

Short Term Note. The term “Short Term Note” is defined in Section 7.C of this Settlement Agreement.

Shortfall Amounts. The term “Shortfall Amount” shall mean the payment(s) to be made by GM that are defined in Section 10 of this Settlement Agreement.

State. The term “State” shall mean any state of the United States.

Subsidiary. The term “Subsidiary” shall mean any corporation or other entity of which at least a majority of the outstanding stock or other beneficial interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other governing body of such corporation or other entity (irrespective of whether or not at the time stock or other beneficial interests of any other class or classes of such corporation or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time owned by GM, or by one or more Subsidiaries, or by GM and one or more Subsidiaries.

Temporary Asset Account. The term “Temporary Asset Account” or “TAA” shall mean the temporary account controlled at all times by GM that is established by GM or a wholly owned subsidiary of GM under Section 7.A of this Settlement Agreement for the purpose of holding certain GM payments as described in this Settlement Agreement.

Trust Agreement. The term “Trust Agreement” shall mean the New VEBA trust agreement the form of which is set forth in Exhibit E to this Settlement Agreement.

UAW OPEB 12/31/07 Split. The term “UAW OPEB 12/31/07 Split” is defined in Section 6.A of this Settlement Agreement.

UAW Related Account. The term “UAW Related Account” is defined in Section 6.A of this Settlement Agreeement.

UAW Releasees. The term “UAW Releasees” shall mean the UAW, the Class Representatives, the Class, Class Counsel, the Covered Group and anyone claiming on behalf of, through or under them by way of subrogation or otherwise.

Wages/COLA Amount. The term “Wages/COLA Amount” shall mean the payments to be made by GM that are defined in Sections 7.D and 8.F of this Settlement Agreement.

2. Purpose of New Plan and New VEBA

The New Plan and the New VEBA will, as of the Implementation Date, be the employee welfare benefit plan and trust that are exclusively responsible for all Retiree Medical Benefits for

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

which GM, the GM Plan and any other GM entity or benefit plan formerly would have been responsible with regard to the Class and the Covered Group. All assets paid or transferred by GM to the New VEBA (including any investment returns thereon) will be credited to a GM Separate Retiree Account and must be used for the exclusive purpose of providing Retiree Medical Benefits to the participants of the New Plan and their eligible beneficiaries, and to defray the reasonable expenses of administering the New Plan, as set forth in the Trust Agreement. All obligations of GM, the GM Plan and any other GM entity or benefit plan for Retiree Medical Benefits for the Class and the Covered Group arising from any agreement(s) between GM and the UAW shall be forever terminated as of the Implementation Date. GM's sole obligations to the New Plan and the New VEBA are those set forth in this Settlement Agreement. Eligibility rules for the New Plan shall be the same as those currently included in the GM Plan, and may not be expanded.

3. Factual Investigation and Legal Inquiry and Decision to Settle

Throughout the 2007 negotiations between GM and the UAW over the terms of a new National Agreement, the parties engaged in extended discussions concerning the impact of rising health care costs on GM's financial condition and its ability to compete in the North American marketplace. GM provided the UAW with extensive information as to its financial condition and health care expenditures. On behalf of the UAW, a team of investment bankers, actuaries, and legal experts have reviewed GM's information, and provided the UAW with an assessment as to the state of GM's financial condition and analyzed the benefits of entering into the MOU. GM officials also met with representatives of the UAW and its team of experts and answered questions and provided further detail, as requested. The UAW and its team of experts have now analyzed, interalia, the funds necessary to provide ongoing Retiree Medical Benefits through the New Plan and the New VEBA.

During these discussions, GM asserted, as it had in Henry I, that it has the right to unilaterally modify and/or terminate the health care benefits applicable to its hourly retirees and that, without this Settlement Agreement, GM would exercise its right to terminate the Henry I Settlement Agreement according to its terms as well as exercise its right to unilaterally modify retiree health care benefits. Although the UAW acknowledges GM's right to terminate the Henry I Settlement Agreement, it continues to assert that the retiree health care benefits are vested and GM does not have the right to unilaterally modify or terminate retiree health care benefits.

On behalf of the Class, Class Counsel has conducted a substantial factual investigation and legal inquiry prior to entering into this Settlement Agreement. Similar to what was done by the UAW, this included, interalia, review of GM's financial information, review and analysis of collective bargaining agreements, relevant health care plan documents, and actuarial information, and review of material on GM's health care costs. Class Counsel retained experts to review the financial and actuarial information and, with the assistance of these experts, conducted an extensive review of GM's projected financial condition, GM's ability to provide Retiree Medical Benefits over the long term, and the proposed New VEBA's ability to provide Retiree Medical Benefits over the long term with the funds available from the proposed Settlement Agreement. Class Counsel has also thoroughly investigated the law applicable to the Class Members' claims and has done so considering the collective bargaining agreements and health care plan

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

documents affecting these claims. Class Counsel examined the benefits and certainty to be obtained under the proposed Settlement Agreement for an aging Class, and has considered the costs, risks and delays associated with the prosecution of complex and time-consuming litigation, the likely appeals of any rulings in favor of any party. Class Counsel has considered the fact that, under the proposed Settlement Agreement, the benefits of Henry I through 2011 are preserved. Class Counsel believes that, in consideration of all the circumstances, the proposed settlement embodied in this Settlement Agreement is fair, reasonable, adequate and in the best interest of all members of the Class. Class Counsel participated in the negotiation of this Settlement Agreement.

4. New Plan and New VEBA

A. Committee. The Approval Order shall provide that the New Plan and New VEBA, both subject to ERISA, shall be administered by the Committee. The Committee shall be in place within 120 days after the Initial Effective Date. The Committee shall consist of 11 members, 5 of which are to be appointed by the UAW, and 6 independent members. The Approval Order shall designate the initial public members who are set forth in Attachment 1 of Exhibit E to this Settlement Agreement. In the event that any member of the Committee resigns, dies, becomes incapacitated or otherwise ceases to be a member, a replacement member shall be appointed as described in the Trust Agreement.

B. Establish and Maintain. The EBA, acting through the Committee, shall establish and maintain the New Plan for the purpose of providing Retiree Medical Benefits to the Class and Covered Group as set forth in this Settlement Agreement. The Committee shall begin administering the New Plan so as to be able to provide Retiree Medical Benefits for the Class and Covered Group with respect to claims incurred on or after the Implementation Date. The Committee shall implement the New VEBA at the earlier of (i) the expiration of 180 days following the Initial Effective Date, or (ii) the Implementation Date. The New Plan shall be ERISA-covered and the New VEBA shall meet the requirements of Section 501(c)(9) of the Internal Revenue Code.

C. Limitation on GM Role. No member of the Committee shall be a current or former officer, director or employee of GM or any member of the GM controlled group; provided however, that a retiree who was represented by the UAW in his/her employment with GM or an employee of GM who is on leave from GM and who is represented by the UAW is not precluded by this provision from serving on the Committee. No member of the Committee shall be authorized to act for GM or shall be an agent or representative of GM for any purpose. Furthermore, GM shall not be a fiduciary with respect to the New Plan or New VEBA, and will have no rights or responsibilities with respect to the New Plan or New VEBA other than as specifically set forth in this Settlement Agreement.

5. Provision and Scope of Retiree Medical Benefits

A. Before Implementation Date. With respect to claims incurred prior to the Implementation Date, Retiree Medical Benefits for the Class and the Covered Group will continue to be provided by the GM Plan and the Existing External VEBA at the same level and scope as provided for by the GM Plan and the Existing External VEBA under the Henry I

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Settlement Agreement, including Mitigation from the Existing External VEBA (for those entitled to it). The payment by GM and/or the GM Plan of Retiree Medical Benefits for claims incurred prior to the Implementation Date will not reduce GM's payment obligations to the New Plan and the New VEBA under this Settlement Agreement.

B. On and After Implementation Date. With respect to claims incurred on and after the Implementation Date, the New Plan and the New VEBA shall have sole responsibility for and be the exclusive source of funds to provide Retiree Medical Benefits for the Class and the Covered Group, including but not limited to COBRA continuation coverage where such election is made after retirement. Neither GM, the GM Plan, the Existing Internal VEBA, nor any other GM person, entity, or benefit plan shall have any responsibility or liability for Retiree Medical Benefits for individuals in the Class or in the Covered Group for claims incurred on or after the Implementation Date. GM's sole obligations to the New Plan and the New VEBA are those set forth in this Settlement Agreement.

From the Implementation Date until December 31, 2011, the Retiree Medical Benefits under the New Plan and the New VEBA will continue to be provided at the levels described in the Henry I Settlement Agreement and as set forth in the Trust Agreement, except for the additional monthly contribution attributable to the pension cost pass-through described in Section 15 of this Settlement Agreement. On and after January 1, 2012, the Committee shall have such authority to establish Benefits as described in the Trust Agreement, including raising or lowering benefits. However, in no event may the Committee amend the New Plan or New VEBA to provide benefits other than Retiree Medical Benefits until the expiration of the Initial Accounting Period. The ability of the New Plan and the New VEBA to pay for Retiree Medical Benefits will depend on numerous factors, many of which are outside of the control of UAW, the Committee, the New Plan and the New VEBA, including, without limitation, the investment returns, actuarial experience and other factors.

C. Amendment of GM Plan and Reimbursement of GM. The Approval Order shall provide that all obligations of GM and all provisions of the GM Plan in any way related to Retiree Medical Benefits for the Class and/or the Covered Group, and all provisions of applicable collective bargaining agreements, contracts, letters and understandings in any way related to Retiree Medical Benefits for the Class and the Covered Group are terminated on the Implementation Date, or otherwise amended so as to be consistent with this Settlement Agreement and the fundamental understanding that all GM obligations regarding Retiree Medical Benefits for the Class and the Covered Group are terminated as set forth in this Settlement Agreement. Summary Plan Descriptions of the GM Plan are amended to reflect the termination of GM and GM Plan responsibilities for Retiree Medical Benefits for the Class and the Covered Group for claims incurred on or after the Implementation Date as set forth herein.

The New Plan and New VEBA shall reimburse GM or the GM Plan, as applicable, for any Retiree Medical Benefits advanced or provided by GM or the GM Plan with regard to claims incurred by members of the Class and the Covered Group on or after the Implementation Date, including, but not limited to situations where a retirement is made retroactive and the medical claims were incurred on or after the Implementation Date or where GM is notified of an intent by a member of the Class and the Covered Group to retire under circumstances where there is insufficient time to transfer responsibility for Retiree Medical Benefits to the New Plan and GM

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

or the GM Plan provides interim coverage for Retiree Medical Benefits. To the extent such reimbursement may not be permitted by law, the UAW, the Class, Class Counsel and the Committee will fully cooperate with GM in securing any legal or regulatory approvals that are necessary to permit such reimbursement.

6. Division of Existing Internal VEBA

A. UAW Related Account. Effective January 1, 2008 for bookkeeping purposes only, GM will take the necessary steps to divide the Existing Internal VEBA into two bookkeeping accounts. One account will consist of the percentage of the Existing Internal VEBA's assets as of January 1, 2008 that is equal to the estimated percentage of GM's hourly OPEB liability covered by the Existing Internal VEBA attributable to Non-UAW represented employees and retirees, their eligible spouses, surviving spouses and dependents ("Non-UAW Related Account"). The second account will consist of the remaining percentage of the assets in the Existing Internal VEBA as of January 1, 2008 ("UAW Related Account"). GM shall use the same actuarial assumptions, generally consistent with past practice, in respect of both the Non-UAW Related Account and the UAW Related Account, for estimating the percentage of GM's hourly OPEB liability attributable to the Non-UAW Related Account and the UAW Related Account.

The value of the UAW Related Account as of January 1, 2008 shall be equal to: (i) the percentage of GM's hourly OPEB liability as of December 31, 2007 attributable to UAW associated employees and retirees, their eligible spouses, surviving spouses and dependents ("UAW OPEB 12/31/07 Split"), multiplied by (ii) the Existing Internal VEBA balance as of December 31, 2007. The UAW OPEB 12/31/07 Split shall be determined based on the percentage of (i) the discounted actuarial cash flows for health care and life insurance of OPEB obligations attributable to UAW associated employees and retirees, their eligible spouses, surviving spouses and dependents, over (ii) the discounted actuarial cash flows for health care and life insurance of the entire GM hourly OPEB liability covered by the Existing Internal VEBA. Both calculations will be made as of December 31, 2007 using the valuation discount rate of the hourly health care obligation of 6.35%.

The Existing Internal VEBA balance as of December 31, 2007 shall be determined using the December 31, 2007 valuation from State Street Bank and Trust, which shall be based on the existing General Motors Asset Management Valuation Policies and Procedures. GM's hourly OPEB obligation as of December 31, 2007 shall be determined in accordance with generally accepted accounting principles in the United States, including Statement of Financial Accounting Standards 106 and 158.

Both the determination of the Existing Internal VEBA balance as of December 31, 2007 and the GM hourly OPEB obligation as of December 31, 2007 shall be final and binding on GM, the UAW, the Committee, the Class Representatives, the Class, the Covered Group and Class Counsel for purposes of this Settlement Agreement upon an Independent Audit. The determination of the Existing Internal VEBA balance as of December 31 of each succeeding year shall also be final and binding on GM, the UAW, the Committee, the Class Representatives, the Class, the Covered Group and Class Counsel for purposes of this Settlement Agreement upon an Independent Audit of each respective succeeding year.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Utilizing the process referenced above, GM has determined that the UAW OPEB 12/31/07 Split is 92.6 percent. GM shall provide the UAW and Class Counsel as soon as possible with background information and work papers used to determine the UAW OPEB 12/31/07 Split. Thereafter, the UAW and Class Counsel shall advise GM as soon as practicable after receipt of such materials of any concerns regarding GM's calculation. If any concerns are identified regarding GM's calculation, the parties will meet, confer and resolve any concerns by March 3, 2008 so that the face amount of the Short Term Note is set by such date.

B. Investment of Assets. GMAM will continue to oversee the investment of the assets in the Existing Internal VEBA (both in the Non-UAW Related Account and the UAW Related Account) and all such assets shall continue to be invested under the existing investment policy (as may be amended from time to time by GM who shall notify the UAW and the Committee about intended amendments in a timely manner) applicable to the Existing Internal VEBA. Investment returns, net of Existing Internal VEBA trust expenses (this shall only include expenses to the extent permitted by ERISA), on all assets of the Existing Internal VEBA on and after January 1, 2008 will be applied to these accounts proportionally in relation to the value of the assets in the UAW Related Account in relation to the total amount of assets in the Existing Internal VEBA. In other words, investment returns (i.e., the percentage return on the total Existing Internal VEBA), net of Existing Internal VEBA trust expenses (this shall only include expenses to the extent permitted by ERISA), will be applied to the value of the UAW Related Account and separately to the value of the Non-UAW Account (as adjusted to reflect any withdrawals by GM). However, neither GM nor GMAM guarantee or warrant the investment returns on the assets in the Existing Internal VEBA.

C. Disposition of Assets. No amounts will be withdrawn by GM from the UAW Related Account, including its investment returns, from January 1, 2008 until transfer to the New VEBA under Section 12 or termination of this Settlement Agreement under Section 30 of this Settlement Agreement. GM will retain any and all rights to withdraw amounts from the Non-UAW Related Account, subject to the rights of the UAW and the Committee pursuant to Section 13 of this Settlement Agreement. If the Final Effective Date occurs, GM will cause the pro rata share attributable to the UAW Related Account of all assets in the Existing Internal VEBA, including investment returns thereon, net of a pro rata share of trust expenses (this shall only include expenses to the extent permitted by ERISA) not previously taken into account in determining investment returns, to be transferred from the Existing Internal VEBA to the New VEBA as set forth in Sections 8.A and 12.B of this Settlement Agreement. GMAM and the Committee shall enter into discussions in advance of such transfer with regard to the method of allocating, transfering and/or otherwise handling any illiquid or otherwise non-transferable investments in the Existing Internal VEBA so as to preserve as much as possible the economic value of such investments and minimize any losses due to the liquidation of assets. Such discussions shall be completed by June 30, 2009. The determinations made by GMAM as a product of these discussions with the Committee regarding the way to transfer illiquid or otherwise non-transferable investments in the Existing Internal VEBA shall be final and binding on GM, the UAW, the Committee, the Class Representatives, the Class, the Covered Group and Class Counsel.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

7. Temporary Asset Account and Limited Liability Company

A. Creation of TAA. Prior to April 1, 2008, GM shall establish the TAA to be held by GM or a wholly owned subsidiary thereof. Subject to termination of this Settlement Agreement, the sole purpose of the TAA is to serve as tangible evidence of the availability of assets equal to the sum that GM agrees to pay on the Implementation Date to the New VEBA in this Settlement Agreement. Neither the TAA nor the assets therein shall be used for any purposes other than as set forth in this Settlement Agreement. GM shall keep true and correct books and records regarding the assets held in the TAA as well as all amounts credited to and debited against the TAA, including investment returns.

B. Creation of LLC. As of the date of this Settlement Agreement, GM has created LBK, LLC, a Delaware limited liability company ("LLC") to hold the Convertible Note and the Short Term Note, enter into and hold the Derivative Contracts, and receive interest on the Convertible Note. Interest on the Convertible Note will be deposited in the TAA in accordance with Section 7.D of this Settlement Agreement. Subject to termination of this Settlement Agreement, the sole purpose of the LLC is to hold the Convertible Note and the Short Term Note and enter into and hold the Derivative Contracts, which serve as tangible evidence of the availability of assets equal to the Convertible Note, the Short Term Note and the Derivative Contracts that GM agrees to pay and/or transfer on or after the Implementation Date to the New VEBA as provided in this Settlement Agreement. The LLC shall engage in no activities other than holding the notes, entering into and holding the Derivative Contracts, and transferring the Convertible Note, the Derivative Contracts and the amounts payable under the Short Term Note to the New VEBA. The LLC shall not exercise any conversion rights under the Convertible Note. The LLC shall not agree to any amendments to the Convertible Note or the Derivative Contracts without the consent of the Committee. Subject to termination of this Agreement, neither GM nor the LLC will terminate the Derivative Contracts before their transfer to the New VEBA. If any of the events specified in Section 1(a) of the Convertible Note occur prior to the transfer of the Convertible Note and the Derivative Contracts to the New VEBA, the parties will meet and discuss an appropriate alternative (if any) which provides equivalent economic value to the New VEBA taking into account the impact (if any) of such event(s) on the Convertible Note and the Derivative Contracts. If any of the events specified in clauses (iii) – (vi) of Section 1(a) of the Convertible Note occur after the transfer of the Convertible Note and the Derivative Contracts to the New VEBA, the parties will meet and discuss an appropriate alternative (if any) which provides equivalent economic value to the New VEBA taking into account the impact (if any) of such event(s) on the Derivative Contracts for which the New VEBA is acting in the capacity of "Buyer" and "Counterparty" under and as defined in the Derivative Contracts. Promptly after creation of the LLC, GM shall cause the LLC to execute and deliver an instrument of accession in which it agrees to be bound by and to perform the provisions of Sections 7, 8 and 12 of this Settlement Agreement to the extent applicable to the LLC.

C. GM Deposits in LLC. GM shall make the following deposits in the LLC during the time period from January 1, 2008 to termination of the TAA.

(i) Convertible Note. GM shall issue the Convertible Note to the LLC on February 22, 2008 or as soon as reasonably practicable thereafter. GM hereby represents that, since September 26, 2007, no event has occurred that would have given rise to an adjustment

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

of the Conversion Rate (as defined in the Convertible Note) pursuant to Section 3 of the Convertible Note if such event had occurred after the issuance of the Convertible Note and GM agrees to adjust the initial Conversion Rate included in the form attached hereto as Exhibit B accordingly if such an event occurs prior to the issuance of the Convertible Note. Notwithstanding any provisions in the Convertible Note to the contrary, GM shall (x) not be entitled to exercise the right to redeem the Convertible Note on or after January 1, 2011, pursuant to the first paragraph of Section 5 of the Convertible Note, unless the Implementation Date has occurred and the Convertible Note has been transferred to the New VEBA in accordance with Sections and 8.C. and 12.F. of this Settlement Agreement, and (y) only be entitled to make a Termination Redemption (as defined in the Convertible Note) upon termination of the TAA and LLC as provided in Section 7.G of this Settlement Agreement or upon determination of an appropriate alternative to transferring the Convertible Note or the Alternative Convertible Note to the New VEBA as provided in Section 22 of this Settlement Agreement which is satisfactory to the UAW and Class Counsel.

(ii) Short Term Note. GM shall issue to the LLC a short term note, substantially in the form attached as Exhibit C to this Settlement Agreement, with the face amount of $4,015,187,871.00 (the difference between $18.5 billion and the estimated value of the UAW Related Account on January 1, 2008 ("Short Term Note"), as may be amended in accordance with Section 6.A). The Short Term Note shall carry Interest on such face amount from and including the date of the Short Term Note to, but excluding, the date of payment to the New VEBA pursuant to Sections 8.B and 12.E. The parties agree that $1 billion of the Short Term Note represents the present value of the COLA adjustments agreed to by GM and the UAW with respect to the time period between December 1, 2007 and September 1, 2011 of up to four cents per hour per quarter and continued in perpetuity, and another $1.5 billion of the Short Term Note represents GM's agreement to pre-fund what would have been the impact of providing a 3% general wage increase to UAW represented employees in 2009.

D. GM Deposits in TAA. GM shall make the following deposits in the TAA during the time period from January 1, 2008 to termination of the TAA.

(i) Shortfall Amount. On April 1, 2008 or as soon as reasonably practicable thereafter, GM shall deposit in the TAA $165 million ("Initial Shortfall Amount") plus Interest on such amount from and including April 1, 2008 to, but excluding, the date of deposit. The Initial Shortfall Amount represents the Shortfall Amount payable to the TAA on April 1, 2008 as set forth in the Shortfall Amount column of the amortization schedule in Exhibit D to this Settlement Agreement. If prior to the Implementation Date any additional Shortfall Amount payment is required pursuant to Section 10 and the Shortfall Amount column of the amortization schedule in Exhibit D to this Settlement Agreement, such Shortfall Amount payment will also be made by GM to the TAA. At all times, these payments shall be subject to GM's right to pre-fund all then-remaining Shortfall Amount payments by paying the applicable Buyout Amount set forth in the Shortfall Amount column of the amortization schedule in Exhibit D.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(ii) Interest on Convertible Note. On June 30, 2008, GM shall cause the LLC to deposit $147,571,875 in the TAA. This amount represents the first 6.75% interest payment payable under the terms of the Convertible Note plus an amount representing a 6.75% return on the principal amount of the Convertible Note from January 1, 2008 to the date of the Convertible Note. If $147,571,875 is not deposited in the TAA on June 30, 2008, Interest shall accrue on such amount from and including June 30, 2008 to but excluding the date of deposit. If prior to the Implementation Date any additional interest payments are payable under the terms of the Convertible Note, GM shall cause the LLC to make such payments to the TAA.

(iii) Henry I Increase in Stock Value and Dividends. On September 1, 2009, GM shall pay to the TAA (i) the difference between $240 million and the aggregate amount of the payments related to the "Increase in Stock Value" and "Dividends" as set forth in section 13.D and 13.E of the Henry I Settlement Agreement plus (ii) Interest (x) on $240 million from and including January 1, 2008 to but excluding the date, if any, on which GM makes a cash contribution related to the "Increase in Stock Value" and "Dividends," and thereafter (y) on the difference between $240 million (plus Interest accrued pursuant to clause (x) through the date of any applicable cash contribution) and the aggregate of any such cash contributions made from and including the date of each such cash contribution in each case to but excluding the date of the following cash contribution, if any, or September 1, 2009 whichever is earlier. Any payments under this Section 7.D(iii) are further subject to provisions set forth in Section 11 of this Settlement Agreement.

(iv) Additional Deposits in TAA. As soon as reasonably practicable following the Initial Effective Date, GM will make the following additional deposits in the TAA.

(a) Base Amount. A lump sum payment of $1.8 billion plus Interest from January 1, 2008 to the date of deposit in the TAA, or, in GM's discretion, as set forth in the Base column of the amortization schedule in Exhibit D to this Settlement Agreement, annual payments and/or a Buyout Amount as applicable to the time period up to the date of transfer of the TAA to the New VEBA under Section 12.D of this Settlement Agreement; provided that GM specifically reserves the right to pre-fund all then-remaining Base Amount payments by paying the applicable Buyout Amount set forth in Exhibit D.

(b) Wages/COLA Amount. A lump sum payment of $3.8 billion (which represents the present value of the future Henry I wage deferrals described in Section 9.A of this Settlement Agreement), plus Interest from January 1, 2008 to the date of deposit in the TAA, or, in GM's discretion, as set forth in the Wages/COLA column of the amortization schedule in Exhibit D to this Settlement Agreement, annual payments and/or a Buyout Amount as applicable to the time period up to the date of transfer of the TAA to the New VEBA under Section 12.D of this Settlement Agreement; provided that GM specifically reserves the right to pre-fund all then-remaining Wages/COLA payments by paying the applicable Buyout Amount set forth in Exhibit D. Any such Wages/COLA payments shall be reduced by the value of the wage and COLA deferrals paid or payable by GM to the Existing External VEBA pursuant to the

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

terms of Henry I Settlement Agreement (with Interest on such deferrals) from January 1, 2008 until the date of deposit by GM of a Wages/COLA payment into the TAA.

E. Derivative Contracts. As soon as reasonably practicable after issuance of the Convertible Note, GM and the LLC shall enter into the Derivative Contracts which shall be held by the LLC as provided for in Section 7.B of this Settlement Agreement.

F. Control of TAA and LLC. Control of the TAA and the LLC and all the assets therein shall be solely within GM's discretion. GM agrees to retain GMAM to oversee the investment of the assets in the TAA. To the extent practicable given the differences in time horizon and other investment parameters, GMAM shall invest the assets in the TAA in a manner that is consistent with the investment policy of the Existing Internal VEBA. However, neither GM nor GMAM guarantee or warrant the investment returns on the assets in the TAA and/or LLC.

G. Termination of TAA and LLC. If the Final Effective Date does not occur because (a) the Approval Order has not been entered as described in Section 28.B, (b) the Approval Order has been disapproved or modified, or (c) GM has not completed, on a basis reasonably satisfactory to GM, its discussions with the SEC regarding the accounting treatment with respect to the New Plan and New VEBA as set forth in Section 21 of this Settlement Agreement, or (d) this Settlement Agreement has been terminated for any other reason as provided in Section 30 of this Settlement Agreement, the TAA and LLC shall be terminated. In addition, if the Final Effective Date has not occurred by December 31, 2011, the TAA and LLC shall be terminated; provided however, that this date may be extended by agreement between GM, the UAW and Class Counsel. Upon termination of the TAA and LLC for any reason, GM may use the assets of the TAA and LLC for any corporate purpose.

H. Communications Regarding Investment Results. GM agrees to cause GMAM to periodically inform and hold discussions with the UAW, Class Counsel and the Committee about the investment results of and decisions regarding the assets in the TAA and the Existing Internal VEBA. GMAM shall, with respect to the performance of its duties in managing the Existing Internal VEBA and the TAA, participate in the following meetings and provide the following reports to the UAW and the Committee: (i) quarterly reports of TAA and Existing Internal VEBA asset class and benchmark performance for relevant time periods; and (ii) semi-annual or quarterly meetings with UAW and/or Committee representatives to report on TAA and Existing Internal VEBA returns and analysis of performance, and to review significant activities affecting investments. Any input from the UAW, Class Counsel and/or the Committee shall not be a basis of GM's or GMAM's investment decisions within the meaning of the DOL regulations set forth at 29 CFR § 2510-3.21(c).

8. GM Payments to New Plan and New VEBA

GM's financial obligation and payments to the New Plan and New VEBA are fixed and capped by the terms of this Settlement Agreement. The timing of all payments to the New VEBA shall be as set forth in Section 12 of this Settlement Agreement; it being agreed and acknowledged that the New Plan, funded by the New VEBA, shall provide Retiree Medical Benefits for the Class and the Covered Group on and after the Implementation Date, and that all

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

obligations of GM and the GM Plan for Retiree Medical Benefits for the Class and the Covered Group shall terminate as of the Implementation Date, as set forth in this Settlement Agreement. All assets shall be transferred or paid by GM free and clear of any liens, claims or other encumbrances. Pursuant to this Settlement Agreement, GM shall have the following, and only the following, obligations to the New VEBA and the New Plan, and all payments and transfers in this Section 8 and in Sections 9 through 11 of this Settlement Agreement shall be credited to the GM Separate Retiree Account of the New VEBA:

A. UAW Related Account. Provide for the transfer to the New VEBA of the assets (or, with regard to any illiquid or otherwise non-transferable investments, equivalent alternatives resulting from discussions between GMAM and the Committee pursuant to Section 6.C of this Settlement Agreement) of the UAW Related Account in the Existing Internal VEBA, net of Existing Internal VEBA trust expenses (this shall only include expenses to the extent permitted by ERISA), as described in Section 12.B of this Settlement Agreement.

B. Short Term Note. GM shall cause the LLC to pay to the New VEBA $4,015,187,871.00 in cash (which amount is equal to the face amount of the Short Term Note), plus cash in an amount equal to the Interest accrued on such amount from and including the date of the Short Term Note to, but excluding, the date of deposit in the New VEBA, as described in Section 12.E of this Settlement Agreement.

C. Convertible Note. Cause the LLC to transfer to the New VEBA the Convertible Note issued to the LLC or, at GM's option, issue to the New VEBA the Alternative Convertible Note, as described in Section 12.F of this Settlement Agreement. In the event that the transfer of the Convertible Note (or the issuance of the Alternative Convertible Note) to the New VEBA occurs subsequent to a Record Date and on or prior to the Interest Payment Date (as such terms are defined in the Convertible Note), GM shall cause the LLC to transfer to the New VEBA immediately upon receipt the interest payment that the LLC will receive that corresponds to such Interest Payment Date. GM shall pay any and all documentary, stamp or similar issue or transfer taxes that may be payable in requesting the issue or transfer of the Convertible Note or Alternative Convertible Note to the New VEBA.

D. Interest on Convertible Note. Transfer to the New VEBA the assets in the TAA that represent the value in the TAA, as of the date of transfer to the New VEBA, of the interest paid on the Convertible Note, and the investment returns thereon, net of expenses (but limited to those expenses that could be charged under ERISA if the TAA was a plan subject to ERISA), or at GM's option cash in lieu of some or all of these assets in the TAA. Thereafter, pay to the New VEBA any additional interest amounts due under the terms of the Convertible Note.

E. Base Amount. Transfer to the New VEBA the assets in the TAA that represent the value in the TAA, as of the date of transfer to the New VEBA, of the Base Amount described in Section 7.D of this Settlement Agreement and the investment returns thereon, net of expenses (but limited to those expenses that could be charged to the TAA under ERISA if the TAA was a plan subject to ERISA), or at GM's option cash in lieu of some or all of these assets in the TAA. Thereafter, subject to GM's option to buy out the Base Amount at any time, pay an annual Base Amount to the New VEBA as set forth in Exhibit D to this Settlement Agreement. In addition, GM may at any time request to make a partial pre-payment of a Buyout Amount of the Base

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Amount on terms that provide economically equivalent present value to the New VEBA, provided that such partial pre-payment shall be made only if mutually agreed between GM and the Committee. The Committee shall be entitled to accept or reject any such request in its sole discretion.

F. Wages/COLA Amount. Transfer to the New VEBA the assets in the TAA that represent the value in the TAA, as of the date of transfer to the New VEBA of the Wages/COLA Amount described in Section 7.D of this Settlement Agreement and the investment returns thereon, net of expenses (but limited to those expenses that could be charged to the TAA under ERISA if the TAA was a plan subject to ERISA), or at GM's option cash in lieu of some or all of these assets. Thereafter, subject to GM's option to buyout the Wages/COLA Amount at any time, pay an annual Wages/COLA Amount to the New VEBA as described in Section 9 and Exhibit D to this Settlement Agreement. In addition, GM may at any time request to make a partial pre-payment of a Buyout Amount of the Wages/COLA Amount on terms that provide economically equivalent present value to the New VEBA, provided that such partial pre-payment shall be made only if mutually agreed between GM and the Committee. The Committee shall be entitled to accept or reject any such request in its sole discretion.

G. Shortfall Amount. Transfer to the New VEBA the assets in the TAA that represent the value in the TAA, as of the date of transfer to the New VEBA, of the Initial Shortfall Amount and any additional Shortfall Amount payment(s) described in Section 7.D of this Settlement Agreement made to the TAA and the investment returns thereon, net of expenses (but limited to those expenses that could be charged to the TAA under ERISA if the TAA was a plan subject to ERISA), or at GM's option cash in lieu of some or all of these assets. Thereafter, subject to GM's option to buy out the Shortfall Amount at any time, pay an annual Shortfall Amount to the New VEBA as described in Section 10 and Exhibit D to this Settlement Agreement.

H. Final Henry I Cash Contribution. GM's final cash payment of $1 billion required by section 13.A of the Henry I Settlement Agreement will continue to be payable by GM as set forth in the Henry I Settlement Agreement and judgment. The Approval Order shall provide that such payment will be made to the New VEBA, rather than the Existing External VEBA, if the payment is payable after the Implementation Date.

I. Henry I Increase in Stock Value and Dividends. Transfer to the New VEBA the assets in the TAA that represent the value in the TAA, as of the date of transfer to the New VEBA, of the Henry I Increase in Stock Value and Dividends payment described in Section 7.D of this Settlement Agreement, if any, and the investment returns thereon, net of account expenses (but limited to those expenses that could be charged to the TAA under ERISA if the TAA was a plan subject to ERISA), or at GM's option cash in lieu of some or all of these assets.

J. Derivative Contracts. Cause the LLC to transfer to the New VEBA the Derivative Contracts held by the LLC as described in Section 12.F of this Settlement Agreement.

The payments described in this Section 8 are subject to reduction for the amounts set forth in Sections 11 and 12.A of this Settlement Agreement.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

9. Wage and COLA Deferrals

A. Impact on Henry I Wage and COLA Deferral. GM will continue to deposit into the Existing External VEBA the wage and COLA deferrals set forth in Section 13.C. of the Henry I Settlement Agreement (including all COLA subtraction and non-payment of the September 18, 2006 general increase to the hourly wage rate) until the Initial Effective Date. The Wages/COLA Amount set forth in Sections 7.D and 8.F and Exhibit D to this Settlement Agreement represent the future wage deferral cash flow impact of such wage and COLA deferrals from the Henry I settlement and judgment. As a result of GM agreeing to deposit into the TAA and pay to the New VEBA such Wages/COLA Amount, the Approval Order shall provide that as of the Initial Effective Date (i) GM will no longer be required to make deposits of the wage and COLA deferrals from Henry I into the Existing External VEBA, (ii) the Wages/COLA Amount paid by GM pursuant to this Settlement Agreement shall be in full satisfaction of any and all of GM's obligations under Section 13.C of the Henry I Settlement Agreement and the provisions of the judgment in Henry I regarding wage and COLA deferrals, (iii) GM will have no further obligations as to such payments or contributions to the Existing External VEBA, and (iv) the Henry I wage and COLA deferrals will inure thereafter solely to the benefit of GM and continue in perpetuity increasing at $0.02 per hour per quarter as described in Section 13.C of the Henry I Settlement Agreement.

If the TAA is terminated prior to the Final Effective Date, GM shall contribute cash to the Existing External VEBA in an amount equal to the amount that would have otherwise been contributed to the Existing External VEBA pursuant to the terms of the Henry I Settlement Agreement between the Initial Effective Date and the date of termination of the TAA, plus an amount equal to the investment returns that would have been earned on such amounts, at the rate equal to the overall investment return of the Existing External VEBA for the respective period, if such amounts had been contributed to the Existing External VEBA in accordance with the terms of the Henry I Settlement Agreement, and obligations pursuant to the Henry I Settlement Agreement will be reinstated.

B. 2009 Wage Deferral. In negotiating the MOU and 2007 GM-UAW National Agreement, GM and UAW agreed that there shall be no general increase to the hourly wage rate for GM Active Employees in 2009 regardless of whether or not the Final Effective Date occurs. As a result, GM agreed to include in the Short Term Note the $1.5 billion referred to in Section 7.C of this Settlement Agreement. This $1.5 billion represents the future impact of a 3% wage increase in 2009 for GM Active Employees. If the Final Effective Date does not occur, the wage increase will not be reinstated.

C. 2007 COLA Diversion. In negotiating the MOU and 2007 GM-UAW National Agreement, GM and UAW also agreed that, effective with the December 1, 2007 COLA adjustment and ending September 1, 2011, up to four cents ($0.04) per hour per quarter will be diverted from COLA otherwise calculated for GM Active Employees. These deferred amounts will inure solely to the benefit of GM and will not be reinstated after September 1, 2011 but will continue to be deferred in perpetuity. As a result, GM agreed to include in the Short Term Note the $1 billion referred to in Section 7.C of this Settlement Agreement. This $1 billion represents the future cash flow impact of this 2007 COLA diversion. If the Final Effective Date does not occur, the cumulative effect of four cents ($0.04) per hour per quarter of COLA will be reinstated and GM and the UAW will agree on the disposition of such COLA adjustment.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

10. Shortfall Amounts

If in 2009 or any year thereafter, the Cash Flow Projection as set forth in Exhibit A to this Settlement Agreement shows that the GM account or sub-account of the New VEBA will become insolvent within 25 years following the January 1 immediately preceding such Cash Flow Projection, GM shall pay to the New VEBA (or the TAA for periods prior to the Implementation Date) by April 1 of that year $165 million per occurrence ("Shortfall Amount"); provided however, that the maximum number of Shortfall Amount payments, excluding the Initial Shortfall Amount on April 1, 2008, shall be nineteen (19). Beginning in 2009, for any year in which the Cash Flow Projection shows that the GM account or sub-account of the New VEBA will maintain solvency for at least 25 years beyond the January 1 immediately preceding such Cash Flow Projection, no Shortfall Amount payment will be required. Further, GM reserves the right to pre-pay, at any time, all then-remaining future possible annual Shortfall Amounts by paying the applicable Buyout Amount (which represents the present value of the remaining possible Shortfall Amount payments as of January 1 of the year of the buyout, plus Interest from January 1 until the date of the buyout amount) as shown in the amortization schedule for Shortfall Amount in Exhibit D to this Settlement Agreement.

11. Other Payments to Existing External VEBA

The Approval Order shall provide that any obligation of GM related to the amounts called for in the "Benefit Change Profits" or the "Incremental Amount," as set forth and defined in section 13.B of the Henry I Settlement Agreement, shall cease upon the Initial Effective Date. In the event that any amounts related to such items have been paid by GM to the Existing External VEBA prior to the Final Effective Date, the required payments set forth in Section 8 of this Settlement Agreement will be reduced by such amount plus interest at 6% per annum (computed on the basis of a 360-day year consisting of twelve 30-day months and the number of days elapsed in any partial month), credited and compounded annually.

The Approval Order shall also provide that if the aggregate amount of the payments related to "Increase in Stock Value" and "Dividends" as set forth in section 13.D and 13.E of the Henry I Settlement Agreement is less than $240 million, then GM will pay to the New VEBA on September 1, 2009 the amounts set forth in Section 7.D(iii) of this Settlement Agreement.

If the aggregate amount of the payments related to "Increase in Stock Value" and "Dividends" as set forth in section 13.D and 13.E of the Henry I Settlement Agreement is more than $240 million, GM shall deduct from the amount required to be transferred from the TAA to the New VEBA under Sections 8 and 12 of this Settlement Agreement (i) the amount of aggregate cash payments paid to the Existing External VEBA in excess of $240 million plus (ii) Interest on the portion of the first such cash payment that resulted in the aggregate exceeding $240 million from and including the date of its payment and on the amount of each of the following cash payments from and including their respective payment dates, in each case to but excluding the date of transfer of the amounts from the TAA to the New VEBA under Sections 8 and 12 of this Settlement Agreement.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

12. Sequencing of Initial Deposits to the New VEBA and Termination of Existing External VEBA, LLC and TAA

The initial deposits to the New VEBA shall be made and credited to the GM Separate Retiree Account, and the Existing External VEBA and TAA shall be terminated, as provided below.

A. Deposit No. 1: Within 30 days of the Initial Effective Date or the establishment of the New VEBA, whichever is later, GM shall cause a transfer of $1 million from the TAA to the New VEBA. Thereafter, and until the Implemenation Date, within 30 days of any request by the Committee, GM shall cause the transfer of such additional amount as the Committee shall request, provided that there shall be no more than five such requests prior to the Implementation Date and the aggregate of all such transfers, including the initial transfer, shall not exceed $20 million. Such amounts shall represent an advance to the New VEBA to cover reasonable and necessary preparatory expenses incurred by the New Plan or New VEBA in anticipation of the transition of responsibility for Retiree Medical Benefits as of the Implementation Date as set forth in Section 5 of this Settlement Agreement. These advance payments shall not increase or add to the amounts GM has agreed to pay under this Settlement Agreement.

B. Deposit No. 2. Within 10 business days after the Implementation Date, GM shall direct the trustee of the Existing Internal VEBA to transfer to the New VEBA the UAW Related Account's share of assets in the Existing Internal VEBA, the amount of which shall be determined as provided in Section 6 of this Settlement Agreement. The Approval Order shall provide that, upon such transfer, the Existing Internal VEBA shall be deemed to be amended to terminate participation and coverage regarding Retiree Medical Benefits for the Class and the Covered Group, effective as of the Implementation Date. Accruals for trust expenses (this shall only include expenses to the extent permitted by ERISA) through the date of transfer will be made and an amount equal to the UAW Related Account's share of such accruals will be retained within the Existing Internal VEBA to pay such expenses. After payment of these trust expenses is completed, a reconciliation of the accruals and the actual expenses (this shall only include expenses to the extent permitted by ERISA) will be performed. GM agrees to cause the payment to the New VEBA by the Existing Internal VEBA of any overaccruals for the UAW Related Account's share of such expenses. Similarly, in the event of an underaccrual the New VEBA will return to the Existing Internal VEBA the amount of the underaccrual of expenses for the UAW Related Account.

C. Deposit No. 3. The Approval Order shall direct the committee and the trustees of the Existing External VEBA to transfer all assets and liabilities into the New VEBA and terminate the Existing External VEBA within 15 days after the Implementation Date. This transfer of assets and liabilities shall include, but not be limited to, the transfer of all rights and obligations granted to or imposed on the Existing External VEBA under Section 14.C(e) of the Henry I Settlement Agreement and GM agrees that, following the Implementation Date, the New VEBA shall be substituted for the Existing External VEBA for such purposes.

D. Deposit No. 4. The balance in the TAA as of the date of transfer, or at GM's discretion, cash in lieu of some or all of the assets in the TAA as of the date of transfer, shall be paid to the New VEBA before the 20 th business day after the Implementation Date. If GM elects

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

to pay cash in lieu of some or all of the investments in the TAA, the cash GM will pay shall include an amount equivalent to accrued and unpaid interest and dividends on such investments net of reasonable liquidation costs. Accruals for expenses (but limited to those expenses that could be charged to the TAA under ERISA if the TAA was a plan subject to ERISA) through the date of transfer will be made and an amount equal to the TAA's share of such accruals will be retained within the TAA to pay such expenses. After payment of these expenses is completed, a reconciliation of the accruals and the actual expenses (but limited to those expenses that could be charged to the TAA under ERISA if the TAA was a plan subject to ERISA) will be performed. GM agrees to cause the payment to the New VEBA by the TAA of any overaccruals for the TAA's share of such expenses. Similarly, in the event of an underaccrual the New VEBA will return to the TAA, or to GM, as applicable, the amount of the underaccrual for the TAA's share of the expenses.

E. Deposit No. 5. On or before the 20th business day after the Implementation Date, GM shall cause the LLC to pay to the New VEBA in cash the face value of the Short Term Note, plus cash in an amount equal to the Interest accrued on such amount from and including the date of the Short Term Note to, but excluding, the date of payment to the New VEBA.

F. Transfer of Convertible Note and Derivative Contracts. GM will cause the LLC to transfer the Convertible Note and the Derivative Contracts to the New VEBA after Payments No. 4 and No. 5 have been made, within 25 business days after the Implementation Date if no legal or regulatory approvals are required, or within 10 business days of securing final legal or regulatory approval. In lieu of causing the LLC to transfer the Convertible Note, GM, in its sole discretion, may elect to transfer to the New VEBA a convertible note containing economic terms and conditions identical to those of the Convertible Note ("Alternative Convertible Note"), including accrued interest. The transfer of the Convertible Note or the Alternative Convertible Note and the Derivative Contracts will only occur as permitted by law. GM and/or the New Plan, as applicable, will apply for any necessary legal or regulatory approvals, including but not limited to the prohibited transaction exemptions described in Section 22 of this Settlement Agreement and any required federal or state bank regulatory approvals. The UAW, the Class and Class Counsel will support and cooperate with any such requests for legal or regulatory approvals. If GM and the New VEBA cannot timely obtain necessary legal or regulatory approvals, the parties will meet and discuss appropriate alternatives to the transfer of the Convertible Note that provide equivalent economic value to the New VEBA. Notwithstanding the foregoing, any transfer of the Convertible Note or Alternative Convertible Note will be conditioned upon execution and delivery by the New VEBA of a Security Holder and Registration Rights Agreement substantially in the form of Exhibit F to this Settlement Agreement.

The parties acknowledge that, upon completion of GM's transfer of the assets in the TAA to the New VEBA as contemplated by this Settlement Agreement, no assets should remain in the TAA and the TAA shall be terminated. If, however, assets remain in the TAA as the result of GM's exercise of its option to transfer cash in lieu of TAA assets, GM's deduction for payments related to the Increase in Stock Value and Dividends under Section 11 of this Settlement Agreement, or other deductions permitted under this Settlement Agreement, then GM may thereafter use or dispose of such assets, including any investment returns thereon, for any corporate purpose. After deposit Nos. 4 and 5 have been made and after transfer of the

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Convertible Note or transfer of the Alternative Convertible Note and the Derivative Contracts, the LLC shall be terminated. All assets transferred or contributed to the New VEBA shall be free and clear of any liens, claims or other encumbrances.

If a deposit or payment or any portion thereof is made by GM to the TAA or the New VEBA by mistake under any provision of this Settlement Agreement, including, but not limited to Sections 7 through 12 of this Settlement Agreement, (i) as to the TAA, GM may deduct such amount from the TAA plus earnings thereon from the date of deposit in the TAA up to, but excluding, the date of deduction, and (ii) as to the New VEBA, the Committee shall, upon written direction of GM, return such amounts as may be permitted by law to GM (plus earnings thereon from the date of payment to but excluding the date of return) within 30 days of notification by GM that such payment was made by mistake. If a dispute arises with regard to such payment, the dispute will be resolved pursuant to Section 26 of this Settlement Agreement.

13. Adjustment Events

A. AdjustmentEvent. "Adjustment Event" shall mean:

(i) the determination of the Existing Internal VEBA balance as of any day on which amounts are withdrawn by GM from the Non-UAW Related Account as set forth in Section 6 of this Settlement Agreement and the determination of the value of any assets transferred to GM or liquidated to effect the withdrawal by GM, other than a withdrawal on December 31 of any year after January 1, 2008;

(ii) the determination of the value of any assets in lieu of which GM elects to transfer cash to the New VEBA pursuant to Sections 8 and 12 of this Settlement Agreement; or

(iii) the determination of the value of any illiquid or otherwise non-transferable investments in the Existing Internal VEBA in case that the discussions between GMAM and the Committee as set forth in Section 6.C of this Settlement Agreement result in transferring something other than a pro rata share of such investment.

B. Due Diligence and Adjustment Mechanism.

In connection with any Adjustment Event, GM shall deliver, as soon as practicable, to the Committee (or the UAW prior to establishment of the Committee) information in reasonable detail about the determinations made by GM with regard to such Adjustment Event and the work papers, underlying calculations and other documents and materials on which such determinations are based, including non-privileged materials from GM's advisors, if any (collectively, the "Determination Materials").

The Committee shall have 30 days from receipt of the Determination Materials from GM to submit to GM a written request for an Independent Attestation of a determination(s) by GM listed in Section 13.A(i), (ii) and (iii) of this Settlement Agreement. As a part of this review process, the Committee may ask for additional information regarding the calculations, and the data and information provided by GM. GM shall as promptly as practicable, respond to all reasonable requests from the Committee for such additional information. However, a request for additional information shall not extend the 30 day review period, unless an extension is reasonably necessary to allow the Committee to review such additional information, but in no event longer than 45 days from receipt of the Determination Materials.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

All determinations made by GM with regard to a determination(s) listed in Section 13.A(i), (ii) and (iii) of this Settlement Agreement shall be final and binding on GM, the UAW, the Class Representatives, the Class, the Covered Group, Class Counsel, the Committee and the New Plan and New VEBA, unless the Committee timely submits a request for an Independent Attestation. If the Committee timely submits such a request, GM shall engage a nationally recognized independent registered public accounting firm to conduct an Independent Attestation regarding a determination(s) by GM listed in Section 13.A(i), (ii) and (iii) of this Settlement Agreement The Independent Attestation shall be final and binding on GM, the UAW, the Class Representatives, the Class, the Covered Group, Class Counsel, the Committee and the New Plan and New VEBA.

Nothing in the foregoing paragraphs shall prevent the division, deposit, withdrawal or transfer of any assets the valuation of which is not in dispute pending resolution of the disputed amounts.

C. Confidentiality. All information and data provided by GM to the UAW and/or the Committee under Section 7.H of this Settlement Agreement and as a part of this due diligence and adjustment process shall be considered confidential. The UAW and the Committee shall use such information and data solely for the purpose set forth in this Section 13 of the Settlement Agreement. The UAW and the Committee shall not disclose such information or data to any other person without GM's written consent, provided that the UAW and the Committee may disclose such information and data to their attorneys and professional advisors subject to the agreement of such attorneys and advisors to the confidentiality restrictions set forth herein.

14. Future Contributions

The UAW, the Class and the Covered Group may not negotiate any increase of GM's funding or payment obligations set out herein. The UAW also agrees not to seek to obligate GM to: (i) provide any additional payments to the New VEBA other than those specifically required by this Settlement Agreement; (ii) make any other payments for the purpose of providing Retiree Medical Benefits to the Class or the Covered Group; or (iii) provide or assume the cost of Retiree Medical Benefits for the Class or the Covered Group through any other means. Provided that, the UAW may propose that GM Active Employees be permitted to make contributions to the New VEBA of amounts otherwise payable in profit sharing, COLA, wages and/or signing bonuses, if not prohibited by law.

15. Pension Benefits

GM and the UAW agree to amend the Pension Plan on the Implementation Date to provide to retirees and eligible surviving spouses who are members of the Class or the Covered Group a flat monthly special lifetime benefit of $66.70 (which will not be escalated) commencing on the first of the month immediately following the Implementation Date. This same benefit will also be provided to retirees who retire after the Implementation Date and eligible surviving spouses who are members of the Covered Group, commencing with their

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

entitlement to pension benefits. This special lifetime benefit is intended to serve as a cost pass-through of an equivalent after-tax increase in the monthly contribution regarding Retiree Medical Benefits for the Class and the Covered Group. As a result, the New Plan and New VEBA shall, as of the Implementation Date, assess an additional non-escalating monthly contribution payable by retirees and eligible surviving spouses of the Class and the Covered Group for Retiree Medical Benefits of $51.67 per month, to be credited to the GM Separate Retiree Account in the New VEBA.

Retirees and surviving spouses who are members of the Class and the Covered Group but who do not receive a monthly benefit from the Pension Plan will not be entitled to receive the flat monthly special lifetime benefit of $66.70, and the terms of the New Plan and the New VEBA shall not require them to make the additional monthly contribution to the New VEBA of $51.67. For purposes of determining a Class or Covered Group member's status as a Protected Retiree under the terms of the Henry I settlement agreement, the flat monthly special lifetime benefit described above and any other new pension increase negotiated in the 2007 GM-UAW National Agreement shall not be included in the determination of pension income.

Nothing in this Section 14 shall detract from the discretion afforded the Committee as set forth in the Trust Agreement.

16. Administrative Costs

The New VEBA will be responsible for all costs to administer the New Plan and the New VEBA commencing on the Implementation Date and continuing thereafter. The New Plan and the New VEBA trust agreement shall be drafted consistent with this requirement.

17. Trust Agreement; Segregated Account; Indemnification

Assets paid or transferred to the New VEBA by or at the direction of GM, including all investment returns thereon, shall be used solely to provide Retiree Medical Benefits to the Class and the Covered Group as defined in this Settlement Agreement until expiration of the Initial Accounting Period. Thereafter, Benefits will be provided to the Class and the Covered Group as described in the Trust Agreement. The Trust Agreement shall provide: (i) for the GM Separate Retiree Account to be credited with the assets deposited or transferred to the New VEBA by GM, or at GM's direction, under this Settlement Agreement; (ii) that the assets in the GM Separate Retiree Account may be used only to provide Benefits (as defined in the Trust Agreement) for such Class and such Covered Group; and (iii) that under no circumstances will GM or the GM Separate Retiree Account be liable or responsible for the obligations of any other employer or for the provision of Retiree Medical Benefits or any other benefits for the employees or retirees of any other employer.

Further, the Trust Agreement shall provide that the Committee, on behalf of the New VEBA, shall take all such reasonable action as may be needed to rebut any presumption of control that would limit the New VEBA's ability to own GM common stock or the Convertible Note or as may be required to comply with all applicable laws and regulations, including but not limited to federal and state banking laws and regulations.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

To the extent permitted by law, the New VEBA shall indemnify and hold the Committee, the UAW, GM, the GM Plan, and the employees, officers and agents of each of them harmless from and against any liability that they may incur in connection with the New Plan and New VEBA, unless such liability arises from their gross negligence or intentional misconduct, or breach of this Settlement Agreement. The Committee shall not be required to give any bond or any other security for the faithful performance of its duties under the Trust Agreement, except as such may be required by law.

18. Subsidies

With regard to claims incurred on or after the Implementation Date, the New VEBA shall be entitled to receive any Medicare Part D subsidies and other health care related subsidies regarding benefits actually paid by the New VEBA which may result from future legislative changes, and GM shall not be entitled to receive any such subsidies related to prescription drug benefits and other health care related benefits provided to the Class and the Covered Group by the New Plan and New VEBA.

19. Default and Cure

A. General. The Committee will have the right to accelerate some or all of the payment obligations of GM under this Settlement Agreement (other than the Shortfall Amount payments set forth in Sections 8.G and 10 and Exhibit D of this Settlement Agreement) if GM defaults on any payment obligations under this Settlement Agreement and such default is not cured within 15 business days after the Committee gives GM notice of such default. To cure such default, GM will pay the amount then in default plus accrued Interest on such amount. Payments due under the Convertible Note may also be accelerated under this provision only to the extent that the Convertible Note is then held by the New VEBA.

B. Limitation on Liens. Effective as of the Implementation Date and until all payments required of GM under this Settlement Agreement, other than the Shortfall Amount payments set forth in Sections 8.G and 10 and Exhibit D of this Settlement Agreement, have been made, GM will not, nor will it permit any Manufacturing Subsidiary to, issue or assume any Debt secured by a Mortgage upon any Principal Domestic Manufacturing Property of GM or any Manufacturing Subsidiary or upon any shares of stock or indebtedness of any Manufacturing Subsidiary (whether such Principal Domestic Manufacturing Property, shares of stock or indebtedness are now owned or hereafter acquired) without in any such case effectively providing concurrently with the issuance or assumption of any such Debt that the payment obligations by GM under this Settlement Agreement, other than the Shortfall Amount payments set forth in Sections 8.G and 10 and Exhibit D of this Settlement Agreement, (together with, if GM shall so determine, any other indebtedness of GM or such Manufacturing Subsidiary ranking equally with the payment obligations by GM under this Settlement Agreement and then existing or thereafter created) shall be secured equally and ratably with such Debt, unless the aggregate amount of Debt issued or assumed and so secured by Mortgages, together with all other Debt of GM and its Manufacturing Subsidiaries which (if originally issued or assumed at such time) would otherwise be subject to the foregoing restrictions, but not including Debt permitted to be secured under clauses (i) through (vi) of the immediately following paragraph, does not at the time exceed 20% of the stockholders' equity of GM and its consolidated subsidiaries, as

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

determined in accordance with generally accepted accounting principles and shown on the audited consolidated balance sheet contained in the latest published annual report to the stockholders of GM.

The above restrictions shall not apply to Debt secured by (i) Mortgages on property, shares of stock or indebtedness of any corporation or other entity existing at the time such corporation or other entity becomes a Manufacturing Subsidiary; (ii) Mortgages on property existing at the time of acquisition of such property by GM or a Manufacturing Subsidiary, or Mortgages to secure the payment of all or any part of the purchase price of such property upon the acquisition of such property by GM or a Manufacturing Subsidiary or to secure any Debt incurred prior to, at the time of, or within 180 days after, the later of the date of acquisition of such property and the date such property is placed in service, for the purpose of financing all or any part of the purchase price thereof, or Mortgages to secure any Debt incurred for the purpose of financing the cost to GM or a Manufacturing Subsidiary of improvements to such acquired property; (iii) Mortgages securing Debt of a Manufacturing Subsidiary owing to GM or to another Subsidiary; (iv) Mortgages on property of a corporation or other entity existing at the time such corporation or other entity is merged or consolidated with GM or a Manufacturing Subsidiary or at the time of a sale, lease or other disposition of the properties of a corporation or other entity as an entirety or substantially as an entirety to GM or a Manufacturing Subsidiary; (v) Mortgages on property of GM or a Manufacturing Subsidiary in favor of the United States of America or any State thereof, or any department, agency or instrumentality or political subdivision of the United States of America or any State thereof, or in favor of any other country, or any political subdivision thereof, to secure partial, progress, advance or other payments pursuant to any contract or statute or to secure any indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of construction of the property subject to such Mortgages; or (vi) any extension, renewal or replacement (or successive extensions, renewals or replacements) in whole or in part of any Mortgage referred to in the foregoing clauses (i) to (v), inclusively; provided, however, that the principal amount of Debt secured thereby shall not exceed by more than 115% the principal amount of Debt so secured at the time of such extension, renewal or replacement and that such extension, renewal or replacement shall be limited to all or a part of the property which secured the Mortgage so extended, renewed or replaced (plus improvements on such property).

C. Dispute Resolution. The dispute resolution process set forth in Section 26 of this Settlement Agreement shall apply in the event of a dispute over whether GM has defaulted on any payment obligation under this Settlement Agreement. In this regard, the time limit applicable to GM's right to cure a default shall be 15 business days after agreement by the parties that GM has defaulted, or entry by the Court of a final ruling determining that GM has defaulted on its payment obligations. Application of the dispute resolution process set forth in Section 26 of this Settlement Agreement does not relieve GM of the obligation to pay accrued Interest for the period of time that the dispute resolution process is in effect in order to cure a default.

20. Cooperation

A. Cooperation by GM. GM will cooperate with the UAW and the Committee and at the Committee's request undertake such reasonable actions as will assist the Committee in the

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

transition of responsibility for administration of the Retiree Medical Benefits by the Committee for the New Plan and the New VEBA. Such cooperation will include assisting the Committee in educational efforts and communications with respect to the Class and the Covered Group so that they understand the terms of the New Plan, the New VEBA and the transition, and understand the claims submission process and any other initial administrative changes undertaken by the Committee. Before and after the Implementation Date, at the Committee's request and as permitted by law, GM will furnish to the Committee such information and shall provide such cooperation as may be reasonably necessary to permit the Committee to effectively administer the New Plan and the New VEBA, including, without limitation, the retrieval of data in a form and to the extent maintained by GM regarding age, amounts of pension benefits, service, pension and medical benefit eligibility, marital status, mortality, claims history, births, deaths, dependent status and enrollment information of the Class and the Covered Group. At the request of the Committee, GM will continue to perform the necessary eligibility work for a reasonable period of time, not to exceed 90 days after the Implementation Date in order to allow the Committee to establish and test the eligibility database, and for which GM will be entitled to reimbursement for reasonable costs. GM shall also assist the Committee in transitioning benefit provider contracts to the New VEBA. GM shall also cooperate with the UAW and the Committee and undertake such reasonable actions as will enable the Committee to perform its administrative functions with respect to the New Plan and the New VEBA, including insuring an orderly transition from GM administration of Retiree Medical Benefits to the New Plan and the New VEBA.

To the extent permitted by law, GM will also allow retiree participants to voluntarily have required contributions withheld from pension benefits and to the extent reasonably practical, credited to the GM Separate Retiree Account of the New VEBA on a monthly basis. A retiree participant may elect or withdraw consent for pension withholdings at any time by providing 45 days written notice to the Pension Plan administrator or such shorter period that may be required by law.

To the extent permitted by law, GM will also cooperate with the Committee to make provision for the New VEBA payments of the $76.20 Special Benefit to be incorporated into monthly GM pension checks for eligible retirees and surviving spouses. It will be the responsibility of the Committee and the New VEBA to advise GM's pension administrator in a timely manner of eligibility changes with regard to the Special Benefit payment. The timing of the information provided to GM's pension administrator will determine the timing for the incorporation into the monthly pension check. It will be the responsibility of the Committee and the New VEBA to establish a bank account for the funding of the Special Benefit payments, and GM's pension administrator will be provided with the approval to draw on that account for the payment of the benefit. The Committee and the New VEBA will assure that the bank account is adequately funded for any and all such payments. If adequate funds do not exist for the payments, then GM's pension administrator will not make such payments until the required funding is established in the account. It will be the responsibility of the Committee and the New VEBA to audit the eligibility for, and payment of, the Special Benefit. Additionally, the Committee and the New VEBA will be responsible for the payment of reasonable costs associated with GM's administration of the payment of this Special Benefit and the pension withholdings, including development of administrative and recordkeeping processes, monthly payment processing, audit and reconciliation functions and the like.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GM will be financially responsible for reasonable costs associated with the transition of coverage for the Class and the Covered Group to the New Plan and New VEBA. This shall include the cost of educational efforts and communications with respect to retirees, the New Plan's initial creation of administrative procedures, initial development of record sharing procedures, the testing of computer systems, the Committee's initial vendor selection and contracting, and other activities incurred on or before the Implementation Date, including but not limited to costs associated with drafting the trust agreement for the New VEBA, seeking from the Internal Revenue Service a determination of the tax-exempt status of the New VEBA, plan design and actuarial and other professional work necessary for initiation of the New Plan and New VEBA and the benefits to be provided thereunder. GM payments described in this Section shall not reduce its payment obligations under this Settlement Agreement, and if the New VEBA is a multi-employer welfare trust, the costs described in this Section, to the extent not allocable to a specific employer, shall be pro-rated among the participating companies based on the ratio of required funding for each company. Payment of these costs shall be set forth explicitly in the Approval Order.

B. Cooperation With GM. The UAW and the Committee will cooperate and shall timely furnish GM with such information related to the New Plan and New VEBA, in a form and to the extent maintained by the UAW and the Committee, as may be reasonably necessary to permit GM to comply with requirements of the SEC, including, but not limited to, any disclosures contemplated or agreed to with the staff of the SEC as a result of GM's discussions with the staff pursuant to Section 21 of this Settlement Agreement and any schedules supporting such information, and Generally Accepted Accounting Principles, including but not limited to SFAS 87, SFAS 106, SFAS 132R, SFAS 157, and SFAS 158 (as amended), for disclosure in GM's financial statements and any filings with the SEC.

21. Accounting Treatment

Throughout the negotiations of the MOU and this Settlement Agreement, GM has maintained that a necessary element in its decision to enter into the MOU and this Settlement Agreement is securing accounting treatment that is reasonably satisfactory to GM regarding the transactions contemplated by the MOU and this Settlement Agreement. In the event that the economic substance of the transaction does not meet the specific requirements for settlement accounting as determined by paragraphs 90-95 of FASB Statement No. 106, as amended, it is expected that the terms of this Settlement Agreement would give rise to substantive plan amendment accounting. For purposes of this provision, substantive plan amendment accounting would limit GM's OPEB obligation to the revised, fixed and capped obligations as determined under this Settlement Agreement. The parties agree that this Settlement Agreement and Final Effective Date are contingent on GM securing the appropriate accounting treatment regarding GM's obligations to the Class and the Covered Group for Retiree Medical Benefits. As soon as practicable, GM will discuss the accounting for the New Plan and the New VEBA and its obligations to the Class and the Covered Group for Retiree Medical Benefits with the staff of the SEC. If, as a result of those discussions, GM believes that the accounting for the transaction may not be a settlement as contemplated by paragraphs 90-95 of FASB Statement No. 106, as amended, or a substantive negative plan amendment reasonably satisfactory to GM, the parties will meet in an effort to restructure the transaction to achieve such accounting. If the parties are unable to reach an agreement on terms that GM reasonably believes will provide such accounting, this Settlement Agreement will terminate.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

22. Prohibited Transaction Exemptions

The parties agree that the assets of the TAA and LLC shall not be "plan assets" of the New Plan and New VEBA until actual transfer or payment to the New VEBA. The UAW, GM, and the Class and Class Counsel acknowledge that the instrument establishing the TAA and communications to the Class regarding the TAA, shall be consistent with the principles set forth in DOL Advisory Opinions 92-02A, 92-24 and 94-31A so as to avoid the assets in the TAA being deemed "plan assets" within the meaning of ERISA. If GM determines that the assets in the TAA and/or LLC as described in Section 7 of this Settlement Agreement are likely to be deemed "plan assets," GM will apply for a prohibited transaction exemption from the DOL to permit the acquisition and holding of the employer security in the TAA and/or LLC. The UAW, the Class and Class Counsel will fully cooperate with GM in securing any such legal or regulatory approvals.

If GM elects to transfer the Convertible Note or the Alternative Convertible Note to the New VEBA and such note is not a qualifying employer security, and/or if the Derivative Contracts are not qualifying employer securities, GM and the New VEBA timely will apply for a prohibited transaction exemption from the DOL to permit the New VEBA to acquire and hold such securities. Similarly, if qualifying employer securities and employer real property would exceed 10 percent of the total assets in the New VEBA immediately after transfer of the Convertible Note or the Alternative Convertible Note and the Derivative Contracts to the New VEBA, then GM and the New VEBA timely will apply for a prohibited transaction exemption to permit the New VEBA to acquire and hold such securities. The UAW, the Class and Class Counsel will fully cooperate with GM and the New VEBA in securing any such legal or regulatory approvals. If GM and the New VEBA cannot timely obtain any necessary exemptions, the parties will meet and discuss an appropriate alternative which provides equivalent economic value to the New VEBA.

23. Indemnification

Subject to approval by the Court as part of the Judgment, GM hereby agrees to indemnify and hold harmless the UAW, and its officers, directors, employees and expert advisors (each, an "Indemnified Party"), to the extent permitted by law, from and against any and all losses, claims, damages, obligations, assessments, penalties, judgments, awards, and other liabilities related to any decision, recommendations or other actions taken prior to the date of this Settlement Agreement (collectively, "Indemnification Liabilities"), and will fully reimburse any Indemnified Party for any and all reasonable and documented attorney fees and expenses (collectively, "Indemnity Expenses"), as and when incurred, of investigating, preparing or defending any claim, action, suit, proceeding or investigation, arising out of or in connection with any Indemnification Liabilities incurred as a result of an Indemnified Party's entering into, or participation in the negotiations for, this Settlement Agreement and the MOU and the transactions contemplated in connection herewith; provided, however, that such indemnity shall not apply to any portion of any such Liability or Expense that resulted from the gross negligence, illegal or willful misconduct by an Indemnified Party; provided, further, that such indemnity shall not apply to any Indemnification Liabilities to a GM Active Employee for breach of the duty of fair representation.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Nothing in this Section 23 or any provision of this Settlement Agreement shall be construed to provide an indemnity for any member or any actions of the Committee; provided however, that an Indemnified Party who becomes a member of the Committee shall remain entitled to any indemnity to which the Indemnified Party would otherwise be entitled pursuant to this Section 23 for actions taken, or for a failure to take actions, in any capacity other than as a member of the Committee; and provided further, that nothing in this Section 23 or any other provision of this Settlement Agreement shall be construed to provide an indemnity for any Indemnification Liabilities or Indemnity Expenses relating to (i) management of the assets of the New VEBA or (ii) for any action, amendment or omission of the Committee with respect to the provision and administration of Retiree Medical Benefits.

If an Indemnified Party receives notice of any action, proceeding or claim as to which the Indemnified Party proposes to demand indemnification hereunder, it shall provide GM prompt written notice thereof. Failure by an Indemnified Party to so notify GM shall relieve GM from the obligation to indemnify the Indemnified Party hereunder only to the extent that GM suffers actual prejudice as a result of such failure, but GM shall not be obligated to provide reimbursement for any Indemnity Expenses incurred for work performed prior to its receipt of written notice of the claim. If an Indemnified Party is entitled to indemnification hereunder, GM will have the right to participate in such proceeding or elect to assume the defense of such action or proceeding at its own expense and through counsel chosen by GM (such counsel being reasonably satisfactory to the Indemnified Party). The Indemnified Party will cooperate in good faith in such defense. Upon the assumption by GM of the defense of any such action or proceeding, the Indemnified Party shall have the right to participate in, but not control the defense of, such action and retain its own counsel but the expenses and fees shall be at its expense unless (a) GM has agreed to pay such Indemnity Expenses, (b) GM shall have failed to employ counsel reasonably satisfactory to an Indemnified Party in a timely manner, or (c) the Indemnified Party shall have been advised by counsel that there are actual or potential conflicting interests between GM and the Indemnified Party that require separate representation, and GM has agreed that such actual or potential conflict exists (such agreement not to be unreasonably withheld); provided, however, that GM shall not, in connection with any such action or proceeding arising out of the same general allegations, be liable for the reasonable fees and expenses of more than one separate law firm at any time for all Indemnified Parties not having actual or potential conflicts among them, except to the extent that local counsel, in addition to its regular counsel, is required in order to effectively defend against such action or proceeding. All such fees and expenses shall be invoiced to GM, with such detail and supporting information as GM may reasonably require, in such intervals as GM shall require under its standard billing processes.

If the Indemnified Party receives notice from GM that GM has elected to assume the defense of the action or proceeding, GM will not be liable for any attorney fees or other legal expenses subsequently incurred by the Indemnified Party in connection with the matter.

GM shall not be liable for any settlement of any claim against an Indemnified Party made without GM's written consent, which consent shall not be unreasonably withheld. GM shall not,

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

without the prior written consent of an Indemnified Party, which consent shall not be unreasonably withheld or delayed, settle or compromise any claim, or permit a default or consent to the entry of any judgment, that would create any financial obligation on the part of the Indemnified Party not otherwise within the scope of the indemnified liabilities.

The termination of this Settlement Agreement shall not affect the indemnity provided hereunder, which shall remain operative and in full force and effect. Notwithstanding anything in this Section 23 to the contrary, this Section 23 of the Settlement Agreement shall not be applicable with respect to any of the matters covered by Article VI of the Securityholder and Registration Rights Agreement.

24. Costs and Attorneys Fees

A. Fees and Expenses. GM agrees to support the application by the UAW and Class Counsel to the Court for reimbursement by GM of reasonable attorney and professional fees and expenses based on hours worked and determined in accordance with the current market rates (not to include any upward adjustments such as any lodestar multipliers, risk enhancements, success fee, completion bonus or rate premiums) incurred in connection with the court proceedings to obtain the Approval Order and any appeals therefrom. Approval of these fee requests will be included in the Judgment.

B. Fees After The Final Effective Date. Each party to this Settlement Agreement agrees not to seek any other future fees or expenses from any other party in connection with either Henry II or Henry I, except that the Class Representatives or any other party prevailing in any action to enforce the terms of this Settlement Agreement may seek such fees and costs as may be allowed by law.

25. Releases and Certain Related Matters

A. In consideration of GM's entry into this Settlement Agreement, and the other obligations of GM contained herein, the Class Representatives, the Class Counsel and the UAW hereby consent to the entry of the Judgment, which shall be binding upon all Class Members pursuant to Rule 23(b)(2) of the Federal Rules of Civil Procedure.

B. As of the Final Effective Date, each UAW Releasee releases and forever discharges each other UAW Releasee and each other Indemnified Party and shall be forever released and discharged with respect to any and all rights, claims or causes of action that such UAW Releasee had, has or hereafter may have, whether known or unknown, suspected or unsuspected, concealed or hidden, arising out of or based upon or otherwise related to (a) any of the claims arising, or which could have been raised, in connection with either Henry I or Henry II concerning the provision of Retiree Medical Benefits and the terms of this Settlement Agreement, (b) any claims that this Settlement Agreement, any document referred to or contemplated herein is not in compliance with applicable laws and regulations, and (c) any action taken to carry out this Settlement Agreement in accordance with this Settlement Agreement and applicable law.

C. As of the Final Effective Date, the UAW Releasees release and forever discharge GM, and its officers, directors, employees, agents, and subsidiaries, and the GM Plan and its

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

fiduciaries, with respect to any and all rights, claims or causes of action that any UAW Releasee had, has or hereafter may have, whether known or unknown, suspected or unsuspected, concealed or hidden, arising out of, based upon or otherwise related to (a) any of the claims arising, or which could have been raised, in connection with Henry I or Henry II concerning the provision of Retiree Medical Benefits and the terms of this Settlement Agreement, (b) any claims that this Settlement Agreement, any document referred to or contemplated herein is not in compliance with applicable laws and regulations, and (c) any action taken to carry out this Settlement Agreement in accordance with this Settlement Agreement and applicable law.

D. As of the Final Effective Date, the UAW Releasees release and forever discharge the Existing External VEBA and the fiduciaries, trustees, and committee that administer the Existing External VEBA, and the Existing Internal VEBA and the fiduciaries, trustees, and committee that administer the Existing Internal VEBA with respect to any and all rights, claims or causes of action that any UAW Releasee had, has or hereafter may have, whether known or unknown, suspected or unsuspected, concealed or hidden, arising out of, based upon or otherwise related to (a) any of the claims arising, or which could have been raised, in connection with Henry I or Henry II concerning the provision of Retiree Medical Benefits and the terms of this Settlement Agreement, (b) any claims that this Settlement Agreement, any document referred to or contemplated herein is not in compliance with applicable laws and regulations, and (c) any action taken by such fiduciaries, trustee and/or committees to carry out this Settlement Agreement and to transfer assets of the Existing External VEBA and Existing Internal VEBA to the New VEBA in accordance with this Settlement Agreement and applicable law.

E. As of the Final Effective Date, GM releases and forever discharges the Class Representatives and Class Counsel from any and all claims, demands, liabilities, causes of action or other obligations of whatever nature, including attorney fees, whether known or unknown, that arise from their participation or involvement with respect to the filing of the Henry II lawsuit or in the negotiations leading to this Settlement Agreement. This release does not extend to obligations arising from the terms of the Settlement Agreement itself.

F. Neither the entry into this Settlement Agreement nor the consent to the Judgment is, may be construed as, or may be used as, an Admission by or against GM or any UAW Releasee of any fault, wrongdoing or liability whatsoever.

26. Dispute Resolution

A. Coverage. Any controversy or dispute arising out of or relating to, or involving the enforcement, implementation, application or interpretation of this Settlement Agreement shall be enforceable only by GM, the Committee, the UAW, and if prior to the Implementation Date, Class Counsel, and the Approval Order will provide that the Court will retain exclusive jurisdiction to resolve any such disputes. Notwithstanding the foregoing, any disputes relating solely to eligibility for participation or entitlement to benefits under the New Plan shall be resolved in accordance with the applicable procedures such Plan shall establish, and nothing in this Settlement Agreement precludes Class Members from pursuing appropriate judicial review regarding such disputes; provided however, that no claims related to Retiree Medical Benefits for claims incurred after the Implementation Date may be brought against GM, any of its affiliates, or the GM Plan.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

B. Attempt at Resolution. Although the Court retains exclusive jurisdiction to resolve disputes arising out of or relating to the enforcement, implementation, application or interpretation of this Settlement Agreement, the parties agree that prior to seeking recourse to the Court, the parties shall attempt to resolve the dispute through the following process:

(i) The aggrieved party shall provide the party alleged to have violated this Settlement Agreement ("Dispute Party") with written notice of such dispute, which shall include a description of the alleged violation and identification of the Section(s) of the Settlement Agreement allegedly violated. Such notice shall be provided so that it is received by the Dispute Party no later than 180 calendar days from the date of the alleged violation or the date on which the aggrieved party knew or should have known of the facts that give rise to the alleged violation, whichever is later, but in no event longer than 3 years from the date of the alleged violation.

(ii) If the Dispute Party fails to respond within 21 calendar days from its receipt of the notice, the aggrieved party may seek recourse to the Court; provided however, that the aggrieved party waives all claims related to a particular dispute against the Dispute Party if the aggrieved party fails to bring the dispute before the Court within 180 calendar days from the date of sending the notice. Provided, however, with respect to disputes relating to assumptions or methodology used by the GM Actuary or the Actuary in calculating the Cash Flow Projection as set forth in Exhibit A to this Settlement Agreement the parties may not seek recourse to the Court but will submit such dispute to a neutral actuary in accordance with Exhibit A.

All the time periods in Section 26 of this Settlement Agreement may be extended by agreement of the parties to the particular dispute.

C. Alternate Means of Resolution. Nothing in this Section shall preclude GM, the UAW, the Committee, or Class Counsel from agreeing on any other form of alternative dispute resolution or from agreeing to any extensions of the time periods specified in this Section.

27. Submission of the Settlement Agreement and Class Action Notice Order

The parties shall submit this Settlement Agreement to the Court and jointly work diligently to have this Settlement Agreement approved by the Court as soon as possible either through Henry II or Henry I as deemed appropriate. In either event, the parties shall seek the Court's approval of this Settlement Agreement as superseding or satisfying the Henry I Settlement Agreement. The parties shall seek from the Court an order (the "Notice Order") providing that notice of the hearing on the proposed settlement (the "Fairness Hearing") shall be given at GM's expense to the Class, as defined herein, by mailing a copy of the notice contemplated in the Notice Order to the Class, and by publishing a notice approved by the Court in the Detroit News/Free Press weekend edition, and a national newspaper such as USA Today. Until entry of Judgment, copies of this Settlement Agreement shall also be made available for inspection by Class Members at the Court, at the UAW offices in Detroit, Michigan, and at the offices of Class Counsel.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

28. Conditions

This Settlement Agreement is conditioned upon the occurrence or resolution of the conditions described in subparagraphs A, B, and C of this Section. The failure of subparagraphs A and B will render this Settlement Agreement voidable at the discretion of any party. The failure of subparagraph C will render this Settlement Agreement voidable at the sole discretion of GM.

A. Class Certification Order. A final order must be entered by the Court certifying Henry II as a non-opt out class action, or amending and re-certifying the Henry I class, such that the Class is defined as stated in Section 1 of this Settlement Agreement. This condition shall be deemed to have failed upon the Court's issuance of a Class Order denying certification of Henry II as a class action or denial of the motion to amend and re-certify the class in Henry I to include the Class as defined in this Settlement Agreement, if applicable, or upon issuance of a Class Order certifying Henry II as a class action or amending and re-certifying a new class in Henry I but whose membership is less inclusive than as described in this Settlement Agreement unless GM, the UAW and Class Counsel agree in writing to such alternative class description.

B. Judgment/Approval Order. A Judgment must be entered by the Court in either Henry I or Henry II approving this Settlement Agreement in all respects and as to all parties, including GM, the UAW, and the Class. The Judgment shall be acceptable in form and substance to GM, the UAW and Class Counsel. This condition shall be deemed to have failed upon issuance of an order disapproving this Settlement Agreement, or upon the issuance of an order approving only a portion of this Settlement Agreement but disapproving other portions, unless GM, the UAW and Class Counsel agree otherwise in writing. Such Approval Order shall, inter alia, contain the conditions set forth in this Settlement Agreement and direct the transfer of all the assets and liabilities of the Existing External VEBA into the New VEBA and the termination of the Existing External VEBA.

C. Accounting Treatment Satisfactory to GM. The discussions between GM and the SEC regarding accounting treatment shall have been completed in a manner reasonably satisfactory to GM as set forth in Section 21 of this Settlement Agreement.

29. No Admission; No Prejudice

A. Notwithstanding anything to the contrary, whether set forth in this Settlement Agreement, the MOU, the Judgment, the Notice Order, any documents filed with the Court in either Henry I or Henry II, any documents, whether provided in the course of or in any manner whatsoever relating to the 2007 discussions between GM and UAW with respect to health care benefits or relating to this Settlement Agreement or the MOU, whether distributed, otherwise made available to or obtained by any person or organization, including without limit, GM Active Employees, Class Members, or their spouses, surviving spouses or dependents, or to the UAW or GM in the course of the negotiations that led to entry into this Settlement Agreement, or otherwise:

(a) GM denies and continues to deny any wrongdoing or legal liability arising out of any of the allegations, claims and contentions made against GM in Henry I or

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Henry II and in the course of the negotiation of the MOU or this Settlement Agreement. Neither the MOU, nor any disputes or discussions between GM and the UAW with respect to health care benefits or entry into this Settlement Agreement occurring on or after January 1, 2007, nor this Settlement Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Settlement Agreement, nor any retiree health care benefits provided hereunder or any action related in any way to the ongoing administration of such retiree health care benefits (collectively, the "Settlement Actions") may be construed as, or may be viewed or used as, an Admission by or against GM of any fault, wrongdoing or liability whatsoever, or as an Admission by GM of the validity of any claim or argument made by or on behalf of the UAW, Active Employees, the Class or the Covered Group, that retiree health benefits are vested. Without limiting in any manner whatsoever the generality of the foregoing, the performance of any Settlement Actions by GM may not be construed, viewed or used as an Admission by or against GM that, following the termination of the December 16, 2005 Settlement Agreement in Henry I, it does not have the unilateral right to modify or terminate retiree health care benefits.

(b) Each of the UAW, the Class Representatives and the Class Members claim and continue to claim that the allegations, claims and contentions made against GM in Henry II have merit. Neither this Settlement Agreement nor any document referred to or contemplated herein nor any Settlement Actions may be construed as, or may be viewed or used as, an Admission by or against any of the UAW, the Class Representatives or the Class Members of any fault, wrongdoing or liability whatsoever or of the validity of any claim or argument made by or on behalf of GM that GM has a unilateral right to modify or terminate retiree health care benefits or that retiree health care benefits are not vested. Without limiting in any manner whatsoever the generality of the foregoing, the performance of any Settlement Actions by any of the UAW, the Class Representatives or the Class Members, including without limitation, the acceptance of any retiree health care benefits under any of the GM health care plans set forth in this Settlement Agreement, may not be construed, viewed or used as an Admission by or against any of the UAW, the Class Representatives or the Class that, following the termination of the December 16, 2005 Settlement Agreement, GM has the unilateral right to modify or terminate retiree health care benefits.

(c) There has been no determination by any court as to the factual allegations made against GM in Henry I or Henry II. Entering into this Settlement Agreement and performance of any of the Settlement Actions shall not be construed as, or deemed to be evidence of, an Admission by any of the parties hereto, and shall not be offered or received in evidence in any action or proceeding against any party hereto in any court, administrative agency or other tribunal or forum for any purpose whatsoever other than to enforce the provisions of this Settlement Agreement or to obtain or seek approval of this Settlement Agreement in accordance with Rule 23 of the Federal Rules of Civil Procedure and the Class Action Fairness Act of 2005.

For the purposes of this Section 29, GM and the UAW refer to General Motors Corporation and the Union, respectively, as organizations, as well as any and all of their respective directors, officers, employees, and agents.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

This Settlement Agreement and anything occurring in connection with reaching this Settlement Agreement are without prejudice to GM, the UAW and the Class. The parties may use this Settlement Agreement to assist in securing the Judgment approving the settlement. It is intended that GM, the UAW, the Committee, the Class Representatives, the Class, the Covered Group and Class Counsel shall not use this Settlement Agreement, or anything occurring in connection with reaching this Agreement, as evidence against GM, the UAW, the Class or the Covered Group in any circumstance except where the parties are operating under or enforcing this Settlement Agreement or the Judgment approving this Settlement Agreement.

30. Duration and Termination of Settlement Agreement

This Settlement Agreement will remain in effect unless and until terminated in accordance with this Section and as provided for in Section 28 of this Settlement Agreement. If this Settlement Agreement is terminated, then the Henry I Settlement Agreement and judgment shall remain in full force and effect and the parties will be restored to their respective positions immediately before execution of this Settlement Agreement except as specifically noted herein.

Termination of this Settlement Agreement may occur as follows:

(i) If Henry II is enjoined or stayed, or withdrawn, dismissed, or otherwise terminated, or if the Judgment is denied in whole or in material part, either GM, the UAW, or Class Counsel on behalf of the Class Representatives may terminate this Settlement Agreement by 30 days' written notice to the other party; provided however, that the Settlement Agreement may not be terminated pursuant to this subparagraph (i) if Henry II is stayed, withdrawn, or dismissed by the parties because this Settlement Agreement is approved as a superseding settlement through the Henry I litigation.

(ii) If a Class Order satisfactory to the parties, as described in Section 28.A of this Settlement Agreement, is entered by the Court and subsequently overturned in whole or in part on appeal or otherwise, either GM, the UAW, or Class Counsel on behalf of the Class may terminate this agreement upon 30 days' written notice to the other parties.

(iii) If an Approval Order satisfactory to the parties, as described in Section 28.B of this Settlement Agreement, is entered by the Court, but overturned in whole or in part on appeal or otherwise, either GM, the UAW, or Class Counsel on behalf of the Class Representatives may terminate this Settlement Agreement upon 30 days' written notice to the other parties.

(iv) If after GM's discussions with the SEC, GM does not believe the accounting treatment for the New Plan and the New VEBA is reasonably satisfactory to GM as set forth in Section 21 of this Settlement Agreement, GM may immediately terminate this Settlement Agreement upon written notice to the other parties.

(v) If any court, agency or other tribunal of competent jurisdiction issues a determination that any part of this Settlement Agreement is prohibited or unenforceable, either GM, the UAW, or Class Counsel on behalf of the Class Representatives may terminate this Settlement Agreement by 30 days' written notice to the other party.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Notwithstanding the foregoing, Sections 7.G, 8.H, 9.A, 9.B and 9.C to the extent these Sections create rights and obligations relating to the non-occurrence of the Final Effective Date as well as 22, 23, 26 and 29, shall survive the termination of this Settlement Agreement.

31. National Institute for Health Care Reform

In recognition of the interest of GM, the UAW, the Class and the Covered Group in improving the quality, affordability, and accountability of health care in the United States, the parties agree that as a part of this settlement GM and the UAW shall establish a National Institute for Health Care Reform ("Institute"). The Institute shall be established and receive its first annual funding payment as soon as practicable after the Initial Effective Date on the basis set forth in the term sheet attached hereto as Exhibit G to this Settlement Agreement. The annual funding payment will be payable in four equal quarterly installments. The funding and operation of the Institute shall be separate, independent and distinct from the New Plan and the New VEBA. Any payments by GM to the Institute shall be governed exclusively by the term sheet and are not in any way related to GM's payment obligations as described in Sections 8 and 12 of this Settlement Agreement. Additionally, Section 19 of this Settlement Agreement shall not apply to any obligation GM may have to make payments with regard to the Institute.

32. Other Provisions

A. References in this Settlement Agreement to "Sections," "Paragraphs" and "Exhibits" refer to the Sections, Paragraphs, and Exhibits of this Settlement Agreement unless otherwise specified.

B. The Court will, subject to Section 26 of this Settlement Agreement, retain exclusive jurisdiction to resolve any disputes relating to or arising out of or in connection with the enforcement, interpretation or implementation of this Settlement Agreement. Each of the parties hereto expressly and irrevocably submits to the jurisdiction of the Court and expressly waives any argument it may have with respect to venue or forum non conveniens.

C. This Settlement Agreement constitutes the entire agreement between the parties regarding the matters set forth herein, and no representations, warranties or inducements have been made to any party concerning this Settlement Agreement, other than representations, warranties and covenants contained and memorialized in this Settlement Agreement. This Settlement Agreement supersedes any prior understandings, agreements or representations by or between the parties, written or oral, regarding the matters set forth in this Settlement Agreement.

D. The captions used in this Settlement Agreement are for convenience of reference only and do not constitute a part of this Settlement Agreement and will not be deemed to limit, characterize or in any way affect any provision of this Settlement Agreement, and all provisions of this Settlement Agreement will be enforced and construed as if no captions had been used in this Settlement Agreement.

E. The Class Representatives expressly authorize Class Counsel to take all appropriate action required or permitted to be taken by the Class Representatives pursuant to this Settlement Agreement to effectuate its terms and also expressly authorize Class Counsel to enter into any non-material modifications or amendments to this Settlement Agreement on behalf of

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

them that Class Counsel deems appropriate from the date this Settlement Agreement is signed until the Effective Date; provided, however, that the effectiveness of any such amendment which adversely impacts the level of benefits to any Class Member as well as any material amendment shall be subject to the approval of the Court.

F. This Settlement Agreement may be executed in two or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument, provided that counsel for the parties to this Settlement Agreement shall exchange among themselves original signed counterparts.

G. No party to this Settlement Agreement may assign any of its rights hereunder without the prior written consent of the other parties, and any purported assignment in violation of this sentence shall be void. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

H. Each of GM, the UAW, the Committee, Class Representatives, Class Members and the Class Counsel shall do any and all acts and things, and shall execute and deliver any and all documents, as may be necessary or appropriate to effect the purposes of this Settlement Agreement.

I. This Settlement Agreement shall be construed in accordance with applicable federal laws of the United States of America.

J. Any provision of this Settlement Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent any provision of this Settlement Agreement is invalid or unenforceable as provided for in Section 32.J of this Settlement Agreement , it shall be replaced by a valid and enforceable provision agreed to by GM, the UAW and Class Counsel (which agreement shall not be unreasonably withheld) that preserves the same economic effect for the parties under this Settlement Agreement; provided however, that to the extent that such prohibited or unenforceable provision cannot be replaced as contemplated and the consequences of such prohibited or unenforceable provision causes this Settlement Agreement to fail of its essential purpose then this Settlement Agreement may be voided at the sole discretion of the party seeking the benefit of the prohibited or unenforceable provision. Class Counsel is expressly authorized to take all appropriate action to implement this provision.

K. In the event that any payment referenced in this Settlement Agreement is due to be made on a weekend or a holiday, the payment shall be made on the first business day following such weekend or holiday.

L. In the event that any legal or regulatory approvals are required to effectuate the provisions of this Settlement Agreement, GM, the UAW, the Class, the Committee and Class Counsel will fully cooperate in securing any such legal or regulatory approvals.

M. Any notice, request, information or other document to be given under this Settlement Agreement to any of the parties by any other party shall be in writing and delivered

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

personally, or sent by Federal Express or other carrier which guarantees next-day delivery, transmitted by facsimile, transmitted by email if in an Adobe Acrobat PDF file, or sent by registered or certified mail, postage prepaid, at the following addresses. All such notices and communication shall be effective when delivered by hand, or, in the case of registered or certified mail, Federal Express or other carrier, upon receipt, or, in the case of facsimile or email transmission, when transmitted (provided, however, that any notice or communication transmitted by facsimile or email shall be immediately confirmed by a telephone call to the recipient.):

If to the Class Representatives or Class Counsel, addressed to:

William T. Payne
Stember Feinstein Doyle & Payne, LLC
Pittsburgh North Office
1007 Mt. Royal Boulevard
Pittsburgh, PA 15222
Tel: (412) 492-8797
wpayne@stargate.net

In each case with copies to:

John Stember
Edward Feinstein
Stember Feinstein Doyle & Payne, LLC
1705 Allegheny Building
429 Forbes Avenue
Pittsburgh, PA 15219
Tel: (412) 338-1445
jstember@stemberfeinstein.com
efeinstein@stemberfeinstein.com

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

If to GM, addressed to:

Diana Tremblay
GMNA Vice President of Labor Relations
General Motors Corporation
2000 Centerpoint Parkway
Pontiac, MI 48341
Tel: (248) 753-2243

in each case with copies to:

Francis S. Jaworski
Office of the General Counsel
General Motors Corporation
Mail Code 482-C25-B21
300 Renaissance Center
P.O. Box 300
Detroit, MI 48265-3000
Tel: (313) 665-4914
francis.s.jaworski@gm.com

If to UAW, addressed to:

Daniel W. Sherrick
General Counsel
International Union, United Automobile, Aerospace and
Agricultural Implement Workers of America
8000 East Jefferson Avenue
Detroit, MI 48214
Tel: (313) 926-5216

with a copy to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, New York 10006
Attention: A. Richard Susko/Richard S. Lincer/David I. Gottlieb
Tel: (212) 225-2000

Each party may substitute a designated recipient upon written notice to the other parties.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

IN WITNESS THEREOF, the parties hereto have caused this Settlement Agreement to be executed by themselves or their duly authorized attorneys.

AGREED:

By: /s/ Francis S. Jaworski (with consent) Date: February 21, 2008

Francis S. Jaworski
Office of the General Counsel
General Motors Corporation
Mail Code 482-C25-B21
300 Renaissance Center
P.O. Box 300
Detroit, MI 48265-3000
Tel: (313) 665-4914
francis.s.jaworski@gm.com

COUNSEL FOR DEFENDANT
GENERAL MOTORS CORPORATION

By: /s/ Daniel W. Sherrick (with consent) Date: February 21, 2008

Daniel W. Sherrick (P37171)
8000 East Jefferson Avenue
Detroit, MI 48214
Tel: (313) 926-5216

COUNSEL FOR PLAINTIFF
INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA

By: /s/ William T. Payne (with consent) Date: February 21, 2008

William T. Payne
Stember Feinstein Doyle & Payne, LLC
Pittsburgh North Office
1007 Mt. Royal Boulevard
Pittsburgh, PA 15222
Tel: (412) 492-8797
wpayne@stargate.net

COUNSEL FOR PLAINTIFFS
HENRY, LAURIA, BAILEY, GENCO, MARLOW,
MILLER, SORIANO, HUBER AND THE CLASS

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

EXHIBIT A
CASH FLOW PROJECTIONS

1

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit A — Cash Flow Projections

Timing and Census Data

On or before February 28 of each year until establishment of the Committee and retention by the Committee of a qualified Actuary (the "Actuary") a qualified actuary retained by GM (the "GM Actuary") shall perform a 60 year cash flow projection (the "Cash Flow Projection") based on generally accepted actuarial standards of practice including the census data, assumptions and methods outlined below. (Note: References herein to the "Actuary" shall be deemed to refer to the GM Actuary when describing activities occurring before establishment of the Committee and its retention of the Actuary.) After establishment of the Committee and its retention of the Actuary, the Actuary shall perform the Cash Flow Projection on or before the later of February 28 of each year or 45 days after GM provides to the Committee the actuarial assumptions described in the first paragraph of *Cash Flow Assumptions* below.

The cash flows included in the Cash Flow Projection will be based on the entire cash flow amount (i.e., cash flow based on the "expected post-retirement benefit obligation" as defined by FASB Statement No. 106), and will not be based on a pro-rata portion of the cash flow based on an employees' past years of service (i.e. cash flow based on the "accumulated post-retirement benefit obligation" as defined by FASB Statement No. 106).

The Cash Flow Projection shall be performed based on an annual actuarial valuation with a measurement date as of the December 31 immediately prior to the February 28 delivery date for the Cash Flow Projection. The projected annual cash flow amounts included in the Cash Flow Projection should be determined on a calendar year basis.

The participant census data used for the projection should be based on participant census information collected no more than three (3) months prior to the measurement date described above, updated for significant changes or events occurring between the data collection date and the measurement date (examples of significant events include, but are not limited to, special attrition programs, divestitures and plant closings that are large enough to materially impact, based on the determination of the Actuary, the results of the cash flow projection). The participant census data file should only include individuals in the Class and the Covered Group.

The Cash Flow Projection should reflect the Retiree Medical Benefits provided under the Henry I Settlement, including benefits provided by GM and the dental and mitigation benefits provided by the Existing External VEBA (including consideration of retiree contributions), except that effective January 1, 2016 and continuing thereafter, the "escalation" figure (as that term is used in Section 5B of the Henry I Settlement Agreement) will be four percent (4%) rather than three percent (3%) (the "Escalation Change"). The benefit levels described in this paragraph are hereinafter referred to as the "Base Line Benefits."

Cash Flow Assumptions

For purposes of performing the Cash Flow Projection, the following actuarial assumptions, as communicated to the Committee by GM should be identical to those used by GM for the Class

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

and the Covered Group with the FASB Statement No. 87 (FAS87) actuarial valuation of the General Motors Hourly Pension Plan for the fiscal year ending on or before the measurement date

- Mortality table assumptions for healthy and disabled participants
- Employee turnover assumptions
- Retirement age assumptions
- Disability incidence assumptions
- Assumed age difference between employees/retirees and their covered spouse (except where actual data is used and available such as existing retirees)

The health care trend rate assumption used for the Cash Flow Projection will be set based on the average assumptions reported in the most recent Deloitte Consulting Annual Survey of Economic Assumptions and the Watson Wyatt Annual Survey of Accounting and Other Post-retirement Benefits for SFAS 106/87 Assumptions, as of the measurement date each year. The information used from the survey shall be as follows:

i) Initial year health care trend rates

ii) Ultimate health care trend rate

iii) Number of years from the year of the initial year health care trend rate to the year of the ultimate trend rate.

The health care trend rate components above shall be set equal to the average of the median results reported in the two surveys. Health care trend rates between the initial and ultimate rate will be determined based on grading the rates down linearly over the number of years from the initial to the ultimate rate.

If the Actuary determines that the default health care trend rate assumptions described above do not fall within a reasonable range (such as the Best Estimate Range as defined in the Actuarial Standard of Practice 27) based on emerging plan experience, the Actuary may adjust those default values to reflect such anticipated experience, as long as the adjusted values do not differ from the default calculated values by an amount not to exceed the corridor shown below:

i)	Initial year health care trend	+/- 0.25%
ii)	Ultimate year health care trend	no corridor
iii)	Trend for interim years	pro rata from Initial to Ultimate
iv)	Years to Ultimate: default value	+/- 2 years from rounded

The GM Actuary will provide the UAW and Committee (if in existence) or the Actuary will provide GM with documentation to justify the use of assumptions different from the default health care trend, as anticipated under the Actuarial Standards of Practice.

The initial year health care trend rate shall be applied to increase base year per capita costs, as defined below. For example, for the Cash Flow Projections with a Measurement Date of

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

December 31, 2011, the initial year health care trend rate is applied to the per capita claims costs from 2010 to 2011.

The health care trend rate assumptions described above shall be applied to all of the per capita cost amounts described below, except for the per capita costs for plan administrative fees and expenses. The trend rate assumption to be applied to plan administrative expenses shall be no more than three percent (3%) per annum.

Health care trend rates shall not include the impact of i) any actual or anticipated plan design changes, including changes in retiree contributions (other than the Escalation Change) or benefit coverage level), ii) the impact of any changes in the age or Medicare-eligibility status of the Class and the Covered Group already reflected in the per capita health care claims costs, or iii) other non-claims specific one-time cash effects such as changes to the prescription drug rebate formula(s) and legal settlements. Those cost drivers should be separately reflected appropriately within the valuation, but outside of the medical trend assumption.

To the extent that the published surveys referenced above cease to be published, or based on the mutual agreement of GM and the Committee (as advised by their respective Actuaries), cease to be appropriate for use in this analysis, a suitable alternative shall be found and agreed upon by the parties.

Claim Cost Calculations

Base year per capita health care claims costs shall be prepared utilizing actual incurred per capita health care claims for the calendar year immediately prior to the year of the measurement date, with claims run-out for at least three (3) months following the year (for example, for the December 31, 2011 measurement date, per capita claims costs shall be prepared based on actual per capita claims costs incurred during the 2010 calendar year, based on claims run-out through at least March 31, 2011). Per capita claims costs should be adjusted for the estimated amount of any claims incurred but paid after the run-out date using generally accepted actuarial principles and historical actual claims run-out experience for the Retiree Medical Benefits provided to the Class and the Covered Group.

Separate per capita claims costs shall be prepared for each of the following benefits: HSM, prescription drugs, dental, vision and plan administrative fees and expenses. For purposes of per capita claim cost projections determined for claim costs prior to the Implementation Date, a five (5) basis point load for administrative expenses shall be included in the experience.

To the extent that the results are statistically credible, per capita costs should be prepared by 5 year age groups. Where cohort groups of five year age groups or benefits do not result in statistically credible populations, reasonable actuarial techniques to smooth the claim experience, combine age groups or otherwise determine costs in such a way as to approximate the desired level of detail without compromising the integrity of the results will be permitted. Separate per capita costs should be prepared for gross HMSD costs (prior to reduction for deductibles, coinsurance and other point-of-care cost-sharing, but net of the portion of the costs paid by Medicare), HMSD deductibles, coinsurance and other point-of-care cost-sharing, gross

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

prescription drug costs (prior to reduction for deductibles, coinsurance and other point-of-care cost-sharing, but net of the portion of the costs paid by Medicare), and prescription drug deductibles, coinsurance and other point-of-care cost-sharing. Separate HMSD per capita costs will be prepared for the TCN program, the PPO program and for HMOs.

Prescription drug per capita costs shall reflect the level of prescription drug rebates, subsidies or other discounts that the Committee has negotiated with their prescription drug vendor or received from CMS or otherwise as of the measurement date. The Cash Flow Projection will assume the prescription drug plan design will continue to qualify for and receive the Medicare Part D retiree drug subsidy or other Part D consideration as long as it is available.

The per capita costs should represent costs for the Base Line Benefits. If the Committee changes the Base Line Benefits provided to the Class and the Covered Group, and/or if the historical claims information used to develop the per capita costs reflect claims under a design that differs from the Base Line Benefits, the per capita costs should be appropriately adjusted to be no larger or smaller than an actuarial estimate of the costs that would have been incurred for Base Line Benefits. Adjustment factors should be developed based on generally accepted actuarial standards and reflect differences in items such as (but not limited to) changes in cost-sharing, changes in government programs resulting from legislated changes (rather than the integration with such programs), and anticipated changes in utilization of health care services. The adjustment factors used shall be mutually agreed upon by the Committee, the UAW and GM.

The current General Motors Hourly OPEB Medical FASB Statement No. 106 actuarial valuation assumes that any savings attributable to changes in health care utilization resulting from the plan changes approved in the settlement in the Henry I settlement agreement will gradually decrease over time to the extent that actual health care trend increases are higher than the annual escalation of the retiree cost-sharing amounts. The Cash Flow Projection should apply this same assumption for this gradual decrease in utilization savings, unless actual experience proves to be different.

The Cash Flow Projection should reflect monthly contributions made by retirees and any future escalation on those amounts, including the Escalation Change. The Cash Flow Projection should also reflect the contribution associated with the flat monthly special lifetime benefit of $66.70 (which will not be escalated) which, when adjusted for the net of average expected Federal, State and Local income taxes results in a monthly amount of $51.67 to be contributed to the New VEBA commencing on the first of the month immediately following the Implementation Date.

The General Motors Hourly OPEB Medical FASB Statement No. 106 actuarial valuation currently includes assumptions regarding the following:

- Percentage of retirees electing coverage
- Percentage of future retirees electing coverage for a spouse
- Prevalence of non-spouse dependents

As appropriate, and consistent with generally accepted actuarial principles, the Cash Flow Projection shall include assumptions for the items listed above based on experience studies of the

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Class and the Covered Group conducted at least every five (5) years, and implemented as soon as practicable following the completion of the experience study.

Cash Flow Projections will reflect any wage and COLA contributions, as defined in the Base Line Benefits, made through the Initial Effective Date. Additionally all Cash Flow Projections will reflect agreed upon upfront cash settlements, such as those related to the present value of the Wages/COLA adjustments, the Base Amount and required future payments such as the Final Henry I Cash Contribution and the Henry I Increase in Stock Value and Dividends described in Sections 8E, 8F, 8H, 8I and 11 of the Settlement Agreement. No additional employee contributions permitted under Section 14 of the Settlement Agreement will be included.

Shortfall Payment

For purposes of determining whether any Shortfall Amount payments will be required under Section 10 of the Settlement Agreement, the Cash Flow Projection shall use an expected return on assets compounded equivalent to a 9% annual rate of return. The Cash Flow Projection shall not assume receipt of any future Shortfall Amount payments.

For purposes of determining whether any Shortfall Amount payments will be required, the Cash Flow Projection shall assume the following with respect to the timing and crediting of the assumed 9% expected return on assets of cash in-flows and out-flows:

- Health care benefits incurred, plan administrative fees, Medicare Part B supplemental benefits, retiree point-of-care cost-sharing and retiree contributions — assume monthly amounts are equal to $1/12^{th}$ of the projected annual calendar year amounts.
- For the $76.20 Special Benefit related to Medicare Part B supplemental benefits paid, and retiree contributions received: at the beginning of the month,
- For all other benefits: at the middle of the month.
- The GM Actuary or the Actuary shall adjust cash flows from an incurred to a paid basis using reasonable actuarial methods.
- Cash and stock contributions will be contributed as of their scheduled date.

For purposes of determining whether any Shortfall Amount payments will be required, the starting and projected value of the assets of the New VEBA shall be measured on a market value basis, adjusting for accrued income and accrued expenses. However, if the Committee modifies the benefits (including changes in retiree contribution level — other than provided in Base Line Benefits) provided by the New Plan or New VEBA, the cumulative difference in actual benefits paid versus those that would have been paid, according to the Base Line Benefits, will be added/subtracted from the starting market value of assets to offset for such changes. Such adjustment will also include expected investment returns on those payments at historical rates of return. Reasonable estimates may be used. Actual benefits paid may need to change depending on asset returns, medical trend, and other factors.

For purposes of measuring the market value of the Convertible Note for the Cash Flow Projection, the value used will be the greater of the value of the Convertible Note on an as

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

converted basis or the average of quotes received from three financial institutions to be chosen by the Committee. Each of the financial institutions chosen by the Committee shall be one of the top five underwriters (in dollar terms) of convertible debt securities in the last year. The individual quotes from the financial institutions will be based on an average price of GM common stock for the five business days immediately leading up to the Cash Flow Projection measurement date and will be based on common valuation information provided by the Committee to the three institutions.

Generally accepted actuarial standards and practices evolve over time. In recognition of this fact, the actuarial assumptions and methods used to prepare the Cash Flow Projections and to determine whether Shortfall Amount payments are required may be changed from those outlined in the Settlement Agreement upon mutual agreement of the Committee and GM.

In the event that GM or the UAW disputes the assumptions or methodology used by the Actuary in calculating the Cash Flow Projection, the parties shall first attempt to resolve the dispute through the informal dispute resolution procedures set forth in Section 26 of the Settlement Agreement. If the parties cannot resolve the dispute, then the parties will submit the dispute to a neutral, nationally recognized actuarial firm, reasonably selected and agreed to by the parties, for a final and binding determination. In such event, the Cash Flow Projection will be due not earlier than 30 days following the date of the dispute resolution. In any such event, any Shortfall Payment determined to be due will be paid within 30 days of the resolution of such dispute and the amount of such payment shall be increased to reflect nine percent (9%) annual earnings for the period from the originally scheduled payment date to the date of such payment as provided in Exhibit D to the Settlement Agreement.

For purposes of determining GM's obligation to make a Shortfall Amount payment, the Cash Flow Projection will not include Ford, Chrysler or any other companies' related assets or obligations.

Other

After the transfer of the UAW Related Account referenced in Section 8 of the Settlement Agreement, the New VEBA will reimburse GM and GM will reimburse the New VEBA within 10 business days (or, in the case of any Actual Mitigation True Up Amounts, no later than the October 1 following the Implementation Date) an amount based on generally accepted actuarial standards, as calculated by the GM Actuary and reviewed and approved by the Actuary, for any mitigation or other amounts that the Existing External VEBA owes or owed GM, including but not limited to mitigation true up and administrative cost in manner consistent with the Henry I Settlement Agreement.

GM and the Committee shall have the right to audit all information used to derive any calculation or amount referenced in this Exhibit. The parties shall fully cooperate with any such audit.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

EXHIBIT B
CONVERTIBLE NOTE

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit B
Form of Convertible Note

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCES. THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE SECURITIES ACT AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A) (1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (3) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a) (1), (2), (3) OR (7) UNDER THE SECURITIES ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR")) IF, PRIOR TO SUCH TRANSFER, THE HOLDER FURNISHES THE CORPORATION AND THE TRUSTEE (OR A SUCCESSOR TRUSTEE, AS APPLICABLE) A SIGNED LETTER FROM THE TRANSFEREE CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS (THE FORM OF WHICH CAN BE OBTAINED FROM THE TRUSTEE OR SUCCESSOR TRUSTEE, AS APPLICABLE), OR (4) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IF, PRIOR TO SUCH TRANSFER, THE HOLDER FURNISHES THE CORPORATION AND THE TRUSTEE (OR A SUCCESSOR TRUSTEE, AS APPLICABLE) AN OPINION OF COUNSEL ACCEPTABLE TO THE CORPORATION AND THE TRUSTEE OR SUCCESSOR TRUSTEE THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (B) TO GENERAL MOTORS CORPORATION OR ANY SUBSIDIARY THEREOF, (C) FROM LBK, LLC (THE INITIAL HOLDER HEREOF) TO THE NEW VEBA (AS DEFINED HEREIN) OR (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND, IN EACH CASE, SUBJECT TO THE TAX-RELATED CERTIFICATION REQUIREMENTS OF SECTION 8 HEREIN.

WITHOUT THE WRITTEN CONSENT OF THE CORPORATION, THIS SECURITY MAY NOT BE SOLD OR OTHERWISE TRANSFERRED TO AN AFFILIATE OF THE CORPORATION.

UNLESS (A) THE HOLDING PERIOD APPLICABLE TO SALES BY NON-AFFILIATES UNDER RULE 144 UNDER THE SECURITIES ACT HAS EXPIRED, (B) SUCH TRANSFER IS BEING MADE PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (C) THIS SECURITY IS HELD BY A QUALIFIED INSTITUTIONAL BUYER AND IS BEING TRANSFERRED TO A QUALIFIED INSTITUTIONAL BUYER OR (D) THIS SECURITY IS BEING TRANSFERRED FROM

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

LBK, LLC (THE INITIAL HOLDER HEREOF) TO THE NEW VEBA, THE HOLDER MUST, IN CONNECTION WITH ANY TRANSFER OF THIS SECURITY, CHECK THE APPROPRIATE BOX SET FORTH ON THE ASSIGNMENT FORM RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT SUCH ASSIGNMENT FORM AND THIS CERTIFICATE TO THE BANK OF NEW YORK AS TRUSTEE (OR A SUCCESSOR TRUSTEE, AS APPLICABLE).

THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF ANY SERIES U DEBENTURE IN VIOLATION OF THE FOREGOING RESTRICTIONS. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESTRICTIONS ON TRANSFER SET FORTH IN THIS LEGEND.

No. 1

GENERAL MOTORS CORPORATION

6.75% Series U Convertible Senior Debentures Due December 31, 2012
CUSIP 370442 DB8

GENERAL MOTORS CORPORATION, a Delaware corporation (the "**Company**"), for value received, hereby promises to pay to LBK, LLC, or its registered assigns, the principal sum of FOUR BILLION THREE HUNDRED SEVENTY TWO MILLION FIVE HUNDRED THOUSAND DOLLARS ($4,372,500,000) (or, if this Note is in Global Series U Security form, such other principal amount as noted in the "Schedule of Increases or Decreases" attached hereto), at the Corporate Trust Office of the Paying Agent (as defined below) or an office or agency maintained by the Company for such purpose, on December 31, 2012 (the "**Maturity Date**"), in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest on said principal sum at the rate of 6.75% per annum, at the Corporate Trust Office of the Paying Agent, or an office or agency maintained by the Company for such purpose, in like coin or currency, from the first day of January or July, as the case may be, to which interest on the Series U Debentures (as defined below) has been paid (unless no interest has been paid on the Series U Debentures since the original issuance of this Note, in which case from February 22, 2008), semi-annually on June 30 and December 31 (each, an "**Interest Payment Date**"), until payment of said principal sum has been made or duly provided for. If the Company shall default in the payment of interest due on such June 30 or December 31, then this Note shall bear interest from the next preceding June 30 or December 31 to which interest has been paid or, if no interest has been paid on the Series U Debentures since the original issuance of this Note, from February 22, 2008. The first Interest Payment Date shall be June 30, 2008 in respect of the period from February 22, 2008 to June 30, 2008. The interest so payable on any June 30 or December 31 will, subject to certain exceptions provided in the Indenture referred to below, be paid to the person in whose name this Note is registered at the Close of Business (as defined below) on the June 15 or December 15 preceding such June 30 or December 31 (each, a "**Record Date**"), except that if the Series U Debentures are to be redeemed by the Company on a date that falls on or after a Record Date and prior to the

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

corresponding Interest Payment Date, the interest so payable will be paid to the Holder that tenders the Series U Debentures for redemption. At the option of the Company, interest may be paid by check to the registered Holder hereof entitled thereto at its last address as it appears on the registry books, and principal may be paid by check to the registered Holder hereof or to any other Person (as defined herein) entitled thereto against surrender of this Note. If any June 30 or December 31 falls on a day that is not a Business Day (as defined below), payment of interest shall be made on the next succeeding Business Day with the same force and effect as if made on the respective June 30 or December 31, but no additional interest shall accrue as a result of such delay in payment. The Series U Debentures will bear interest, calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest payable on the Maturity Date of the Series U Debentures, or on any redemption date that is not an Interest Payment Date, will be paid to the person entitled to payment of principal on the Series U Debentures.

This Note is one of a duly authorized issue of debentures, notes, bonds or other evidences of indebtedness of the Company (hereinafter called the "**Series U Debentures**") of the series herein specified, all issued or to be issued under and pursuant to an indenture by and between the Company and The Bank of New York, as trustee (herein called the "**Trustee**"), dated as of January 8, 2008 (including all supplemental indentures thereto, herein called the "**Indenture**"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Series U Debentures. The Series U Debentures shall be limited in aggregate principal amount to $4,372,500,000.

The "**Corporate Trust Office of the Paying Agent**" means the principal office of the Paying Agent at which at any time its corporate trust business shall be administered, which office as of the date hereof is located at 101 Barclay Street, Floor 8 West, New York, New York 10286, Attention: Corporate Trust Administration, or such other address as the Paying Agent may designate from time to time by notice to the Holders and the Company, or the principal corporate trust office of any successor Paying Agent (or such other address as such successor Paying Agent may designate from time to time by notice to the Holders and the Company).

Subject to certain exceptions (i) requiring the consent of the Holder of each Security affected or (ii) authorizing the execution of certain supplemental indentures without the consent of the Holders of any of the Securities, the Indenture contains provisions permitting the Company and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities at the time outstanding of all series to be affected (voting as one class), evidenced as in the Indenture, to execute supplemental indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or modifying in any manner the rights of the Holders of the Securities of each such series. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in lieu hereof, whether or not notation for such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the place, at the respective times, at the rate, and in the coin or currency, herein prescribed.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Section 1. *Conversion Privilege.*

Subject to and upon compliance with any applicable provisions set forth below and in the Indenture (i) upon the occurrence of one or more of the events set forth below in Section 1(a) (and, in each case, during the corresponding period) at any time after the original issuance of the Series U Debentures hereunder but prior to 5:00 p.m., New York City time (the "**Close of Business**") on the Business Day immediately preceding September 30, 2012 or (ii) irrespective of the occurrence of one of the events set forth below in Section 1(a), at any time on or after September 30, 2012 to, and including, the Close of Business on the second Business Day immediately preceding December 31, 2012, the Holders of the Series U Debentures shall have the right, at their option, to convert the principal amount of this Note, or any portion of such outstanding principal amount that is an integral multiple of $25.00, at the conversion rate (the "**Conversion Rate**") in effect at such time, by surrender of the Series U Debentures so to be converted, together with any required funds, in the manner provided in Section 2 below; *provided, however*, that, with respect to any Series U Debenture or portion of Series U Debenture that shall be called for redemption by the Company in accordance with Section 5 below, such conversion right shall terminate at the Close of Business on the second Business Day immediately preceding the Redemption Date (as defined below) fixed for redemption of such Series U Debenture or portion of a Series U Debenture unless the Company shall default in payment due upon redemption thereof. The Conversion Rate is 0.625 shares of the Company's common stock, par value $1 2/3 per share (the "**Common Stock**"), per $25.00 principal amount of Series U Debentures, subject to adjustment from time to time as set forth in Section 3 below.

(a) The Series U Debentures shall be convertible into cash or cash and shares of Common Stock, as described in Section 2 below, prior to September 30, 2012, only upon the occurrence of one or more of the following events (and, in each case, during the corresponding period):

(i) during any calendar quarter commencing after March 31, 2008, and only during such calendar quarter, if the Closing Price (as defined below) of the Common Stock for at least 20 Trading Days in the period of 30 consecutive Trading Days ending on the last Trading Day of the preceding calendar quarter exceeds the Conversion Price Trigger as defined in Section 1(b) (it being understood for purposes of this clause (i) that the Conversion Price in effect on the close of each of the 30 consecutive Trading Days shall be used);

(ii) if all or any portion of the outstanding principal amount of the Series U Debentures have been called for redemption by the Company in accordance with Section 5 below, at any time on or after the date the Holder receives the Redemption Notice (as defined below) until the Close of Business on the second Business Day immediately preceding the Redemption Date; *provided* that only such portion of the outstanding principal amount of the Series U Debentures that have been called for redemption shall be convertible as a result of such redemption call;

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(iii) if the Company elects to distribute to all holders of Common Stock rights, options or warrants entitling all holders of Common Stock to subscribe for or purchase Common Stock for a period expiring within 45 days after the record date for such distribution, at less than the average of the Closing Prices of the Common Stock for the ten consecutive Trading Days ending on the date immediately preceding the first public announcement of such distribution, during the period beginning on, and including, the date the Company provides notice to the Holders of such distribution as set forth in Section 1(c) and ending on, and including, the earlier of (x) the Close of Business on the Business Day prior to the Ex-Date for such distribution and (y) the Company's announcement that such distribution will not take place;

(iv) if the Company elects to distribute to all holders of Common Stock cash, debt securities (or other evidence of indebtedness) or other assets (excluding dividends or distributions described in Section 3(a) and Section 3(c)), which distribution has a per share value exceeding 15% of the Closing Price of the Common Stock on the date immediately preceding the first public announcement of such distribution, during the period beginning on, and including, the date the Company provides notice to Holders of such distribution as set forth in Section 1(c) and ending on, and including, the earlier of (x) the Close of Business on the Business Day prior to the Ex-Date for such distribution and (y) the Company's announcement that such distribution will not take place;

(v) if a Make-Whole Fundamental Change (as defined below) occurs, during the period from, and including, the date that is 50 Business Days prior to the anticipated effective date of the transaction to, and including, the date that is 45 calendar days after the actual effective date of such transaction (or, if such Make-Whole Fundamental Change also constitutes a Fundamental Change (as defined below), until the Fundamental Change Repurchase Date (as defined below) related to such Fundamental Change); or

(vi) if the Company is party to a consolidation, merger, binding share exchange, or transfer or lease of all or substantially all of the Company's assets, pursuant to which the Common Stock would be converted into cash, securities or other assets, during the period from, and including, the date that is 50 Business Days prior to the anticipated effective date of the transaction to, and including, the date that is 45 calendar days after the actual effective date of such transaction (or, if such transaction also constitutes a Fundamental Change, until the Fundamental Change Repurchase Date related to such Fundamental Change).

Upon determining that Holders of Series U Debentures are entitled to convert their Series U Debentures in accordance with the provisions of this Section 1, the Company shall notify such Holders in the manner set forth in Section 1.02 of the Indenture and, in the case of Series U Debentures evidenced by Global Securities, through the facilities of the Depository.

(b) The "**Conversion Price Trigger**" on any date shall equal 120% of the Conversion Price on such date. The Conversion Price Trigger will initially equal $48.00 and shall be automatically adjusted whenever the Conversion Price is adjusted as a result of an adjustment in the Conversion Rate pursuant to Section 3. The Conversion Agent will determine at the beginning of each calendar quarter commencing after March 31, 2008 whether the Series U

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Debentures are convertible as a result of the price of Common Stock exceeding the Conversion Price Trigger in accordance with Section 1(a)(i) and will notify the Company and the Trustee if the Series U Debentures are so convertible. The Company hereby initially designates the Paying Agent as the Conversion Agent.

(c) Upon the first public announcement of any distribution described in Section 1(a)(iii) or Section 1(a)(iv), the Company shall notify the Holders at least 50 Business Days prior to the Ex-Date (as defined below) for such distribution by providing notice to Holders in the manner set forth in Section 1.02 of the Indenture and, in the case of Series U Debentures evidenced by Global Securities, through the facilities of the Depository. If the Company fails to notify Holders of such a distribution at least 50 Business Days prior to the Ex-Date for such distribution, the respective period during which Holders may surrender their Series U Debentures for conversion will be extended by the number of days that such notification is delayed or not otherwise provided to Holders beyond the specified notice deadline.

(d) Upon the first public announcement of the occurrence of a Make-Whole Fundamental Change described in Section 1(a)(v) or a transaction described in Section 1(a)(vi), the Company shall notify Holders and the Trustee as promptly as practicable following (A) the date the Company publicly announces such transaction but in no event less than 50 Business Days prior to the anticipated effective date of such transaction and (B) the actual effective date of the Make-Whole Fundamental Change, but in no event more than 15 days after such effective date, in each case in the manner set forth in Section 1.02 of the Indenture and, in the case of Series U Debentures evidenced by Global Securities, through the facilities of the Depository. If the Company fails to notify Holders with respect to any of the transactions described in the preceding sentence of this Section 1(d) of (i) the anticipated effective date of such transaction at least 50 Business Days prior to such anticipated effective date pursuant to the immediately preceding sentence or (ii) the actual effective date of any Make-Whole Fundamental Change within 15 days of such actual effective date, the period during which Holders may surrender their Series U Debentures for conversion will be extended by the number of days that such notification is delayed or not otherwise provided to Holders beyond the specified notice deadline.

(e) Holders shall not have the right to convert their Series U Debentures pursuant to Section 1(a)(iii) or Section 1(a)(iv) if in connection with the distribution described in Section 1(a)(iii) or Section 1(a)(iv) that would otherwise give rise to a right to convert their Series U Debentures, such Holders are entitled to participate (as a result of holding their Series U Debentures, and at the same time as Holders of Common Stock participate) in the distribution described in such Sections as if such Holders held a number of shares of Common Stock equal to the applicable Conversion Rate on the Ex-Date for such distribution, multiplied by the principal amount (expressed as a multiple of $25.00) of Series U Debentures held by such Holder, without having to convert their Series U Debentures.

"**Business Day**" is any weekday that is not a day on which banking institutions in The City of New York are authorized or obligated to close.

"**Closing Price**" of the Common Stock or any other security on any date means the closing sale price per share (or, if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

prices) on that date as reported in composite transactions for the principal U.S. securities exchange on which the Common Stock or such other security is traded. If the Common Stock or such other security is not listed for trading on a U.S. national or regional securities exchange on the relevant date, the Closing Price will be the last quoted bid price for the Common Stock or such other security in the over-the-counter market on the relevant date as reported by the National Quotation Bureau or similar organization. If the Common Stock or such other security is not so quoted, the Closing Price will be the average of the mid-point of the last bid and ask prices for the Common Stock or such other security on the relevant date from each of at least three nationally recognized independent investment banking firms selected by the Company for this purpose. The Closing Price will be determined without reference to extended or after hours trading.

"**Conversion Price**" per share of Common Stock means, on any date, $25.00, *divided by* the Conversion Rate as of that date.

"**Ex-Date**" means, with regard to any dividend or distribution on the Common Stock, the first date on which the shares of Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such dividend or distribution.

(f) A Series U Debenture in respect of which a Holder is exercising its option to require the Company to repurchase such Series U Debenture upon a Fundamental Change pursuant to Section 6 hereof may be converted only if such Holder withdraws its "Option to Elect Repayment Upon a Fundamental Change" in accordance with Section 6 hereof.

Section 2. *Conversion Procedures; Conversion Settlement.*

(a) To convert its Series U Debentures, a Holder must: (i) complete and manually sign a Conversion Notice (or a facsimile thereof), a form of which is on the back of the Series U Debenture and deliver such Conversion Notice to the Conversion Agent; (ii) surrender the Series U Debenture to the Conversion Agent; (iii) if required, furnish appropriate endorsement and transfer documents; (iv) if required, pay all transfer or similar taxes; and (v) if required, pay funds equal to the portion of interest payable on the next Interest Payment Date as described in Section 2(h) below. If a Holder holds a beneficial interest in a Global Series U Security, to convert such beneficial interest, such Holder must comply with requirements (iv) and (v) as set forth in the immediately preceding sentence and comply with the applicable procedures of the Depository for converting a beneficial interest in a Global Series U Security. The date on which the requirement set forth in the first sentence of this paragraph (in the case of a certificated Security) or the second sentence of this paragraph (in the case of a Global Series U Security or a beneficial interest therein) is fulfilled is referred to as the "**Conversion Date**." A Holder receiving shares of Common Stock upon conversion shall not be entitled to any rights as a holder of Common Stock, including, among other things, the right to vote and receive dividends and notice of stockholder meetings, until (i) if the Conversion Obligation (as defined below) is settled in accordance with Section 2(b)(i), the Close of Business on the last Trading Day in the relevant Observation Period or (ii) if the Conversion Obligation is settled in accordance with Section 2(b)(ii), the Close of Business on the Election Deadline Day (as defined below).

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(b) Upon conversion of any Series U Debentures, the Company shall satisfy its obligation upon conversion (the "**Conversion Obligation**") as follows:

(i) If the Company either (1) specifies a Cash Percentage (as defined below) within the time periods provided in Section 2(c) in connection with such conversion or (2) has previously made an election under Section 2(k), the Company shall satisfy the Conversion Obligation with respect to all Series U Debentures converted on the relevant Conversion Date by payment or delivery, as applicable, of (A) cash and shares of Common Stock (if any) equal to the sum of the Daily Settlement Amounts (as defined below) for each of the 40 Trading Days during the relevant Observation Period (as defined below) and (B) cash in an amount equal to the accrued and unpaid interest on the principal amount so converted to but not including the Conversion Date; *provided, however*, that if such Conversion Date falls after a Record Date and on or prior to the corresponding Interest Payment Date, then the full amount of accrued and unpaid interest, if any, payable on such Interest Payment Date shall be paid to the Holders of record of such Series U Debentures at the Close of Business on the corresponding Record Date (which may or may not be the same person to whom the Company will pay or deliver amounts in satisfaction of the Conversion Obligation) and the Conversion Obligation shall consist only of the payment or delivery of the amounts required pursuant to subclause (A) of this sentence. Settlement of the Conversion Obligation in accordance with this subclause (i) shall occur on the third Trading Day immediately succeeding the last Trading Day of the relevant Observation Period.

(ii) If the Company (1) does not specify a Cash Percentage within the time periods provided in Section 2(c) in connection with such conversion and (2) has not previously made an election under Section 2(k), the Company shall satisfy the Conversion Obligation with respect to all Series U Debentures converted on the relevant Conversion Date by payment or delivery, as applicable, of (A) shares of Common Stock at the applicable Conversion Rate and (B) cash in an amount equal to the accrued and unpaid interest on the principal amount so converted to but not including the Conversion Date; *provided, however*, that if such Conversion Date falls after a Record Date and on or prior to the corresponding Interest Payment Date, then the full amount of accrued and unpaid interest, if any, payable on such Interest Payment Date shall be paid to the Holders of record of such Series U Debentures at the Close of Business on the corresponding Record Date (which may or may not be the same person to whom the Company will pay or deliver amounts in satisfaction of the Conversion Obligation) and the Conversion Obligation shall consist only of the delivery of the amounts required pursuant to subclause (A) of this sentence. Settlement of the Conversion Obligation in accordance with this subclause (ii) shall occur on the third Trading Day immediately succeeding the Election Deadline Day.

The **"Daily Settlement Amount"** for each of the 40 Trading Days during the Observation Period means (i) an amount of cash (the **"Cash Amount"**) equal to the product of: (A) the Cash Percentage *and* (B) 1/40th of the applicable Conversion Rate *and* (C) the Daily VWAP of the Common Stock for such Trading Day, and (ii) the number of shares of the Common Stock equal to the product of: (A) 1/40th of the applicable Conversion Rate *and* (B) the difference obtained by subtracting (x) the Cash Percentage from (y) 100%.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The "**Daily VWAP**" of the Common Stock means, for each of the 40 consecutive Trading Days during the Observation Period, the per share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page GM.N <equity> AQR (or any equivalent successor page) in respect of the period from the scheduled open of trading on the principal U.S. national or regional securities exchange or market on which the Common Stock is listed or admitted for trading to the scheduled close of trading on such exchange or market on such Trading Day (without regard to after-hours trading), or if such volume-weighted average price is unavailable, the market value of one share of the Common Stock on such Trading Day using a volume-weighted method as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company.

The "**Observation Period**" with respect to any Series U Debenture means the 40 consecutive Trading Day period beginning on (and including) the third Trading Day immediately following the Conversion Date for such Series U Debenture; *provided, however*, that if the Conversion Date for such Series U Debentures occurs on or after September 30, 2012, the "**Observation Period**" with respect to such Series U Debentures means the 40 Trading Day period beginning on (and including) the 42nd Scheduled Trading Day (as defined below) immediately preceding December 31, 2012.

"**Scheduled Trading Day**" means a day that is scheduled to be a Trading Day.

"**Trading Day**" means a day during which (i) trading in the Common Stock generally occurs on the principal U.S. national or regional securities exchange or market on which the Common Stock is listed or admitted for trading and (ii) there is no VWAP Market Disruption Event (as defined below). If the Common Stock is not so listed or traded, then "**Trading Day**" means a Business Day.

"**VWAP Market Disruption Event**" means (i) a failure by the principal U.S. national or regional securities exchange or market on which the Common Stock is listed or admitted to trading to open for trading during its regular trading session or (ii) the occurrence or existence prior to 1:00 p.m., New York City time, on any Scheduled Trading Day for the Common Stock for an aggregate one half-hour period of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in the Common Stock or in any options contracts or futures contracts relating to the Common Stock.

(c) By the Close of Business on the Business Day immediately preceding the first Scheduled Trading Day of the relevant Observation Period (or, with respect to any Conversion Date for the Series U Debentures that occurs on or after September 30, 2012, on or prior to the Close of Business on September 30, 2012) (the "**Election Deadline Day**"), the Company may specify a percentage of the Conversion Obligation for the relevant Observation Period (or for certain specified Holders with a given Observation Period) that will be settled in cash (the "**Cash Percentage**") and will notify the Paying Agent and the Holders of such Cash Percentage in the manner set forth in Section 1.02 of the Indenture and, in the case of Series U Debentures evidenced by Global Securities, through the facilities of the Depository (the "**Cash Percentage Notice**"). The Company need not treat all converting Holders with the same Observation Period in the same manner. So long as the Company provides notice of the relevant Cash Percentage as

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

described in the first sentence of this Section 2(c), the Company may choose with respect to all or any portion of converting Holders with the same Observation Period to specify a Cash Percentage, or the Company may specify different Cash Percentages for each such Holder.

(d) The Company may, at its option, revoke any Cash Percentage Notice through written notice to the Holders and the Paying Agent by the Close of Business on the Business Day prior to the first Scheduled Trading Day of the Observation Period (or, with respect to any Conversion Date for the Series U Debentures that occurs on or after September 30, 2012, on or prior to the Close of Business on September 30, 2012).

(e) Payment of cash and/or delivery of shares of Common Stock pursuant to this Section 2 shall be made by the Company to the Holder of a Series U Debenture surrendered for conversion, or such Holder's nominee or nominees, and the Company shall deliver to the Conversion Agent or to such Holder, or such Holder's nominee or nominees, certificates or a book-entry transfer through the Depository for the number of full shares of Common Stock, if any, to which such Holder shall be entitled to in satisfaction of the Conversion Obligation.

(f) The Company shall not issue any fraction of a share of Common Stock in connection with any conversion of Series U Debentures, but instead shall make a cash payment (calculated to the nearest cent) equal to such fraction, *multiplied by* the Closing Price of the Common Stock on (i) if the Conversion Obligation is settled in accordance with Section 2(b)(i), the last Trading Day of the relevant Observation Period or (ii) if the Conversion Obligation is settled in accordance with Section 2(b)(ii), the Election Deadline Day. In respect of any conversion of Series U Debentures settled in accordance with Section 2(b)(i), the fractional amount of a share of Common Stock to be delivered, if any, will be based on the sum of the Daily Settlement Amounts for all Trading Days in the Observation Period (rather than on a per Trading Day basis).

(g) Before any Holder of a Series U Debenture shall be entitled to convert the same, such Holder shall, in the case of Series U Debentures evidenced by Global Securities, comply with the procedures of the Depository in effect at that time, and in the case of certificated Series U Debentures, surrender such Series U Debentures, duly endorsed to the Company or in blank, at the office of the Conversion Agent, and shall give written notice to the Company at said office or place that such Holder elects to convert the same and shall state in writing therein the principal amount of Series U Debentures to be converted and the name or names (with addresses) in which such Holder wishes the certificate or certificates for Common Stock to be issued, and, if required, pay funds equal to the portion of interest payable on the next Interest Payment Date as described in Section 2(h) below.

(h) If a Series U Debenture is tendered for conversion during the period after a Record Date but prior to the next succeeding Interest Payment Date, then the Holder of such Series U Debenture at the Close of Business on such Record Date shall be entitled to the full amount of interest due on such Interest Payment Date and the converted Series U Debenture must be accompanied by funds equal to the interest payable on that Interest Payment Date on the principal amount so converted with respect to the period from the Conversion Date to but not including the Interest Payment Date; *provided* that no such payment by the Holder need be made (i) if the Company has specified a Fundamental Change Repurchase Date that is after a Record Date but on or prior to the next succeeding Interest Payment Date, (ii) in respect of any conversions that occur after the Record Date immediately preceding December 31, 2012 or (iii) to the extent of any overdue interest that exists at the time of conversion with respect to such Series U Debenture.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(i) The issue of any stock certificates upon conversion of Series U Debentures shall be made without charge to the converting Holder for any documentary, stamp or similar issue or transfer taxes in respect of the issue thereof, and the Company shall pay any and all documentary, stamp or similar issue or transfer taxes that may be payable in respect of the issue or delivery of shares of Common Stock on conversion of Series U Debentures pursuant hereto. The Company shall not, however, be required to pay any such tax which may be payable in respect of any transfer involved in the issue or delivery of shares of Common Stock or the portion, if any, of the Series U Debentures which are not so converted in a name other than that in which the Series U Debentures so converted were registered, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Company the amount of such tax or has established to the satisfaction of the Company that such tax has been paid.

(j) If more than one Series U Debenture shall be surrendered for conversion at one time by the same Holder, the amount of cash or number of full shares of Common Stock that shall be deliverable upon conversion shall be computed on the basis of the aggregate principal amount of the Series U Debentures (or specified portions thereof to the extent permitted thereby) so surrendered for conversion. Subject to the next succeeding sentence, the Company will, on (i) the third Trading Day immediately succeeding the last Trading Day of the relevant Observation Period (if the Conversion Obligation is settled in accordance with Section 2(b)(i)) or (ii) the third Trading Day immediately succeeding the Election Deadline Day (if the Conversion Obligation is settled in accordance with Section 2(b)(ii)), issue and deliver at said office or place to such Holder of a Series U Debenture, or to such Holder's nominee or nominees, (1) cash and certificates, as applicable, for the number of full shares of Common Stock to which such Holder shall be entitled as aforesaid, (2) cash for the accrued and unpaid interest on the principal amount so converted to which such Holder shall be entitled as aforesaid, and (3) cash in lieu of any fraction of a share to which such Holder would otherwise be entitled. The Company shall not be required to deliver certificates for shares of Common Stock while the stock transfer books for such stock or the security register are duly closed for any purpose, but certificates for shares of Common Stock shall be issued and delivered as soon as practicable after the opening of such books or security register.

(k) Notwithstanding anything in Section 2(b), (c) or (d) to the contrary, at any time prior to the maturity of the Series U Debentures, the Company may unilaterally and irrevocably make an election (the **"Principal Return Election"**) that, in connection with any conversion of Series U Debentures:

(i) with respect to each converting Holder, the Cash Amount for each Trading Day during the relevant Observation Period shall be at least equal to the lesser of (A) $0.625 and (B) 1/40th of the product of (x) the applicable Conversion Rate and (y) the Daily VWAP of the Common Stock for such Trading Day (such lesser amount, the **"Principal Return"**); and

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(ii) in order to ensure that result:

if the Cash Percentage specified by the Company pursuant to Section 2(c) for any particular Holder yields a Cash Amount for such Holder on any Trading Day that is less than the Principal Return for such Trading Day, the Cash Percentage for such Holder for such Trading Day (and only for such Holder for such Trading Day) shall be disregarded and shall be deemed to be equal to the percentage amount (rounded up to the nearest whole percentage amount) that when substituted for the Cash Percentage in the definition of "Daily Settlement Amount" would yield a Cash Amount equal to the Principal Return for such Trading Day; and

if the Company has not specified a Cash Percentage pursuant to Section 2(c) for any particular Holder, the Cash Percentage for such Holder for such Trading Day (and only for such Holder for such Trading Day) shall be deemed to be equal to the percentage amount (rounded up to the nearest whole percentage amount) that when substituted for the Cash Percentage in the definition of "Daily Settlement Amount" would yield a Cash Amount equal to the Principal Return for such Trading Day.

If the Company makes the Principal Return Election, the Company will notify the Trustee, the Paying Agent and the Holders of the Principal Return Election in the manner set forth in Section 1.02 of the Indenture and, in the case of Series U Debentures evidenced by Global Securities, through the facilities of the Depository and the Company will disclose its Principal Return Election on a Form 8-K.

(l) In case any Series U Debenture shall be surrendered for partial conversion, the Company shall execute and the Trustee shall authenticate and deliver to or upon the written order of the Holder of the Series U Debenture so surrendered, without charge to such Holder unless the new Series U Debenture or Series U Debentures are to be registered in a name other than that in which the Series U Debentures were originally registered, a new Series U Debenture or Series U Debentures in authorized denominations in an aggregate principal amount equal to the unconverted portion of the surrendered Series U Debentures.

Section 3. *Conversion Rate Adjustments*.

The Conversion Rate shall be subject to adjustment from time to time by the Company as follows:

(a) If the Company shall, at any time and from time to time while any of the Series U Debentures are outstanding, issue dividends or make distributions on the Common Stock payable in shares of the Common Stock, then the Conversion Rate shall be increased so that the same shall equal the rate determined by multiplying the Conversion Rate in effect immediately prior to 9:00 a.m., New York City time (the "**Open of Business**") on the Ex-Date for such dividend or distribution by a fraction:

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(i) the numerator of which shall be the number of shares of Common Stock outstanding at the Close of Business on the Business Day immediately preceding the Ex-Date for such dividend or distribution, *plus* the total number of shares of Common Stock constituting such dividend or distribution; and

(ii) the denominator of which shall be the number of shares of Common Stock outstanding at the Close of Business on the Business Day immediately preceding such Ex-Date.

Such increase shall become effective immediately after the Open of Business on the Ex-Date for such dividend or distribution. For the purpose of this paragraph (a), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company. If any dividend or distribution of the type described in this Section 3(a) is declared but not so paid or made, the Conversion Rate shall again be adjusted to the Conversion Rate which would then be in effect if such dividend or distribution had not been declared. In no event shall the Conversion Rate be decreased pursuant to this Section 3(a).

(b) If the Company shall, at any time or from time to time while any of the Series U Debentures are outstanding, distribute to all holders of Common Stock rights, options or warrants to purchase shares of Common Stock for a period expiring within 45 days of the record date for such distribution at less than the average of the Closing Prices of Common Stock for the ten consecutive Trading Days immediately preceding the first public announcement of such distribution, then the Conversion Rate shall be increased so that the same shall equal the rate determined by multiplying the Conversion Rate in effect immediately prior to the Open of Business on the Ex-Date for such distribution by a fraction:

(i) the numerator of which shall be the number of shares of Common Stock outstanding at the Close of Business on the Business Day immediately preceding the Ex-Date for such distribution, *plus* the total number of additional shares of Common Stock so offered for purchase; and

(ii) the denominator of which shall be the number of shares of Common Stock outstanding on the Close of Business on the Business Day immediately preceding the Ex-Date for such distribution, *plus* the number of shares of Common Stock that the aggregate offering price of the total number of shares of Common Stock so offered would purchase at the Current Market Price (as defined below) of Common Stock on the first public announcement date for such distribution (determined by multiplying such total number of shares of Common Stock so offered by the exercise price of such rights, options or warrants and dividing the product so obtained by such Current Market Price).

Such adjustment shall be successively made whenever any such rights, options or warrants are issued, and shall become effective immediately after the Open of Business on the Ex-Date for such distribution. To the extent that shares of Common Stock are not delivered after the expiration of such rights, options or warrants, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect had the adjustments made upon the issuance of such rights, options or warrants been made on the basis of delivery of only the number of shares of Common Stock actually delivered. If such rights, options or warrants are not so issued, the

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if the Ex-Date for such distribution had not occurred. In determining whether any rights, options or warrants entitle the holders to subscribe for or purchase shares of Common Stock at less than the average of the Closing Prices of Common Stock for the ten consecutive Trading Days immediately preceding the first public announcement of such distribution, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received by the Company for such rights, options or warrants and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined by the Board of Directors (whose determination shall be conclusive, and described in a resolution of the Board of Directors). In no event shall the Conversion Rate be decreased pursuant to this Section 3(b).

If the Company elects to make a distribution described in this Section 3(b) that has a per share of Common Stock value equal to more than 15% of the Closing Price of the Common Stock on the day preceding the first public announcement of such distribution, the Company shall give notice to the Holders at least 50 Business Days prior to the Ex-Date for such distribution.

(c) If the Company shall, at any time or from time to time while any of the Series U Debentures are outstanding, subdivide or reclassify outstanding shares of Common Stock into a greater number of shares of Common Stock, then the Conversion Rate in effect at the Open of Business on the day upon which such subdivision or reclassification becomes effective shall be proportionately increased, and conversely, if the Company shall, at any time or from time to time while any of the Series U Debentures are outstanding, combine or reclassify outstanding shares of Common Stock into a smaller number of shares of Common Stock, then the Conversion Rate in effect at the Open of Business on the day upon which such combination or reclassification becomes effective shall be proportionately decreased. In each such case, the Conversion Rate shall be adjusted by multiplying such Conversion Rate by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately after giving effect to such subdivision, reclassification or combination and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such subdivision, reclassification or combination. Such increase or reduction (solely in the case of any combination or reclassification of outstanding shares of Common Stock into a smaller number of shares of Common Stock), as the case may be, shall become effective immediately after the Open of Business on the day upon which such subdivision, reclassification or combination becomes effective.

(d) If the Company shall, at any time or from time to time while any of the Series U Debentures are outstanding, distribute to all holders of Common Stock any of its Capital Stock (as defined below), assets (including shares of any subsidiary of the Company or business unit of the Company), or debt securities or rights to purchase securities of the Company (excluding (i) any dividends or distributions described in Section 3(a), (ii) any rights, options or warrants described in Section 3(b) and (iii) any dividends or distributions described in Section 3(e) or Section 3(f) (such Capital Stock, assets, debt securities or rights to purchase securities of the Company hereinafter in this Section 3(d) called the "**Distributed Assets**")), then the Conversion Rate shall be increased so that the same shall equal the rate determined by multiplying the

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Conversion Rate in effect immediately prior to the Open of Business on the Ex-Date for such distribution by a fraction:

(i) the numerator of which will be the Current Market Price of Common Stock on the Business Day immediately preceding the Ex-Date for such distribution, and

(ii) the denominator of which will be the Current Market Price of Common Stock on the Business Day immediately preceding the Ex-Date for such distribution, *minus* the Fair Market Value (as defined below), as determined by the Board of Directors in a Board Resolution, of the portion of Distributed Assets so distributed applicable to one share of Common Stock.

Such increase shall become effective immediately after the Open of Business on the Ex-Date for such distribution; *provided* that if "the Fair Market Value, as determined by the Board of Directors in a Board Resolution, of the portion of Distributed Assets so distributed applicable to one share of Common Stock" as set forth above is equal to or greater than "the Current Market Price of Common Stock on the Business Day immediately preceding the Ex-Date for such distribution" as set forth above, in lieu of the foregoing adjustment, adequate provision shall be made so that each Holder shall receive on the date on which the Distributed Assets are distributed to holders of Common Stock, for each $25.00 principal amount of Series U Debentures, the amount of Distributed Assets such Holder would have received on the record date for such distribution had such Holder owned a number of shares of Common Stock equal to the Conversion Rate as of the Ex-Date for such distribution. In the event that such distribution is not so made, the Conversion Rate shall again be adjusted to be the Conversion Rate which would then be in effect if such distribution had not been declared. In no event shall the Conversion Rate be decreased pursuant to this Section 3(d).

If the Board of Directors determines the Fair Market Value of any distribution for purposes of this Section 3(d) by reference to the actual or when issued trading market for any Distributed Assets comprising all or part of such distribution, it must in doing so consider the prices in such market over the same period (the "**Reference Period**") used in computing the Current Market Price for purposes of clause (i) above, unless the Board of Directors determines in good faith that determining the Fair Market Value during the Reference Period would not be in the best interest of the Holders.

Notwithstanding anything to the contrary in this Section 3(d), if the Company distributes Capital Stock of, or similar equity interests in, a subsidiary of the Company or other business unit of the Company (a "**Spin-Off**"), then, in lieu of the adjustment set forth above, the Conversion Rate shall be increased so that the same shall equal the rate determined by multiplying the Conversion Rate in effect immediately after the Close of Business on the fifteenth Trading Day immediately following the Ex-Date for such Spin-Off by a fraction:

(i) the numerator of which will be the sum of (A) the average of the Closing Prices of Capital Stock or similar equity interest distributed to holders of Common Stock applicable to one share of Common Stock over the ten consecutive Trading Day period immediately following, and including, the fifth Trading Day after the Ex-Date for the Spin-Off and (B) the average of the Closing Prices of Common Stock over the ten consecutive Trading Day period immediately following, and including, the fifth Trading Day after the Ex-Date for the Spin-Off; and

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(ii) the denominator of which is the average of the Closing Prices of Common Stock over the ten consecutive Trading Day period immediately following, and including, the fifth Trading Day after the Ex-Date for the Spin-Off.

In no event shall the Conversion Rate be decreased pursuant to this Section 3(d).

If the Company elects to make a distribution described in this Section 3(d) that has a per share of Common Stock value equal to more than 15% of the Closing Price of the Common Stock on the day preceding the first public announcement of such distribution, the Company shall give notice to Holders at least 50 Business Days prior to the Ex-Date for such distribution.

Rights or warrants distributed by the Company to all holders of Common Stock entitling the holders thereof to subscribe for or purchase shares of the Company's Capital Stock (either initially or under certain circumstances), which rights or warrants, until the occurrence of a specified event or events ("**Trigger Event**"): (i) are deemed to be transferred with such shares of Common Stock; (ii) are not exercisable; and (iii) are also issued in respect of future issuances of Common Stock, shall be deemed not to have been distributed for purposes hereof (and no adjustment to the Conversion Rate will be required) until the occurrence of the earliest Trigger Event, whereupon such rights and warrants shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Conversion Rate shall be made pursuant to the first adjustment formula in this paragraph (d). If any such right or warrant, including any such existing rights or warrants distributed prior to the date hereof, are subject to events, upon the occurrence of which such rights or warrants become exercisable to purchase different securities, evidences of indebtedness or other assets, then the date of the occurrence of any and each such event shall be deemed to be the date of distribution and record date with respect to new rights or warrants with such rights (and a termination or expiration of the existing rights or warrants without exercise by any of the holders thereof). In addition, in the event of any distribution (or deemed distribution) of rights or warrants, or any Trigger Event or other event (of the type described in the preceding sentence) with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to the Conversion Rate was made, (1) in the case of any such rights or warrants that shall all have been redeemed or repurchased without exercise by any holders thereof, the Conversion Rate shall be readjusted upon such final redemption or repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or repurchase price received by a holder or holders of Common Stock with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Common Stock as of the date of such redemption or repurchase, and (2) in the case of such rights or warrants that shall have expired or been terminated without exercise by any holders thereof, the Conversion Rate shall be readjusted as if such rights and warrants had not been issued.

For purposes of paragraphs (a), (b) and (d), any dividend or distribution to which paragraph (d) is applicable that also includes shares of Common Stock, or rights or warrants to subscribe for or purchase shares of Common Stock (or both), shall be deemed instead to be: (1) a dividend or distribution of the evidences of indebtedness, assets or shares of capital stock other

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

than such shares of Common Stock or rights or warrants (and any Conversion Rate adjustment required by paragraph (d) with respect to such dividend or distribution shall then be made), immediately followed by (2) a dividend or distribution of such shares of Common Stock or such rights or warrants (and any further Conversion Rate adjustment required by paragraphs (a) and (b) with respect to such dividend or distribution shall then be made), except any shares of Common Stock included in such dividend or distribution shall not be deemed "outstanding at the Close of Business on the Business Day immediately preceding the Ex-Date for such dividend or distribution" within the meaning of paragraph (a).

"**Capital Stock**" for any corporation means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) stock issued by that corporation.

(e) If the Company shall, at any time or from time to time while any of the Series U Debentures are outstanding, distribute any regular, quarterly cash dividend or distribution to all holders of Common Stock during any quarterly fiscal period that does not equal $0.25 per share of Common Stock (the "**Initial Dividend Threshold**"), the Conversion Rate shall be adjusted as follows:

(i) if the per share amount of such regular, quarterly cash dividend or distribution is greater than the Initial Dividend Threshold, the Conversion Rate immediately prior to the Open of Business on the Ex-Date for such dividend or distribution will be increased by multiplying such Conversion Rate by a fraction, the numerator of which will be the Closing Price of Common Stock on the Trading Day immediately preceding the Ex-Date for such dividend or distribution, and the denominator of which will be the Closing Price of Common Stock on the Trading Day immediately preceding the Ex-Date for such dividend or distribution, *minus* the amount in cash per share of Common Stock the Company distributes to all holders of Common Stock in excess of the Initial Dividend Threshold; and

(ii) if the per share amount of such regular, quarterly cash dividend or distribution is less than the Initial Dividend Threshold (which, for the avoidance of doubt, would include the failure to pay any regular, quarterly cash dividend or distribution during the relevant quarterly fiscal period, in which case the Company will be deemed to have declared and paid a cash dividend of $0.00, the Ex-Date of which will be deemed to be the second to last Trading Day of the applicable fiscal period), the Conversion Rate immediately prior to the Open of Business on the Ex-Date for such dividend or distribution will be decreased by multiplying such Conversion Rate by a fraction, the numerator of which will be the Closing Price of Common Stock on the Trading Day immediately preceding the Ex-Date for such dividend or distribution, and the denominator of which will be the Closing Price of Common Stock on the Trading Day immediately preceding the Ex-Date for such dividend or distribution, *plus* the amount of the Initial Dividend Threshold in excess of cash per share of Common Stock the Company distributes to all holders of Common Stock.

In the case of an adjustment pursuant to this Section 3(e), such adjustment shall become effective immediately after the Open of Business on the Ex-Date for such dividend or

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

distribution; *provided* that in the case of an adjustment pursuant to Section 3(e)(i), if the portion of the cash so distributed applicable to one share of Common Stock is equal to or greater than the Closing Price of Common Stock on the Trading Day immediately preceding the Ex-Date for such dividend or distribution, in lieu of the foregoing adjustment, adequate provision shall be made so that each Holder shall have the right to receive on the date on which such cash dividend or distribution is distributed to holders of Common Stock, for each $25.00 principal amount of Series U Debentures upon conversion, the amount of cash such Holder would have received had such Holder owned a number of shares equal to the Conversion Rate on the Ex-Date for such distribution. If any such dividend or distribution described in clause (e)(i) or clause (e)(ii) above is not so paid or made, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

If the Company elects to make a dividend or distribution described in this paragraph that has a per share of Common Stock value equal to more than 15% of the Closing Price of the Common Stock on the date preceding the first public announcement of such dividend or distribution, the Company shall give notice to Holders at least 50 Business Days prior to the Ex-Date for such dividend or distribution.

(f) If the Company shall, at any time or from time to time while the Series U Debentures are outstanding, pay any cash dividend or distribution that is not a regular, quarterly cash dividend or distribution to all holders of the Common Stock, the Conversion Rate immediately prior to the Open of Business on the Ex-Date for such dividend or distribution shall be increased by multiplying such Conversion Rate by a fraction, the numerator of which will be the Closing Price of Common Stock on the Trading Day immediately preceding the Ex-Date for such dividend or distribution, and the denominator of which will be the Closing Price of Common Stock on the Trading Day immediately preceding the Ex-Date for such dividend or distribution, *minus* the amount of cash per share of Common Stock that the Company dividends or distributes to all holders of Common Stock.

Such adjustment shall become effective immediately after the Open of Business on the Ex-Date for such dividend or distribution; *provided* that if the portion of the cash so distributed applicable to one share of the Common Stock is equal to or greater than the Closing Price of Common Stock on the Trading Day immediately preceding the Ex-Date for such dividend or distribution, in lieu of the foregoing adjustment, adequate provision shall be made so that each Holder shall have the right to receive on the date on which such cash dividend or distribution is distributed to holders of Common Stock, for each $25.00 principal amount of Series U Debentures upon conversion, the amount of cash such Holder would have received had such Holder owned a number of shares equal to the Conversion Rate on the Ex-Date for such dividend or distribution. If such dividend or distribution is not so paid or made, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

If the Company elects to make a dividend or distribution described in this paragraph that has a per share of Common Stock value equal to more than 15% of the Closing Price of the Common Stock on the date preceding the first public announcement for such distribution, the Company shall give notice to Holders at least 50 Business Days prior to the Ex-Date for such dividend or distribution.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(g) If the Company or any of its subsidiaries shall, at any time or from time to time, while any of the Series U Debentures are outstanding, distribute cash or other consideration in respect of a tender offer or exchange offer for Common Stock, where such cash and the value of any such other consideration per share of Common Stock validly tendered or exchanged exceeds the Closing Price of Common Stock on the Trading Day immediately following the last date on which tenders or exchanges may be made pursuant to the tender or exchange offer (such last date, the "**Expiration Date**"), then the Conversion Rate shall be increased so that the same shall equal the rate determined by multiplying the Conversion Rate in effect immediately prior to the Open of Business on the Business Day immediately following the Trading Day immediately following the Expiration Date by a fraction:

(i) the numerator of which will be the sum of (A) the Fair Market Value, as determined by the Board of Directors, of the aggregate consideration payable for all shares of Common Stock that the Company purchases in such tender or exchange offer *and* (B) the product of the number of shares of Common Stock outstanding as of the Expiration Date, less the number of shares of Common Stock purchased in the relevant tender offer or exchange offer (the "**Purchased Shares**"), and the Closing Price of Common Stock on the Trading Day immediately following the Expiration Date; and

(ii) the denominator of which will be the product of the number of shares of Common Stock outstanding as of the Expiration Date, including the Purchased Shares, and the Closing Price of Common Stock on the Trading Day immediately following the Expiration Date.

An adjustment, if any, to the Conversion Rate pursuant to this Section 3(g) shall become effective immediately after the Open of Business on the Business Day immediately following the Trading Day immediately following the Expiration Date. In the event that the Company or a subsidiary of the Company is obligated to purchase shares of Common Stock pursuant to any such tender offer or exchange offer, but the Company or such subsidiary is permanently prevented by applicable law from effecting any such purchases, or all such purchases are rescinded, then the Conversion Rate shall again be adjusted to be the Conversion Rate which would then be in effect if such tender offer or exchange offer had not been made. If the application of this Section 3(g) to any tender offer or exchange offer would result in a decrease in the Conversion Rate, no adjustment shall be made for such tender offer or exchange offer under this Section 3(g).

If the Company elects to make a distribution described in this paragraph that has a per share of Common Stock value equal to more than 15% of the Closing Price of the Common Stock on the date preceding the first public announcement of such distribution, the Company shall give notice to Holders at least 50 Business Days prior to the Ex-Date for such distribution.

"**Current Market Price**" of Common Stock on any day means the average of the Closing Prices of Common Stock for each of the five consecutive Trading Days ending on the earlier of the day in question and the day before the Ex-Date with respect to the dividend or distribution requiring such computation.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

"**Fair Market Value**" shall mean the amount which a willing buyer would pay a willing seller in an arm's-length transaction.

(h) The Board of Directors shall make appropriate adjustments to the Conversion Rate, and the amount of cash and shares of Common Stock, if any, due upon conversion, in its good faith judgment, to account for any adjustment to the Conversion Rate that becomes effective, or any event requiring an adjustment to the Conversion Rate where the Ex-Date of the event occurs, during the period beginning on the Conversion Date and ending on the Close of Business on the last Trading Day of the relevant Observation Period.

(i) The Company may make such increases in the Conversion Rate, in addition to those required by Sections 3(a), (b), (c), (d), (e), (f) or (g), as the Board of Directors considers to be advisable to avoid or diminish any income tax to holders of Common Stock or rights to purchase Common Stock resulting from any dividend or distribution of stock (or rights to acquire stock) or from any event treated as such for income tax purposes. The Company from time to time may also increase the Conversion Rate by any amount for any period of time if the period is at least twenty (20) days and the increase is irrevocable during the period, and such determination shall be conclusive. Whenever the Conversion Rate is increased pursuant to the preceding sentence, the Company shall provide to Holders, in the manner set forth in Section 1.02 of the Indenture and, in the case of Series U Debentures evidenced by Global Securities, through the facilities of the Depository, a notice of the increase at least five (5) Business Days prior to the date the increased Conversion Rate takes effect, and such notice shall state the increased Conversion Rate and the period during which it will be in effect.

(j) Notwithstanding anything in this Section 3 to the contrary, no adjustment in the Conversion Rate shall be required unless such adjustment would require an increase or decrease of at least one percent (1%) in such rate; *provided*, that (A) any adjustments that by reason of this paragraph (j) are not required to be made shall be carried forward and taken into account in any subsequent adjustment and (B) the Company will make any carry forward adjustments to the Conversion Rate not otherwise affected on or prior to the 43rd Scheduled Trading Day immediately preceding December 31, 2012 and each Trading Day thereafter. All calculations shall be made by the Company and shall be made to the nearest cent or to the nearest one-ten thousandth (1/10,000) of a share of Common Stock, as the case may be.

(k) No adjustment to the Conversion Rate need be made in the following circumstances:

(i) No adjustment need be made for a transaction or event referred to in Section 3(a), (b), (c), (d), (e), (f) or (g) if Holders participate, without conversion, in the transaction or event that would otherwise give rise to an adjustment pursuant to such Section at the same time as holders of Common Stock participate with respect to such transaction or event and on the same terms as holders of Common Stock participate with respect to such transaction or event as if Holders, at such time, held a number of shares of Common Stock equal to the applicable Conversion Rate as of the Ex-Date or Expiration Date, as the case may be, for such transaction or event, *multiplied by* the principal amount (expressed in integral multiples of $25.00) of Series U Debentures held by such Holder, without having to convert their Series U Debentures;

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(ii) No adjustment need be made for the issuance of Common Stock or any securities convertible into or exchangeable for Common Stock or carrying the right to purchase Common Stock or any such security, except as set forth above in this Section 3;

(iii) No adjustment need be made for rights to purchase Common Stock pursuant to a Company plan for reinvestment of dividends or interest;

(iv) No adjustment need be made for a change in the par value or no par value of Common Stock;

(v) To the extent the Series U Debentures become convertible pursuant to Section 2 into cash, no adjustment need be made thereafter as to the cash. Interest will not accrue on the cash into which the Series U Debentures are convertible;

(vi) No adjustment need be made for accrued interest.

(l) Whenever the Conversion Rate is adjusted as herein provided, the Company shall promptly file with the Trustee and any Conversion Agent other than the Trustee an Officers' Certificate setting forth the Conversion Rate after such adjustment and setting forth a brief statement of the facts requiring such adjustment. Unless and until a responsible officer of the Trustee shall have received such Officers' Certificate, the Trustee shall not be deemed to have knowledge of any adjustment of the Conversion Rate and may assume that the last Conversion Rate of which it has knowledge is still in effect. Promptly after delivery of such certificate, the Company shall prepare a notice of such adjustment of the Conversion Rate setting forth the adjusted Conversion Rate and the date on which each adjustment becomes effective and shall mail such notice of such adjustment of the Conversion Rate to the Holder of each Series U Debenture at his last address appearing on the Series U Debenture register provided for in the Indenture, within twenty (20) days after execution thereof. Failure to deliver such notice shall not affect the legality or validity of any such adjustment.

(m) If any of the following events (each, a "**Disposition Event**") occurs:

(i) any reclassification of Common Stock (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination);

(ii) consolidation, merger, or other combination involving the Company; or

(iii) sale or conveyance to another individual, corporation, partnership, limited liability company, association, trust or other entity, including a government or political subdivision or an agency or instrumentality thereof (a "**Person**") of all or substantially all of the assets of the Company;

in each case, in which holders of outstanding Common Stock would be entitled to receive cash, securities or other property for their shares of Common Stock, if a Holder converts its Series U Debentures on or after the effective date of any such event, the Series U Debentures will be convertible into (A) cash in an amount equal to the portion of the Conversion Obligation that the Company has elected to settle in cash in accordance with Section 2; and (B) in lieu of shares of

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Common Stock otherwise deliverable, if any, the same type (in the same proportions) of consideration received by holders of Common Stock in the relevant event (collectively, "**Reference Property**"). In addition, the amount of cash and Reference Property, if any, Holders will receive will be based on the Daily Settlement Amounts of Reference Property and the Conversion Rate, as described in Section 2.

If a Disposition Event provides the holders of Common Stock with the right to receive more than a single type of consideration determined based in part upon any form of stockholder election, the Reference Property shall be comprised of the weighted average of the types and amounts of consideration received by the holders of Common Stock upon the occurrence of such event.

Upon the occurrence of a Disposition Event, the Company or the successor or purchasing Person, as the case may be, shall execute with the Trustee a supplemental indenture (which shall comply with the Trust Indenture Act as in force at the date of execution of such supplemental indenture if such supplemental indenture is then required to so comply) permitted under Section 10.01 of the Indenture providing for the conversion and settlement of the Series U Debentures as set forth herein. Such supplemental indenture shall provide for adjustments that shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 3. If, in the case of any Disposition Event, the Reference Property includes shares of stock or other securities and assets of a Person other than the successor or purchasing Person, as the case may be, in such reclassification, consolidation, merger, combination, sale or conveyance, then such supplemental indenture shall also be executed by such other Person and shall contain such additional provisions to protect the interests of the Holders of the Series U Debentures as the Board of Directors of the Company shall reasonably consider necessary by reason of the foregoing, including to the extent required by the Board of Directors and practicable the provisions providing for the repurchase rights set forth in Section 6 herein.

In the event the Company shall execute a supplemental indenture pursuant to this Section 3(m), the Company shall promptly file with the Trustee an Officers' Certificate briefly stating the reasons therefor, the kind or amount of cash, securities or property or asset that will comprise the Reference Property after any such Disposition Event, any adjustment to be made with respect thereto and that all conditions precedent have been complied with.

The Company shall cause notice of the execution of such supplemental indenture to be mailed to each Holder of Series U Debentures, at its address appearing on the Security Register for the Series U Debentures, within twenty (20) days after execution thereof. Failure to deliver such notice shall not affect the legality or validity of such supplemental indenture. The above provisions shall similarly apply to successive reclassifications, changes, consolidations, mergers, combinations, sales and conveyances.

(n) The Company shall provide, free from preemptive rights, out of its authorized but unissued shares or shares held in treasury, sufficient shares of Common Stock to provide for the conversion of the Series U Debentures from time to time as such Series U Debentures are presented for conversion. Before taking any action which would cause an adjustment increasing the Conversion Rate to an amount that would cause the Conversion Price to be reduced below the then par value, if any, of the shares of Common Stock issuable upon conversion of Series U

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Debentures, the Company will take all corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue shares of such Common Stock at such adjusted Conversion Rate. The Company covenants that all shares of Common Stock which may be issued upon conversion of Series U Debentures will upon issue be validly issued, fully paid and non-assessable by the Company and free from all taxes, liens and charges with respect to the issue thereof. The Company covenants that, if any shares of Common Stock to be provided for the purpose of conversion of Series U Debentures hereunder require registration with or approval of any governmental authority under any federal or state law before such shares may be validly issued upon conversion, the Company will in good faith and as expeditiously as possible, to the extent then permitted by the rules and interpretations of the Securities and Exchange Commission (or any successor thereto), secure such registration or approval, as the case may be.

(o) The Company further covenants that, if at any time the Common Stock shall be listed on the New York Stock Exchange or any other national securities exchange or automated quotation system, the Company will, if permitted by the rules of such exchange or automated quotation system, list and keep listed, so long as the Common Stock shall be so listed on such exchange or automated quotation system, all Common Stock issuable upon conversion of the Series U Debentures; *provided*, that if the rules of such exchange or automated quotation system permit the Company to defer the listing of such Common Stock until the first conversion of the Series U Debentures into Common Stock in accordance with the provisions hereof, the Company covenants to list such Common Stock issuable upon conversion of the Series U Debentures in accordance with the requirements of such exchange or automated quotation system at such time.

(p) If (i) the Company shall declare a dividend (or any other distribution) on its Common Stock that would require an adjustment in the Conversion Rate, (ii) the Company shall authorize the granting to the holders of all or substantially all of its Common Stock of rights or warrants to subscribe for or purchase any share of any class or any other rights or warrants; (iii) there shall be any reclassification or reorganization of the Common Stock of the Company (other than a subdivision or combination of its outstanding Common Stock, or a change in par value, or from par value to no par value, or from no par value to par value), or of any consolidation or merger to which the Company is a party and for which approval of any stockholders of the Company is required, or of the sale or transfer of all or substantially all of the assets of the Company; or (iv) there shall be the voluntary or involuntary dissolution, liquidation or winding up of the Company; the Company shall notify Holders in the manner set forth in Section 1.02 of the Indenture and, in the case of Series U Debentures evidenced by Global Securities, through the facilities of the Depository, as promptly as possible but in any event at least ten (10) days prior to the applicable date hereinafter specified, a notice stating (x) the payment or delivery date for such dividend, distribution or rights or warrants, or (y) the date on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up is expected to become effective or occur, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such dividend, distribution, reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(q) Each share of Common Stock issued upon conversion of Series U Debentures pursuant to Section 2 shall be entitled to receive the appropriate number of rights ("**Rights**"), if any, and the certificates representing the Common Stock issued upon such conversion shall bear such legends, if any, in each case as may be provided by the terms of any future rights plan adopted by the Company, as the same may be amended from time to time (a "**Share Holders Rights Plan**"). Upon conversion of Series U Debentures, and subject to the terms, limitations and conditions of the Share Holders Rights Plan, the Holder will receive, in addition to any Common Stock received in connection with such conversion, the Rights under the Share Holders Rights Plan, unless prior to any conversion, the Rights have separated from the Common Stock, in which case the Conversion Rate will be adjusted at the time of separation as if the Company distributed to all holders of Common Stock, shares of Capital Stock, assets, debt securities or certain rights to purchase securities of the Company as described in the first adjustment formula in Section 3(d), subject to readjustment in the event of the expiration, termination or redemption of such Rights. Subject to the terms, limitations and conditions of the Share Holders Rights Plan, any distribution of Rights pursuant to a Share Holders Rights Plan that would allow a Holder to receive upon conversion, in addition to shares of Common Stock, the Rights described therein (unless such Rights have separated from Common Stock) shall not constitute a distribution of Rights that would entitle the Holder to an adjustment to the Conversion Rate.

Section 4. *Adjustment to Conversion Rate Upon a Make-Whole Fundamental Change*

(a) If, after the date hereof and on or prior to the second Business Day immediately preceding December 31, 2012, a Make-Whole Fundamental Change (as defined below) occurs, and a Holder elects to convert its Series U Debentures in connection with such Make-Whole Fundamental Change, the Company will, under certain circumstances, increase the Conversion Rate for the Series U Debentures so surrendered for conversion by a number of additional shares of Common Stock (the "**Make-Whole Shares**"), as determined in this Section 4 below. A conversion of Series U Debentures will be deemed for these purposes to be "in connection with" a Make-Whole Fundamental Change if the notice of conversion of the Series U Debentures is received by the Conversion Agent from, and including, the Effective Date (as defined below) of the Make-Whole Fundamental Change up to, and including, the 45th calendar day immediately following the Effective Date of such Make-Whole Fundamental Change (or, in the case of an event that also constitutes a Fundamental Change, the Fundamental Change Repurchase Date for such Fundamental Change).

If the Company fails to notify Holders as required by Section 1(d) of the effective date of any Make-Whole Fundamental Change within 15 calendar days of such effective date, the period during which Holders may surrender their Series U Debentures for conversion and receive the relevant Make-Whole Shares will be extended by the number of days that such notification is delayed or not otherwise provided to Holders beyond the specified notice deadline.

"**Make-Whole Fundamental Change**" means:

(i) any transaction or event (whether by means of an exchange offer, liquidation, tender offer, consolidation, merger, combination, recapitalization or otherwise) in connection with which 90% or more of the Common Stock is exchanged for, converted into, acquired for or constitutes solely the right to receive consideration 10% or

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

more of which is not common stock that is listed on, or immediately after the transaction or event will be listed on, a United States national securities exchange; or

(ii) any "person" or "group" (as such terms are used for purposes of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), whether or not applicable), other than the Company or any majority-owned subsidiary of the Company or any employee benefit plan of the Company or such subsidiary, becomes the "beneficial owner," directly or indirectly, of more than 50% of the total voting power in the aggregate of all classes of Capital Stock then outstanding entitled to vote generally in elections of the Company's directors,

(a) The number of Make-Whole Shares will be determined by reference to the table set forth in Section 4(c) below and shall be based on the date on which such Make-Whole Fundamental Change becomes effective (the "**Effective Date**") and the price paid per share of Common Stock in the Make-Whole Fundamental Change (in the case of a Make-Whole Fundamental Change described in clause (a) of the definition of Make-Whole Fundamental Change, in which holders of Common Stock receive only cash) or, in the case of any other Make-Whole Fundamental Change, the average of the Closing Prices per share of Common Stock over the five Trading Day period ending on the Trading Day preceding the Effective Date of such Make-Whole Fundamental Change (the "**Stock Price**").

(b) The Stock Prices set forth in the top row of the table below will be adjusted as of any date on which the Conversion Rate is adjusted. The adjusted Stock Prices will equal the Stock Prices immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the Conversion Rate immediately prior to the adjustment giving rise to the Stock Price adjustment, and the denominator of which is the Conversion Rate as so adjusted. In addition, the number of Make-Whole Shares will be subject to adjustment in the same manner as the Conversion Rate as set forth in Section 3(a) through Section 3(g).

Effective Date	Stock Price														
	32.00	34.00	36.00	38.00	40.00	42.00	44.00	46.00	48.00	50.00	52.00	54.00	56.00	58.00	60.00
[_____], 2008[1]	0.2176	0.1923	0.1709	0.1527	0.1372	0.1239	0.1124	0.1024	0.0938	0.0862	0.0795	0.0736	0.0684	0.0638	0.0596
June 30, 2008	0.2083	0.1824	0.1607	0.1423	0.1267	0.1135	0.1021	0.0923	0.0839	0.0766	0.0702	0.0646	0.0597	0.0553	0.0515
December 31, 2008	0.1973	0.1707	0.1486	0.1300	0.1144	0.1013	0.0901	0.0806	0.0724	0.0655	0.0594	0.0542	0.0497	0.0458	0.0423
June 30, 2009	0.1839	0.1565	0.1338	0.1150	0.0994	0.0864	0.0755	0.0664	0.0587	0.0523	0.0468	0.0422	0.0382	0.0348	0.0319
December 31, 2009	0.1677	0.1389	0.1154	0.0962	0.0805	0.0678	0.0575	0.0490	0.0421	0.0365	0.0319	0.0281	0.0250	0.0224	0.0203
June 30, 2010	0.1476	0.1158	0.0904	0.0703	0.0546	0.0424	0.0332	0.0262	0.0209	0.0170	0.0140	0.0118	0.0102	0.0089	0.0080
December 31, 2010	0.1340	0.0937	0.0584	0.0274	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
June 30, 2011	0.1375	0.0961	0.0599	0.0281	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
December 31, 2011	0.1412	0.0987	0.0615	0.0289	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
June 30, 2012	0.1467	0.1026	0.0640	0.0300	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
December 31, 2012	0.1563	0.1103	0.0694	0.0329	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

1 To be the issuance date.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(c) If the exact Stock Price and Effective Date is not set forth in the table, then (i) if the Stock Price is between two Stock Prices in the table or the Effective Date is between two Effective Dates in the table, the Make-Whole Shares issued upon conversion of the Series U Debentures will be determined by a straight-line interpolation between the number of Make-Whole Shares set forth for the higher and lower Stock Prices and/or the earlier and later Effective Dates in the table, as applicable, based on a 365-day year, (ii) if the Stock Price is in excess of $60.00 per share of Common Stock (subject to adjustment in the same manner as the Stock Prices set forth in the table above), no Make-Whole Shares will be issued upon conversion of the Series U Debentures; and (iii) if the Stock Price is less than $32.00 per share of Common Stock (subject to adjustment in the same manner as the Stock Prices set forth in the table above), no Make-Whole Shares will be issued upon conversion of the Series U Debentures.

(d) In no circumstances shall the Conversion Rate of the Series U Debentures as adjusted pursuant to this Section 4 exceed 0.8426 per $25.00 principal amount of Series U Debentures, subject to adjustment in the same manner as the Conversion Rate as set forth in Section 3.

Section 5. *Redemption.*

Prior to January 1, 2011, the Series U Debentures will not be redeemable at the Company's option. At any time and from time to time on or after January 1, 2011, the Company may redeem the Series U Debentures, in whole or in part, in cash at a price (the **"Redemption Price"**) equal to 100% of the principal amount of the redeemed Series U Debentures, plus (1) accrued and unpaid interest on the redeemed Series U Debentures to but not including the date of redemption (the "**Redemption Date**"), and (2) as applicable and as provided below, the Redemption Adjustment Amount with respect to the Series U Debentures selected for redemption and scheduled to be redeemed on such Redemption Date (including any such Series U Debentures selected for redemption with respect to which a Conversion Date has been set on or prior to the Close of Business on the second Business Day immediately preceding the Redemption Date) (the **"Called Debentures"**); *provided, however*, that if such Redemption Date falls after a Record Date and on or prior to the corresponding Interest Payment Date, then the full amount of accrued and unpaid interest, if any, payable on such Interest Payment Date shall be paid to the Holders of record of the Series U Debentures at the Close of Business on the corresponding Record Date (which may or may not be the same person to whom the Company will pay the Redemption Price) and the Redemption Price shall equal 100% of the principal amount of the redeemed Series U Debentures *plus*, as applicable and as provided below, the Redemption Adjustment Amount with respect to the Called Debentures *minus* an amount equal to the interest payable on that Interest Payment Date on the principal amount of the redeemed Series U Debentures with respect to the period from the Redemption Date to but not including the Interest Payment Date. For the avoidance of doubt, the Redemption Adjustment Amount (if any) shall only be due and payable upon a redemption under and pursuant to this Section 5 and not upon the occurrence of, or in connection with, any other circumstance, event or condition, including without limitation a repurchase pursuant to Section 6 hereof. The Series U Debentures are not entitled to any sinking fund.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

In the case of any partial redemption, selection of the Series U Debentures for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Series U Debentures are listed or, if the Series U Debentures are not listed on a national securities exchange, by lot or by such other method as directed by the Company. The Trustee will make that selection not more than forty-five days before the Redemption Date. If a portion of a Holder's Series U Debentures is selected for redemption and a Holder converts a portion of its Series U Debentures, the converted portion will, notwithstanding the conversion, be deemed to be part of the portion selected for redemption (so that only the difference between the portion selected for redemption and the converted portion will need to actually be redeemed). The Company shall not redeem any Series U Debentures if it has failed to pay interest on the Series U Debentures and such failure to pay is continuing. Series U Debentures that the Trustee selects shall be in principal amounts of $25.00 or integral multiples of $25.00.

Notwithstanding anything in the first two paragraphs of this Section 5 to the contrary, the Company may redeem all (but not less than all) of the Series U Debentures if the Board of Directors determines in good faith by resolution that the Series U Debentures will not be transferred to the New VEBA (as defined in the Settlement Agreement) in accordance with the terms of that Settlement Agreement, dated February 21, 2008 (as amended, supplemented, replaced or otherwise altered from time to time, the "**Settlement Agreement**"), between the Company, the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, and certain class representatives, on behalf of the class of plaintiffs in (1) the class action of *Int'l Union, UAW, et. al. v. General Motors Corp.*, Civil Action No. 07-14074 (E.D. Mich. filed Sept. 9, 2007) and/or (2) the class action of *UAW et al. v. General Motors Corp.*, No. 05-CV-73991, 2006 WL 891151 (E.D. Mich. Mar. 31, 2006, *aff'd, Int'l Union, UAW v. General Motors Corp.*, 497 F.3d 615 (6th Cir. 2007). Any such redemption pursuant to the preceding sentence is referred to as a "**Termination Redemption**." A Termination Redemption shall be made in cash at a price equal to 100% of the principal amount of the Series U Debentures, plus accrued and unpaid interest thereon to but not including the Redemption Date. For the avoidance of doubt, no Redemption Adjustment Amount shall be payable in connection with any Termination Redemption.

The "**Redemption Adjustment Amount**" shall be payable only as follows:

(i) If the Redemption Date occurs during the period beginning on January 1, 2011 and ending on January 1, 2012 and the Closing Price of the Common Stock on the second Business Day prior to the Redemption Date is less than $69.04 per share, the Redemption Adjustment Amount shall be paid only on the New VEBA Called Debentures (as defined below) (if any). In this case, the Redemption Adjustment Amount with respect to any such New VEBA Called Debentures shall be an amount in cash equal to (1) the Discounted Interest Payments with respect to such New VEBA Called Debentures minus (2) the Discounted Dividend Payments with respect to such New VEBA Called Debentures.

(ii) If the Redemption Date occurs on any date after January 1, 2012 and the Closing Price of the Common Stock on the second Business Day prior to the Redemption Date is less than $72.75 per share, the Redemption Adjustment Amount shall be paid

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

only on the New VEBA Called Debentures (if any). In this case, the Redemption Adjustment Amount with respect to any such New VEBA Called Debentures shall be an amount in cash equal to (1) the Discounted Interest Payments with respect to such New VEBA Called Debentures minus (2) the Discounted Dividend Payments with respect to such New VEBA Called Debentures.

(iii) If the Redemption Date occurs during the period beginning on January 1, 2011 and ending on January 1, 2012 and the Closing Price of the Common Stock on the second Business Day prior to the Redemption Date is equal to or greater than $69.04 per share, the Redemption Adjustment Amount shall be paid only on the New VEBA Stock-Settled Debentures (as defined below) (if any) that constitute Excess Debentures (as defined below). In this case, the Redemption Adjustment Amount with respect to any such New VEBA Stock-Settled Debentures that constitute Excess Debentures shall be an amount in cash equal to (1) the Discounted Interest Payments with respect to the portion of such New VEBA Stock-Settled Debentures that constitute Excess Debentures minus (2) the Discounted Dividend Payments with respect to the portion of such New VEBA Stock-Settled Debentures that constitute Excess Debentures.

(iv) If the Redemption Date occurs on any date after January 1, 2012 and the Closing Price of the Common Stock on the second Business Day prior to the Redemption Date is equal to or greater than $72.75 per share, the Redemption Adjustment Amount shall be paid only on the New VEBA Stock-Settled Debentures (if any) that constitute Excess Debentures. In this case, the Redemption Adjustment Amount with respect to any such New VEBA Stock-Settled Debentures that constitute Excess Debentures shall be an amount in cash equal to (1) the Discounted Interest Payments with respect to the portion of such New VEBA Stock-Settled Debentures that constitute Excess Debentures minus (2) the Discounted Dividend Payments with respect to the portion of such New VEBA Stock-Settled Debentures that constitute Excess Debentures.

Any Redemption Adjustment Amount that is payable as provided in clause (iii) or (iv) of the definition of Redemption Adjustment Amount above on any New VEBA Stock-Settled Debentures that constitute Excess Debentures need not be paid or deposited in trust with the Trustee or the Paying Agent at the same time that the other elements of the Purchase Price (that is, 100% of the principal amount thereof and the accrued and unpaid interest thereon) are paid or deposited in trust with the Trustee or the Paying Agent in any instance where (x) the Conversion Obligation in connection with the conversion of such New VEBA Stock-Settled Debentures that constitute Excess Debentures will be settled in accordance with Section 2(b)(i), (y) the Company has previously made an election under Section 2(k), and (z) the Company has either (1) specified a Cash Percentage for the New VEBA that is less than 100% or (2) not specified a Cash Percentage for the New VEBA. Rather, any such Redemption Adjustment Amount that is so payable on such New VEBA Stock-Settled Debentures that constitute Excess Debentures in connection with such redemption shall be paid by the Company to the New VEBA (or deposited in trust with the Trustee or the Paying Agent) on or prior to the third Trading Day immediately succeeding the last Trading Day of the relevant Observation Period for the conversion of such New VEBA Stock-Settled Debentures that constitute Excess Debentures.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Notwithstanding anything to the contrary in the definition of Redemption Adjustment Amount above, no Redemption Adjustment Amount shall be payable with respect to any Series U Debentures to the extent that any Person other than the New VEBA is the Holder of, or the beneficial owner of an interest in, such Series U Debenture. In addition, each of the $69.04 and $72.75 per share prices referenced in the definition of Redemption Adjustment Amount above shall be adjusted as of any date on which the Conversion Rate is adjusted by multiplying such price by a fraction, the numerator of which is the Conversion Rate immediately prior to the event giving rise to the adjustment, and the denominator of which is the Conversion Rate as so adjusted.

The **"New VEBA Called Debentures"** means, with respect to any redemption, the Called Debentures that are held or beneficially owned by the New VEBA.

The **"New VEBA Called/Converted Debentures"** means, with respect to any redemption, the Called Debentures that are (x) held or beneficially owned by the New VEBA and (y) converted by the New VEBA such that a Conversion Date is set on or prior to the Close of Business on the second Business Day immediately preceding the Redemption Date.

The **"New VEBA Stock-Settled Debentures"** means, with respect to any redemption, the portion of any New VEBA Called/Converted Debentures equal to the product of:

(A) the aggregate principal amount of such New VEBA Called/Converted Debentures,

multiplied by

(B) either (x) the number 1, if the Conversion Obligation in connection with such conversion of the New VEBA Called/Converted Debentures by the New VEBA will be settled in accordance with Section 2(b)(ii), (y) a fraction equal to 1 *minus* the Cash Percentage (expressed as a fraction) for such conversion of the New VEBA Called/Converted Debentures by the New VEBA, if the Conversion Obligation in connection with such conversion by the New VEBA will be settled in accordance with Section 2(b)(i) and the Company has not previously made an election under Section 2(k) or (z) a fraction equal to 1 *minus* the average of the Cash Percentages (expressed as fractions) for such conversion of the New VEBA Called/Converted Debentures by the New VEBA for each Trading Day in the relevant Observation Period in connection with such conversion, if the Conversion Obligation in connection with such conversion by the New VEBA will be settled in accordance with Section 2(b)(i) and the Company has previously made an election under Section 2(k).

The **"Excess Debentures"** means, with respect to any redemption, the aggregate principal amount (if greater than zero) of any New VEBA Stock-Settled Debentures in connection with such redemption equal to the amount (if any) by which (x) the sum of (1) the principal amount of New VEBA Stock-Settled Debentures in connection with such redemption and (2) the aggregate principal amount of all Series U Debentures that constituted "New VEBA Stock-Settled Debentures" in connection with all prior redemptions having Redemption Dates within less than one year prior to the Redemption Date in connection with the current redemption *is greater than* (y) $2,160,000,000.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The **"Subject Debentures"** means, as applicable, any New VEBA Called Debentures or any portion of any New VEBA Called/Converted Debentures that constitute Excess Debentures.

The "**Discounted Interest Payments**" means, with respect to any Subject Debentures, the amount obtained by discounting all Remaining Interest Payments with respect to such Subject Debentures from their respective assumed due dates to the Redemption Date with respect to such Subject Debentures, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Series U Debentures is payable) equal to 9% per annum.

The "**Discounted Dividend Payments**" means, with respect to any Subject Debentures, the amount obtained by discounting all Expected Dividend Payments with respect to such Subject Debentures from their respective assumed payment dates to the Redemption Date with respect to such Subject Debentures, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which dividends on the Common Stock are payable) equal to 9% per annum.

The "**Expected Dividend Payments**" means, with respect to any Subject Debentures:

(e) a stream of quarterly dividend payments from the Redemption Date through the Maturity Date on the number of shares (the "**Underlying Shares**") of Common Stock into which such Subject Debentures are then convertible, calculated as if (1) such Subject Debentures are then convertible (notwithstanding any terms hereof to the contrary), (2) the Holder so converted such Subject Debentures on the Redemption Date, (3) the Company does not specify a Cash Percentage in connection with such conversion, (4) the Company has not previously made an election under Section 2(k) hereof, (5) each quarterly dividend payment on each Underlying Share is in an amount (the "**Dividend Amount**") equal to the average of the regular quarterly per share dividends paid by the Company over the last four quarters immediately preceding the Redemption Date and (6) the payment dates for each such quarterly dividend payment are set on the same calendar days as the respective payment dates for the regular quarterly dividends paid by the Company over the last four quarters immediately preceding the Redemption Date (*provided*, that if the Company did not pay a regular quarterly dividend with respect to any such quarter, the calendar day on which the Company last paid a regular quarterly dividend with respect to such quarter in a prior year shall be used), and

(b) a final dividend payment on such Underlying Shares on the Maturity Date in an amount equal to the product of (1) such number of Underlying Shares multiplied by (2) the Dividend Amount multiplied by (3) a fraction, (x) the numerator of which is the number of calendar days from the last assumed payment date under clause (a)(6) of this definition to the Maturity Date (or, in the event that clause (a) of this definition yields no quarterly dividend payment as a result of the first assumed payment date under clause (a)(6) being after the Maturity Date, the number of calendar days from the Redemption Date to the Maturity Date) and (y) the denominator of which is 90.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

The "**Remaining Interest Payments**" means, with respect to any Subject Debentures, all payments of interest thereon that would otherwise have become due and payable after the Redemption Date with respect to such Subject Debentures if no payment of the principal amount of such Subject Debentures was made prior to its scheduled due date, *provided,* that (i) if such Redemption Date falls after an Interest Payment Date and on or prior to the next succeeding Record Date, then, for purposes of this definition, the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest that has accrued on the principal amount of such Subject Debentures to such Redemption Date and (ii) if such Redemption Date falls after a Record Date and on or prior to the corresponding Interest Payment Date, then, for purposes of this definition, the amount of the next succeeding interest payment will be deemed to be $0.

Section 6. *Repurchase of Series U Debentures Upon a Fundamental Change*

(f) If there shall occur a Fundamental Change (as defined in Section 6(b) below) at any time prior to December 31, 2012, then each Holder shall have the right, at such Holder's option, to require the Company to repurchase all of such Holder's Series U Debentures, or any portion thereof that is an integral multiple of $25.00 principal amount, on the date (the "**Fundamental Change Repurchase Date**") that is thirty (30) days after the date the Company provides the Fundamental Change Notice (as defined below) (or, if such 30th day is not a Business Day, the next succeeding Business Day), for cash at a repurchase price (the "**Fundamental Change Repurchase Price**") equal to 100% of the principal amount thereof, together with accrued and unpaid interest to, but excluding, the Fundamental Change Repurchase Date; provided, however, that if such Fundamental Change Repurchase Date falls after a Record Date and on or prior to the corresponding Interest Payment Date, then the full amount of accrued and unpaid interest, if any, payable on such Interest Payment Date shall be paid to the Holders of record of the Series U Debentures at the Close of Business on the corresponding Record Date (which may or may not be the same person to whom the Company will pay the Fundamental Change Repurchase Price) and the Fundamental Change Repurchase Price shall equal 100% of the principal amount of Series U Debentures to be repurchased.

(g) A "**Fundamental Change**" of the Company is any transaction or event (whether by means of an exchange offer, liquidation, tender offer, consolidation, merger, combination, recapitalization or otherwise) in connection with which 90% or more of the Common Stock is exchanged for, converted into, acquired for or constitutes solely the right to receive, consideration 10% or more of which is not common stock that is listed on, or immediately after the transaction or event will be listed on, a United States national securities exchange, but only if such transaction or event also includes either of the following: (i) the filing by any person, including the Company's Affiliates (as defined below) and associates, other than the Company and its employee benefit plans, of a Schedule 13D or Schedule TO, or any successor schedule, form or report, under the Exchange Act, disclosing that such person has become the beneficial owner of 50% or more of the voting power of the Common Stock or other Capital Stock into which the Common Stock is reclassified or exchanged; or (ii) the consummation of any share exchange, consolidation or merger pursuant to which the Common Stock would be converted to

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

cash, securities or other property, other than any share exchange, consolidation or merger of the Company in which the holders of Common Stock immediately prior to the share exchange, consolidation or merger have, directly or indirectly, at least a majority of the total voting power in the aggregate of all classes of Capital Stock of the continuing or surviving corporation immediately after the share exchange, consolidation or merger.

"**Affiliate**" of any specified person means any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person. For purposes of this definition, "**control**" when used with respect to any specified person means the power to direct or cause the direction of the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

(h) The Company will make payment of the Fundamental Change Repurchase Price on the later of the Fundamental Change Repurchase Date and the time of book-entry transfer, in the case of Series U Debentures evidenced by Global Securities, or delivery of the Series U Debentures.

(i) On or before the fifteenth day after the occurrence of a Fundamental Change, the Company or at its written request (which must be received by the Trustee at least five (5) Business Days prior to the date the Trustee is requested to give notice as described below, unless the Trustee shall agree in writing to a shorter period) the Trustee, in the name of and at the expense of the Company, shall mail or cause to be mailed to all Holders of record on the date of the Fundamental Change a notice (the "Fundamental Change Notice") of the occurrence of such Fundamental Change and of the repurchase right at the option of the Holders arising as a result thereof. If the Company shall give such notice, the Company shall also deliver a copy of the Fundamental Change Notice to the Trustee at such time as it is mailed to Holders.

(j) Each Fundamental Change Notice shall include a form of Option to Elect Repayment Upon A Fundamental Change, a form of which comprises part of this Note, and shall specify the circumstances constituting the Fundamental Change, the Fundamental Change Repurchase Date, the Fundamental Change Repurchase Price, that the Holder must exercise the repurchase right on or before the Close of Business on the Business Day immediately preceding the Fundamental Change Repurchase Date (the "**Fundamental Change Expiration Time**"), a description of the procedure which a Holder must follow to exercise such repurchase right and to withdraw any surrendered Series U Debentures, the place or places where the Holder is to surrender such Holder's Series U Debentures, the amount of interest accrued on each $25.00 principal amount of the Series U Debentures to the Fundamental Change Repurchase Date and the "CUSIP" number or numbers of the Series U Debentures (if then generally in use). No failure of the Company or its successor to give the foregoing notices and no defect therein shall limit the Holder's repurchase right or affect the validity of the proceedings for the repurchase of the Series U Debentures pursuant to this Section 6.

(k) For a Series U Debenture to be so repurchased at the option of the Holder, the Paying Agent must receive such Series U Debenture with the form entitled "Option to Elect Repayment Upon A Fundamental Change" on the reverse thereof duly completed, together with

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

such Series U Debentures duly endorsed for transfer, on or before the Fundamental Change Expiration Time. All questions as to the validity, eligibility (including time of receipt) and acceptance of any Series U Debenture for repayment shall be determined by the Company, whose determination shall be final and binding absent manifest error.

(l) Notwithstanding anything herein to the contrary, any Holder delivering to the Paying Agent the Option to Elect Repayment Upon a Fundamental Change shall have the right to withdraw such Option to Elect Repayment Upon a Fundamental Change at any time up to the Close of Business on the Business Day prior to the Fundamental Change Repurchase Date by delivery of a written notice of withdrawal (a "**Withdrawal Notice**") to the Paying Agent. The Paying Agent shall promptly notify the Company of the receipt by it of any Option to Elect Repayment Upon a Fundamental Change or Withdrawal Notice. The Withdrawal Notice shall state: (i) the principal amount of Series U Debentures withdrawn (which must be in an amount of $25.00 or a integral multiple thereof); (ii) the certificate numbers of the withdrawn Series U Debentures or evidence of compliance with the appropriate Depository procedures if certificated Series U Debentures have not been issued; and (iii) the principal amount, if any, of Series U Debentures that remains subject to the "Option to Elect Repayment Upon a Fundamental Change."

(m) The Company and its successor shall comply with any tender offer rules under the Exchange Act that may be applicable in connection with the repurchase rights of the Holders of Series U Debentures in the event of a Fundamental Change.

(n) The Company shall not repurchase any Series U Debentures in the event of a Fundamental Change if the principal amount of the Series U Debentures has been accelerated (other than as a result of a failure to pay the relevant Fundamental Change Repurchase Price), and such acceleration has not been rescinded on or prior to the Fundamental Change Repurchase Date.

(o) Prior to 10:00 a.m. (New York City Time) on the Fundamental Change Repurchase Date, the Company or its successor shall deposit with the Trustee or with the Paying Agent an amount of cash (in immediately available funds if deposited on such Business Day) sufficient to pay the aggregate Fundamental Change Repurchase Price of all the Series U Debentures or portions thereof that are to be purchased as of the Fundamental Change Repurchase Date. If prior to 10:00 a.m. (New York City Time) on the Fundamental Change Repurchase Date the Trustee or Paying Agent holds an amount of cash sufficient to pay the aggregate Fundamental Change Repurchase Price of the Series U Debentures that are to be so repurchased, then, on and after the Fundamental Change Repurchase Date (i) the Series U Debentures to be repurchased will cease to be outstanding; (ii) interest on such Series U Debentures will cease to accrue; and (iii) all other rights of the Holders with respect to such Series U Debentures will terminate, other than the right to receive the Fundamental Change Repurchase Price upon delivery of the Series U Debentures. This will be the case whether or not book-entry transfer of the Series U Debentures has been made or the Series U Debentures have been delivered to the Paying Agent.

(p) Any certificated Series U Debenture that is to be repurchased only in part shall be surrendered at the office of the Paying Agent (with, if the Company, its successor or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Company and the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the Company or its successor shall execute and the Trustee shall authenticate and deliver to the Holder of such Series U Debenture, without any service charge, a new Series U Debenture or Series U Debentures, of any authorized denomination as requested by such Holder in aggregate principal amount equal to, and in exchange for, the portion of the principal amount of the Series U Debenture so surrendered which is not purchased.

(q) The Trustee and the Paying Agent shall return to the Company or its successor any cash that remains unclaimed, together with interest, if any, thereon, held by them for the payment of the Fundamental Change Repurchase Price; provided, however, that to the extent that the aggregate amount of cash deposited by the Company or its successor exceeds the aggregate Fundamental Change Repurchase Price of the Series U Debentures or portions thereof which the Company or its successor is obligated to purchase as of the Fundamental Change Repurchase Date then, unless otherwise agreed in writing with the Company or its successor, promptly after the Business Day following the Fundamental Change Repurchase Date the Trustee shall return any such excess to the Company.

Section 7. *Events of Default*

In case an Event of Default, as defined in the Indenture and as supplemented by this Section 7, with respect to the Series U Debentures shall have occurred and be continuing, the principal hereof may be declared, and upon such declaration shall become, due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

In addition to the Events of Default set forth in the Indenture, each of the following (for whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment decree or order of any court or any order, rule or regulation of any administrative or governmental body) shall constitute an Event of Default with respect to the Series U Debentures:

(i) default in the issuance of a Fundamental Change Notice, and such default continues for a period of (A) five Business Days (in the case of a Fundamental Change, the occurrence of which is not publicly announced) or (B) five Business Days after written notice of such default has been provided to the Company by the Trustee or a Holder of, or a holder of a beneficial interest in, Series U Debentures (in the case of a Fundamental Change, the occurrence of which is publicly announced);

(ii) failure to issue any notice pursuant to Section 1(c) or Section 1(d) during the time periods described in such Sections, which failure continues for a period of (A) five Business Days (in the case of any such transaction or event, the occurrence of which is not publicly announced) or (B) five Business Days after written notice of such failure has been provided to the Company by the Trustee or a Holder of, or a holder of a beneficial interest in, Series U Debentures (in the case of any such transaction or event, the occurrence of which is publicly announced);

(iii) failure to comply with the obligation to convert the Series U Debentures into shares of Common Stock and cash, if any, as required by Section 2; or

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(iv) failure to comply with the Company's payment obligations under the Settlement Agreement for a period of 15 Business Days after the date on which written notice of such failure, requiring the Company to remedy the same, shall have been given to the Company by the committee that administers the New VEBA, unless, within such 15 Business Day period, the Company remedies the failure to comply with its payment obligations under the Settlement Agreement by paying the amount then in default plus accrued interest on such amount at the rate of 9% per annum; provided that an Event of Default shall not arise under this clause (iv) with respect to any portion of the principal amount of any Series U Debentures that is held or beneficially owned by any Person other than the New VEBA.

Section 8. *Registration, Transfer, Governing Law.*

Upon due presentment for registration of transfer of this Note at the office or agency designated and maintained by the Company for such purpose in The Borough of Manhattan, The City of New York, pursuant to the provisions of the Indenture, a new Note for an equal aggregate principal amount will be issued to the transferee in exchange therefor, subject to the limitations provided in the Indenture and in this Note (including any legends set forth on the face of this Note and including the certification requirements of Section 8(i) or (ii) below), without charge except for any tax or other governmental charge imposed in connection therewith.

The Company, the Trustee and any authorized agent of the Company or the Trustee may deem and treat the Holder in whose name this Note is registered as the absolute owner of this Note (whether or not this Note shall be overdue and notwithstanding any notation of ownership or other writing hereon), for the purpose of receiving payment of, or on account of, the principal hereof and premium, if any, and subject to the provisions contained herein, interest hereon, and for all other purposes, and neither the Company nor the Trustee nor any authorized agent of the Company or the Trustee shall be affected by any notice to the contrary.

The obligation of the Company, the Trustee and any authorized agent of the Company or the Trustee to register any transfer of the Note to any transferee whatsoever (other than a transferee that will hold this Note in Global Series U Security form if the Company or the Trustee concludes that the satisfaction of the following requirements is not necessary for such transferee) is subject to the following provisions which must be satisfied by such transferee prior to such transfer:

(i) Each transferee that is not a "U.S. Person" as defined in Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "**Code**") (a "**Non-U.S. Transferee**") shall deliver to the Company, the Trustee and any authorized agent of the Company or the Trustee, as the case may be, two copies of either U.S. Internal Revenue Service Form W-8BEN (claiming benefits under an applicable treaty), Form W-8ECI or Form W-8IMY, or, in the case of a Non-U.S. Transferee claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest," a properly completed and duly executed certificate as described in Section 871(h)(5) of the Code and a Form W-8BEN, or any subsequent versions thereof or successors thereto, properly completed and duly executed by such Non-U.S. Transferee claiming complete exemption from U.S. federal withholding tax on all payments under this Note. Such forms shall be delivered by each Non-U.S. Transferee on or before the date of such transfer or assignment. In addition, each

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Non-U.S. Transferee shall deliver such forms, or other applicable forms or similar documentation, promptly as may be required to maintain the validity of exemption from or reduction of the withholding tax or upon the receipt of notice from the Company, the Trustee and any authorized agent of the Company or the Trustee of the obsolescence or invalidity of any form previously delivered by such Non-U.S. Transferee. Notwithstanding anything to the contrary in this Note, the Company may properly withhold from any payments of principal or interest under this Note any tax due as a result of a Non-U.S. Transferee's failure to comply with this Section 8 or tax otherwise due as a result of such Non-U.S. Transferee failing to qualify for complete exemption from any U.S. federal withholding tax with respect to the payments of principal and interest under this Note, including under Section 871(h) or 881(c) of the Code as "portfolio interest" exemption; and

(ii) Each transferee that is a "U.S. person" as described in Section 7701(a)(30) of the Code (a "**U.S. Transferee**") shall deliver to the Company, the Trustee and any authorized agent of the Company or the Trustee two copies of properly completed and duly executed U.S. Internal Revenue Service Form W-9, or any subsequent versions or successors thereto, on or before the date of such transfer or assignment. In addition, each U.S. Transferee shall deliver such forms, or other applicable forms or similar documentation, promptly as may be required to maintain the validity of exemption from backup withholding of U.S. federal income tax, or upon the receipt of notice from the Company, the Trustee and any authorized agent of the Company or the Trustee of the obsolescence or invalidity of any form previously delivered by such U.S. Transferee. Notwithstanding anything to the contrary in this Note, the Company may properly withhold from any payments of principal or interest under this Note any tax due as a result of a U.S. Transferee's failure to comply with this Section 8 or tax otherwise due as a result of such U.S. Transferee becoming subject to any tax backup withholding or any other type of withholding tax.

For the avoidance of doubt, any taxes withheld or paid by the Company under Sections 8(i) or (ii) above shall be treated under this Note as having been paid to the transferee and shall not result in the Company being viewed or treated as in default of its obligations under this Note for any reason.

Notwithstanding anything to the contrary set forth herein, nothing in this Section 8 shall prevent the (1) transfer of this Note into a Global Series U Security form to be held by the Depository or a nominee of the Depository or (2) transfer of this Note to the New VEBA.

No recourse under or upon any obligation, covenant or agreement of the Company in the Indenture or any indenture supplemental thereto or in this Note, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, officer or director, as such, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance hereof and as part of the consideration for the issue hereof.

This Note is governed by the laws of the State of New York.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Terms used herein without definition which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee under the Indenture.

For the avoidance of doubt, in the event of any inconsistency between this Section 8 and the Indenture, the Indenture shall govern to the extent of such inconsistency.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

WITNESS THE SEAL OF THE COMPANY AND THE SIGNATURES OF ITS DULY AUTHORIZED OFFICERS.

Dated: February 25, 2008

GENERAL MOTORS CORPORATION

By: /s/ Frederick A. Henderson
Name: Frederick A. Henderson
Title: Vice Chairman and Chief Financial Officer

[SEAL]

By: Martin I. Darvick
Name: Martin I. Darvick
Title: Assistant Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

THIS IS ONE OF THE SECURITIES OF THE SERIES DESIGNATED THEREIN REFERRED TO IN THE WITHIN-MENTIONED INDENTURE.

THE BANK OF NEW YORK, AS TRUSTEE,

By: Sherma Thomas
Name: Sherma Thomas
Title: Assistant Treasurer

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

ASSIGNMENT FORM

FOR VALUE RECEIVED the undersigned hereby sells,
assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

_____

_____

_____

Please print or typewrite name and address including postal zip code of assignee

_____the within Note of GENERAL MOTORS CORPORATION and hereby irrevocably constitutes and appoints _____ attorney to transfer said Note on the books of the within-named Company, with full power of substitution in the premises.

Additional Certifications:

In connection with any transfer of this Note (other than (i) any transfer pursuant to a registration statement that has been declared effective under the Securities Act, (ii) any transfer from a qualified institutional buyer to another qualified institutional buyer or (iii) any transfer by LBK, LLC (the initial holder of this Note) to the New VEBA), unless the holding period applicable to sales by non-Affiliates under Rule 144 under the Securities Act has expired, the undersigned confirms that this Note is being transferred:

- ☐ To a person whom the seller reasonably believes is a "qualified institutional buyer" in a transaction meeting the requirements of Rule 144A under the Securities Act of 1933, as amended; or
- ☐ Pursuant to and in compliance with Rule 144 under the Securities Act of 1933, as amended; or
- ☐ To an Institutional Accredited Investor pursuant to and in compliance with the Securities Act of 1933, as amended; or
- ☐ In accordance with another exemption from the registration requirements of the Securities Act of 1933, as amended; or
- ☐ To General Motors Corporation or a subsidiary thereof.

and unless the box below is checked, the undersigned confirms that this Note is not being transferred to an Affiliate of the Company.

- ☐ The transferee is an Affiliate of the Company.

Dated:_____

SIGN HERE _____

NOTICE: THE SIGNATURE OF THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE WITHIN INSTRUMENT IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

SIGNATURE GUARANTEED

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

CONVERSION NOTICE

To convert this Note into cash, if any, and Common Stock, if any, as described in Section 2 hereof, check the box ☐

To convert only part of this Note, state the principal amount to be converted (which must be $25.00 or an integral multiple of $25.00):

If you want the stock certificate made out in another person's name fill in the form below:

_____

_____

(Insert the other person's soc. sec. tax ID no.)

_____

_____

_____

_____

_____

(Print or type other person's name, address and zip code)

_____

Date: _____ Your Signature: _____

_____

(Sign exactly as your name appears on the other side of this Note) Signature Guaranteed

_____

Participant in a Recognized Signature Guarantee Medallion Program

By:_____

Authorized Signatory

OPTION TO ELECT REPAYMENT UPON A FUNDAMENTAL CHANGE

TO: GENERAL MOTORS CORPORATION
THE BANK OF NEW YORK, AS TRUSTEE

The undersigned registered owner of this Series U Debenture hereby irrevocably acknowledges receipt of a notice from General Motors Corporation (the "**Company**") as to the occurrence of a Fundamental Change with respect to the Company and requests and instructs the Company to repay the entire principal amount of this Series U Debenture in cash, or the portion thereof (which is $25.00 or an integral multiple thereof) below designated, in accordance with the terms of this Series U Debenture at the Fundamental Change Repurchase Price, to the registered Holder hereof. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Series U Debenture. The Series U Debentures shall be purchased by the Company as of the Fundamental Change Repurchase Date pursuant to the terms and conditions specified in the Series U Debenture.

Dated: _____

Signature(s): _____

NOTICE: The above signatures of the Holder(s) hereof must correspond with the name as written upon the face of the Series U Debenture in every particular without alteration or enlargement or any change whatever.

Certificate Number (if applicable): _____

Principal amount to be repaid (if less than all): _____

Social Security or Other Taxpayer Identification Number: _____

SCHEDULE OF INCREASES OR DECREASES

The following increases or decreases in part of this Note have been made; provided that any increases or decreases may be made only if this Note is in Global Series U Security form:

Date	Amount of Increase in Principal Amount of this Note	Amount of Decrease in Principal Amount of this Note	Principal Amount of this Note following such Increase or Decrease	Signature of Authorized Officer or Trustee

EXHIBIT C

SHORT TERM NOTE

1

SHORT TERM NOTE

$4,015,187,871.00 (the "Principal Amount") February 18, 2008

The undersigned, General Motors Corporation, a Delaware corporation (the "Maker"), for value received, hereby promises to pay to the order of LBK, LLC, a Delaware limited liability company, or its successors or permitted assigns (the "Holder"), in immediately available funds in the lawful currency of the United States of America at such location in the United States of America that the Holder designates, the principal sum of Four Billion Fifteen Million One Hundred Eighty-Seven Thousand Eight Hundred Seventy-One Dollars ($4,015,187,871.00), as hereinafter provided together with interest thereon calculated from January 1, 2008 in accordance with the provisions of this promissory note (the "Short Term Note").

This Short Term Note evidences the Maker's obligation pursuant to the Settlement Agreement, dated February 18, 2008 between the Maker and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (the "UAW"), and the Class Representatives, on behalf of the Class, in the class action of *Int'l Union, UAW, et. al. v. General Motors Corp.*, Civil Action No. 07-14074 (E.D. Mich. filed Sept. 9, 2007) (the "Settlement Agreement") to deposit certain assets to the TAA and provide for the ultimate payment of certain assets to fund the New Plan and the New VEBA in connection with the discharge of the Maker's retiree medical benefit obligations as set forth in the Settlement Agreement. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Settlement Agreement.

1. Principal

The Maker shall pay the principal amount of $4,015,187,871.00 to the Holder or, if so directed by the Holder, to the New VEBA, on the Implementation Date or within 20 Business Days (as defined below) thereafter. Business Day shall mean any weekday that is not a day on which banking or trust institutions in New York are authorized generally or obligated by law, regulation or executive order to close.

2. Interest

Interest shall accrue from and including January 1, 2008 to, but excluding, the Implementation Date or from and including January 1, 2008 to, but excluding, the date of payment of the Principal Amount to the New VEBA, whichever shall be later, at the rate of nine percent (9%) per annum (computed on the basis of a 360-day year consisting of twelve 30-day months and the number of days elapsed in any partial month), credited and compounded annually, on the unpaid

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

principal amount of this Note outstanding from time to time. The Maker shall pay to the Holder or, if so directed by the Holder, to the New VEBA, on the date of payment of the Principal Amount all accrued interest on the Short Term Note.

3. No Prepayment of Principal and Interest

The Maker shall have no right to prepay the outstanding principal balance of this Short Term Note, together with interest accrued, in whole or in part.

4. Cancellation

After all principal and accrued interest at any time owed on this Short Term Note has been paid in full, this Short Term Note shall be surrendered to the Maker for cancellation and shall not be reissued. This Short Term Note shall also terminate upon termination of the Settlement Agreement.

5. No Waiver by Holder

Any failure on the part of the Holder at any time to require the performance by the Maker of any of the terms or provisions hereof, even if the Maker's failure so to perform is known to the Holder, shall in no way affect the right of the Holder thereafter to enforce the same. No failure of the Holder to insist on strict compliance with the terms and conditions hereof shall in any way affect the right thereafter to enforce the same.

6. Waivers by Maker

The Maker hereby waives diligence, presentment, protest, demand and notice of every kind, other than as provided for in any dispute resolution procedure in the Settlement Agreement.

7. Collection and Enforcement Costs

The Maker agrees to pay, on demand, any costs and expenses (including legal fees and court costs) incurred by the Holder in connection with the collection or enforcement of the Holder's rights under this Short Term Note, subject to any dispute resolution procedure in the Settlement Agreement.

8. Assignment

This Short Term Note may not be transferred or assigned by the Holder without the written consent of the Maker.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

9. Governing Law

This Short Term Note shall be construed and interpreted in accordance with the laws of the State of New York, without regard to principles of conflict of laws.

General Motors Corporation

By: _____

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

EXHIBIT D
AMORTIZATION SCHEDULE

	Base				Wages/COLA				Shortfall Amount		
	Annually $Mil		Buyout Amount $Mil		Annually $Mil		Buyout Amount $Bil	April 1st Payment	Annually $Mil		Buyout Amount $Bil
7/1/2008	168	or	1,800	Initial Effective Date	253	or	3,800	4/1/2008	165	or	1,607
7/1/2009	168	or	1,787	7/1/2009	261	or	3,877	Payment 2	165	or	1,575
7/1/2010	168	or	1,772	7/1/2010	268	or	3,954	Payment 3	165	or	1,541
7/1/2011	168	or	1,757	7/1/2011	274	or	4,029	Payment 4	165	or	1,504
7/1/2012	168	or	1,740	7/1/2012	286	or	4,106	Payment 5	165	or	1,463
7/1/2013	168	or	1,721	7/1/2013	298	or	4,178	Payment 6	165	or	1,419
7/1/2014	168	or	1,701	7/1/2014	309	or	4,243	Payment 7	165	or	1,370
7/1/2015	168	or	1,679	7/1/2015	320	or	4,302	Payment 8	165	or	1,318
7/1/2016	168	or	1,654	7/1/2016	331	or	4,355	Payment 9	165	or	1,260
7/1/2017	168	or	1,628	7/1/2017	341	or	4,402	Payment 10	165	or	1,198
7/1/2018	168	or	1,599	7/1/2018	351	or	4,442	Payment 11	165	or	1,130
7/1/2019	854			7/1/2019	2437			Payment 12	165	or	1,055
7/1/2020	854			7/1/2020	2437			Payment 13	165	or	974
7/1/2021				7/1/2021				Payment 14	165	or	886
7/1/2022				7/1/2022				Payment 15	165	or	790
7/1/2023				7/1/2023				Payment 16	165	or	685
7/1/2024				7/1/2024				Payment 17	165	or	570
7/1/2025				7/1/2025				Payment 18	165	or	446
7/1/2026				7/1/2026				Payment 19	165	or	310
7/1/2027				7/1/2027				Payment 20	165		

If any annual payment listed above with respect to a Base, Wages/COLA or Shortfall Amount is made after the date specified herein, the amount of such payment shall be increased to reflect nine percent (9%) annual earnings for the period from the scheduled payment date to the date of such payment.

Base and Wage/COLA — The Buyout Amounts listed above are based on payment as of January 1 of the applicable year. If the Company makes a Buyout Amount payment on January 1, it shall pay the amount listed in the Buyout Column for the applicable year. If the Company makes a Buyout Amount payment between January 1 and the applicable scheduled annual payment date as listed above, it shall increase the applicable Buyout Amount listed above to reflect 9% annual earnings for the period between January 1 and the date of payment.

Shortfall Amount — The annual payments listed above shall be made on or before April 1 of each year in which a Shortfall Payment is required. The Buyout Amount listed above represents the present value of the remaining shortfall payments, as of January 1. If the Company elects to pay the Buyout Amount, it shall make such payment between January 1 and April 1 and shall increase the applicable Buyout Amount listed above to reflect 9% annual earnings for the period between January 1 and the date of payment

EXHIBIT E

(FORM OF)
UAW RETIREE MEDICAL
BENEFITS TRUST

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

* * * * * * * * * * * * * * * *

The form of trust agreement attached hereto includes references to Ford Motor Company, Inc. and Chrysler, LLC and to separate class action cases brought against each of those companies by the UAW and a class of each company's retirees. The form of trust agreement in the attached Exhibit E is designed to accommodate the possibility that settlement agreements are entered into in those cases pursuant to which those companies would also deposit agreed-upon amounts into the trust described in the attached Exhibit E. But there is currently no settlement agreement in either of those cases, and there is no guarantee that there will be such a settlement agreement, or that any potential settlement of those cases would include an agreement to pay any amount into the trust described in the attached Exhibit E.

In the event that there is no settlement agreement in either or both of those cases, or that any settlement of either or both of those cases does not include a form of trust agreement identical in all respects to the attached Exhibit E, the references to such company and the corresponding case and settlement agreement shall be removed from the form of trust agreement, and the trust agreement shall be conformed to relate solely to the remaining settlement agreements or to this Settlement Agreement as the case may be.

* * * * * * * * * * * * * * * *

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

UAW RETIREE MEDICAL BENEFITS TRUST

THIS TRUST AGREEMENT, entered into and effective as of _____, by and among _____, _____, _____, _____, _____, _____, _____, _____, _____, _____, _____, _____ (the "Committee") and _____ (the "Trustee").

WITNESSETH:

WHEREAS, General Motors Corporation ("GM"), International Union, United Automobile, Aerospace and Agricultural Implement Workers of America ("UAW"), along with respective Class Representatives of plaintiff class members in the case of *UAW v. General Motors Corp.,* Civ. Act. No. 2:07-cv-14074 (E.D. Mich. complaint filed September 9, 2007), have entered into a settlement agreement dated February ___, 2008 ("GM Retiree Settlement"), that, subject to Court approvals and other stated conditions, provides for GM to make certain deposits and remittances to a trust established as a voluntary employees' beneficiary association (the "Trust"), and credited to the GM Separate Retiree Account in the Trust.

WHEREAS, Chrysler, LLC ("Chrysler"), UAW, along with respective class representatives of plaintiff class members in the case of *UAW v. Chrysler, LLC,* Civ. Act. No. _:07-cv-14310 (E.D. Mich. complaint filed _____, 2007), have entered into a settlement agreement dated _____, 2008 ("Chrysler Retiree Settlement"), that, subject to Court approvals and other stated conditions, provides for Chrysler to make certain deposits and remittances to the Trust, and credited to the Chrysler Separate Retiree Account in the Trust.

WHEREAS, Ford Motor Company, Inc. ("Ford"), UAW, along with respective class representatives of plaintiff class members in the case of *UAW v. Ford Motor Co.,* Civ. Act. No. _____ (E.D. Mich. complaint filed _____, 2007). have entered into a settlement agreement dated _____, 2008 ("Ford Retiree Settlement"), that, subject to Court approvals and other stated conditions, provides for Ford to make certain deposits and remittances to the Trust, and credited to the Ford Separate Retiree Account in the Trust.

WHEREAS, the Settlements contemplate a Committee, as more fully defined herein, (the "Committee") to act on behalf of employees' beneficiary associations (the "EBAs"), which are incorporated in the Trust;

WHEREAS, by an order dated _____, the Court approved the Chrysler Settlement, and by an order dated _____, the Court approved the Ford Settlement, and by an order dated _____, the Court approved the GM Settlement (collectively, the "Court Order");

WHEREAS, through operation of each Court Order the Committee was formed;

WHEREAS, the Trust consists of three separate employees' beneficiary associations (collectively, the "EBAs"), and the membership of each EBA includes the applicable Eligible Group;

WHEREAS, each EBA, acting through the Committee, will establish and maintain a separate employee welfare benefit plan (collectively the "Plans") on behalf of the members of the respective Eligible Groups;

WHEREAS, the Committee, on behalf of the EBAs, has entered into this Trust Agreement to implement the Trust, to be known as the "UAW Retiree Medical Benefits Trust," which shall include the GM Separate Retiree Account, the Ford Separate Retiree Account and the Chrysler Separate Retiree Account (collectively the "Separate Retiree Accounts"), to accept the deposits, contributions, transfers and remittances of, or attributable to, each Company in the respective Separate Retiree Account;

WHEREAS, the purpose of each Separate Retiree Account is to serve as a separate, dedicated account to be used for the sole purpose of funding Benefits provided under the related Plan to the Eligible Group under that Plan and defraying the reasonable expenses of such Plan, as set forth in the GM Retiree Settlement, Ford Retiree Settlement and the Chrysler Retiree Settlement respectively;

WHEREAS, the Committee is willing to serve as the named fiduciary of each Plan and the Trustee desires to serve in such capacity with respect to the Trust;

WHEREAS, the Committee is willing to exercise the authority granted to it herein;

WHEREAS, the Trustee is willing to receive, hold, and invest the assets of the Trust in accordance with the terms of this Trust Agreement;

WHEREAS, the Trust is intended to comply with the requirements of sections 419A(f)(5)(A) and 501(c)(9) of the Internal Revenue Code of 1986, as amended (the "Code"), the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and deposits to the Trust are described in section 302(c)(2) of the Labor Management Relations Act, 1947, as amended ("LMRA");

NOW THEREFORE, in consideration of the premises and the covenants contained herein, the Committee and the Trustee agree as follows:

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

ARTICLE I
DEFINITIONS

Section 1.1 Authorized Investments. Subject to any investment guidelines established by the Committee and communicated to the Trustee pursuant to Section 10.4, "Authorized Investments" shall not be limited to investments that are defined as legal investments for trust funds under the laws of any jurisdiction. Authorized Investments shall include, but shall not be limited to (i) cash held in interest bearing accounts or cash equivalents that are credited with earnings; (ii) bonds, debentures, notes, or other evidences of indebtedness; (iii) stocks (regardless of class) or other evidences of ownership in any corporation, partnership, mutual investment fund (including funds for which the Trustee or an affiliate thereof serves as investment manager), investment company, association, joint venture or business trust; (iv) derivative securities, including without limitation future contracts and option contracts; (v) investment contracts issued by legal reserve insurance companies; (vi) collective investment funds; and (vii) any other investment or transaction permitted by applicable law.

Section 1.2 Beneficiary. A person designated as a beneficiary of a Participant by the Participant, who is in an Eligible Group and who is or may become entitled to Benefits under one of the Plans through his or her relationship with an Eligible Retiree or with a deceased retiree or employee of a Company.

Section 1.3 Benefits. During the Initial Accounting Period with respect to each Plan, Benefits under each such Plan shall have the same meaning as "Retiree Medical Benefits" (as that term is defined under each Company Settlement), that is, post retirement medical benefits, including but not limited to hospital surgical medical, prescription drug, vision, dental, hearing aid and the $76.20 Special Benefit related to Medicare. After the Initial Accounting Period ends with respect to a Plan, Benefits, pursuant to an amendment to such Plan, may include any benefit permissible under section 501(c)(9) of the Code and section 3(1) of ERISA.

Section 1.4 Chair. The Member selected pursuant to Section 9.5 to perform the functions described in Article IX.

Section 1.5 Chrysler. Chrysler LLC, a Delaware corporation with its principal offices in Auburn Hills, Michigan, and its successors and assigns.

Section 1.6 Chrysler Eligible Group. The Class or Class Members and the Covered Group as set forth in the Chrysler Settlement and repeated verbatim in Exhibit A.

Section 1.7 Chrysler Health Care Program. The employee welfare benefit plan maintained by Chrysler as in effect as of October 12, 2007, which provided retiree medical benefits to Chrysler employees who retired from UAW-represented bargaining units.

Section 1.8 Chrysler Retiree EBA. The UAW Chrysler Retirees Employees' Beneficiary Association, an employee organization within the meaning of Section 3(4) of ERISA.

Section 1.9 Chrysler Retiree Plan. The UAW Chrysler Retirees Medical Benefits Plan, as established and maintained by the Chrysler Retiree EBA, as may be amended from time to

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

time by the Committee, as specified herein, to make available Benefits to Participants and Beneficiaries included in the Chrysler Eligible Group.

Section 1.10 Chrysler Retiree Settlement. Settlement of the claims in *UAW v. Chrysler, LLC,* Civ. Act. No. _:07-cv-14310 (E.D. Mich. complaint filed _____, 2007).

Section 1.11 Chrysler Separate Retiree Account. The separate account in the Trust, including any Employer Security Sub-Account attributable to any Chrysler Employer Security, maintained to account for (a) the assets attributable to the deposits, contributions, remittances, subsidies, investment income, and any other income held in the Trust Fund exclusively to fund the Chrysler Retiree Plan; and (b) the Benefits provided pursuant to the Chrysler Retiree Plan, other liabilities, administrative expenses attributable to such Benefits, and the Chrysler Separate Retiree Account's share of investment expenses incurred.

Section 1.12 Code. The Internal Revenue Code of 1986, as amended, and any successor statute thereto.

Section 1.13 Committee. The group of Independent Members and UAW Members formed pursuant to the Settlements to implement the Trust, to administer each Plan, and to serve as a "named fiduciary" of each Plan within the meaning of section 402(a)(2) of ERISA, including the exercise of authority or control over Plan assets.

Section 1.14 Company. The term Company shall mean Chrysler, Ford, or GM, as the case may be (collectively the "Companies").

Section 1.15 Company Health Care Plan. The Chrysler Health Care Program for Hourly Employees, the Ford Retiree Health Program for Hourly Employees, and the General Motors Health Care Program for Hourly Employees, as the case may be (collectively "Company Health Care Plans").

Section 1.16 EBA. The Chrysler Retiree EBA, the Ford Retiree EBA, or the GM Retiree EBA, as the case may be (collectively "EBAs").

Section 1.17 Eligible Group. All individuals who satisfy the requirements to be included in either the Chrysler Eligible Group, the Ford Eligible Group, or the GM Eligible Group, as the case may be (collectively "Eligible Groups").

Section 1.18 Eligible Retiree. A former employee retired from a Company who satisfies the requirements to be included in an Eligible Group.

Section 1.19 Employer Security. Any obligation, note, warrant, bond, debenture, stock or other security within the meaning of section 407(d)(1) of ERISA the acquisition or holding of which (i) is not prohibited by sections 406(a)(1)(E) or 406(a)(2) of ERISA, or (ii) is the subject of a prohibited transaction exemption provided under section 408 of ERISA.

Section 1.20 Employer Security Sub-Account. The sub-account maintained by the Trustee within each Separate Retiree Account to hold separately any Employer Security and any

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

proceeds from the disposition of any Employer Security, at the direction of the Committee or the Independent Fiduciary pursuant to Article XI.

Section 1.21 ERISA. The Employee Retirement Income Security Act of 1974, as amended through any date relevant under this Trust Agreement, and any successor statute thereto.

Section 1.22 Ford. Ford Motor Company, Inc., a Delaware corporation with its principal office in Dearborn, Michigan, and its successors and assigns.

Section 1.23 Ford Eligible Group. The Class or Class Members and the Covered Group as set forth in the Ford Settlement and repeated verbatim in Exhibit B.

Section 1.24 Ford Retiree Health Plan. The employee welfare benefit plan maintained by Ford as in effect as of November 3, 2007, which provided retiree medical benefits to Ford employees who retired from UAW-represented bargaining units.

Section 1.25 Ford Retiree EBA. The UAW Ford Retirees Employees' Beneficiary Association, an employee organization within the meaning of Section 3(4) of ERISA.

Section 1.26 Ford Retiree Plan. The UAW Ford Retirees Medical Benefits Plan, as established and maintained by the Ford Retiree EBA, as may be amended from time to time by the Committee, as specified herein, to make available Benefits to Participants and Beneficiaries included in the Ford Eligible Group.

Section 1.27 Ford Retiree Settlement. Settlement of the claims in UAW v. Ford Motor Co., Civ. Act. No. _____ (E.D. Mich. complaint filed _____, 2007).

Section 1.28 Ford Separate Retiree Account. The separate account in the Trust, including any Employer Security Sub-Account attributable to any Ford Employer Security, maintained to account for (a) the assets attributable to the deposits, contributions, remittances, subsidies, investment income, and any other income held in the Trust Fund exclusively to fund the Ford Retiree Plan; and (b) the Benefits provided pursuant to the Ford Retiree Plan, other liabilities, administrative expenses attributable to such Benefits, and the Ford Separate Retiree Account's share of investment expenses incurred.

Section 1.29 GM. The General Motors Corporation, a Delaware corporation with its principal offices in Detroit, Michigan, and its successors and assigns.

Section 1.30 GM Eligible Group. The Class or Class Members and the Covered Group as set forth in the GM Settlement and repeated verbatim in Exhibit C.

Section 1.31 General Motors Health Care Program for Hourly Employees. The collectively bargained General Motors Health Care Program for Hourly Employees as set forth in Exhibit C-1 of the 2007 and prior GM-UAW National Agreements, as applicable to those GM-UAW Represented Employees who had attained seniority prior to September 14, 2007.

Section 1.32 GM Retiree EBA. The UAW GM Retirees Employees' Beneficiary Association, an employee organization within the meaning of Section 3(4) of ERISA.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Section 1.33 GM Retiree Plan. The UAW GM Retirees Medical Benefits Plan, as adopted by the GM Retiree EBA, as may be amended from time to time by the Committee, as specified herein, to make available Benefits to Participants and Beneficiaries included in the GM Eligible Group.

Section 1.34 GM Retiree Settlement. Settlement of the claims in UAW v. General Motors Corp., Civ. Act. No. 2:07-cv-14074 (E.D. Mich. complaint filed September 9, 2007).

Section 1.35 GM Separate Retiree Account. The separate account in the Trust, including any Employer Security Sub-Account attributable to any GM Employer Security, maintained to account for (a) the assets attributable to the deposits, contributions, remittances, subsidies, investment income and any other income and other income held in the Trust Fund exclusively to fund the GM Retiree Plan; and (b) the Benefits provided pursuant to the GM Retiree Plan, other liabilities, administrative expenses attributable to such Benefits, and the GM Separate Retiree Account's share of investment expenses incurred.

Section 1.36 Implementation Date. The later of January 1, 2010 or the "Final Effective Date," as that term is defined in a Company's Settlement, as the case may be.

Section 1.37 Independent Fiduciary. The entity that may be appointed from time to time by the Committee to serve pursuant to Article XI.

Section 1.38 Independent Member. An individual person who serves as a member of the Committee and is not appointed by UAW, who satisfies the requirements of section 9.1, and whose experience in such fields, without limitation, as health care, employee benefits, asset management, human resources, labor relations, economics, law, accounting or actuarial science indicates a capacity to fulfill the powers and duties of Article X in the manner described in Section 10.11, and wherever practicable, helps to provide a range of relevant experiences to the Committee.

Section 1.39 Initial Accounting Period. With respect to each Plan, the period before the later of the date that (a) the respective Company determines that its obligations, if any, with respect to the Plan made available to the Participants and Beneficiaries included in that Company's Eligible Group are subject to settlement accounting as contemplated by paragraphs 90-95 of FASB Statement No. 106, as amended, or its functional equivalent; or (b) the Company is no longer obligated to make any further payments or deposits to the Trust, including, but not limited to, any Shortfall Amounts.

Section 1.40 Investment Manager. An investment manager within the meaning of section 3(38) of ERISA appointed by the Committee in accordance with the provisions of Section 10.5.

Section 1.41 Liaison. An individual appointed to perform the functions described in Section 9.11.

Section 1.42 LMRA. The Labor Management Relations Act, 1947, as amended, and any successor statute thereto.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Section 1.43 Member. A member of the Committee or his or her successor.

Section 1.44 Participant. An Eligible Retiree who has fulfilled all requirements for participation as determined pursuant to Sections 2.1 and 2.2, who pays any contribution that is required as a condition of coverage, and who receives coverage pursuant to the terms of a Plan.

Section 1.45 Plan. The Chrysler Retirees Plan, the Ford Retirees Plan, or the GM Retirees Plan, as the case may be (collectively the "Plans").

Section 1.46 Separate Retiree Account. The Chrysler Separate Retiree Account, the Ford Separate Retiree Account or the GM Separate Retiree Account, as the case may be (collectively the "Separate Retiree Accounts").

Section 1.47 Settlements. The GM Retiree Settlement, the Chrysler Retiree Settlement and the Ford Retiree Settlement (as referred to in the preamble to this Trust Agreement).

Section 1.48 Trust Agreement. This agreement and all of its exhibits, as now in effect and as it may be amended hereafter from time to time by the Committee, acting on behalf of the EBAs.

Section 1.49 Trust or Trust Fund. The UAW Retiree Medical Benefits Trust established by this Trust Agreement, incorporating each EBA, and comprising all property or interests in property held by the Trustee from time to time under this Trust Agreement

Section 1.50 Trustee. The entity referred to in the Preamble to this Trust Agreement named to perform the duties set forth in this Trust Agreement, or any successor thereto appointed by the Committee in accordance with Section 8.3. Any corporation continuing as the result of any merger or consolidation to which the Trustee is a party, or any corporation to which substantially all the business and assets of the Trustee may be transferred, will be deemed automatically to be continuing as the Trustee.

Section 1.51 UAW. The International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, AFL-CIO, CLC, and any successor thereof.

Section 1.52 UAW Member. An individual person who serves as a member of the Committee and is appointed by UAW, pursuant to the terms of the Settlements and Article IX of this Trust Agreement.

Any capitalized term used in this Trust Agreement, if not defined in this Trust Agreement, shall have the meaning it has in the GM Retiree Settlement when relating to GM and/or the GM Eligible Group, the GM EBA, the GM Retiree Plan and the GM Separate Retiree Account. Any capitalized term used in this trust agreement, if not defined in this Trust Agreement, shall have the meaning it has in the Chrysler Retiree Settlement when relating to Chrysler and/or the Chrysler Eligible Group, the Chrysler EBA, the Chrysler Retiree Plan and the Chrysler Separate Retiree Account. Any capitalized term used in this trust agreement, if not defined in this Trust Agreement, shall have the meaning it has in the Ford Retiree Settlement when relating to Ford and/or the Ford Eligible Group, the Ford EBA, the Ford Retiree Plan and the Ford Separate Retiree Account.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

ARTICLE II
PARTICIPATION

Section 2.1 Eligibility for Participation. Any Eligible Retiree or Beneficiary may receive Benefits funded, in whole or in part, by the Trust pursuant to each Plan adopted by the Committee in its discretion exercising the powers provided to it under Article X from time to time, on behalf of each respective EBA. In exercising its authority under Article X, the Committee may design each Plan to provide for separate bases of participation in the Plan for classes of Participants and Beneficiaries as set forth from time to time in the Plan so long as such design is reasonably related to the purposes for which the Trust was established. Participation in the Plan is contingent on the Eligible Retiree or Beneficiary satisfying any conditions set forth therein from time to time. Under no circumstances may individuals other than Eligible Retirees or Beneficiaries be allowed to benefit from the Trust or participate in a Plan.

Section 2.2 Determination by Committee. Any determination regarding the status of any individual as a Participant or Beneficiary under each Plan shall be solely and exclusively the responsibility of the Committee.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

ARTICLE III
ESTABLISHMENT OF TRUST

Section 3.1 Purpose. The Trust is established for the purpose of providing Benefits to the Participants and Beneficiaries in accordance with each Plan and as are permissible under section 501(c)(9) of the Code as set forth herein; and upon termination of the Trust, to provide such Benefits to such persons as are permissible under section 501(c)(9) of the Code as set forth herein. The EBAs are incorporated within the Trust, each of which is intended to constitute an "employee organization" under section 3(4) of ERISA. The Trust, together with each Plan, is intended to constitute a "voluntary employees' beneficiary association" under section 501(c)(9) of the Code. Each Plan is intended to constitute an "employee welfare benefit plan" within the meaning of section 3(1) of ERISA.

Section 3.2 Receipt of Funds. The Trust Fund shall accept all sums of money and other property deposited, contributed, remitted, or transferred to the Trust with respect to a Plan and credited to the Separate Retiree Account attributable to such Plan as described in Article IV, provided that, in the event that the Committee appoints an Independent Fiduciary, any Employer Security issued to the Trust by any Company shall be accepted only upon the direction of the Independent Fiduciary. The Trustee shall hold, manage and administer the Trust Fund without distinction between principal and income. The Trustee shall be accountable for the money or other property it receives, but shall not be responsible for the collection of any deposits, contributions, remittances, or transfers due to the Trust.

Section 3.3 No Diversion. Except as otherwise provided herein, at no time shall any part of the corpus or income of the Trust Fund be used for or diverted to purposes other than funding Benefits for the exclusive benefit of the Participants and Beneficiaries, including payment of reasonable costs of establishment, amendment and administration of the Trust and each Plan, and at no time shall any part of the net earnings of the Trust Fund improperly inure to the benefit of any private individual as provided in section 501(c)(9) of the Code and section 1.501(c)(9)-4 of the Treasury Regulations promulgated thereunder.

Section 3.4 Fiduciary Duties.

(a) Except as otherwise provided either herein or by applicable law, the responsibilities of each fiduciary acting in such capacity shall be limited to the performance of those duties specifically assigned to it hereunder. No fiduciary shall have any responsibility for the performance of any duty not specifically so assigned, except to the extent such responsibility is imposed by applicable law. The Committee shall be the named fiduciary (as defined in section 402(a)(2) of ERISA) hereunder with authority to control and manage the operation of the Trust, to the extent set forth herein, and in each Plan, except that if an Independent Fiduciary is appointed by the Committee, the Independent Fiduciary, and not the Committee, shall be the named fiduciary with respect to all discretionary actions regarding the valuation, acceptance, management, disposition and voting of Employer Securities.

(b) No Company is a fiduciary with respect to the Plans or the Trust. In addition, (i) neither the Trustee, the Committee nor any person or entity related to the Plans or the Trust has any authority to bind any Company, either directly or indirectly, through any interpretations,

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

findings of fact or conclusions regarding the Plans, the Trust and this Trust Agreement, (ii) no Company exercises any discretionary authority or discretionary control with respect to the management of any Plan or the Trust or exercises any authority or control with respect to the management or disposition of assets governed by this Trust Agreement, (iii) no Company renders investment advice for a fee or other compensation, direct or indirect, with respect to any assets governed by any Plan or by this Trust Agreement, and none has the authority or responsibility to do so, and (iv) no Company has discretionary authority or discretionary responsibility in the administration of any Plan or of the Trust.

Section 3.5 No Guarantee. Nothing contained in the Trust or the Plans shall constitute a guarantee that the assets of the Trust Fund will be sufficient to pay Benefits to any person or make any other payment. The obligation of a Plan to pay Benefits provided under such Plan is expressly conditioned on the availability of assets attributed to the Separate Retiree Account associated with that Plan to pay Benefits. This Trust Agreement creates no obligation for any Company to deposit or remit any amount to the Trust Fund. Except for payments of Benefits under a Plan, no Participant or Beneficiary shall receive any distribution of cash or other thing of current or exchangeable value, either from the Committee or the Trustee, on account of or as a result of the Trust Fund created hereunder.

Section 3.6 No Interest. Except as provided in Section 12.2 with respect to Participants and Beneficiaries, none of the following persons or entities shall have any right, title or interest, whether legal or equitable, in the assets of the Trust Fund at any time, including following the termination of the Trust: the Companies, the UAW, the Committee, any Eligible Retiree, any Participant, or any Beneficiary. At no time shall any account or separate fund be considered a savings account or investment or asset of any Eligible Retiree, Participant, Beneficiary, or class of Participants and Beneficiaries.

Section 3.7 Relationship to Settlements. Notwithstanding anything in this Trust Agreement or the Plans to the contrary, neither the Committee, the Trustee, or any person acting under the authority of the Committee, the Trustee, the EBAs or the Trust shall construe, interpret or apply this Trust Agreement or the Plans in a manner that would impair any right, would frustrate any purpose, or would be inconsistent with any provision in each Settlement. No construction, interpretation or application of the Trust or the Plans by the Committee, the Trustee, or any person acting under the authority of the Committee, the Trustee, the EBAs or the Trust shall bind any Company with regard to any dispute or conflict involving the Company. In the event of a conflict between the Trust Agreement or a Plan and a Settlement, the Settlement shall control.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

ARTICLE IV
DEPOSITS TO THE TRUST FUND

Section 4.1 Deposits from the Companies. The Trust Fund shall accept from the Companies deposits to the Trust Fund, as specified in each Company's Settlement. All deposits from a Company shall be credited to that Company's respective Separate Retiree Account.

Section 4.2 Remittances of Active Employee Contributions. The Trust Fund shall accept remittances of active employee contributions, if any. All such remittances shall be credited to the respective Separate Retiree Account attributable to the Participants and Beneficiaries on whose behalf the employee contributions are made.

Section 4.3 Medicare Subsidies. The Trust Fund shall accept Medicare Part D subsidies and any other governmental payments relating to the benefits provided to Participants and Beneficiaries pursuant to the Plans and Trust. All Medicare subsidies and other governmental payments shall be credited to each Separate Retiree Account attributable to the Participants and Beneficiaries on whose behalf the subsidies or payments are made.

Section 4.4 Participant Contributions. The Trust Fund shall accept contributions from Participants as permitted or required by the Committee. Such Participant contributions may be remitted to the Trust Fund from each Company's pension plan pursuant to voluntary, authorized deductions from monthly pension payments from each Company's pension plan. All Participant contributions shall be credited to the Separate Retiree Account attributable to the Participant making the contribution.

Section 4.5 Deposits and Remittances from Subsequent Employers of Future Eligible Retirees. In the event of a sale, disposition, joint venture, merger or other corporate transaction that results in the displacement of a Company's Active Employee who is a member of the Covered Group (as those terms are defined in the Company's Settlement), the Trust may, but need not, accept deposits and remittances from a subsequent employer of such displaced employee, provided that such deposits and remittances are pursuant to a collective bargaining agreement between such subsequent employer and UAW. All deposits and remittances from a subsequent employer shall be credited to the appropriate Separate Retiree Account relating to the displaced employee.

Section 4.6 Other Legal Sources. The Trust may accept money or property from sources other than those described in Sections 4.1, 4.2, 4.4 and 4.5, provided that acceptance from any such other source is permitted by law and that such money or property is credited to the appropriate Separate Retiree Account(s) to which such money or property relates.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

ARTICLE V
PAYMENTS FROM THE TRUST FUND

Section 5.1 Payments from the Trust Fund.

(a) Subject to the direction of the Independent Fiduciary, if any, with respect to any Employer Security, and except as provided in paragraph (b) below, the Trustee shall make payments from the Trust Fund to pay Benefits under the Plans as directed by the Committee or its designee. Any payment of Benefits under the Plans must be charged to the Separate Retiree Account attributable to the Participant or Beneficiary receiving the benefits.

(b) To the extent permitted by law, the Trustee shall be fully protected in making payments out of the Trust Fund, and shall have no responsibility to see to the application of such payments or to ascertain whether such payments comply with the terms of any Plan, and shall not be liable for any payment made by it in good faith and in the exercise of reasonable care without actual notice or knowledge of the impropriety of such payments hereunder. The Trustee may withhold all or any part of any payment as the Trustee in the exercise of its reasonable discretion may deem necessary to protect the Trustee and the Trust against any liability or claim on account of any income tax or other tax; and with all or any part of such payment so withheld, may discharge any such tax liability. Any part of any such payment so withheld by the Trustee that may be determined by the Trustee to be in excess of any such tax liability will upon such determination by the Trustee be paid to the person or entity from whom or which it was withheld.

Section 5.2 Method of Payments. The Trustee may make any payment required to be made by it hereunder, unless directed otherwise by the Committee, by direct electronic deposit of the amount thereof to the financial institution where the person or entity to whom or to which such payment is to be made maintains an account, or by mailing a check in the amount thereof by first class mail in a sealed envelope addressed to such person or entity to whom or to which such payment is to be made, according to the direction of the Committee. If any dispute arises as to the identity or rights of persons who may be entitled to benefits hereunder, the Trustee may withhold payment until such dispute is resolved by a court of competent jurisdiction or, at the discretion of the Committee, is settled by written stipulation of the parties concerned.

Section 5.3 Excessive Payments. If the Trustee or the Committee determines that any payment under the Trust or any Plan is excessive or improper, the recipient shall make repayment thereof immediately following receipt of written notice from the Trustee or the Trustee's agent. If the recipient fails to make repayment to the Trustee or Trustee's agent of such excessive or improper payment by the date requested by the Trustee or the Trustee's agent, the Trustee may deduct the amount of such excessive or improper payment from any other amounts thereafter payable to such person or may pursue repayment in accordance with the provisions of Section 6.1(p). Until repaid to the Trustee or Trustee's agent, the amount of said excessive or improper payment shall not be included in the Trust Fund.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

ARTICLE VI
TRUSTEE POWERS AND DUTIES

Section 6.1 Powers of the Trustee. The Trustee shall have the following powers in addition to the powers customarily vested in trustees by law, provided however, that the Trustee's powers with respect to the investment of assets held in the Trust Fund shall be subject to (i) the funding policy established by the Committee and communicated to the Trustee under Section 10.3, (ii) any investment guidelines established by the Committee and communicated to the Trustee under Section 10.4, (iii) in the event that the Committee appoints an Independent Fiduciary, solely with respect to any Employer Security, the instructions of the Independent Fiduciary appointed pursuant to Section 11.3, and (iv) the instructions of the Committee or any Investment Manager appointed pursuant to Section 10.5:

(a) With any cash at any time held by it, to purchase or subscribe for any Authorized Investment, and to retain such Authorized Investment in the Trust Fund, except that, in the event that the Committee appoints an Independent Fiduciary, with respect to any Employer Security, only at the direction of the Independent Fiduciary;

(b) To sell for cash or, with the consent of the Committee, on credit, to convert, to redeem, to exchange for another Authorized Investment, or otherwise to dispose of, any property at any time held by it, except that, in the event that the Committee appoints an Independent Fiduciary, with respect to any Employer Security, only at the direction of the Independent Fiduciary;

(c) To retain uninvested all or any part of the Trust Fund, provided that any uninvested assets shall be deposited in an interest-bearing account in any banking or savings institution, including an account established in the name of the Trustee if the Trustee is a depository institution;

(d) To exercise any option appurtenant to any investment in which the Trust Fund is invested for conversion thereof into another Authorized Investment, or to exercise any rights to subscribe for additional Authorized Investments, and to make all necessary payments therefor, except that, in the event that the Committee appoints an Independent Fiduciary, with respect to any Employer Security, only at the direction of the Independent Fiduciary;

(e) To join in, consent to, dissent from or oppose the reorganization, recapitalization, consolidation, sale, merger, foreclosure, or readjustment of the finances of any corporations, entities or properties in which the Trust Fund may be invested, or the sale, mortgage, pledge, or lease of any such property or the property of any such corporation or entity on such terms and conditions as the Trustee may deem wise; to do any act (including the exercise of options, making of agreements or subscriptions, and payment of expenses, assessments, or subscriptions) which may be deemed necessary or advisable in connection therewith; and to accept any Authorized Investment which may be issued in or as a result of any such proceeding, and thereafter to hold the same, except that, in the event that the Committee appoints an Independent Fiduciary, with respect to any Employer Security, only at the direction of the Independent Fiduciary;

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(f) To vote, in person or by general or limited proxy, at any election of any corporation in which the Trust Fund is invested, and similarly to exercise, personally or by a general or limited power of attorney, any right appurtenant to any investment held in the Trust Fund, except that, in the event that the Committee appoints an Independent Fiduciary, with respect to any Employer Security, only at the direction of the Independent Fiduciary;

(g) To purchase any Authorized Investment at a premium or a discount;

(h) Upon instruction from the Committee, to employ for the benefit of the Trust Fund suitable agents, actuaries, accountants, investment counselors, legal counsel and consultants, and to pay their reasonable expenses and compensation;

(i) To purchase, to sell, to exercise, to allow to expire without exercise, and to honor the exercise of, options or contracts to purchase or sell stock, commodities, or other assets subject to such options or contracts, except that, in the event that the Committee appoints an Independent Fiduciary, with respect to any Employer Security, only at the direction of the Independent Fiduciary;

(j) With the consent of the Committee, to borrow, raise or lend moneys, for the purposes of the Trust in such amounts and upon such terms and conditions as the Committee, in its absolute discretion, may deem advisable, and for any such moneys so borrowed, to issue its promissory note as Trustee and to secure the repayment thereof by pledging or mortgaging all or any part of the Trust Fund, provided that no person lending money to the Trustee shall be bound to see to the application of the money lent or to inquire into the validity, expediency or propriety of any such borrowing;

(k) To cause any Authorized Investment in the Trust Fund to be registered in, or transferred into, its name as Trustee or the name of its nominee or nominees, or to retain such investments unregistered in a form permitting transfer by delivery, but the books and records of the Trustee shall at all times show that all such investments are part of the Trust Fund, and the Trustee shall be fully responsible for any misappropriation in respect to any investment held by its nominee or held in unregistered form and shall cause the indicia of ownership to be maintained within the jurisdiction of the district courts of the United States, except as may otherwise be permitted under regulations promulgated by the Secretary of Labor;

(l) To do all acts which it may deem necessary or proper and to exercise any and all powers of the Trustee under this Trust Agreement upon such terms and conditions as it may deem to be in the best interests of the Trust;

(m) To apply for, purchase, hold, transfer, pay premiums on, surrender, and exercise all incidents of ownership of any insurance contract, any guaranteed income, guaranteed investment, and similar contracts;

(n) To invest in any collective investment fund, including a short-term collective investment fund maintained by the Trustee or an affiliate of the Trustee;

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(o) To collect income and distributions payable to the Fund;

(p) Upon instruction from the Committee or, in the event that the Committee appoints an Independent Fiduciary, with respect to any Employer Security, only at the direction of the Independent Fiduciary, to begin, maintain or defend any litigation necessary in connection with the administration of the Plans or the Trust, except that the Trustee shall not be obligated or required to do so unless it has been indemnified to its satisfaction against all expenses and liabilities sustained by it by reason thereof;

(q) To pay any income tax or other tax or estimated tax, charge or assessment attributable to any property or benefit out of such property or benefit in its sole discretion, or any tax on unrelated business income of the Trust, if any, out of the Trust Fund;

(r) To retain any funds or property subject to any dispute without liability for payment of interest, or decline to make payment or delivery thereof until final and unappealed adjudication is made by a court of competent jurisdiction;

(s) Upon instruction from the Committee, to grant consents, take actions and otherwise implement the rights of the Trustee;

(t) With the consent of the Committee, to act in any jurisdiction where permitted by law to do so or to designate one or more persons, or a bank or trust company, to be ancillary trustee in any jurisdiction in which ancillary administration may be necessary; to negotiate and determine the compensation to be paid to any such ancillary trustee; and to pay such compensation out of principal or income or both; and such ancillary trustee shall be granted with respect to any and all property subject to administration by it all of the powers, authorities and discretion granted in this Trust Agreement to the Trustee; provided, however, that such action as may require the investment of additional funds or the assumption of additional obligations shall not be undertaken without the written consent of the Trustee; and

(u) To cooperate with any of the Companies and/or the UAW in obtaining any judicial or regulatory approvals or relief in accordance with each Company's respective Settlement.

Section 6.2 Title to Trust Fund. All rights, title and interest in and to the Trust Fund shall at all times be vested exclusively in the Trustee.

Section 6.3 Standard of Care. The Trustee shall discharge its duties in the interests of Participants and Beneficiaries and for the exclusive purpose of providing benefits to Participants and Beneficiaries and defraying reasonable expenses of administering the Trust and the Plans, and shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in conduct of an enterprise of like character and with like aims, consistent with the provisions of ERISA and the Code. Subject to the provisions of ERISA, the Trustee will be under no liability or obligation to anyone with respect to any failure of the Committee to perform any of its obligations under the Plans or Trust Agreement or for any error or omission of the Committee.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Section 6.4 Determination of Rights. The Trustee shall have no power, authority, or duty hereunder in respect to the determination of the eligibility of any person for coverage under the Plans, or the entitlement of any person to Benefits or payments from the Plans.

Section 6.5 Continuance of Plans. The Committee, the Trustee, the Independent Fiduciary, if any, the Companies, and UAW do not assume any contractual obligation as to the continuance of the Plans, and no such party shall be responsible for the adequacy of the Trust Fund to meet and discharge any liabilities under the Plans. The Trustee's obligation to make any payment shall be limited to amounts held in the Trust Fund at the time of the payment, as may be further limited by the requirements of Section 3.5.

Section 6.6 Payment of Expenses. The Trustee shall apply the assets of the Trust Fund to pay all reasonable costs, charges, and expenses (including, but not limited to, all brokerage fees and transfer tax expenses and other expenses incurred in connection with the sale or purchase of investments, all real and personal property taxes, income taxes and other taxes of any kind at any time levied or assessed under any present or future law upon, or with respect to, the Trust Fund or any property included in the Trust Fund and all legal, actuarial, accounting and financial advisory expenses, including fees and expenses of the Independent Fiduciary, if any, reasonably incurred (and where applicable previously approved) by the Trustee or the Committee in connection with establishment, amendment, administration and operation of the Trust or Plans. The expenses shall be allocated to the Separate Retiree Account to which the expenses relate (or, if the expenses cannot reasonably be allocated to one Separate Retiree Account, they shall be allocated among the Separate Retiree Accounts on a reasonable basis as determined by the Committee in a manner that avoids subsidization of any Separate Retiree Account by another Separate Retiree Account). The Committee shall by written certificate provided to the Trustee request payment for any expenses related to the administration of the Trust. Upon receipt of the written certificate, the Trustee may make the payment requested by the Committee. The expenses of the Trustee shall constitute a lien on the Trust Fund.

Section 6.7 Reimbursement. The Trustee will apply the assets of the Trust to reimburse a Company or the respective Company Health Care Plan, as applicable, for any Benefits advanced or provided by the Company or the respective Company Health Care Plan with regard to claims incurred by a Participant on or after the Implementation Date, including, but not limited to situations where a retirement is made retroactive and the medical claims were incurred on or after such Implementation Date or where a Company is notified of an intent by a Participant to retire under circumstances where there is insufficient time to transfer responsibility for Benefits to the applicable Plan and the Company or the respective Company Health Care Plan provides interim coverage for Benefits. The Trustee and the Committee will fully cooperate with the Company in securing any legal or regulatory approvals that are necessary to permit such reimbursement. In addition, the Trustee will apply the assets of the Trust to reimburse a Company for any deposits it made by mistake to the Trust, as provided for in that Company's Settlement. Further, with regard to the transfer of assets from an existing VEBA trust to a Separate Retiree Account, and assumption of any liabilities by a Plan, the Trustee shall apply the assets of the related Separate Retiree Account to satisfy all such liabilities. In causing the Trust Fund to pay expenses pursuant to this Section 6.6, the Committee shall be acting in its fiduciary capacity with respect to a Plan and the Trust, on behalf of the respective EBA.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Section 6.8 Trustee Compensation. The Trustee will apply the assets of the Trust Fund to pay its own fees in the amounts and on the dates set forth in Exhibit D. All compensation paid from the Trust Fund to the Trustee or its affiliates shall be disclosed to the Committee. The Trustee's unpaid compensation (if any) shall constitute a lien on the Trust Fund.

Section 6.9 Consultation. The Trustee may engage or consult with counsel or other advisors and may take or may refrain from taking any action in accordance with or reliance upon the opinion of counsel or such advisors.

Section 6.10 Reliance on Written Instruments. The Trustee shall be fully protected in acting upon any instrument, certificate or paper reasonably believed by it to be genuine and to be signed or presented by a duly authorized person or persons, and shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

Section 6.11 Bonding. The Trustee shall be bonded to the extent and in the amount required by Section 412 of ERISA. To the extent permitted by applicable law, the costs of such bonding shall be expenses paid by the Trustee out of the assets of the Trust Fund under Section 6.6.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

ARTICLE VII
TRUSTEE ACCOUNTS

Section 7.1 Separate Retiree Accounts. At all times, the Trustee shall maintain each of the Separate Retiree Accounts as a separate account under the Trust for the assets deposited by each Company, or transferred at each Company's direction, to the Separate Retiree Account in accordance with the terms of each Company's Settlement. Each Separate Retiree Account may be used only to provide Benefits for the Participants and Beneficiaries in the Plan funded by such Separate Retiree Account. Under no circumstances may a Separate Retiree Account be liable or responsible for the obligations of the Trust to any Participant or Beneficiary other than a Participant or Beneficiary in the Plan that is attributable to the same Eligible Group as that Separate Retiree Account. The Trustee shall separately account for the assets and liabilities of each Separate Retiree Account; including, without limitation: (a) deposits, contributions, remittances, subsidies, investment and other income from whatever source to each Separate Retiree Account; and (b) Benefits to Participants and Beneficiaries from each respective Separate Retiree Account, and the investment, administrative, and other expenses attributable to the maintenance of each such Separate Retiree Account. In no event shall the assets of one Separate Retiree Account be used to offset the liabilities or defray the expenses attributable to another Separate Retiree Account. Notwithstanding the proscriptions in this Section 7.1, unless the Committee expressly decides to establish segregated investment vehicles for specific Separate Retiree Accounts, the assets of the Separate Retiree Accounts, other than Employer Security Sub-Accounts, shall be invested on a pooled basis within the Trust Fund; provided that the interest of each Separate Retiree Account in such pooled Trust Fund is separately accounted for at all times.

Section 7.2 Records. The Trustee shall maintain accurate and detailed records and accounts of all investments, receipts, disbursements, and other transactions with respect to each Separate Retiree Account and the Trust as a whole, and all accounts, books and records relating thereto shall be open at all reasonable times to inspection and audit by the Committee or such person or persons as the Committee may designate.

Section 7.3 Annual Audit. The Committee shall appoint an auditor to conduct an annual audit of the Trust Fund, a statement of the results of which shall be provided to the Trustee and also made available for inspection by interested persons at the principal office of the Trust.

Section 7.4 Claims Limited to Amounts in Applicable Account. In any legal action against the Trust Fund, the rights of any Participant or Beneficiary against the Trust Fund shall be limited to the amount of assets in the Separate Retiree Account attributable to such Participant or Beneficiary, and the rights of any other person or entity shall be limited to the amount of assets in the Separate Retiree Account attributable to the Plan to which the claim relates.

Section 7.5 Furnishing Written Accounts. The Trustee shall furnish the Committee a written account setting forth a description of all securities and other property purchased and sold, and all receipts, disbursements, and other transactions effected by it during each calendar quarter, and showing the securities and other properties held, and their fair market values at the end of each calendar quarter. Such written account shall be furnished to the Committee within thirty (30) days after the close of each calendar quarter.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Section 7.6 Accounting and Taxable Year, Cash Basis. The accounting and taxable year of the Trust shall be the calendar year. All accounts of the Trustee shall be kept on a cash basis.

Section 7. 7 Judicial Proceedings. If the Trustee and the Committee cannot agree with respect to any act or transaction reported in any statement, the Trustee shall have the right to have its accounts settled by judicial proceedings in which only the Trustee and the Committee shall be necessary parties. Subject to the provisions of ERISA, the Trustee shall not be required to file, and no Participant or Beneficiary shall have any right to compel, an accounting, judicial or otherwise, by the Trustee.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

ARTICLE VIII
PROCEDURES FOR THE TRUSTEE

Section 8.1 Removal. The Trustee may be removed by the Committee at any time upon thirty (30) days' advance written notice. Such removal shall be effective on the date specified in such written notice, provided that notice has been given to the Trustee of the appointment of a successor Trustee in the manner set forth in Section 8.3.

Section 8.2 Resignation. The Trustee may resign by filing with the Committee a written resignation that shall take effect sixty (60) days after the date of such filing, unless prior thereto a successor Trustee has been appointed by the Committee. In no event may the Trustee's resignation take effect before a successor Trustee has been appointed. If the Committee fails to appoint a successor Trustee, the resigning Trustee may seek the appointment of a successor Trustee in the manner set forth in Section 8.3.

Section 8.3 Successor Trustee. The Committee may appoint a successor Trustee by delivering to the successor Trustee an instrument in writing, executed by an authorized representative of the Committee, appointing such successor Trustee, and by delivering to the removed or resigning Trustee an acceptance in writing, executed by the successor Trustee so appointed. Such appointment shall take effect upon the date specified in Section 8.1 or 8.2, as applicable. If no appointment of a successor Trustee is made by the Committee within a reasonable time after such resignation, removal or other event, any court of competent jurisdiction may, upon application by the removed or resigning Trustee, appoint a successor Trustee after such notice to the Committee and the removed or resigning Trustee, as such court may deem suitable and proper.

Section 8.4 Amendment to Trust Document for Successor Trustee. The Committee may appoint a successor Trustee by securing from the successor Trustee an amendment to this Trust Agreement, executed by both the successor Trustee and an authorized representative of the Committee, which replaces the current Trustee with the successor Trustee, appointing such successor Trustee, and by delivering to the removed or resigning Trustee an executed copy of the amendment. Such appointment shall take effect upon the date specified in the amendment.

Section 8.5 Effect of Removal or Resignation of Trustee. Upon the removal or resignation of the Trustee in accordance with Section 8.1 or 8.2, the Trustee shall be fully discharged from further duty or responsibility under this Trust Agreement to the extent permitted by law.

Section 8.6 Merger or Consolidation of the Trustee. Any corporation continuing as the result of any merger or resulting from any consolidation, to which merger or consolidation the Trustee is a party, or any corporation to which substantially all the business and assets of the Trustee may be transferred, will be deemed to be continuing as the Trustee.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

ARTICLE IX
PROCEDURES FOR COMMITTEE

Section 9.1 Composition of Committee. The Committee shall consist of eleven individual persons, consisting of six (6) Independent Members and five (5) UAW Members. No Member of the Committee shall be a current or former officer, director or employee of any of the Companies; provided, however, a retiree who was represented by the UAW in his or her employment with a Company, or an employee of a Company who is on leave from the Company and is represented by the UAW, may be a UAW Member. No member of the Committee shall be authorized to act for a Company or be an agent or representative of a Company for any purpose. Furthermore, no Company shall be a fiduciary with respect to any of the Plans or the Trust, and the Companies will have no rights or responsibilities with respect to the Plans or the Trust other than as specifically set forth in the Company Settlements. This limitation on Company participation on the Committee and the limitation set forth in Section 3.5 of this Trust Agreement are not subject to change, amendment or alteration. No Independent Member, or any family member, employer, or partner of an Independent Member, shall have any financial or institutional relationship with a Company or UAW if such relationship could reasonably be expected to impair such person's exercise of independent judgment.

Section 9.2 Term of Office. Each Member shall continue to serve as such until his or her death, incapacity to serve hereunder, resignation, removal, or the expiration of his or her term. Independent Member terms shall be for three (3)-year periods, except the initial terms of four (4) of the six (6) original Independent Members, two (2) of whom shall have an initial term of two (2) years, and two of whom shall have an initial term of one (1) year, as described in Exhibit E. An Independent Member may serve more than one term.

Section 9.3 Resignation. A Member may resign, and shall be fully discharged from further duty or responsibility under this Trust Agreement to the extent permitted by law, by giving at least thirty (30) days' advance written notice to the Committee (or such shorter notice as the Committee may accept as sufficient) stating a date when such resignation shall take effect. Such resignation shall take effect on the date specified in the notice or, if a successor Member has been appointed effective as of an earlier date, on such earlier date.

Section 9.4 Removal; Appointment of Successor Committee Members.

(a) An Independent Member may be removed or replaced, and a successor designated, at any time by an affirmative vote of nine (9) of the other Members of the Committee in the event that such other Members lose confidence in the capacity or willingness of the Independent Member being replaced or removed to fulfill his or her duties and responsibilities as a Member as set forth in this Trust Agreement. In the event of a vacancy of an Independent Member position, whether by expiration of term, resignation, removal, incapacity, or death of an Independent Member, a successor Independent Member shall be elected by the affirmative vote of nine (9) Members, and when possible, such successor Independent Member shall be elected prior to the expiration of the term, resignation, removal, incapacity, or death of the Independent Member being replaced.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(b) The UAW Members shall serve at the discretion of the UAW International President, and may be removed or replaced, and a successor designated, at any time by written notice from the UAW International President to the Committee.

(c) Each successor Member shall signify his or her acceptance of the appointment and his or her responsibilities under this Agreement in writing.

(d) If no appointment of a successor Independent Member is made within a reasonable time after his or her expiration of term, resignation, removal or other event, an arbitrator selected pursuant to the procedures established in Subsection 9.9(e) may be engaged upon application of any Member to appoint a successor Independent Member to the Committee. If the failure to appoint an Independent Member is the result of factors unrelated to a dispute among Members, any Member may apply to a court of competent jurisdiction to ask the court to appoint a successor Independent Member to the Committee as such court may deem suitable and proper.

Section 9.5 Chair. The Committee shall select a chair from among its Members (the "Chair"). The term of the Chair will continue until he or she ceases to be a Member, resigns as Chair or is replaced as Chair with another Member by majority vote among the remaining Members.

Section 9.6 Meetings.

(a) The Committee shall hold meetings as frequently as is necessary to ensure the efficient administration of the Trust and Plan and shall hold a minimum of four (4) meetings during each calendar year. The Chair, or any six (6) Members, may call a special meeting of the Committee by giving at least five (5) days' advance written notice of the time and place thereof to all other Members.

(b) The Chair, or another such individual or individuals so designated by the Chair, shall (i) preside over Committee meetings; (ii) prepare the Committee meeting agenda; (iii) oversee Trust operations between Committee meetings and report to the Committee on such operations; and (iv) perform such other functions as the Committee determines.

(c) One Member, or another individual so designated, shall maintain minutes of all Committee meetings, but such minutes need not be verbatim. Copies of such minutes shall be provided to all Members and to such other parties as the Committee may designate.

Section 9.7 Place of Meeting; Telephonic Meetings. Meetings of the Committee shall be held in the Detroit, Michigan metropolitan area as designated in the notice of meeting. Meetings of the Committee may be held through any communications equipment or other technology if all persons participating can hear each other, and such participation in a meeting shall be considered presence at the meeting for all purposes, including Section 9.8.

Section 9.8 Quorum. A majority of the Members of the Committee then in office shall constitute a quorum for the purpose of transacting any business; provided that at least one Independent Member and one UAW Member are present.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Section 9.9 Vote of the Members.

(a) Each Member of the Committee present at the meeting shall have one vote. Except as otherwise specified in this Trust Agreement, all actions of the Committee shall be by majority vote of the entire Committee, provided that at least one Independent Member and one Union Member must be a Member in the majority for any Committee action to take effect. Notwithstanding anything in this Subsection 9.9(a) to the contrary, any action by the Committee taken after the 2011 calendar year that would not be permitted under Subsection 10.2(d) before the expiration of the 2011 calendar year shall require an affirmative vote of nine (9) Members to take effect.

(b) The vote of any absent Independent Member of the Committee may be cast in accordance with a written proxy delivered to any other Independent Member of the Committee present at the meeting, and the vote of any absent UAW Member of the Committee may be cast in accordance with a written proxy delivered to any other UAW Member of the Committee present at the meeting.

(c) In the event that a vacancy exists in the number of Independent Members, or that an Independent Member is absent (and has not delivered a proxy), a majority of the Independent Members present shall be entitled to cast the vote otherwise exercisable by the Independent Member not present. In the event that a vacancy exists in the number of UAW Members, or that a UAW Member is absent (and has not delivered a proxy), a majority of the UAW Members present shall be entitled to cast the vote otherwise exercisable by the UAW Member not present.

(d) In addition to decisions made at meetings, action may be taken without a meeting pursuant to a written (including e-mail) or telephone poll by the Chair (or his designee); provided that any action taken in a telephone poll must be confirmed in writing (including e-mail) by each Member who voted for the action taken either before or as soon as practicable following the vote (but no later than thirty (30) days after the vote).

(e) In the event that an action does not take effect — including, without limitation, an action under Subsection 9.9(a) that requires nine (9) affirmative votes to take effect — notwithstanding all Independent Members voting in favor, or alternatively all UAW Members voting in favor, any Committee Member may refer the issue to arbitration pursuant to the procedures established from time to time by the Committee. In addition, any Committee Member may refer the failure to appoint a successor Independent Member pursuant to Subsection 9.4(d) to an arbitrator, in which case the arbitrator may select the successor Independent Member. The determination of the arbitrator shall be final and binding on all parties to the Trust. The costs and expenses of such arbitration (including attorneys' fees for separate counsel for Members on each side of the issue) shall be paid from the Trust unless paid by any other source, or unless otherwise ordered by the arbitrator. The arbitrator's decision must be consistent with the terms of the Trust and, if the dispute concerns an amendment to the Trust, the arbitrator may not issue a decision contrary to the terms of Section 12.1 hereof.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Section 9.10 Fees and Expenses. To the extent permitted by ERISA, Members of the Committee will be entitled to reasonable compensation for the performance of their duties hereunder. Members of the Committee may be reimbursed by the Trust for reasonable expenses properly and actually incurred in the performance of their duties. The fees and expenses of the Committee shall be deemed to be fees and expenses of the Trust and shall be reimbursed from the Trust Fund consistent with the restrictions set forth in this Section 9.10.

(a) Independent Members shall receive an annual retainer of $ _____, payable in equal quarterly installments in arrears, and a meeting fee of $ ____ for each meeting of the Committee in which such Independent Member participates, provided, however, that the combination of retainer and meeting fees shall not exceed $ _____ per calendar year. In the event that an Independent Member's tenure on the Committee ends on a day other than the last day of the quarter for which a quarterly installment of his or her annual retainer is due, he or she shall be paid for the pro rata portion of such quarter that coincides with his or her tenure on the Committee. For purposes of the meeting fee, participation by telephone or other simultaneous communication device shall qualify an Independent Member for a participation fee only if the meeting is scheduled and anticipated to last at least one (1) hour. Participation in telephonic conferences to address ad hoc issues do not qualify an Independent Member for a participation fee.

(b) UAW Members who are eligible to receive compensation for participation on the Committee shall receive the amounts described in Subsection 9.10(a) above for Independent Members. Any Member who is an employee of the UAW or a local union affiliated therewith shall not be eligible to receive compensation for service as a Member. Notwithstanding the prohibition on compensation otherwise described in this Subsection 9.10(b), UAW Members shall be entitled to receive reimbursements for reasonable expenses properly and actually incurred in the performance of a UAW Member's duties pursuant to this Trust Agreement.

(c) The Chair shall receive a fee of $ _____ per year, payable in quarterly installments in arrears, for service as the Chair, in addition to the compensation received as a Member pursuant to Subsection 9.10(a) or Subsection 9.10(b), whichever is applicable.

(d) Other than UAW Members who are prohibited from receiving compensation pursuant to Subsection 9.10(b), nothing herein shall prohibit or limit any Member from receiving fees from the Trust Fund for services rendered at the request of the Committee (e.g., reasonable fees for attendance at retiree meetings to explain the operation of the programs contemplated by the Settlements and/or this Trust Agreement).

(e) The fees and limits described in Subsection 9.10(a) and (b) above shall be increased each calendar year after 2008 by each calendar year's percentage increase, if any, to the consumer price index for urban wages (CPI-W).

Section 9.11 Liaison.

(a) The Liaison's primary roles, as further detailed in this section, shall be:

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(1) to work, as the Liaison deems appropriate, alongside any and all Trust personnel, outside advisors, consultants, professionals, and service providers retained by the Trust, on all matters pertaining to the operation of the Trust,

(2) to stay informed about all facets of the Trust's activities, and

(3) to maintain open lines of communications in regard to all activities of the Trust — including, without limitation, its funding status and the administration of the Benefits provided under the Plans — among and between (i) the Trust and the Committee, (ii) the Eligible Retirees and Beneficiaries, and (iii) retiree representatives and the UAW.

(b) The Liaison shall not be a member of the Committee and shall not be entitled to a vote on any matter coming before the Committee.

(c) The Liaison shall maintain open lines of communications regarding the activities of the Trust among and between (i) the Trust and the Committee, (ii) the Eligible Retirees and Beneficiaries, and (iii) the retiree representatives and the UAW in regard to all activities of the Trust. Specifically, the Liaison shall maintain communications with, among others, elected leaders of retiree chapter organizations, Class Representatives (and, until the Implementation Date, Class Counsel), UAW officials (in addition to UAW Members), Trust personnel, and the Independent Members and UAW Members.

(d) The Liaison may attend all meetings of the Committee and any Sub-Committee established pursuant to Section 10.8.

(e) The Liaison shall be permitted to consult with and work alongside any and all Trust personnel on any facet of the operations of the Trust, including but not limited to activities related to investment of Trust assets, administration of the Benefits provided under the Plans, retention of outside advisors, consultants, professionals and service providers, and the hiring of personnel needed for operation of the Trust.

(f) The Liaison shall have access to any and all information developed or utilized by Trust personnel in connection with the operation of the Trust, including but not limited to information provided by any outside advisors, consultants, professionals or service providers retained by the Trust. In the event that the Liaison is provided information that is subject to a privilege that the Trust or Committee may assert, the Liaison shall not take any action that would cause such privilege to be violated.

(g) The Liaison shall be permitted to work alongside Trust personnel in the development of recommendations that may be made to the Committee by Trust personnel regarding any matter to come before the Committee.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(h) The Liaison shall be permitted to work alongside Trust personnel in connection with the work of any outside advisors, consultants, professionals or service providers retained by the Trust.

(i) The UAW, acting through the International President, shall have the right to appoint the Liaison.

(j) Until the first Implementation Date of any of the Company's Settlements, the Liaison may be an active employee on the UAW staff. On and after such implementation date, the Liaison shall not be an active member of the UAW Staff (but such person shall not be prohibited from performing work for the UAW on a consulting or other part-time basis, on matters unrelated to the operation of the Trust; provided that such work does not interfere with the Liaison's ability to perform his or her duties as the Liaison).

(k) The Liaison shall be fully bound to adhere to the Code of Ethics attached as Exhibit I and any failure to adhere to the Code of Ethics shall be grounds for immediate disqualification.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

ARTICLE X
POWERS AND DUTIES OF THE COMMITTEE

Section 10.1 General. The Committee, acting on behalf of the EBAs, shall be responsible for the implementation, amendment and overall operation of the Trust Fund and the establishment, amendment, maintenance, and administration of the Plans. Subject to the provisions of this Trust Agreement and applicable laws, the Committee shall have sole, absolute and discretionary authority to adopt such rules and regulations and take all actions that it deems desirable for the administration of the Trust Fund, and to interpret the terms of the Plans and Trust. Subject to Section 3.7, the decisions of the Committee will be final and binding on all Participants and Beneficiaries and all other affected parties to the maximum extent allowed by law.

Section 10.2 Benefits.

(a) Adoption of the Plans. The Committee, on behalf of the EBAs, shall adopt the Plans to provide Benefits to Participants and Beneficiaries and may amend the Plans from time to time. The terms of the Plans as initially adopted are set forth in subsection (d) of this section. Thereafter, the Committee on behalf of the EBAs may amend the Plans from time to time to provide Benefits as it may determine in its sole and absolute discretion; provided, however, that the Committee shall have no authority to provide any benefits other than Retiree Medical Benefits until the end of the Initial Accounting Period. Furthermore, the eligibility rules of each respective Plan shall be the same as those provided by the respective Company Health Care Plan and may not be expanded by the Committee. The Plans may provide for different benefit structures for different groups of Participants or Beneficiaries, including, without limitation, different groups of Participants or Beneficiaries included in the same Eligible Group, and may provide for different contributions for such groups; provided, however, that such differences within or among Eligible Groups are reasonably related to a rational purpose and consistent with the relevant provisions of this Trust Agreement. The rights of the Committee described in this Section 10.2 shall be exercised in a manner consistent with the Settlements. Although the Committee shall be under no obligation to design the Plans to assure that the assets of the Trust Fund are sufficient to provide Benefits to all potential Participants and Beneficiaries of the Plans in all subsequent years, the Committee's long-term objective in designing the Plans, absent countervailing circumstances, shall be to provide meaningful health benefits to all Participants and Beneficiaries included in each Eligible Group.

(b) Benefits Design. The Plans shall provide Benefits designed by the Committee in its sole discretion, acting on behalf of the EBAs as a fiduciary to the Plans, subject to Sections 1.3, 10.2(a) and 10.2(d). The Benefit design shall include rules to determine which of the Participants and Beneficiaries of the Trust will receive Benefits under the Plans, in what form and in what amount. The Plans may include co-pays, Participant and Beneficiary contributions, and any other features that the Committee from time to time determines appropriate or desirable in its sole discretion. In designing the Plans and the Benefits to be provided thereunder, the Committee may take into account circumstances that it determines to be relevant, including, without limitation, the degree to which

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Participants and Beneficiaries have alternative resources or coverage sources, pension levels under the Company's pension plans have changed, and the resources of the Trust Fund based upon expected deposits, remittances, and other sources of funding.

(c) Method of Providing Benefits. Benefits under a Plan may be fully insured, partially insured or self-insured, as determined from time to time by the Committee in its sole discretion and in accordance with the funding policy established pursuant to Section 10.3. In all events, the expected cost of Benefits to be provided under each Plan during any calendar year shall not exceed the amount of assets expected to be available under the Separate Retiree Account related to such Plan to cover such costs during such calendar year.

(d) Initial Benefits. Notwithstanding any other provision in this Section 10.2, until the expiration of the 2011 calendar year, the Chrysler Retiree Plan shall provide the Benefits specified in Exhibit F(1), the Ford Retiree Plan shall provide the Benefits specified in Exhibit F(2), and the GM Retiree Plan shall provide the Benefits specified in Exhibit F(3). The Benefits specified in Exhibits F(1), F(2) and F(3) shall be the Benefits provided for under the terms of each Company's respective Settlement. During the period that the Plans are providing the initial benefits described in this Section 10.2(d), the Committee may exercise administrative discretion (as permitted under the Trust Agreement) in delivering such benefits, including, without limitation, making any changes that could have been adopted by joint action of a Company and the UAW pursuant to Section 5.A.2(h) of the Settlement Agreement between GM and UAW dated December 16, 2005, Section ____ of the Settlement Agreement between Ford and UAW dated _____, and similar provisions of the Chrysler Health Care Program.

(e) Medicare Part B Benefits. The initial Benefits provided pursuant to Subsection 10.2(d) under each Plan shall include a subsidy of the Medicare Part B premiums attributable to such Participants in an amount no lower in dollar value than $76.20 per month.

(f) Design Principles. In exercising its authority under this Section 10.2, the Committee shall adhere to the design principles described in Exhibit G. A Plan only may provide Benefits as defined in Section 1.3.

Section 10.3 Funding Policy. Subject to the direction of the Independent Fiduciary, if one has been appointed, with respect to the Employer Securities, the Committee will establish a funding policy for each Plan and communicate that funding policy to the Trustee.

Section 10.4 Investment Guidelines. Except with respect to the authority of the Independent Fiduciary, if one has been appointed, with respect to the Employer Securities, the Committee shall cause investment guidelines for managing (including the power to acquire and dispose of) all or any part of the Trust Fund and communicate that policy to the Trustee to be established. In so doing, the Committee shall adhere to the investment practice standards set forth in Exhibit H.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Section 10.5 Appointment of Investment Managers. The Committee may appoint one or more Investment Managers to manage, or to select one or more Investment Managers to manage, all or part of the Trust Fund and enter into an agreement with the Investment Manager(s). If an Investment Manager is appointed, it shall have the appurtenant investment authority of the Trustee specified in Section 6.1, as limited by investment guidelines adopted by the Committee, with respect to the portion of the Trust Fund over which it has investment discretion, and the Trustee's duties with respect to that portion of the Trust Fund shall be limited to following the instructions of the Investment Manager.

Section 10.6 Government Reports and Returns. The Committee shall file all reports and returns, including but not limited to, any IRS Form 5500 series and IRS Form 990 series that are required to be made with respect to the Trust and a Plan.

Section 10.7 Compromise or Settle Claims. The Committee may compromise, settle and release claims or demands in favor of or against the Trust or the Committee on such terms and conditions as the Committee may deem advisable, and payment shall be made from the Separate Retiree Account to which the claim or demand relates (or, if the claim or demand relates to more than one Separate Retiree Account, on a basis commensurate with the portion of the claim relating to each Separate Retiree Account).

Section 10.8 Appointment of Third Parties; Delegation of Authority. The Committee may appoint a third party to perform any functions assigned to it by the Committee to the extent permitted under applicable law. The Committee may by adoption of a written resolution delegate to any two or more Members the authority to act on behalf of the full Committee to the extent set forth in the resolution. In the event of such a delegation, the resulting sub-committee shall have at least one Independent Member and one UAW Member, and subcommittee action shall require the affirmative vote of at least one Independent Member and one UAW Member. Any action taken on behalf of the Committee pursuant to the delegation shall be reported to the Committee at its next regularly scheduled meeting.

Section 10.9 Consultation. The Committee may engage or consult with counsel or other advisors and, in accordance with the provisions of Section 6.6, may direct the Trustee to pay reasonable compensation therefor from the Trust Fund and may take or may refrain from taking any action in accordance with or reliance upon the opinion of counsel or such expert advisors.

Section 10.10 Reliance on Written Instruments. Each Member of the Committee shall be fully protected in acting upon any instrument, certificate or paper reasonably believed by him or her to be genuine and to be signed or presented by a duly authorized person or persons, and shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

Section 10.11 Standard of Care. The Committee and each Member shall discharge their duties in the interests of Participants and Beneficiaries and for the exclusive purpose of providing Benefits to such Participants and Beneficiaries and defraying reasonable expenses of administering the Trust and each Plan and shall act with the care, skill, prudence and diligence

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, consistent with the provisions of ERISA and the Code. In exercising their discretion with respect to providing Benefits to Participants and Beneficiaries of each Plan, the Committee and each Member shall consider exclusively the interests of the Participants and Beneficiaries in such Plan. In exercising their discretion with respect to defraying reasonable expenses of administering the Trust or Plans, the Committee and each Member shall consider exclusively the interests of the Participants and Beneficiaries in the Plans.

Section 10.12 Bonding. The Members of the Committee shall be bonded in the amount required by section 412 of ERISA and may be covered by liability insurance in accordance with section 410(b) of ERISA. To the extent permitted by applicable law, the costs of such bonding and insurance shall be expenses paid by the Trustee under Section 6.6.

Section 10.13 Discretionary Authority. Except as the Committee's powers are limited by specific provisions of this Trust Agreement, the Committee (or its designee) shall have the exclusive right, power, and authority, in its sole and absolute discretion, to administer, apply and interpret this Trust Agreement, each Plan and any other Plan documents, to make its own motions, resolutions, administrative rules and regulations, contracts, or instruments and to decide all matters arising in connection with the operation or administration of the Trust or Plans. Benefits under the Plans will be paid only if the Committee or its designee decides in its discretion that the applicant is entitled to them. Without limiting the generality of the foregoing, the Committee, on behalf of each EBA and the Trust, shall have the sole and absolute discretionary authority to:

(a) take all actions and make all decisions with respect to the eligibility for, and the amount of, Benefits payable under a Plan;

(b) formulate, interpret and apply rules, regulations and policies necessary to administer a Plan in accordance with its terms;

(c) decide questions, including legal or factual questions, relating to the calculation and payment of Benefits under a Plan;

(d) determine the standard of proof and the sufficiency of evidence as to any factual question arising under a Plan;

(e) resolve and/or clarify any ambiguities, inconsistencies and omissions arising under this Trust Agreement, each Plan, or other Plan documents;

(f) process, and approve or deny Benefit claims and rule on any Benefit exclusions;

(g) settle or compromise disputed claims as provided in Section 10.7 on such terms as the Committee determines to be in the best interest of the Participants and Beneficiaries;

(h) enforce any contribution, remittance or payment obligation set forth in Article IV; and

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(i) do all acts which it may deem necessary or proper and to exercise any and all powers of the Committee under this Trust Agreement upon such terms and conditions as it may deem to be in the best interests of the Trust or Plans.

Subject to Section 3.7 of this Trust Agreement, all determinations made by the Committee or its designee with respect to any matter arising under the Trust, each Plan, and any other Plan documents shall be final and binding on all affected parties, including without limitation Participants, Beneficiaries, and any other persons who have claims against the Trust Fund and a Plan through any of them. In the event that the terms of a Plan are inconsistent with the terms of this Trust Agreement, the Trust Agreement controls.

Section 10.14 No Individual Liability on Contracts. The Members of the Committee shall not be liable personally, either individually or jointly, for any debts, obligations, or undertakings contracted by them, or for the breach of any contracts. Such claims and obligations shall be paid out of the Trust; provided, however, that the Members shall not be exempt from personal liability for willful misconduct, breach of trust, or fraud, and the Trust shall not indemnify the Members for such liabilities.

Section 10.15 The Companies and UAW Not Liable for Conduct of Committee. In their capacity as Members, the Members of the Committee, individually and jointly, are not officers, agents, employees, or representatives of the Companies or UAW. In their capacity as Members, each Member is a principal acting independently of the UAW. To the extent permitted by applicable law, the UAW (and their employees, officers, and directors) shall not be liable for any act, omission, contract, obligation, or undertaking of the Committee or its officers, agents, or representatives. Under no circumstances will any Company or their employees, officers, directors or agents be responsible for or have any liability for any act, omission, contract, obligation or undertaking of the Committee or its officers, agents or representatives.

Section 10.16 Reimbursement for Defense of Claims. To the extent permitted by applicable law and not otherwise covered by liability insurance purchased by the Trust (without regard to any non-recourse rider purchased by the insured), the Committee, Members, employees of the Committee, persons acting on the Committee's behalf pursuant to an express written delegation, and the Liaison (each separately, the "Indemnified Party") shall be reimbursed by the Trust Fund for reasonable expenses, including without limitation attorneys' fees, incurred personally in defense of any claim that seeks a recovery of any loss to a Plan or Trust Fund or for any damages suffered by any party to or beneficiary of this Trust Agreement (a) for which the Indemnified Party is adjudged not liable, or (b) which is dismissed or compromised in a final settlement, where the Committee — or, where required by applicable law, an independent fiduciary — determines that the settling Indemnified Party was not primarily responsible (in such cases, all or only a portion of the settling Indemnified Party's reasonable expenses may be reimbursed, as directed by the Committee or an independent fiduciary), provided that the Committee shall have the right to approve of the retention of any counsel whose fees would be reimbursed by the Trust Fund, but such approval shall not be withheld unreasonably.

Section 10.17 Indemnifications. To the extent permitted by law, the Trust shall indemnify and hold the Committee, the UAW, the Companies, the Chrysler Health Care Program, the Ford

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Retiree Health Plan, the General Motors Health Care Program for Hourly Employees, the employees, officers and agents of each of them harmless from and against any liability that they may incur in connection with the Plans and Trust, unless such liability arises from gross negligence, intentional misconduct or breach of their respective Company Settlement. All costs associated with the indemnity provided under this Section 10.17 shall be borne solely by the Separate Retiree Account to which such costs relate.

Section 10.18 Subrogation and Reimbursement. Subject to the limitations of Section 10.2(d), the Committee shall maintain, as part of each Plan, a comprehensive subrogation and reimbursement policy, updated from time to time as appropriate.

Section 10.19 Code of Ethics. The Committee shall maintain a code of ethics to govern the conduct of Members and staff, if any, when acting on behalf of the Trust or a Plan or otherwise in their official capacity. The initial code of ethics is attached at Exhibit I. It may be amended by the Committee in light of experience and evolving standards, consistent with principles of good governance and fiduciary principles.

Section 10.20 Presumption of Control. The Committee shall take all such reasonable action as may be needed to rebut any presumption of control that would limit the Trust's ability to own GM's common stock or the 6.75% Series U Convertible Senior Debentures Due December 31, 2012 or as may be required to comply with all applicable laws and regulations, including, but not limited to, federal and state banking laws and regulations.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

ARTICLE XI
INDEPENDENT FIDUCIARY

Section 11.1 General. In the event that an Independent Fiduciary is appointed by the Committee pursuant to Section 11.3, this Article XI shall be given effect.

Section 11.2 Independent Fiduciary With Respect to Employer Security. Any provision of this Trust Agreement to the contrary notwithstanding, the Trustee shall have no discretionary authority or powers with respect to any Employer Security and all such discretionary authority shall rest with the Independent Fiduciary. The Trustee shall hold any Employer Security in the respective Employer Security Sub-Account and shall be subject to direction by the Independent Fiduciary with respect to the acceptance, management, disposition, and voting of the Employer Security. The Independent Fiduciary shall be a named fiduciary (as defined in section 402(a)(2) of ERISA) and investment manager (within the meaning of section 3(38) of ERISA) with respect to all discretionary actions regarding the valuation, acceptance, management, disposition, and voting of any Employer Security. The Trustee shall be entitled to rely upon the identification by the Committee of the Independent Fiduciary until notified in writing by the Committee that an Employer Security Sub-Account's assets are no longer subject to the Independent Fiduciary's management. During any period of time in which the Independent Fiduciary manages the Employer Security Sub-Accounts, the Trustee shall act strictly in accordance with any directions of the Independent Fiduciary with respect to the Employer Security Sub-Accounts. The Trustee shall continue to receive all assets purchased against payment therefor and to deliver all assets sold against receipt of the proceeds therefrom. The Independent Fiduciary may from time to time issue orders on behalf of the Trustee for the purchase or sale of securities directly to an underwriter or broker or dealer and for such purpose the Trustee shall, upon request, execute and deliver to such Independent Fiduciary one or more trading authorizations. The Trustee shall have no responsibility or liability to anyone relating to the asset management decisions of the Independent Fiduciary except to the extent that the Trustee has failed to act strictly in accordance with any directions of the Independent Fiduciary with respect to the Employer Security Sub-Accounts. The Trustee shall be under no duty to make or review any recommendation with respect to any such decision. The Trustee shall not be liable or responsible for any loss resulting to the Trust Fund by reason of any investment made or sold pursuant to the direction of the Independent Fiduciary nor by reason of the failure to take any action with respect to any investment which was acquired pursuant to any such direction in the absence of further direction of the Independent Fiduciary.

Section 11.3 Appointment of Independent Fiduciary. The Committee, in its sole discretion, may appoint from time to time an Independent Fiduciary to manage the Employer Security Sub-Accounts, or for any other purpose as required by law, by delivering a written instrument to the Independent Fiduciary, which the Independent Fiduciary shall acknowledge in writing. The Independent Fiduciary shall be a bank, trust company or registered investment adviser under the Investment Advisers Act of 1940, as amended.

Section 11.4 Removal. The Independent Fiduciary may be removed by the Committee at any time upon thirty (30) days' advance written notice. Such removal shall be effective on the date specified in such written notice, provided that notice has been given to the Independent Fiduciary of the appointment of a successor Independent Fiduciary in the manner set forth in

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Section 11.6 below, provided that no such successor Independent Fiduciary shall be appointed in the event that the Trust then holds no Employer Security.

Section 11.5 Resignation. The Independent Fiduciary may resign by delivering to the Committee a written resignation that shall take effect sixty (60) days after the date of such filing or such earlier date that a successor Independent Fiduciary has been appointed by the Committee.

Section 11.6 Successor Independent Fiduciary. The Committee may appoint a successor Independent Fiduciary by delivering to the successor Independent Fiduciary an instrument in writing, executed by an authorized representative of the Committee, appointing such successor Independent Fiduciary, and by delivering to the removed or resigning Independent Fiduciary an acceptance in writing, executed by the successor Independent Fiduciary so appointed. Such appointment shall take effect upon the date specified in Section 11.4 or 11.5 above, as applicable. In the event that the Trust Fund acquires or holds an Employer Security with respect to which an Independent Fiduciary is required, and no appointment of a successor Independent Fiduciary is made by the Committee within a reasonable time after such resignation, removal or other event, any court of competent jurisdiction may, upon application by the retiring Independent Fiduciary, appoint a successor Independent Fiduciary after such notice to the Committee and the retiring Independent Fiduciary, as such court may deem suitable and proper.

Section 11.7 Independent Fiduciary Compensation and Expenses. The Trustee will apply the assets of the Trust Fund to pay the fees and expenses of the Independent Fiduciary in the amounts and on the dates set forth in the agreement between the Independent Fiduciary and the Committee. The Independent Fiduciary's unpaid compensation (if any) shall constitute a lien on the Trust Fund.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

ARTICLE XII
AMENDMENT, TERMINATION AND MERGER

Section 12.1 Amendment. The Trust Agreement may be amended at any time in writing by the Committee; provided that (i) under no circumstances shall any of the Plans or the Trust Agreement be amended or modified to provide benefits or payment for benefits other than Retiree Medical Benefits for the Participants and Beneficiaries until expiration of the Initial Accounting Period; (ii) no amendment shall alter or conflict with a Company's Settlement; and (iii) no amendment shall amend or modify Articles I, IV and XII, Sections 2.1, 3.4(b), 3.5, 3.7, 5.1(a), 6.1(u), 6.5, 6.7, 7.1, 7.4, 9.1, 9.2, 9.3, 9.4, 9.7, 9.8, 9.9, 9.10, 10.1, 10.2(a), (b), (d), (e) and the last sentence of (f), 10.7, 10.13 (last flush paragraph), 10.15, 10.16, 10.17, 10.20, Exhibits F(1), F(2) and F(3), or the definitions of Eligible Groups in Exhibits A through C; and provided further that no amendment shall adversely affect the exempt status of the Trust or Plans under section 501(c)(9) of the Code. No amendment to the Trust Agreement shall increase the responsibilities of the Trustee hereunder unless the Trustee has first consented to such amendment.

Section 12.2 Termination.

(a) Before the expiration of the Initial Accounting Period with respect to each Plan, the Trust shall not be terminated. Thereafter, the Trust and this Trust Agreement may be terminated by the Committee in writing, with a copy of such written instrument to be provided to the Trustee, whenever the Committee, on behalf of the EBAs, and in its sole discretion determines that the Trust is no longer effective in serving its purposes or that the interests of the Participants and Beneficiaries could be better served through an alternative arrangement. Upon termination of this Trust Agreement, the assets of the Trust Fund shall be paid out at the direction of the Committee in the following order of priority: (i) the payment of reasonable and necessary administrative expenses (including taxes); (ii) the payment of Benefits to Participants and Beneficiaries entitled to payments for claims arising prior to such termination; and (iii) at the discretion of the Committee, in accordance with section 501(c)(9) of the Code and ERISA, for the benefit of Participants and Beneficiaries in such fashion as the Committee determines. The Companies, UAW or the Committee shall not have any beneficial interest in the Trust Fund. The Trust Fund shall remain in existence until all assets have been distributed.

(b) Following termination, the Trustee and the Committee shall continue to have all of the powers provided in this Trust Agreement as are necessary or desirable for the orderly liquidation and distribution of the Trust Fund in accordance with the provisions hereof.

Section 12.3 Transfer of Assets. After the Initial Accounting Period has expired with respect to a Plan, and to the extent permitted by applicable law and subject to the restrictions of Section 7.1, some or all of the assets of the Trust Fund attributable to a Separate Retiree Account with respect to which the Initial Accounting Period has expired, may at the discretion of the Committee acting in a fiduciary capacity be transferred directly to another trust for the purpose of providing Benefits to some or all of the Participants and Beneficiaries in the Plan with respect to which the Initial Accounting Period has expired on such terms and conditions as the Committee may determine.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Section 12.4 Merger of Trusts or Transfer of Assets. In addition to the powers of the Committee pursuant to Sections 12.2 and 12.3 to transfer Trust assets to another trust, subject to the restrictions of Section 7.1, the Committee acting in a fiduciary capacity may merge or accept transfers of assets from other trusts — including, without limitation, trusts maintained by Chrysler, Ford, and GM — into the Trust, provided that the assets attributable to the each Plan are separately accounted for in the respective Separate Retiree Account.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

ARTICLE XIII
MISCELLANEOUS

Section 13.1 Rights in Trust Fund. No Eligible Retiree, Participant, Beneficiary, or other person shall have any right, title or interest in the Trust Fund or any legal or equitable right relating to the Trust or a Plan against the Trustee, the Committee, the Independent Fiduciary, if any, UAW, or the Companies, except as may be otherwise expressly provided in the Plan or in this Trust Agreement.

Section 13.2 Non-Alienation. Except to the extent required by applicable law, the rights or interest of any Participant or Beneficiary to any Benefits or future payments hereunder or under the provisions of a Plan shall not be subject to attachment or garnishment or other legal process by any creditor of any such Participant or Beneficiary, nor shall any such Participant or Beneficiary have any right to alienate, anticipate, commute, pledge, encumber or assign any of the Benefits or payments which he may expect to receive, contingent or otherwise, under a Plan or this Trust Agreement, provided that assignments of benefit payments to a health care provider under a Plan may be permitted pursuant to rules adopted by the Committee in its sole discretion.

Section 13.3 Controlling Laws. The Trust shall be construed and the terms hereof applied according to the laws of the state of Michigan to the extent not superseded by federal law.

Section 13.4 Counterparts. This Trust Agreement may be executed in any number of counterparts, each of which shall be considered as an original.

Section 13.5 Headings. The headings and subheadings of this Trust Agreement are for convenience of reference only and shall have no substantive effect on the provisions of this Trust Agreement.

Section 13.6 Usage. The plural use of a term defined in Article I in the singular shall mean all of the entities defined by such term.

Section 13.7 Notices. All notices, requests, demands and other communications under this Trust Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of receipt if served personally or by confirmed facsimile or other similar communication; (ii) on the first business day after sending if sent for guaranteed next day delivery by Federal Express or other next-day courier service; or (iii) on the fourth business day after mailing if mailed to the party or parties to whom notice is to be given by registered or certified mail, return receipt requested, postage prepaid, and properly addressed as follows:

If to the Trustee:

[**insert name and address**]

If to the Committee:

[**insert name and address**]

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

IN WITNESS WHEREOF, and as evidence of the establishment of the Trust created hereunder, the parties hereto have caused this instrument to be executed as of the date above first written.

COMMITTEE OF THE UAW RETIREE MEDICAL BENEFITS TRUST

INDEPENDENT MEMBERS

_____ Dated: _____
[**insert name**]

_____ Dated: _____
[**insert name**]

_____ Dated: _____
[**insert name**]

_____ Dated: _____
[**insert name**]

_____ Dated: _____
[**insert name**]

_____ Dated: _____
[**insert name**]

UAW MEMBERS

_____ Dated: _____
[**insert name**]

_____ Dated: _____
[**insert name**]

_____ Dated: _____
[**insert name**]

_____ Dated: _____
[**insert name**]

_____ Dated: _____
[**insert name**]

TRUSTEE

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

[**insert name of institution**]

By: _____

_____
Print Name

_____
Title

Dated: _____

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit A

Chrysler Eligible Group

[To be copied from Settlement Agreement when it is final. This will include both the "Class" and the "Covered Group."]

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit B

Ford Eligible Group

[To be copied from Settlement Agreement when it is final. This will include both the "Class" and the "Covered Group."]

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit C

GM Eligible Group

The term "GM Eligible Group" as used in this Trust Agreement shall mean the Class or Class Members and the Covered Group as set forth in the GM Settlement and reiterated verbatim in this Exhibit C:

Class or Class Members. The term "Class" or "Class Members" shall mean all persons who are:

(i) GM-UAW Represented Employees who, as of October 15, 2007, were retired from GM with eligibility for Retiree Medical Benefits under the GM Plan, and their eligible spouses, surviving spouses and dependents;

(ii) surviving spouses and dependents of any GM-UAW Represented Employees who attained seniority and died on or prior to October 15, 2007 under circumstances where such employee's surviving spouse and/or dependents are eligible to receive Retiree Medical Benefits from GM and/or under the GM Plan;

(iii) UAW retirees of Delphi Corporation ("Delphi") who as of October 15, 2007 were retired and as of that date were entitled to or thereafter become entitled to Retiree Medical Benefits from GM and/or the GM Plan under the terms of the UAW-Delphi-GM Memorandum of Understanding Delphi Restructuring dated June 22, 2007, Attachment B to the UAW-Delphi-GM Memorandum of Understanding Delphi Restructuring dated June 22, 2007 (without regard to whether any of the conditions described in Section K.2 of such Memorandum of Understanding or Section 2 of such Attachment B occur), or the Benefit Guarantee agreement between GM and the UAW dated September 30, 1999, and their eligible spouses, surviving spouses and dependents of all such retirees;

(iv) surviving spouses and dependents of any UAW-represented employee of Delphi who attained seniority and died on or prior to October 15, 2007 under circumstances where such employee's surviving spouse and/or dependents are eligible to receive Retiree Medical Benefits from GM and/or the GM Plan under the terms of the UAW-Delphi-GM Memorandum of Understanding Delphi Restructuring dated June 22, 2007, Attachment B to the UAW-Delphi-GM Memorandum of Understanding Delphi Restructuring dated June 22, 2007 (without regard to whether any of the conditions described in Section K.2 of such Memorandum of Understanding or Section 2 of such Attachment B occur), or the Benefit Guarantee agreement between GM and the UAW dated September 30, 1999;

(v) GM-UAW Represented Employees or former UAW-represented employees who, as of October 15, 2007, were retired from any previously sold, closed, divested or spun-off GM business unit (other than Delphi) with eligibility to receive Retiree Medical Benefits from GM and/or the GM Plan by virtue of any other agreement(s) between GM and the UAW, and their eligible spouses, surviving spouses, and dependents; and

(vi) surviving spouses and dependents of any GM-UAW Represented Employee or any UAW-represented employee of a previously sold, closed, divested or spun-off GM business unit

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(other than Delphi), who attained seniority and died on or prior to October 15, 2007 under circumstances where such employee's surviving spouse and/or dependents are eligible to receive Retiree Medical Benefits from GM and/or the GM Plan.

Covered Group. The term "Covered Group" shall mean:

(i) all GM Active Employees who have attained seniority as of September 14, 2007, and who retire after October 15, 2007 under the GM-UAW National Agreements, or any other agreement(s) between GM and the UAW, and who upon retirement are eligible for Retiree Medical Benefits under the GM Plan or the New Plan, as applicable, and their eligible spouses, surviving spouses and dependents;

(ii) all UAW-represented active employees of Delphi or a former Delphi unit who retire from Delphi or such former Delphi unit on or after October 15, 2007, and upon retirement are entitled to or thereafter become entitled to Retiree Medical Benefits from GM and/or the GM Plan or the New Plan under the terms of the UAW-Delphi-GM Memorandum of Understanding Delphi Restructuring dated June 22, 2007, Attachment B to the UAW-Delphi-GM Memorandum of Understanding Delphi Restructuring dated June 22, 2007 (without regard to whether any of the conditions described in Section K.2 of such Memorandum of Understanding or Section 2 of such Attachment B occur), or the Benefit Guarantee agreement between GM and the UAW dated September 30, 1999, and the eligible spouses, surviving spouses and dependents of all such retirees;

(iii) all surviving spouses and dependents of any UAW-represented employee of Delphi or a former Delphi unit who dies after October 15, 2007 but prior to retirement under circumstances where such employee's surviving spouse and/or dependents are eligible or thereafter become eligible for Retiree Medical Benefits from GM and/or the GM Plan or the New Plan under the terms of the UAW-Delphi-GM Memorandum of Understanding Delphi Restructuring dated June 22, 2007, Attachment B to the UAW-Delphi-GM Memorandum of Understanding Delphi Restructuring dated June 22, 2007 (without regard to whether any of the conditions described in Section K.2 of such Memorandum of Understanding or Section 2 of such Attachment B occur), or the Benefit Guarantee agreement between GM and the UAW dated September 30, 1999;

(iv) all former GM-UAW Represented Employees and all UAW-represented employees who, as of October 15, 2007, remain employed in a previously sold, closed, divested, or spun-off GM business unit (other than Delphi), and upon retirement are eligible for Retiree Medical Benefits from GM and/or the GM Plan or the New Plan by virtue of any other agreement(s) between GM and the UAW, and their eligible spouses, surviving spouses and dependents; and

(v) all eligible surviving spouses and dependents of a GM Active Employee, former GM-UAW Represented Employee or UAW-represented employee identified in (i) or (iv) above who attained seniority on or prior to September 14, 2007 and die after October 15, 2007 but prior to retirement under circumstances where such employee's surviving spouse and/or dependents are eligible for Retiree Medical Benefits from GM and/or the GM Plan or the New Plan.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit D

[Trustee's fees]

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit E

Initial Independent Members and Initial Terms of Office

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit F(1)

[Initial Benefits for Participants in the Chrysler Retiree Plan**]**

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit F(2)

[Initial Benefits for Participants in the Ford Retiree Plan**]**

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit F(3)

Initial Benefits for Participants and Beneficiaries in the GM Retiree Plan

Beginning on the GM Implementation Date and continuing through 2011, the initial Benefits provided by the GM Retiree Plan shall include only the following:

- All Benefits for which GM, the General Motors Health Care Program for Hourly Employees, and any other GM entity or benefit plan would have been responsible before the GM Implementation Date — including, without limitation, the catastrophic plan and COBRA continuation coverage — at the levels described in the settlement agreement approved in Int'l Union, UAW v. General Motors Corp., 497 F.3d 615 (6 th Cir. 2007) ("Henry I"):
- The mitigation payments funded before the GM Implementation Date by the General Motors Defined Contributions Health Benefit Trust shall offset the Participant contributions, deductibles, co-payments and co-insurance payments at the same levels as in Henry I.
- The dental benefits funded before the GM Implementation Date by the General Motors Defined Contribution Health Benefit Trust shall be provided at the same levels as provided before the GM Implementation Date.
- An additional Participant contribution of $51.67 per month shall be required from those Participants who receive after the GM Implementation Date a flat monthly special lifetime benefit from the General Motors Hourly-Rate Employees Pension Plan of $66.70 per month.

As provided in Section 10.2(d), the Committee may exercise administrative discretion (as permitted under the Trust Agreement) in delivering the initial Benefits provided under this Exhibit F(3), including, without limitation, making any changes that could have been adopted by joint action of GM and the UAW pursuant to Section 5.A.2(h) of the settlement agreement approved in Henry I.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit G

Design Principles

The Committee recognizes the complexity and fragmented nature of our nation's ever-changing health care system. To the extent practical, the Committee will seek to implement the Plan in a manner consistent with the guidelines set out below, subject to both the financial requirements of the Plan and its Purpose.

1. Health care includes individual patient treatment, the alleviation of pain and suffering and the development of practices and procedures to improve the health status of Participants.
2. The Committee shall promote quality health care delivered to Participants in a manner consistent with respect and dignity, and the recognition of the confidentiality of private patient information.
3. The Committee's goal is to provide health care that is effective, safe, efficient and timely, delivered in a culturally competent manner with a recognition of the physical and cognitive challenges present among aged Participants.
4. The Committee will pursue integrated health care approaches to better assess the health risks of Participants and achieve better health outcomes.
5. The Committee will operate the Plan and assess its performance in accordance with evolving best practices measured by both internal and external benchmarks.
6. The Committee shall provide health care coverage to Participants on a basis that is reasonably accessible to Participants, affordable and sustainable.
7. The Committee will develop avenues of communication to keep Participants informed with regard to access to care, the quality of care and operations of the Plan.
8. In selecting health care plans and providers, the Committee shall favorably consider health care entities that are non-profit and act in a manner respectful of workers' rights.
9. In selecting health care plans and providers, the Committee will seek to provide both health care and health plan administration within the United States.
10. The Committee take efforts to assure that Participants are treated with respect and dignity, with due consideration given to their physical and cognitive challenges.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit H

STATEMENT OF INVESTMENT PRACTICES

The following Statement of Investment Practices ("SIP") shall be adopted as "Best Practices" for the VEBA's Committee, Investment Managers and Independent Fiduciaries. It is the intent that these Best Practices evolve over time, taking into account developments in the law, changes in available investments and other changes as the Committee, from time to time, may determine relevant. To the extent that there are inconsistencies between this document and the Trust Agreement, the Trust Agreement shall control. All defined terms in this SIP shall have the same meaning as defined in the Trust Agreement for the VEBA unless otherwise defined herein. It is also intended that these Best Practices, as amended from time to time, be incorporated in an Investment Policy Statement developed by the Committee.

The Committee is the Named Fiduciary with management and control of the assets of the VEBA with the power as set forth in the Trust Agreement to: (1) appoint Investment Managers with respect to non-Employer Securities; (2) appoint Investment Managers who themselves have the power to appoint Investment Managers; and (3) appoint Independent Fiduciaries with respect to Employer Securities. The Committee shall retain such responsibility unless and until it delegates that duty pursuant to the terms of the Trust Agreement and such persons accept such responsibilities by a document in writing.

Where the Trust Agreement permits someone else to be appointed as an Investment Manager or Independent Fiduciary (the "Investment Fiduciaries"), as the case may be, and that person accepts such responsibilities by a document in writing, that person shall be an Investment Fiduciary, and the Committee shall act as the Appointing Fiduciary with responsibility for monitoring the performance of the Investment Fiduciary, except to the extent that the Investment Fiduciary is appointed by the Court pursuant to Section 11.6 of the Trust Agreement. The Committee may also appoint Investment Managers with the authority to appoint other Investment Managers, in which case any Investment Manager so appointed shall act as the Appointing Fiduciary, provided that the Committee shall retain responsibility to monitor any Investment Manager acting as an Appointing Fiduciary.

Subject to the requirements of the Trust Agreement with respect to the Employer Securities, the Committee may appoint one or more Investment Fiduciaries to manage all or part of the Trust Fund and enter into an agreement with any Investment Fiduciary so appointed. If an Investment Fiduciary is appointed, it shall have the appurtenant investment authority of the Trustee specified in Section 6.1 of the Trust Agreement, as limited by investment guidelines adopted by the Committee and communicated to such Investment Fiduciary with respect to the portion of the Trust Fund over which it has investment discretion. The Trustee's duties with respect to that portion of the Trust Fund subject to such Investment Fiduciary's discretion and control shall be limited to following the instructions of the Investment Fiduciary to the extent consistent with Employee Retirement Income Security Act of 1974 ("ERISA"). The Investment Fiduciary so appointed is a fiduciary and must acknowledge so in writing as required by Section 3(38) of ERISA. Each Investment Fiduciary shall be monitored by the relevant Appointing Fiduciary.

Each Appointing Fiduciary should conduct periodic reviews of the appointed Investment Fiduciary not less than annually (and more frequently as appropriate under the circumstances)

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

with a view to determining whether such Investment Fiduciary should continue to be retained by the VEBA.

S-1.1: The Committee shall develop and update from time to time an Investment Policy Statement that reflects these Investment Practices.

The Investment Policy Statement should be a written statement developed by the Committee and updated from time to time that describes:

a. a prudent process for the Committee to select and retain Investment Fiduciaries,

b. the duties and responsibilities of the fiduciaries involved in asset management,

c. asset allocation, diversification and rebalancing guidelines,

d. appropriate investment guidelines, benchmarks and investment objectives against which the performance of the Investment Fiduciary is to be evaluated,

e. the due diligence criteria for selection of Investment Fiduciaries,

f. a general definition of the selection and monitoring criteria for Investment Fiduciaries, investments and service vendors,

g. the actions that can or will be taken as a result of the monitoring,

h. procedures for controlling and accounting for investment expenses.

i. requirements that investments be managed in accordance with applicable laws, trust documents, and written investment guidelines.

j. requirements that each fiduciary of the VEBA act in accordance with ERISA.

k. requirements that each fiduciary of the VEBA act in accordance with the "prudent man" rule as defined in Section 404(a)(1)(B) of ERISA.

l. requirements that each fiduciary of the VEBA shall discharge his, her or its duties with respect to the VEBA solely in the interest of the participants and beneficiaries for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the plan as required by Section 404(a)(1)(A) of ERISA.

m. requirements that the VEBA be established and maintained pursuant to a written instrument as required by Section 402(a) of ERISA.

n. requirements that the Committee and the Investment Fiduciaries act in accordance with any applicable Plan Document, guidelines and other documents governing the plan as required by Section 404(a)(1)(D) of ERISA.

o. requirements that copies of relevant documents governing the acts of the Investment Fiduciaries be provided to the Investment Fiduciaries.

p. procedures under the VEBA for allocation of responsibilities for its operation and administration consistent with the Trust Agreement and Sections 402, 403 and 405 of ERISA.

q. procedures requiring that any allocation or delegation permitted by the Trust Agreement or by Sections 402, 403 and 405 of ERISA be defined, documented and acknowledged at the time of such delegation of allocation.

r. requirements that any entity assuming a position which involves the exercise of fiduciary duties with respect to the management of VEBA plan assets under ERISA should sign a written acknowledgement that it acknowledges the acceptance of such duties and has read these Best Practices, as amended from time to time, and agrees to act in accordance with them.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

S.-1.2 Fiduciaries and parties in interest should not be involved in self-dealing as prohibited in Section 406 of ERISA.

a. No fiduciary shall cause the plan to engage in a transaction, if such fiduciary knows or should know that such transaction constitutes a direct or indirect transaction between the plan and a party in interest to the extent that such transaction constitutes a non-exempt transaction prohibited by Section 406(a) of ERISA

b. No fiduciary with respect to the plan shall: (1) deal with the assets of the plan in his own interest or for his own account, (2) in his individual or in any other capacity act in any transaction involving the plan on behalf of a party (or represent a party) whose interests are adverse to the interests of the plan or the interests of its participants or beneficiaries, or (3) receive any consideration for his own personal account from any party dealing with such plan in connection with a transaction involving the assets of the plan, to the extent that such transaction constitutes a non-exempt transaction prohibited by Section 406(b) of ERISA.

c. The Committee should adopt policies and procedures with respect to conflicts of interests and the management of potential conflicts of interests. Such policies should be disseminated to members of the Committee, Investment Fiduciaries, the Trustee and affected employees of the VEBA. Each Investment Fiduciary and each affected employee should certify annually that he, she or it has received the applicable policies and procedures and confirm that he, she or it has complied with such policies in the previous year. These policies initially should be based on the UAW conflict of interest policy.

d. No fiduciary should be retained for a reason other than competence, cost, experience and other matters relevant to the fiduciary's ability to perform the functions assigned to such fiduciary in a cost effective manner.

S.-1.3 The Committee and each Investment Fiduciary should take prudent steps to protect and safeguard the assets from theft and embezzlement.

a. The Committee should establish for procedures for the VEBA to maintain, or cause others to maintain, one or more fidelity bonds covering the plan fiduciaries and other persons who handle funds or other property of the plan as required by Section 412 of ERISA and Section 10.12 of the Trust Agreement.

b. The Committee should take prudent steps to seek payment of any contributions that are past due and have not been paid in accordance with Section 10.13 of the Trust Agreement.

S.-1.4 Except to the extent permitted by Department of Labor Regulations, no fiduciary may maintain the indicia of ownership of any assets of the VEBA outside the jurisdiction of the district courts of the United States as required by Section 404(b) of ERISA.

a. The Committee should establish procedures, which may consist of a covenant from its Investment Fiduciaries, to ensure that the indicia of ownership of the assets of the VEBA are not maintained outside the jurisdiction of the district courts of the United States, except as permitted by the Department of Labor Regulations.

S.-2.1 The Committee should establish an investment strategy consistent with requirements of the Trust Agreement and the purposes of the VEBA.

a. The Committee should determine the expected modeled return on VEBA assets and identify an appropriate level of investment risk, taking into account expected returns

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

over time and short-term liquidity needs. In determining the expected return the Committee should consider:

1. Diversification requirements to reduce the VEBA's exposure to losses.
2. Selection of asset classes consistent with the expected risk and return.
3. The projected return of the portfolio relative to the funding objectives of the VEBA.
4. Such other factors as the Committee may deem appropriate.

b. The Committee should develop an investment strategy based upon such expected return and expected level of risk. In no circumstances shall the Committee be responsible for guaranteeing any expected return.

c. The Committee should review the VEBA's investment strategy at minimum once a year and make any changes as appropriate.

S.-2.2 The Committee should establish investment guidelines to be communicated to Investment Fiduciaries consistent with the investment strategy developed.

a. The Investment guidelines should be sufficiently detailed to permit each Investment Fiduciary to implement and manage the specific investment strategy for which it was appointed. In the discretion of the Committee, these investment guidelines provided to the Investment Fiduciary should:

1. Define the duties and responsibilities of the Investment Fiduciary
2. Define any applicable diversification and rebalancing guidelines.
3. Include any relevant selection criteria for asset classes and investments.
4. Set forth the appropriate benchmarks, indices, peer groups, and the investment objectives against which the performance of the Investment Fiduciary is to be evaluated.
5. Define such due diligence criteria for selecting investments that the Committee in the exercise of prudence determines the Investment Fiduciary should incorporate as part of its investment process.
6. Define the relevant monitoring criteria for the Investment Fiduciary.
7. Define the relevant procedures for controlling and accounting for investment expenses.

b. The Committee should review the investment guidelines at a minimum once each year to ensure that investment objectives are analyzed and modified as prudent.

S.-3.1 The Committee should select Investment Fiduciaries, delegate investment duties to such Investment Fiduciaries, and allocate assets to each Investment Fiduciary to manage consistent with the investment strategy and the investment guidelines applicable to it.

a. The Committee should follow a due diligence process in selecting Investment Fiduciaries that selects among providers based on an objective assessment of their qualification, the quality of the work performed, the reasonableness of the fees, and any such other factors as the Committee deems appropriate and relevant. The Committee should maintain a written record of the process used to select such Investment Fiduciaries.

b. The Committee should establish procedures to reasonably assure that each Investment Fiduciary or other staff appointed by them has the necessary experience and qualifications needed to oversee the assets allocated to their portfolio.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

1. The Committee should maintain a list of Investment Fiduciaries, including, as part thereof, the Investment Fiduciaries' credentials and experience in carrying out the duties assigned to them.
2. The Committee should require periodic reporting from the Investment Fiduciaries as to the work performed.
3. To the extent the Committee hires staff with investment management-related responsibilities, the Committee should develop written job descriptions for such staff, including, as part thereof, the expected credentials and experience of all staff assigned or exercising such authority.
4. All fees for investment management should be "reasonable compensation" as defined in Section 408(b)(2) of ERISA.
    i. The Appointing Fiduciary should take reasonable steps to assure that all compensation, direct or indirect, is reasonable under Section 408(b)(2) of ERISA.
    ii. If the compensation of the Investment Fiduciary will be performance based, the Appointing Fiduciary should review such proposed compensation arrangement in light of the risks associated with the manner of compensation and the potential amount to be paid.
    iii. The Committee should review any proposed finder's fees or other forms of compensation for asset placement in connection with selection of Investment Fiduciaries to determine whether such compensation is reasonable.
    iv. The Committee should periodically review such fees to determine if fees remain reasonable in light of the services performed.
5. The Committee should establish a prudent process for periodically assessing the effectiveness of the VEBA's fiduciary structure including the Committee and other fiduciaries in meeting their responsibilities.

S.-3.2 Each Investment Fiduciary should give appropriate consideration to the facts and circumstances relevant to the particular investment or investment course of action in accordance with the "prudent man" rule of ERISA.

a. Each Investment Fiduciary shall prudently investigate the merits of any potential investment to be made for the VEBA.
b. Appropriate consideration with respect to an investment includes a determination that the particular investment or investment course of action is reasonably designed to comply with the investment guidelines provided to the Investment Fiduciary, taking into consideration the risk of loss and the opportunity for gain associated with the investment or investment course of action.
c. Each Investment Fiduciary should have the requisite expertise, knowledge and information necessary to prudently implement the investment strategy and guidelines.
d. If the Investment Fiduciary lacks sufficient knowledge or sophistication to manage a portion of the VEBA's assets under its authority consistent with the investment strategy or guidelines, the Investment Fiduciary should delegate the investment duties to a knowledgeable professional.

S.-3.3 Each Appointing Fiduciary shall periodically review the performance of the appointed Investment Fiduciary.

a. The Appointing Fiduciary should review the performance of the Investment Fiduciary appointed, at least annually and more frequently as circumstances may warrant, with regards to:

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

1. Compliance with these investment practice standards, any investment guidelines and with the purposes and needs of the VEBA.
2. Comparison of the investment's performance to appropriate benchmarks, indices, peer groups, and the investment objectives against which the performance of the Investment Fiduciary is evaluated.
3. Compliance with the conflict of interest policy, as long as doing so is reasonable under the circumstances. (The Appointing Fiduciary may rely on a certification of the Investment Fiduciary that it has complied with such conflict of interest policies.)
4. The quality and timeliness of the Investment Fiduciary's response to requests for information.
5. The level of service provided as compared to the costs and fees.
6. The quality and timeliness of the Investment Fiduciary's reports to the Appointing Fiduciary and, where applicable, the Committee, Trustee or plan participants and beneficiaries.
7. Any education and information provided to the Appointing Fiduciary, the Committee or the plan participants by the Investment Fiduciary.
8. Qualitative and/or organizational changes of Investment Fiduciaries, such as:
    i. Staff turnover in determining whether the quality of the service or the investment results provided in the past may be maintained in the future.
    ii. Changes in the organizational structure of the Investment Fiduciary, including mergers and/or acquisitions that could affect the quality of the service or the investment results in the future.

b. The nature and results of the monitoring should be recorded in writing, including documentation of any actions recommended, reviewed or taken.

c. Control procedures should be in place to periodically review policies for best execution and proxy voting.
1. The Appointing Fiduciary should review the Investment Fiduciary to determine whether the Investment Fiduciary has reasonable procedures in place to secure best execution of the plan's brokerage transactions. The Appointing Fiduciary may consider the cost of commissions for the transaction, the quality and reliability of the execution and any other factors as the Appointing Fiduciary deems relevant.
2. The Appointing Fiduciary should establish a procedure to review any commissions paid on such transactions at the direction of the Investment Fiduciary to determine if they are reasonable in light of the value of the brokerage and research services or are otherwise permissible under Section 28(e) of the Securities Exchange Act of 1934.
3. The Appointing Fiduciary should monitor the procedures employed by an Investment Manager in voting proxies and actions taken in connection with the voting of proxies to ensure that the interests of plan participants and beneficiaries are protected by such actions (or inaction), and are not subordinated to other considerations. An Independent Fiduciary should retain all discretionary authority over voting proxies for the Employer Securities in accordance with Section 11.2 of the Trust Agreement.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit I

Code of Ethics

In order for the Trust to continue the protection from the otherwise debilitating financial consequences that would accompany illness that has been afforded many thousands of UAW retirees of the automobile industry over the decades through the collective bargaining agreements between the UAW and Chrysler, Ford and GM — which protection has been essential to maintaining the dignity and financial security of such UAW retirees — the Committee must administer the Trust, and Trust personnel must act, in complete good faith and honesty, and with a single-minded dedication to protecting the interests of the Participants and Beneficiaries. To this end, this Code of Ethics shall govern the conduct of all those persons charged with implementation and administration of the Trust.

The following principles shall apply to members of the Committee as well as to any and all employees, professional staff and others employed in any staff capacity by the Trust. All such persons are referred to herein as "representatives and employees of the Trust." The Committee shall also inform all vendors, suppliers, outside consultants, health care providers and any other parties performing services for or on behalf of the Trust of this Code of Ethics and inform them that the Committee expects all such persons or entities to respect the provisions of this Code of Ethics. (For purposes of this Code of Ethics, references to family or families means spouses, children, grandparents, grandchildren, uncles, aunts, nieces, nephews by blood or marriage).

1. The assets of the Fund are held in trust for the benefit of the Participants and Beneficiaries. The Participants and Beneficiaries are entitled to assurance that Trust assets are not dissipated, are invested wisely, and are spent only for proper purposes.

2. The Participants and Beneficiaries are also entitled to assurance that representatives and employees of the Trust will be motivated solely by consideration of the best interests of the Participants and Beneficiaries, and will never allow their actions in administration of the Trust to be motivated in any respect by their own self-interest or any other factor that could result in decisions being taken that could work to the detriment of the Participants and Beneficiaries.

3. Service as a representative or employee of the Trust is service *in the interest of the Participants and Beneficiaries.* Pursuing any other goal will injure the reputation of the individual involved as well as the Trust itself. Even more importantly, pursuing any goal other than the best interests of the Participants and Beneficiaries will undermine the Trust's ability to provide benefits to Participants and Beneficiaries.

4. It is vital that all representatives and employees of the Trust conduct their day-to-day activities in accordance with these principles and in a manner consistent with the special responsibility they have to the Participants and Beneficiaries. Employees and representatives of the Trust must demonstrate — by their

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

conduct as well as their words — that they are dedicated solely to helping the Participants and Beneficiaries and are not motivated by any other goal or in any sense seeking to enrich themselves, their families, or business associates, or gain any advantage for themselves, their families, or business associates from their relationship to the Trust.

5. The Trust shall conduct its proprietary functions, including all contracts for purchase or sale or for rendering services in accordance with the best practices of well-run institutions, including the securing of competitive bids for major contracts.

6. The Trust shall not permit any of its funds to be invested in a manner designed to result in profit or advantage for any representative or employee of the Trust, his or her family, or business associates.

7. There shall be no contracts of purchase or sale or for rendering services which will result in profit or advantage for any representative of the Trust, his or her family or business associates. Nor shall any representative or employee of the Trust accept profit or special advantage for himself or herself, his or her family or business associates from a business — including, without limitation, a vendor or service provider — with which the Trust has a business relationship of any kind.

8. The Trust shall not make loans to its representatives or employees, or members of their families, for any purpose, including financing the private business of such persons.

9. No representative or employee of the Trust shall have any compromising personal ties, direct or indirect, with outside agencies such as insurance carriers, brokers, or consultants — including with any representative, employee or agent of any such agencies, carriers, broker or consultants — doing business with the Trust.

10. The Trust shall fully comply with all applicable legal and accounting requirements, including with respect to maintaining its books and records in accordance with accepted accounting practices and conducting periodic audits as required by law. The financial records of the Trust shall be made available to retired participants and others as required by law.

11. Any person who represents the Trust has a duty to serve the best interests of the Participants and Beneficiaries. Therefore, every representative and employee of the Trust must avoid any outside transaction which even gives the appearance of a conflict of interest. The special fiduciary nature of these positions requires the highest loyalty to the duties of the office.

12. No representative or employee of the Trust shall have any personal financial interest which conflicts with her/his duties on behalf of the Trust.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

13. No representative or employee of the Trust shall have any substantial financial interest (even in the publicly-traded, widely-held stock of a corporation), in any business with which the Trust has any business relationship.

14. No representative or employee of the Trust shall accept "kickbacks," under-the-table payments, gifts or entertainment of any value or any personal payment of any kind from a business or professional enterprise with which the Trust does business, nor arrange to have any such financial payments or perquisites inure to the benefit of their family or business associates.

15. All staffing decisions and decisions regarding use of outside vendors shall be made based solely on consideration of the best interests of the Participants and Beneficiaries. No staff shall be hired, nor any consultants or other vendors used in connection with the conduct of the Trust's affairs, as a result of personal or family ties to existing representatives or employees of the Trust, the UAW, or any of the contributing employers.

16. The Participants and Beneficiaries are entitled to be reasonably informed as to how the Trust's assets are used and cared for. Toward this end, the Committee shall — at least annually — provide reasonable notice (by mailed notice to Participants and Beneficiaries or other suitable means) in a form understandable by Participants and Beneficiaries of the status of the Trust and the applicable Separate Retiree Account, including:

    a. The funding status of the applicable Separate Retiree Account.

    b. The amount spent on Benefits from the applicable Separate Retiree Account in the prior year.

    c. The amount spent on administrative costs (including items such as rent, utilities, consulting fees, outside services, salaries, and the like) from the applicable Separate Retiree Account in the prior year.

    d. The number of Participants and Beneficiaries drawing benefits from the applicable Separate Retiree Account in the prior year.

    e. The Committee's current projections regarding solvency of the applicable Separate Retiree Account, and any anticipated Benefit adjustments that may be required over the following five year period.

    f. Applicable Company contributions and remittances made during the prior year.

    g. The outcome of the Cash Flow Projection required by the Company Settlements with respect to the applicable Separate Retiree Account.

    h. The investment returns for the preceding year, as well as such longer periods as the Committee may determine.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

EXHIBIT F
REGISTRATION RIGHTS AGREEMENT

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit F

Form of
Securityholder and Registration Rights Agreement

SECURITYHOLDER AND REGISTRATION RIGHTS AGREEMENT

Dated as of [_____],

by and between

GENERAL MOTORS CORPORATION

and

[_____]

as Trustee of

[_____ VEBA TRUST]

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

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SECURITYHOLDER AND REGISTRATION RIGHTS AGREEMENT

This Securityholder and Registration Rights Agreement (this "Agreement") is entered into as of [_____], by and between General Motors Corporation, a Delaware corporation (the "Company"), and [_____], as trustee (the "Trustee") of the [_____VEBA Trust], a voluntary employees' beneficiary association trust established to fund [_____] (the "VEBA"), for the account and on behalf of the VEBA (which shall hereby be deemed a party to this Agreement).

WHEREAS, the Company is contributing to the VEBA $4,372,500,000 aggregate principal amount of 6.75% Series U Convertible Senior Debentures due December 31, 2012 issued by the Company (the "Debentures"), convertible under the terms thereof into common stock, par value $1-2/3 per share, of the Company (the "Common Stock");

WHEREAS, the Trustee has been appointed by the named fiduciary of the VEBA (the "Named Fiduciary") (as determined in accordance with Section 402(a) of ERISA), to manage the Debentures (and any shares of Common Stock that are issuable, or issued, as the case may be, upon conversion thereof) contributed to the VEBA and to exercise all rights, powers and privileges appurtenant to such securities (subject to the authority of the Named Fiduciary to terminate such appointment and appoint one or more other investment managers for any such securities);

WHEREAS, the Trustee has full power and authority to execute and deliver this Agreement for the account and on behalf of the VEBA and to so bind the VEBA; and

WHEREAS, in connection with the foregoing, the parties hereto wish to enter into this Agreement to govern the rights and obligations of the parties with respect to registration rights and certain other matters relating to the Debentures and the shares of Common Stock that are issuable, or issued, as the case may be, upon conversion thereof.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Certain Defined Terms. As used herein, the following terms shall have the following meanings:

"Adverse Disclosure" means public disclosure of material non-public information that, in the Company's good faith judgment, after consultation with independent outside counsel to the Company, (i) would be required to be made in any Registration Statement or report filed with the SEC by the Company so that such Registration Statement or report would not be materially misleading; (ii) would not be required to be made at such time but for the filing of such Registration Statement; and (iii) the Company has a *bona fide* business purpose for not disclosing publicly.

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"Affiliate" means, with respect to any Person, any other Person which directly or indirectly Controls or is Controlled by or is under common Control with such Person. For the avoidance of doubt, the UAW and its Affiliates shall be deemed to be Affiliates of the VEBA.

"Agreement" shall have the meaning set forth in the Preamble.

"Beneficial Owner" or "Beneficially Own" have the meanings given to such terms in Rule 13d-3 of the Exchange Act, except that a Person shall also be deemed to beneficially own all shares of Voting Securities with respect to which such Person has the right or option to acquire (through agreement, purchase, exchange, conversion or otherwise) beneficial ownership or the power to vote. For the avoidance of doubt, any holder of the Debentures shall be deemed to beneficially own all of the Conversion Shares issuable upon conversion thereof.

"Board" means the Board of Directors of the Company.

"Business Day" means any day that is not a Saturday, Sunday or any other day on which banks are required or authorized by Law to be closed in New York City, New York.

"Common Stock" shall have the meaning set forth in the Recitals.

"Company" shall have the meaning set forth in the Preamble.

"Control" means the direct or indirect power to direct or cause the direction of management or policies of a Person, whether through the ownership of voting securities, general partnership interests or management member interests, by contract, pursuant to a voting trust or otherwise. "Controlling" and "Controlled" have the correlative meanings.

"Conversion Shares" means the shares of Common Stock that are issued or issuable, as the case may be, from time to time upon conversion of the Debentures in accordance with the terms thereof, together with any securities issued or issuable in respect thereof in connection with any stock dividend, stock split (forward or reverse), combination of shares, recapitalization, merger, consolidation, redemption, exchange of securities or other reorganization or reclassification after the date hereof. For all purposes under this Agreement, any determination of the number of shares of Common Stock that are issuable upon conversion of, or underlying, the Debentures shall be made as if (i) the holder of the Debentures then has the right to convert the Debentures and (ii) any such conversion of the Debentures will be settled in accordance with the terms thereof entirely in shares of Common Stock and not in cash (except for the payment of cash in lieu of fractional shares of Common Stock). For avoidance of doubt, the immediately preceding sentence shall not alter or limit in any way the rights or obligations of the Holder or the Company under the terms of the Debentures, including with respect to settlement in cash upon conversion of the Debentures.

"Debentures" shall have the meaning set forth in the Recitals.

"Demand Notice" shall have the meaning set forth in Section 5.2(a).

"Demand Registration" shall have the meaning set forth in Section 5.2(a).

"Demand Registration Statement" shall have the meaning set forth in Section 5.2(b).

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"Elected Securities" shall have the meaning set forth in Section 3.2(a).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations thereunder.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

"Governing Instruments" has the meaning given to such term in Section 2.1(j).

"Governmental Entity" means any court, administrative agency or commission or other governmental authority or instrumentality, whether federal, state, local or foreign and any applicable industry self-regulatory organization.

"Group" has the meaning given to such term in Section 13(d)(3) of the Exchange Act.

"Hedging Activities" shall have the meaning set forth in Section 2.2(b).

"Holder" means the VEBA.

"Indemnitee" shall have the meaning set forth in Section 6.1.

"Indemnitor" shall have the meaning set forth in Section 6.3(a).

"Indenture" means the Indenture, dated as of January 8, 2008, between the Company and The Bank of New York, as trustee, as may be amended or supplemented from time to time.

"Initial Holder" means LBK, LLC, the initial holder of the Debentures.

"Initial Sale Time" shall have the meaning set forth in Section 6.1.

"Issuer Free Writing Prospectus" means an issuer free writing prospectus (as defined in Rule 433 under the Securities Act) relating to an offer of the Registrable Securities.

"Law" means any applicable United States or non-United States federal, provincial, state or local statute, common law, rule, regulation, ordinance, permit, order, writ, injunction, judgment or decree of any Governmental Entity.

"Losses" shall have the meaning set forth in Section 6.1.

"Material Adverse Change" means (i) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or the over-the-counter market in the United States of America; (ii) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States of America; (iii) a material outbreak or escalation of armed hostilities or other international or national calamity involving the United States of America or the declaration by the United States of a national emergency or war or a change in national or international financial, political or economic conditions; and (iv) any material adverse change in the Company's business, condition (financial or otherwise) or prospects.

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"Named Fiduciary" shall have the meaning set forth in the Recitals.

"Negotiated Transaction" shall have the meaning set forth in Section 2.2(a)(ii).

"Nominee" shall have the meaning set forth in Section 4.2.

"Offered Securities" shall have the meaning set forth in Section 3.1.

"Offer Notice" shall have the meaning set forth in Section 3.1.

"Offer Price" shall have the meaning set forth in Section 3.2(a).

"Option Exercise Notice" shall have the meaning set forth in Section 3.2(a).

"Option Period" shall have the meaning set forth in Section 3.2(a).

"Other Securities" means any Debentures, Common Stock or other securities of the Company held by a third party which are contractually entitled to registration rights or which the Company is registering pursuant to a registration statement covered by Section 5.3.

"Owned Shares" shall have the meaning set forth in Section 4.1.

"Person" means any individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, unincorporated organization or other organization, whether or not a legal entity, and any Governmental Entity.

"Piggyback Notice" shall have the meaning set forth in Section 5.3(a).

"Piggyback Registration" shall have the meaning set forth in Section 5.3(a).

"Prospectus" means the prospectus included in any Registration Statement (including a prospectus that discloses information previously omitted from a prospectus filed as part of an effective Registration Statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement, any Issuer Free Writing Prospectus related thereto, and all other amendments and supplements to such prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such prospectus.

"Proxy" or "Proxies" has the meaning given to such term in Rule 14a-1 of the Exchange Act.

"Registrable Securities" means the Debentures and the Conversion Shares. As to any particular Registrable Securities, such securities will cease to be Registrable Securities when they have been Transferred by the Holder in accordance with all applicable provisions of this Agreement.

"Registration Statement" means any registration statement of the Company under the Securities Act which permits the public offering of any of the Registrable Securities pursuant to

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the provisions of this Agreement, including the Prospectus, amendments and supplements to such registration statement, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"Representatives" means, with respect to any Person, any of such Person's officers, directors, employees, agents, attorneys, accountants, actuaries, consultants, financial advisors or other Person acting on behalf of such Person.

"Rule 144" means Rule 144 under the Securities Act or any successor rule thereto.

"Rule 144A" means Rule 144A under the Securities Act or any successor rule thereto.

"Rule 144 Sale" shall have the meaning set forth in Section 2.2(a)(iii).

"Rule 144A Sale" shall have the meaning set forth in Section 2.2(a)(iv).

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"Settlement Agreement" means the Settlement Agreement, dated February [___], 2008 (as amended, supplemented, replaced or otherwise altered from time to time), between the Company, the UAW, and certain class representatives, on behalf of the class of plaintiffs in (1) the class action of *Int'l Union, UAW, et al. v. General Motors Corp.*, Civil Action No. 07-14074 (E.D. Mich. filed Sept. 9, 2007) and/or (2) the class action of *UAW et al. v. General Motors Corp.*, No. 05-CV-73991, 2006 WL 891151 (E.D. Mich. Mar. 31, 2006, *aff'd, Int'l Union, UAW v. General Motors Corp.*, 497 F.3d 615 (6th Cir. 2007).

"Share Limitation" means that the underwriter selected by the Company of any underwritten public offering advises the Company in writing that in its opinion the number or dollar amount of securities requested to be included in such offering (whether by the Holder, the Company or any other holders thereof permitted (by contractual agreement with the Company or otherwise) to include such securities in such offering) exceeds the number or dollar amount of securities which can be sold in such offering without adversely affecting the price, timing, distribution or marketability of the offering.

"Shelf Offering" shall have the meaning set forth in Section 5.1(c).

"Shelf Period" shall have the meaning set forth in Section 5.1(b).

"Shelf Registration Statement" means (i) a Registration Statement of the Company on Form S-3 (or any successor form or other appropriate form under the Securities Act) filed with the SEC or (ii) if the Company is not permitted to file a Registration Statement on Form S-3, an evergreen Registration Statement on Form S-1 (or any successor form or other appropriate form under the Securities Act) filed with the SEC, in each case for an offering to be made on a continuous or delayed basis pursuant to Rule 415 under the Securities Act covering Registrable Securities. To the extent the Company is a well-known seasoned issuer (as defined in Rule 405

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under the Securities Act), a "Shelf Registration Statement" shall be deemed to refer to an automatic shelf registration statement (as defined in Rule 405 under the Securities Act) on Form S-3.

"Shelf Take-Down Notice" shall have the meaning set forth in Section 5.1(c).

"Solicitation" has the meaning given to such term in Rule 14a-1 of the Exchange Act.

"Subsidiary" means, with respect to any Person, any other Person of which more than 50% of the shares of the voting securities or other voting interests are owned or Controlled, or the ability to select or elect more than 50% of the directors or similar managers is held, directly or indirectly, by such first Person or one or more of its Subsidiaries.

"Transfer" means, directly or indirectly, to sell, transfer, assign, pledge, hedge, encumber, hypothecate or similarly dispose of, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, hedge, encumbrance, hypothecation or similar disposition.

"Transfer Date" means the date on which the Debentures are first transferred from the Initial Holder to the VEBA.

"Trustee" shall have the meaning set forth in the Preamble.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended, and the rules and regulations thereunder.

"UAW" means the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America.

"VEBA" shall have the meaning set forth in the Preamble.

"Voting Securities" means securities of the Company, including the Common Stock, with the power to vote with respect to the election of directors of the Company generally and all securities (including the outstanding Debentures) convertible into or exchangeable for securities of the Company with the power to vote with respect to the election of directors of the Company generally.

Section 1.2 Terms Generally. The definitions in Section 1.1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", unless the context expressly provides otherwise. All references herein to Sections, paragraphs, subparagraphs or clauses shall be deemed references to Sections, paragraphs, subparagraphs or clauses of, this Agreement, unless the context requires otherwise. Unless otherwise specified, the words "this Agreement", "herein", "hereof", "hereto" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular provision of this Agreement. The word "extent" in the phrase "to the extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if". Unless expressly stated otherwise, any Law defined or referred to herein means such Law as

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from time to time amended, modified or supplemented, including by succession of comparable successor Laws and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

ARTICLE II
CERTAIN COVENANTS AND RESTRICTIONS

Section 2.1 Standstill. The Holder shall not, and shall cause its Affiliates not to, during the term of this Agreement, directly or indirectly, alone or in concert with others, without the prior written consent of the Board, take any of the actions set forth below (or take any action that would require the Company to make any public announcement regarding any of the following):

(a) acquire, announce an intention to acquire, offer or propose to acquire or agree to acquire, by purchase or otherwise, Beneficial Ownership of any Voting Securities other than the acquisition of Debentures on the Transfer Date and the acquisition of Conversion Shares upon conversion thereof by the Holder;

(b) make, or in any way participate in, any Solicitation of Proxies to vote any Voting Securities or of any written consent to corporate action from any holders of Voting Securities, seek to advise, assist, instigate, encourage or influence any Person with respect to the voting of any Voting Securities, initiate or propose any stockholder proposal or induce or attempt to induce any other Person to initiate any stockholder proposal;

(c) make any statement or proposal, whether written or oral, to the Board, or to any director, officer or agent of the Company, or make any public announcement or proposal whatsoever with respect to a merger or other business combination, sale or transfer of any asset or assets of the Company that individually or collectively are material to the Company, recapitalization, extraordinary dividend, share repurchase, liquidation or other extraordinary corporate transaction involving the Company or any other transaction which could result in a change of control of the Company, or solicit or encourage any other Person to make any such statement, proposal or announcement;

(d) form, join or in any way participate in a Group with respect to any Voting Securities of the Company;

(e) deposit any Voting Securities into a voting trust or subject any Voting Securities to any arrangement or agreement with respect to the voting of any Voting Securities other than as expressly contemplated by this Agreement;

(f) call, request the calling of, or otherwise seek to assist in the calling of, a special meeting of the stockholders of the Company;

(g) participate in any meeting of the stockholders or execute any written consent to corporate action with respect to the Company, except in accordance with this Agreement;

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(h) seek to place a representative on the Board or seek the removal of any member of the Board;

(i) act alone or in concert with others to seek to Control or influence in any manner the management, the Board or the policies of the Company or any of its Affiliates;

(j) make a request (public or otherwise) to the Company (or its directors, officers, stockholders, employees or agents) to amend or waive this Section 2.1 or the Restated Certificate of Incorporation or Bylaws of the Company (collectively, the "Governing Instruments"), including any request (public or otherwise) to permit the Holder or its Affiliates, or any other Person, to take any action in respect of the matters referred to in this Section 2.1;

(k) publicly disclose any intention, plan or arrangement inconsistent with this Section 2.1; or

(l) advise, assist, instigate, encourage or influence any other Person to do any of the foregoing.

The foregoing provisions shall not prohibit the Holder from:

(i) acquiring any interest in any fund or collective investment vehicle that owns Voting Securities (so long as (x) such acquisition is not undertaken for the purpose of avoiding this Section 2.1, (y) Voting Securities comprise no more than 5% of the net asset value of such fund or investment vehicle and (z) neither the UAW, the Holder nor any of their respective Affiliates possesses the right, power or ability to Control such fund or collective investment vehicle or its manager);

(ii) engaging in Hedging Activities to the extent permissible under Section 2.2; or

(iii) subject to Section 2.2, tendering into any tender or exchange offer as seller.

Furthermore, the foregoing provisions shall not prohibit the UAW from (i) engaging in collective bargaining activities with respect to the Company in connection with the UAW's representation of its members, (ii) administering or enforcing its rights under any collective bargaining agreement or other agreement or arrangement with the Company or (iii) communicating with the UAW's members regarding such actions or activities (so long as such actions or activities under clauses (i), (ii) and (iii) are not undertaken for the purpose of avoiding this Section 2.1).

Section 2.2 Transfer Restrictions.

(a) The Holder shall not make any Transfer of any Registrable Securities other than pursuant to any one or more of the following transactions (provided that the Holder has also first complied with the terms and conditions contained in Article III hereof in connection with such proposed Transfer, and subject to the limitations set forth in this Section 2.2 and in any restrictive legends on the Holder's Debenture or Common Stock certificates):

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(i) a Transfer pursuant to a Shelf Offering, Demand Registration or Piggyback Registration in each case in accordance with Article V;

(ii) a Transfer pursuant to a privately negotiated transaction or series of related transactions effected on the same date and at the same price per share or debenture with one or more transferees (a "Negotiated Transaction");

(iii) a Transfer pursuant to Rule 144 (a "Rule 144 Sale");

(iv) a Transfer pursuant to Rule 144A (a "Rule 144A Sale");

(v) a Transfer to the Company or a wholly-owned direct or indirect Subsidiary of the Company pursuant to a self-tender offer or otherwise;

(vi) a Transfer pursuant to a merger or consolidation in which the Company or a wholly-owned direct or indirect Subsidiary of the Company is a constituent corporation; and

(vii) a Transfer by tendering any or all of the Registrable Securities into an exchange offer, a tender offer or a request or invitation for tenders (as such terms are used in Sections 14(d) or 14(e) of the Exchange Act and the rules and regulations of the SEC thereunder) for Common Stock if the tender offer has been recommended, and such recommendation has not been withdrawn, by a committee of the Board consisting solely of members of the Board (x) who are not officers or employees of the Company, (y) who are not representatives, nominees or Affiliates of the UAW or the Holder and (z) who are not representatives, nominees or Affiliates of the bidder (as defined in Rule 14d-1(e) under the Exchange Act) making such tender offer.

(b) The Holder may not (i) acquire any securities convertible into or exercisable for the Debentures or Common Stock or any securities the value of which is derived from, or determined by reference to, the Debentures or Common Stock or (ii) acquire, establish or enter into any derivative contract or arrangement the value of which is derived from, or determined by reference to, the Debentures or Common Stock, except for actions under clause (i) or (ii) that are solely for the purpose of hedging (and that do not have the effect of increasing) the Holder's investment in the Debentures or the Conversion Shares (such activities being referred to as "Hedging Activities") and subject to the other limitations set forth in this Agreement.

(c) Notwithstanding any provisions of this Agreement to the contrary:

(i) the aggregate number of (w) Conversion Shares that are Transferred by the Holder pursuant to one or more Rule 144 Sales and Rule 144A Sales, (x) Conversion Shares underlying the principal amount of Debentures that are Transferred by the Holder pursuant to one or more Rule 144 Sales and Rule 144A Sales, (y) Conversion Shares Transferred in connection with one or more Hedging Activities and (z) Conversion Shares underlying the principal amount of Debentures Transferred in connection with one or more Hedging Activities shall not exceed 13.5 million Conversion Shares in any 3-month period; and

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(ii) the aggregate number of (w) Conversion Shares that are Transferred by the Holder pursuant to one or more Shelf Offerings, Demand Registrations, Rule 144 Sales and Rule 144A Sales, (x) Conversion Shares underlying the principal amount of Debentures that are Transferred by the Holder pursuant to one or more Shelf Offerings, Demand Registrations, Rule 144 Sales and Rule 144A Sales, (y) Conversion Shares Transferred in connection with one or more Hedging Activities and (z) Conversion Shares underlying the principal amount of Debentures Transferred in connection with one or more Hedging Activities shall not exceed 54 million Conversion Shares in any 12-month period.

(d) Notwithstanding any provisions of this Agreement to the contrary, the Holder shall not make a Transfer of any Registrable Securities to (i) any one Person or Group (whether such Person or Group is buying for its own account or as a fiduciary on behalf of one or more accounts) of more than 2% of the Common Stock then outstanding (it being understood that the Transfer of any principal amount of the Debentures shall be deemed for these purposes to be the Transfer of the underlying Conversion Shares) or (ii) any one Person or Group if such Person or Group is then required to file, or has filed, or as a result of such Transfer will be required to file (to the knowledge of the Holder after reasonable inquiry) a statement on Schedule 13D under the Exchange Act (or any successor thereto) with respect to the Common Stock and such Person or Group intends, or has expressly reserved the right, to exert Control or influence over the Company (to the knowledge of the Holder after reasonable inquiry).

(e) If the Registrable Securities subject to any Transfer are not to be registered under the Securities Act, the Holder shall, prior to effecting such Transfer, cause each transferee in such Transfer to represent and warrant to, and covenant and agree with, the Holder and the Company in writing that (i) such transferee is acquiring such Registrable Securities for its own account, or for one or more accounts, as to each of which such transferee exercises sole investment discretion, for investment purposes only and not with a view to, or for resale in connection with, any distribution (within the meaning of the Securities Act) and (ii) such transferee does not constitute an underwriter (within the meaning of the Securities Act) with respect to the acquisition of such Registrable Securities from the Holder. The parties hereto agree that the representations, warranties and covenants referred to in the immediately preceding sentence shall not be required from any transferee who receives Registrable Securities pursuant to a sale in compliance with Rule 144.

(f) Prior to making any Transfer of Registrable Securities pursuant to Section 2.2(a)(iii), the Holder shall deliver to the Company an opinion of counsel reasonably satisfactory to the Company to the effect that such Transfer may be made without registration under the Securities Act in reliance upon Rule 144.

(g) No Transfer of Registrable Securities in violation of this Agreement, including Article III hereof, or in violation of any restrictive legends on the Holder's Debenture or Common Stock certificates shall be made or recorded on the books of the Company and any such Transfer shall be void and of no effect.

(h) Upon completion of any Transfer of any Registrable Securities or the entering into or execution of any Hedging Activities by or on behalf of the Holder, the Holder shall notify the Company in writing of (i) the principal amount of Debentures and the number of

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Conversion Shares so Transferred and (ii) the principal amount of Debentures and the number of Conversion Shares so Transferred pursuant to such Hedging Activities.

Section 2.3 Certificate Legends; Holder Representations.

(a) The Holder acknowledges and agrees that each certificate representing the Holder's Debentures and Conversion Shares shall conspicuously bear legends in accordance with the Indenture.

(b) The Holder covenants and agrees that it will cooperate with the Company and take all action necessary to ensure that each certificate representing the Holder's Debentures and Conversion Shares shall conspicuously bear legends, respectively, in substantially the following forms:

THE SALE, TRANSFER, ASSIGNMENT, HEDGE, PLEDGE, ENCUMBRANCE, HYPOTHECATION OR DISPOSAL OF THESE DEBENTURES AND THE SHARES OF COMMON STOCK ISSUABLE UPON CONVERSION HEREOF IS SUBJECT TO THE RESTRICTIONS, TERMS AND CONDITIONS OF THAT CERTAIN SECURITYHOLDER AND REGISTRATION RIGHTS AGREEMENT, DATED AS OF [_____], BY AND BETWEEN GENERAL MOTORS CORPORATION AND [_____]. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY.

THE SALE, TRANSFER, ASSIGNMENT, HEDGE, PLEDGE, ENCUMBRANCE, HYPOTHECATION OR DISPOSAL OF SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE RESTRICTIONS, TERMS AND CONDITIONS OF THAT CERTAIN SECURITYHOLDER AND REGISTRATION RIGHTS AGREEMENT, DATED AS OF [_____], BY AND BETWEEN GENERAL MOTORS CORPORATION AND [_____]. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY.

(c) The Holder represents and warrants that it, together with its investment managers, has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Registrable Securities. The Holder understands and acknowledges that the Registrable Securities have not been registered under the Securities Act or any state securities law and that the Registrable Securities may not be the subject of any Transfer except as expressly permitted by this Agreement.

ARTICLE III
RIGHT OF FIRST OFFER

Section 3.1 Offer Notice. If at any time the Holder proposes to Transfer Registrable Securities pursuant to Section 2.2(a)(i), (ii), (iii) or (iv), the Holder shall promptly give the Company written notice of such intention to make the Transfer (the "Offer Notice"). The Offer Notice shall include (i) a description of the Registrable Securities proposed to be Transferred, (ii) the proposed method of distribution therefor and (iii) the number of such Registrable Securities proposed to be Transferred (the "Offered Securities").

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Section 3.2 Company's Right of First Offer.

(a) The Company shall have an option for a period of ten (10) days from delivery of the Offer Notice (the "Option Period") to elect to offer to purchase all or any portion of the Offered Securities. The Company may exercise such election option by notifying the Holder in writing before expiration of the Option Period (the "Option Exercise Notice") as to (i) the number of such Offered Securities that it wishes to purchase (the "Elected Securities"), (ii) the per share or per Debenture cash purchase price that it proposes to pay the Holder for such Elected Securities (the "Offer Price") and (iii) the material terms and conditions upon which the proposed purchase would be made. The Option Exercise Notice shall constitute an offer to purchase the number of Elected Securities indicated in the Option Exercise Notice from the Holder at the cash Offer Price and on the other terms and conditions set forth in the Option Exercise Notice. The Holder shall have ten (10) days to accept, in writing, in whole and not in part, the offer (if any) made by the Company in the Option Exercise Notice.

(b) If the Holder does not accept the Company's offer, the Holder shall be entitled to Transfer all or any portion of the Offered Securities, subject to the other terms of this Agreement (including Section 5.5(a) and Section 2.2), to a purchaser or purchasers on terms and conditions that are not less favorable to the Holder than those set forth in the Option Exercise Notice (and that are no more favorable to the purchaser or purchasers) in the Holder's reasonable judgment; provided, that such Transfer of all or any portion of the Offered Securities to the purchaser or purchasers is completed within one hundred twenty (120) days after delivery of the Offer Notice to the Company. If at the end of the one hundred twenty (120) day period, the Holder has not completed the Transfer of the Offered Securities, the Holder shall no longer be permitted to Transfer any of such Offered Securities without again fully complying with the provisions of this Article III.

(c) If the Company (x) does not deliver an Option Exercise Notice to the Holder before the expiration of the Option Period, or (y) elects to offer to purchase less than all of such Offered Securities, the Holder shall be entitled to Transfer (1) all or any portion of the Offered Securities (in the case of clause (x) above), or (2) any portion of the Offered Securities that do not constitute Elected Securities (in the case of clause (y) above), in each case subject to the other terms of this Agreement (including Section 5.5(a) and Section 2.2), to a purchaser or purchasers on any terms and conditions; provided, that such Transfer of the Offered Securities to the purchaser or purchasers is completed within one hundred twenty (120) days after delivery of the Offer Notice to the Company. If at the end of the one hundred twenty (120) day period, the Holder has not completed the Transfer of the Offered Securities, the Holder shall no longer be permitted to Transfer any of such Offered Securities without again fully complying with the provisions of this Article III.

Section 3.3 Payment. If the Holder accepts in whole within ten (10) days any offer made by the Company in the Option Exercise Notice, then payment by the Company for the Elected Securities shall be made in cash by check or wire transfer at a time and place agreed upon between the parties, which shall be no later than sixty (60) days after delivery to the Company of the Offer Notice; provided, however, that in the event the Company is unable to effectuate such closing due to legal and/or contractual prohibitions applicable to the Company or the transaction, the Company shall have the right to extend such deadline for the closing for up to an additional thirty (30) days. For the avoidance of doubt, any obligation of the Company to

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

effectuate such closing with respect to the Elected Securities shall be subject to the terms and conditions set forth in the Option Exercise Notice.

Section 3.4 Assignment of Right of First Offer. Notwithstanding any provision in this Agreement to the contrary, the Company may assign its rights and obligations under this Article III to any Person without the consent of the Holder; provided, that the Company shall be liable to the Holder for any breach of, or failure to comply with, this Article III by any such assignee.

ARTICLE IV
VOTING AGREEMENT

Section 4.1 Agreement to Vote. The Holder irrevocably and unconditionally hereby agrees that from and after the date hereof until the date of termination of this Agreement in accordance with its terms, at any meeting (whether annual or special and each adjourned or postponed meeting) of the Company's stockholders, however called, or in connection with any written consent of the Company's stockholders, the Holder will (i) appear at such meeting or otherwise cause any and all issued Conversion Shares held or beneficially owned by the Holder to be counted as present thereat for purposes of calculating a quorum and (ii) vote or cause to be voted (including by written consent, if applicable) such issued Conversion Shares held or beneficially owned by the Holder as of the relevant time ("Owned Shares") on each matter presented to the stockholders of the Company as follows:

(a) In the case of any proposed amendments to, or restatements of, the Governing Instruments that are proposed by the Company to (x) facilitate the transactions contemplated by this Agreement or (y) to bring the Governing Instruments into conformity with this Agreement, in either case as may be determined by the Board in its discretion, "for" such proposal; and

(b) In the case of any other matter presented to the stockholders of the Company, in the same proportionate manner (either "for," "against," "withheld" or otherwise) as (x) in the case of proposed stockholder action at a meeting of the Company's stockholders, the holders of Common Stock (other than the Holder and its Affiliates) that were present and entitled to vote on such matter voted in connection with each such matter and (y) in the case of proposed stockholder action by written consent, all the holders of Common Stock (other than the Holder and its Affiliates) that consented or did not consent in connection with each such matter.

Section 4.2 Irrevocable Proxy. The Holder hereby revokes any and all previous proxies granted with respect to its Owned Shares. Subject to the last two sentences of this Section 4.2, upon the request of the Company and subject to applicable law, the Holder shall, or shall use its reasonable best efforts to cause any Person serving as the nominee (the "Nominee") of the Holder with respect to its Owned Shares to, irrevocably appoint the Company or its designee as the Holder's proxy to vote (or cause to be voted) its Owned Shares in accordance with Section 4.1 hereof. Such proxy shall be irrevocable and coupled with an interest and shall be granted in consideration of the Company entering into this Agreement and the other arrangements covered by the Settlement Agreement. In the event that any Nominee for any reason fails to irrevocably appoint the Company or its designee as the Holder's proxy in accordance with this Section 4.2, the Holder shall cause such Nominee to vote its Owned Shares

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

in accordance with Section 4.1 hereof. In the event that the Holder or any Nominee fails for any reason to vote its Owned Shares in accordance with the requirements of Section 4.1 hereof, then the Company or its designee shall have the right to vote the Holder's Owned Shares in accordance with Section 4.1. Subject to applicable law, the vote of the Company or its designee shall control in any conflict between the vote by the Company or its designee of the Holder's Owned Shares and a vote by the Holder (or any Nominee on behalf of the Holder) of its Owned Shares. Notwithstanding the foregoing, the proxy granted by the Holder and/or any Nominee shall be automatically revoked upon termination of this Agreement in accordance with its terms.

Section 4.3 Inconsistent Voting Agreements. The Holder hereby agrees that the Holder shall not enter into any agreement, contract or understanding with any Person prior to the termination of this Agreement directly or indirectly to vote, grant a proxy or power of attorney or give instructions with respect to the voting of the Holder's Owned Shares in any manner which is inconsistent with this Agreement.

ARTICLE V
REGISTRATION RIGHTS

Section 5.1 Shelf Registration.

(a) Subject to Section 5.4, as promptly as practicable after the later of January 1, 2010 and the Transfer Date, the Company shall file with the SEC a Shelf Registration Statement relating to the offer and sale of all of the Registrable Securities held by the Holder from time to time in accordance with the methods of distribution elected by the Holder and set forth in the Shelf Registration Statement and shall use its reasonable best efforts to cause such Shelf Registration Statement to be declared effective under the Securities Act as promptly as practicable after the filing thereof.

(b) Subject to Section 5.4, the Company shall use its reasonable best efforts to keep such Shelf Registration Statement continuously effective under the Securities Act in order to permit the Prospectus forming a part thereof to be usable by the Holder until the earlier of (i) the date as of which all Registrable Securities have been sold pursuant to the Shelf Registration Statement or another registration statement filed under the Securities Act (but in no event prior to the applicable period referred to in Section 4(3) of the Securities Act and Rule 174 thereunder) and (ii) the date as of which the Holder is permitted to sell its Registrable Securities without registration pursuant to Rule 144 under the Securities Act without volume limitation or other restrictions on transfer thereunder (such period of effectiveness, the "Shelf Period"). The Company shall not be deemed to have used its reasonable best efforts to keep the Shelf Registration Statement continuously effective during the Shelf Period if the Company voluntarily takes any action or omits to take any action that would result in the Holder not being able to offer and sell any Registrable Securities pursuant to such Shelf Registration Statement, unless such action or omission is required by applicable law. The Company shall use its reasonable best efforts to remain a well-known seasoned issuer (as defined in Rule 405 under the Securities Act) (and not to become an ineligible issuer (as defined in Rule 405 under the Securities Act)) during the Shelf Period.

(c) At any time that a Shelf Registration Statement covering Registrable Securities pursuant to this Section 5.1 is effective, if the Holder delivers a notice to the Company

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(a "Shelf Take-Down Notice") stating that the Holder intends to effect an offering of all or part of the Registrable Securities included by the Holder on the Shelf Registration Statement (a "Shelf Offering") and stating the number or dollar amount of the Registrable Securities to be included in such Shelf Offering, then the Company shall amend or supplement the Shelf Registration Statement as may be necessary in order to enable such Registrable Securities and Other Securities, as the case may be, to be distributed pursuant to the Shelf Offering as contemplated by the Shelf Take-Down Notice (taking into account, in the case of any underwritten public Shelf Offering, the inclusion of Other Securities by any other holders).

(d) The number of Shelf Offerings (together with any Demand Registrations) in any 12-month period shall not exceed one, and the Holder shall not be entitled to initiate a Shelf Offering unless the Holder has requested to offer at least the lesser of (A) 12.5 million Conversion Shares (inclusive of Conversion Shares underlying any principal amount of the Debentures requested to offer) or (B) Registrable Securities having a fair market value (based (i) in the case of any Conversion Shares included in the request, upon the closing price of the Conversion Shares quoted on the principal securities exchange on which such Conversion Shares are listed on the trading day immediately preceding the date upon which the Holder delivers a Shelf Take-Down Notice to the Company, and (ii) in the case of any principal amount of the Debentures included in the request, upon the value of the underlying Conversion Shares based upon the closing price of the Conversion Shares quoted on the principal securities exchange on which such Conversion Shares are listed on the trading day immediately preceding the date upon which the Holder delivers a Shelf Take-Down Notice to the Company) of $500 million in such Shelf Offering.

(e) The Holder may withdraw its Registrable Securities from a Shelf Offering at any time by providing the Company with written notice. Upon receipt of such written notice, the Company shall cease all efforts to secure registration; provided, however, such registration shall nonetheless be deemed a Shelf Offering for all purposes hereunder unless (i) the withdrawal is made following the occurrence of a Material Adverse Change not known to the Holder at the time of the Shelf-Take Down Notice, (ii) the withdrawal is made because the registration would require the Company to make an Adverse Disclosure or (iii) the Holder has paid or reimbursed the Company for all of the reasonable out-of-pocket fees and expenses incurred by the Company in the preparation, filing and processing of the withdrawn registration.

(f) The Company shall, from time to time, supplement and amend the Shelf Registration Statement if required by the Securities Act, including the rules, regulations or instructions applicable to the registration form used by the Company for such Shelf Registration Statement.

(g) If an underwritten public Shelf Offering is subject to a Share Limitation, then there shall be included in such offering the number or dollar amount of Registrable Securities requested to be included in such registration by the Holder (and any Other Securities requested to be included therein by the holders thereof) that in the opinion of the underwriter selected by the Company can be sold without adversely affecting the price, timing, distribution or marketability of such offering, and such number or dollar amount of securities shall be allocated for inclusion prorata among the holders of all such securities (including the Registrable Securities of the Holder) on the basis of the number of securities of the Company owned by each such holder.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(h) In connection with an underwritten public Shelf Offering, the Holder shall have the right to select a nationally recognized underwriter as the lead or managing underwriter and the Company shall have the right to select a nationally recognized underwriter as the co-manager of such underwritten public Shelf Offering, in each case, who shall be reasonably acceptable to the other party. In connection with any such underwritten public Shelf Offering, the Holder and the Company agree that they will each enter into a customary underwriting agreement with the underwriters selected pursuant to the preceding sentence, such underwriting agreement to be reasonably satisfactory in form and substance to the Company, the Holder and the underwriters (it being understood that the Holder shall not be required to make any representations and warranties other than with respect to itself, its ownership of the Registrable Securities and its intended method of distribution thereof and shall not be required to provide an indemnity other than with respect to information it provides to the Company in writing expressly for use in such underwritten Shelf Offering, and any such indemnity shall be limited in amount to the net proceeds of such Shelf Offering actually received by the Holder). The Holder and the Company agree that (i) an equivalent number or dollar amount of Registrable Securities shall be sold through the lead or managing underwriter selected by the Holder and the underwriter selected by the Company in any underwritten public Shelf Offering and (ii) all decisions regarding whether a Share Limitation is necessary shall be made in the sole discretion of the underwriter selected by the Company.

Section 5.2 Demand Registrations.

(a) If, following the later of January 1, 2010 and the Transfer Date, the Company is unable to file, cause to be effective or maintain the effectiveness of a Shelf Registration Statement as required under Section 5.1, the Holder shall have the right by delivering a written notice to the Company (a "Demand Notice") to require the Company to, pursuant to the terms of this Agreement, register under and in accordance with the provisions of the Securities Act the number of Registrable Securities Beneficially Owned by the Holder and requested by such Demand Notice to be so registered (a "Demand Registration"); provided, however, that (i) the number of Demand Registrations (together with any Shelf Offerings) in any 12-month period shall not exceed one and (ii) the Company shall not be required to register the Registrable Securities requested by the Demand Notice unless the Holder has requested to offer at least the lesser of (A) 12.5 million Conversion Shares (inclusive of Conversion Shares underlying any principal amount of the Debentures requested to offer) or (B) Registrable Securities having a fair market value (based (i) in the case of any Conversion Shares included in the request, upon the closing price of the Conversion Shares quoted on the principal securities exchange on which such Conversion Shares are listed on the trading day immediately preceding the date upon which the Holder delivers a Demand Notice to the Company, and (ii) in the case of any principal amount of the Debentures included in the request, upon the value of the underlying Conversion Shares based upon the closing price of the Conversion Shares quoted on the principal securities exchange on which such Conversion Shares are listed on the trading day immediately preceding the date upon which the Holder delivers a Demand Notice to the Company) of $500 million in such Demand Registration. The Demand Notice shall also specify the expected method or methods of disposition of the applicable Registrable Securities.

(b) Subject to Section 5.4, following receipt of a Demand Notice, the Company shall use its reasonable best efforts to file, as promptly as reasonably practicable, a Registration Statement relating to the offer and sale of the Registrable Securities requested to be

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included therein by the Holder (and any Other Securities requested to be included therein by the holders thereof) in accordance with the methods of distribution elected by the Holder in the Demand Notice (a "Demand Registration Statement") and shall use its reasonable best efforts to cause such Registration Statement to be declared effective under the Securities Act as promptly as practicable after the filing thereof.

(c) The Holder may withdraw its Registrable Securities from a Demand Registration at any time by providing the Company with written notice. Upon receipt of such written notice, the Company shall cease all efforts to secure registration; provided, however, such registration shall nonetheless be deemed a Demand Registration for all purposes hereunder unless (i) the withdrawal is made following the occurrence of a Material Adverse Change not known to the Holder at the time of the Demand Notice, (ii) the withdrawal is made because the registration would require the Company to make an Adverse Disclosure or (iii) the Holder has paid or reimbursed the Company for all of the reasonable out-of-pocket fees and expenses incurred by the Company in the preparation, filing and processing of the withdrawn registration.

(d) If any of the Registrable Securities to be registered pursuant to a Demand Registration Statement are to be sold in an underwritten public offering, and such offering is subject to a Share Limitation, then there shall be included in such offering the number or dollar amount of Registrable Securities of the same class requested to be included in such registration by the Holder (and any Other Securities requested to be included therein by the holders thereof) that in the opinion of the underwriter selected by the Company can be sold without adversely affecting the price, timing, distribution or marketability of such offering, and such number or dollar amount of securities shall be allocated for inclusion prorata among the holders of all such securities (including the Registrable Securities of the Holder) on the basis of the number of such securities of the Company owned by each such holder.

(e) In connection with an underwritten public offering pursuant to a Demand Registration, the Holder shall have the right to select a nationally recognized underwriter as the lead or managing underwriter and the Company shall have the right to select a nationally recognized underwriter as the co-manager of such underwritten public offering, in each case, who shall be reasonably acceptable to the other party. In connection with any such underwritten public offering, the Holder and the Company agree that they will each enter into a customary underwriting agreement with the underwriters selected pursuant to the preceding sentence, such underwriting agreement to be reasonably satisfactory in form and substance to the Company, the Holder and the underwriters (it being understood that the Holder shall not be required to make any representations and warranties other than with respect to itself, its ownership of the Registrable Securities and its intended method of distribution thereof and shall not be required to provide an indemnity other than with respect to information it provides to the Company in writing expressly for use in such underwritten public offering pursuant to a Demand Registration, and any such indemnity shall be limited in amount to the net proceeds of such underwritten public offering pursuant to a Demand Registration actually received by the Holder). The Holder and the Company agree that (i) an equivalent number or dollar amount of Registrable Securities shall be sold through the lead or managing underwriter selected by the Holder and the underwriter selected by the Company in any underwritten public offering pursuant to a Demand Registration and (ii) all decisions regarding whether a Share Limitation is necessary shall be made in the sole discretion of the underwriter selected by the Company.

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Section 5.3 Piggyback Registration.

(a) If the Company proposes or is required to file a registration statement under the Securities Act with respect to an offering of Common Stock for its own account (other than (i) a registration statement filed pursuant to Section 5.1, (ii) a registration statement filed pursuant to Section 5.2, (iii) a registration statement on Form S-4 or S-8 or any successors thereto, (iv) a registration statement covering securities convertible into or exercisable or exchangeable for Common Stock (other than Registrable Securities) or (v) a registration statement covering an offering of securities solely to the Company's existing stockholders or otherwise in connection with any offer to exchange securities), then the Company shall give prompt written notice of such proposed filing at least 30 days before the anticipated filing date (the "Piggyback Notice") to the Holder. The Piggyback Notice shall offer the Holder the opportunity to include in such registration statement the number of Registrable Securities (for purposes of this Section 5.3, "Registrable Securities" shall be deemed to mean solely securities of the same type as those proposed to be offered by the Company for its own account) as they may request (a "Piggyback Registration"). Subject to Section 5.3(b), the Company shall include in each such Piggyback Registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 15 days after notice has been given to the Holder. The Holder shall be permitted to withdraw all or part of the Registrable Securities from a Piggyback Registration at any time up to the pricing date.

(b) If any of the shares of Common Stock to be registered pursuant to the registration giving rise to the Holder's rights under this Section 5.3 are to be sold in an underwritten public offering, the Holder shall be permitted to include all Registrable Securities requested to be included in such registration in such offering on the same terms and conditions as any other Registrable Securities, if any, of the Company included therein; provided, that if such offering is subject to a Share Limitation, then there shall be included in such offering: (i) first, the number or dollar amount of securities the Company proposes to sell and (ii) second, the number or dollar amount of Registrable Securities requested to be included in such registration by the Holder (and any Other Securities requested to be included therein by the holders thereof) that in the opinion of the underwriter selected by the Company can be sold without adversely affecting the price, timing, distribution or marketability of such offering, and such number or dollar amount of securities shall be allocated for inclusion prorata among the holders of all such securities (including the Registrable Securities of the Holder) on the basis of the number of such securities of the Company owned by each such holder.

(c) The Company may select the lead underwriter and co-manager or co-managers to administer any offering of Registrable Securities pursuant to a Piggyback Registration; provided, however, that if the Holder's Registrable Securities that are expected to be included in any such offering constitute, in the Company's reasonable judgment, at least 25% of the shares of Common Stock expected to be Transferred in such offering, the Holder shall have the right to appoint one co-manager (reasonably acceptable to the Company) for such offering, who shall participate in such offering on the same terms as the co-managers appointed by the Company. In connection with any underwritten public offering pursuant to a Piggyback Registration, the Holder agrees to enter into a customary underwriting agreement with the Company and the underwriters selected pursuant to the preceding sentence, such underwriting agreement to be reasonably satisfactory in form and substance to the Company, the Holder and the underwriters (it being understood that the Holder shall not be required to make any

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representations and warranties other than with respect to itself, its ownership of the Registrable Securities and its intended method of distribution thereof and shall not be required to provide an indemnity other than with respect to information it provides to the Company in writing expressly for use in such Piggyback Registration, and any such indemnity shall be limited in amount to the net proceeds of such Piggyback Registration actually received by the Holder).

(d) In the event that the Company gives the Holder notice of its intention to effect an offering pursuant to a Piggyback Registration and subsequently declines to proceed with such offering, the Holder shall have no rights in connection with such offering; provided, however, that at the request of the Holder, the Company shall proceed with such offering, subject to the other terms of this Agreement, with respect to the Registrable Securities, which registration shall be deemed to be a Demand Registration for all purposes hereunder. The Holder shall participate in any offering of Registrable Securities pursuant to a Piggyback Registration in accordance with the same plan of distribution for such Piggyback Registration as the Company or the holder or holders of Common Stock that proposed such Piggyback Registration, as the case may be.

(e) No registration of Registrable Securities effected pursuant to a request under this Section 5.3 shall be deemed to have been effected pursuant to Section 5.1 and Section 5.2 or shall relieve the Company of its obligations under Section 5.1 or Section 5.2.

Section 5.4 Postponement of Registrations. Notwithstanding anything to the contrary in Section 5.1 or Section 5.2, the Company may postpone the filing or effectiveness of any Demand Registration Statement or Shelf Registration Statement, or suspend the use of any Demand Registration Statement or Shelf Registration Statement, at any time if the Company determines, in its sole discretion, that such action or proposed action (i) would adversely affect or interfere with any proposal or plan by the Company or any of its Affiliates to engage in any material financing or in any material acquisition, merger, consolidation, tender offer, business combination, securities offering or other material transaction or (ii) would require the Company to make an Adverse Disclosure; provided, however, that the Company will not exercise its rights of postponement pursuant to this Section 5.4 for more than 180 days (which need not be consecutive) in any consecutive 12-month period. The Company shall promptly notify the Holder of any postponement pursuant to this Section 5.4 and the Company agrees that it will terminate any such postponement as promptly as reasonably practicable and will promptly notify the Holder of such termination. In making any such determination to initiate or terminate a postponement, the Company shall not be required to consult with or obtain the consent of the Holder or any investment manager therefor (including the Trustee), and any such determination shall be in the sole discretion of the Company, and neither the Holder nor any investment manager for the Holder (including the Trustee) shall be responsible or have any liability therefor.

Section 5.5 Holdback Period.

(a) The Holder agrees, in connection with any underwritten public offering in which the Holder has elected to include Registrable Securities, or which underwritten public offering is being effected by the Company for its own account, not to effect any public sale or distribution of any Common Stock (or securities convertible into or exchangeable or exercisable for Common Stock) (except as part of such underwritten public offering) during the period commencing on, and continuing for not more than 60 days (or such shorter period as the

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managing underwriter(s) may permit) after the effective date of the registration statement pursuant to which such underwritten offering shall be made or, in the case of a shelf registration statement, the period commencing on, and continuing for not more than 60 days (or such shorter period as the managing underwriter(s) may permit) after the Company's notice of a distribution in connection with such offering; provided, however, that (i) any applicable period shall terminate on such earlier date as the Company gives notice to the Holder that the Company declines to proceed with any such offering and (ii) the sum of all holdback periods shall not exceed 120 days in any given 12-month period.

(b) In connection with any underwritten public offering made pursuant to a Registration Statement filed pursuant to Section 5.1 or Section 5.2, the Company will not effect any public sale or distribution of any Common Stock (or securities convertible into or exchangeable or exercisable for Common Stock) for its own account (other than (x) a Registration Statement (i) on Form S-4, Form S-8 or any successor forms thereto or (ii) filed solely in connection with an exchange offer or any employee benefit or dividend reinvestment plan or (y) pursuant to such underwritten offering), during the period commencing on, and continuing for not more than 60 days (or such shorter period as the managing underwriter(s) may permit) after the effective date of the registration statement pursuant to which such underwritten offering shall be made or, in the case of a Shelf Registration Statement, the period commencing on, and continuing for not more than 60 days (or such shorter period as the managing underwriter(s) may permit) after the Company's notice of a distribution in connection with such offering, or, in either case, on such earlier date as the Holder gives notice to the Company that it declines to proceed with any such offering, except (i) for the issuance of shares of Common Stock upon the conversion, exercise or exchange, by the holder thereof, of options, warrants or other securities convertible into or exercisable or exchangeable for the Common Stock pursuant to the terms of such options, warrants or other securities, (ii) pursuant to the terms of any other agreement to issue shares of Common Stock (or any securities convertible into or exchangeable or exercisable for the Common Stock) in effect on the date of the notice of a proposed Transfer, including any such agreement in connection with any previously disclosed acquisition, merger, consolidation or other business combination and (iii) in connection with Transfers to dividend reinvestment plans or to employee benefit plans in order to enable any such employee benefit plan to fulfill its funding obligations in the ordinary course, unless the managing underwriter(s) agree otherwise. Notwithstanding the foregoing, the provisions of this Section 5.5 shall be subject to the provisions of Section 5.4, and if the Company exercises its rights of postponement pursuant to Section 5.4 with respect to any proposed underwritten public offering, the provisions of this Section 5.5 shall not apply unless and until such time as the Company notifies the Holder of the termination of such postponement and the Holder notifies the Company of its intention to continue with such proposed offering.

Section 5.6 No Inconsistent Agreements. Nothing herein shall restrict the authority of the Company to grant to any Person the rights to obtain registration under the Securities Act of any equity securities of the Company, or any securities convertible into or exchangeable or exercisable for such securities; provided, however, that the Company shall not grant any such rights with respect to the Registrable Securities or securities convertible into or exchangeable or exercisable for Common Stock that conflicts with the rights of the Holder under this Agreement. The Company shall cause each holder of Common Stock who obtains the right, after the date of the Registration Rights Agreement, to propose a registration giving rise to a Piggyback

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Registration, if any, to agree not to Transfer any shares of Registrable Securities or securities convertible into or exchangeable or exercisable for the Common Stock, for the applicable period set forth in Section 5.5(a).

Section 5.7 Registration Procedures.

(a) If and whenever the Company is required to effect the registration of any Registrable Securities under the Securities Act as provided in this Article V, the Company shall effect such registration to permit the sale of such Registrable Securities in accordance with the intended method or methods of disposition thereof, and pursuant thereto the Company shall cooperate in the sale of the securities and shall, as expeditiously as possible:

(i) Prepare and file with the SEC a Registration Statement or Registration Statements on such form which shall be available for the sale of the Registrable Securities by the Holder or the Company in accordance with the intended method or methods of distribution thereof, and use its reasonable best efforts to cause such Registration Statement to become effective and to remain effective as provided herein; provided, however, that before filing a Registration Statement or Prospectus (including any Issuer Free Writing Prospectus related thereto) or any amendments or supplements thereto, the Company shall furnish or otherwise make available to the Holder, its counsel and the managing underwriter(s), if any, copies of all such documents proposed to be filed, which documents will be subject to the reasonable review and comment of such counsel (provided that any comments made on behalf of the Holder and the managing underwriter(s), if any, are provided to the Company promptly upon receipt of the documents but in no event later than ten (10) Business Days after receipt of such documents by the Holder), and such other documents reasonably requested by such counsel, including any comment letter from the SEC, and, if requested by such counsel, provide such counsel reasonable opportunity to participate in the preparation of such Registration Statement and each Prospectus included therein (including any Issuer Free Writing Prospectus related thereto) and such other opportunities to conduct a reasonable investigation within the meaning of the Securities Act, including reasonable access to the Company's books and records, officers, accountants and other advisors. The Company shall not file any such Registration Statement or Prospectus (including any Issuer Free Writing Prospectus related thereto) or any amendments or supplements thereto with respect to any registration pursuant to Section 5.1 or Section 5.2 to which the Holder's Representative, its counsel, or the managing underwriter(s), if any, shall reasonably object, in writing, on a timely basis, unless, in the opinion of the Company, such filing is necessary to comply with applicable Law.

(ii) Prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be reasonably requested by the Holder or necessary to keep such Registration Statement continuously effective during the period provided herein and comply in all material respects with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement, and cause the related Prospectus to be supplemented by any Prospectus supplement or Issuer Free Writing Prospectus as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of the securities covered by such Registration Statement, and as so supplemented to be filed pursuant to

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Rule 424 or Rule 433, as applicable (or any similar provisions then in force) under the Securities Act.

(iii) Notify the Holder and the managing underwriter(s), if any, promptly (A) when a Prospectus or any Prospectus supplement, Issuer Free Writing Prospectus or post-effective amendment has been filed, and, with respect to a Registration Statement or any post-effective amendment, when the same has become effective, (B) of any request by the SEC or any other Governmental Entity for amendments or supplements to a Registration Statement or related Prospectus or Issuer Free Writing Prospectus or for additional information, (C) of the issuance by the SEC of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (D) if at any time the representations and warranties of the Company contained in any agreement (including any underwriting agreement contemplated by Section 5.7(a)(xvi) below) cease to be true and correct, (E) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose, and (F) of the happening of any event that makes any statement made in such Registration Statement or related Prospectus or Issuer Free Writing Prospectus untrue in any material respect or that requires the making of any changes in such Registration Statement, Prospectus, documents or Issuer Free Writing Prospectus so that, in the case of the Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of any Prospectus or Issuer Free Writing Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(iv) Use its reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement, or the lifting of any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction at the reasonably earliest practical date.

(v) If requested by the managing underwriter(s), if any, or the Holder, promptly include in a Prospectus supplement, post-effective amendment or Issuer Free Writing Prospectus such information as the managing underwriter(s), if any, or the Holder may reasonably request in order to permit the intended method of distribution of such securities and make all required filings of such Prospectus supplement, such post-effective amendment or Issuer Free Writing Prospectus as soon as practicable after the Company has received such request.

(vi) Furnish or make available to the Holder, and each managing underwriter, if any, without charge, such number of conformed copies of the Registration Statement and each post-effective amendment thereto, including financial statements (but excluding schedules, all documents incorporated or deemed to be incorporated therein by reference, and all exhibits, unless requested in writing by the Holder, counsel or managing underwriter(s)), and such other documents, as the Holder or such managing underwriter(s) may reasonably request, and upon request a copy of any

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and all transmittal letters or other correspondence to or received from the SEC or any other Governmental Entity relating to such offering.

(vii) Deliver to the Holder, and the managing underwriter(s), if any, without charge, as many copies of the Prospectus or Prospectuses (including each form of Prospectus and any Issuer Free Writing Prospectus related to any such Prospectuses) and each amendment or supplement thereto as such Persons may reasonably request in connection with the distribution of the Registrable Securities; and the Company, subject to Section 5.7(b), hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the Holder and the managing underwriter(s), if any, in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any such amendment or supplement thereto.

(viii) Prior to any public offering of Registrable Securities, use its reasonable best efforts to register or qualify or cooperate with the Holder, the managing underwriter(s), if any, and their respective counsel in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Securities for offer and sale under the securities or "Blue Sky" laws of such jurisdictions within the United States as any seller or managing underwriter(s) reasonably requests in writing and to keep each such registration or qualification (or exemption therefrom) effective during the period such Registration Statement is required to be kept effective and to take any other action that may be necessary or advisable to enable the Holder to consummate the disposition of such Registrable Securities in such jurisdiction; provided, however, that the Company will not be required to (i) qualify generally to do business in any jurisdiction where it is not then so qualified or (ii) take any action that would subject it to general service of process in any such jurisdiction where it is not then so subject.

(ix) Cooperate with the Holder and the managing underwriter(s), if any, to facilitate the timely preparation and delivery of certificates (not bearing any legends) representing Registrable Securities to be sold after receiving a written representation from the Holder that the Registrable Securities represented by the certificates so delivered by the Holder will be transferred in accordance with the Registration Statement, and enable such Registrable Securities to be in such denominations and registered in such names as the managing underwriter(s), if any, or the Holder may request at least two (2) Business Days prior to any sale of Registrable Securities.

(x) Upon the occurrence of any event contemplated by Section 5.7(a)(iii)(B) through Section 5.7(a)(iii)(F), at the request of the Holder, prepare and file with the SEC a supplement or post-effective amendment to the Registration Statement, Prospectus or Issuer Free Writing Prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such Prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading.

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(xi) Prior to the effective date of the Registration Statement relating to the Registrable Securities, provide a CUSIP number for the Registrable Securities.

(xii) Use its reasonable best efforts to cause the Debentures covered by a Registration Statement to be rated with such appropriate rating agencies (unless such Debentures are already rated), if so requested in writing by the Holder or the managing underwriter(s), if any.

(xiii) Use its reasonable best efforts to cause the Debentures covered by any Registration Statement to be listed on each securities exchange, if any, on which similar debt securities issued by the Company are then listed.

(xiv) So long as the Common Stock is listed on any United States securities exchange or a quotation system, use its best efforts to cause all of the Conversion Shares to be listed on such exchange or quotation system.

(xv) Provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by such Registration Statement from and after a date not later than the effective date of such Registration Statement.

(xvi) Enter into such agreements (including an underwriting agreement in form, scope and substance as is customary in underwritten offerings) and take all such other actions reasonably requested by the Holder or by the managing underwriter(s), if any, to expedite or facilitate the disposition of such Registrable Securities, and in connection therewith, whether or not an underwriting agreement is entered into and whether or not the registration is an underwritten registration, (i) make such representations and warranties to the Holder and the managing underwriter(s), if any, with respect to the business of the Company and its Subsidiaries, and the Registration Statement, Prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, in form, substance and scope as are customarily made by issuers in underwritten offerings, and, if true, confirm the same if and when requested, (ii) use its reasonable best efforts to furnish to the Holder opinions of counsel to the Company and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriter(s), if any, and counsel to the Holder), addressed to the Holder and each of the managing underwriter(s), if any, covering the matters customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by such counsel and managing underwriter(s), (iii) use its reasonable best efforts to obtain “cold comfort” letters and updates thereof from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any Subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement) who have certified the financial statements included in such Registration Statement, addressed to the Holder (unless such accountants shall be prohibited from so addressing such letters by applicable standards of the accounting profession) and each of the managing underwriter(s), if any, such letters to be in customary form and covering matters of the type customarily covered in “cold comfort”

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letters in connection with underwritten offerings, (iv) if an underwriting agreement is entered into, the same shall contain indemnification provisions and procedures substantially to the effect set forth in Article VI hereof with respect to all parties to be indemnified pursuant to said Article except as otherwise agreed by the Holder and the managing underwriter(s) and (v) deliver such documents and certificates as may be reasonably requested by the Holder, its counsel and the managing underwriter(s), if any, to evidence the continued validity of the representations and warranties made pursuant to clause (i) above and to evidence compliance with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company. The above shall be done at each closing under such underwriting or similar agreement, or as and to the extent required thereunder.

(xvii) Upon execution of a customary confidentiality agreement, make available for inspection by a Representative of the Holder, the managing underwriter(s), if any, and any attorneys, accountants or other agents or Representatives retained by the Holder or managing underwriter(s), at the offices where normally kept, during reasonable business hours, financial and other records, pertinent corporate documents and properties of the Company and its Subsidiaries, and cause the officers, directors and employees of the Company and its Subsidiaries to supply all information in each case reasonably requested by any such Representative, managing underwriter(s), attorney, accountant or Representatives in connection with such Registration Statement.

(xviii) Otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC and any applicable national securities exchange, and make available to the Holder, as soon as reasonably practicable (but not more than 18 months) after the effective date of the Registration Statement, an earnings statement which shall satisfy the provisions of Section 11(a) of the Securities Act.

(b) Each of the parties will treat all notices of proposed Transfers and registrations, and all information relating to any blackout periods under Section 5.4 received from the other party with the strictest confidence (and in accordance with the terms of any applicable confidentiality agreement among the Company and the Holder) and will not disseminate such information. Nothing herein shall be construed to require the Company or any of its Affiliates to make any public disclosure of information at any time. In the event the Company has notified the Holder of any occurrence of any event contemplated by Section 5.7(a)(iii)(B) through Section 5.7(a)(iii)(F) then the Holder shall not deliver such Prospectus or Issuer Free Writing Prospectus to any purchaser and will forthwith discontinue disposition of any Registrable Securities covered by such Registration Statement, Prospectus or Issuer Free Writing Prospectus unless and until a supplement or post-effective amendment to such Prospectus or Issuer Free Writing Prospectus has been prepared and filed as set forth in Section 5.7(a)(x) or until the Company advises the Holder in writing that the use of such Prospectus or Issuer Free Writing Prospectus may be resumed.

(c) The Holder shall cooperate with the Company in the preparation and filing of any Registration Statement under the Securities Act pursuant to this Agreement and provide the Company with all information reasonably necessary to complete such preparation as the Company may, from time to time, reasonably request in writing and the Company may exclude

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from such registration the Registrable Securities of the Holder if the Holder unreasonably fails to furnish such information within a reasonable time after receiving such request.

Section 5.8 Participation in Underwritten Transfers.

(a) In the case of an underwritten offering made pursuant to a Registration Statement filed pursuant to Section 5.1 or Section 5.2, the price, underwriting discount and other financial terms for each class of Registrable Securities of the related underwriting agreement shall be determined by the Holder. In the case of any underwritten offering registered pursuant to the registration giving rise to the Holder's rights under Section 5.3, such price, underwriting discount and other financial terms shall be determined by the Company, subject to the right of the Holder to withdraw its request to participate in the registration pursuant to Section 5.3(a).

(b) The Holder may not participate in any underwritten Transfers hereunder unless it (i) agrees to sell its securities on the basis provided in any customary underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements, custodian agreements and other documents customarily required under the terms of such underwriting arrangements, it being understood that the Holder shall not be required to make any representations and warranties other than with respect to itself, its ownership of the Registrable Securities and its intended method of distribution thereof and shall not be required to provide an indemnity other than with respect to information it provides to the Company in writing expressly for use in such underwritten Transfer, and any such indemnity shall be limited in amount to the net proceeds of such underwritten Transfer actually received by the Holder.

Section 5.9 Cooperation by Management. The Company shall make available members of the management of the Company and its Affiliates for reasonable assistance in the selling efforts relating to any offering of the Registrable Securities, to the extent customary for such offering (including, without limitation, to the extent customary, senior management attendance at due diligence meetings with prospective investors or underwriters and their counsel and road shows), and for such assistance as is reasonably requested by the Holder and its counsel in the selling efforts relating to any such offering; provided, however, that management need only be made available for (i) one offering in any 12-month period and (ii) an offering that contemplates a sale of at least 20 million Conversion Shares (inclusive of Conversion Shares underlying any principal amount of the Debentures included in such offering).

Section 5.10 Registration Expenses and Legal Counsel. The Company shall pay all reasonable fees and expenses incident to the performance of or compliance with its obligations under this Article V, including (i) all registration and filing fees (including fees and expenses (A) with respect to filings required to be made with all applicable securities exchanges and/or the Financial Industry Regulatory Authority, Inc. and (B) of compliance with securities or Blue Sky laws including any fees and disbursements of counsel for the underwriter(s) in connection with Blue Sky qualifications of the Registrable Securities pursuant to Section 5.7(a)(viii)), (ii) printing expenses (including expenses of printing certificates for Registrable Securities in a form eligible for deposit with The Depository Trust Company and of printing Prospectuses if the printing of Prospectuses is requested by the managing underwriter(s), if any, or by the Holder), (iii) messenger, telephone and delivery expenses of the Company, (iv) fees and disbursements of

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counsel for the Company, (v) expenses of the Company incurred in connection with any "road show", (vi) fees and disbursements of all independent certified public accountants (including, without limitation, the expenses of any special audit and "cold comfort" letters required by or incident to this Agreement) and any other persons, including special experts, retained by the Company and (vii) fees up to $250,000 and reasonable disbursements of one legal counsel for the Holder in connection with each registration of Registrable Securities or sale of Registrable Securities under the Shelf Registration Statement, provided that a registration or sale either is effected or is postponed pursuant to Section 5.4. For the avoidance of doubt, the Company shall not be required to pay underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of Registrable Securities pursuant to any Registration Statement, or any other expenses of the Holder. In addition, the Company shall bear all of its internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit, the fees and expenses incurred in connection with the listing of the securities to be registered on any securities exchange or inter-dealer quotation system on which similar securities issued by the Company are then listed and rating agency fees and the fees and expenses of any Person, including special experts, retained by the Company.

Section 5.11 Rules 144 and 144A and Regulation S. The Company covenants that it will file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder (or, if the Company is not required to file such reports, it will, upon the reasonable request of the Holder, make publicly available such necessary information for so long as necessary to permit sales pursuant to Rules 144, 144A or Regulation S under the Securities Act), and it will take any such further action as the Holder may reasonably request, all to the extent required from time to time to enable the Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rules 144, 144A or Regulation S under the Securities Act, as such Rules may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the SEC.

ARTICLE VI
INDEMNIFICATION

Section 6.1 Indemnification by the Company. The Company agrees to indemnify and hold harmless, to the fullest extent permitted by law, the Holder, the trustee of the Holder, the investment manager or managers acting on behalf of the Holder with respect to the Registrable Securities, Persons, if any, who Control any of them, and each of their respective Representatives (each an "Indemnitee"), from and against any and all losses, penalties, judgments, suits, costs, claims, damages, liabilities and expenses, joint or several (including reasonable costs of investigation and legal expenses) ("Losses") arising out of or caused by any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement described herein or any related Prospectus or Issuer Free Writing Prospectus relating to the Registrable Securities (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or arising out of or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein in the case of the Prospectus, in light of the circumstances in which they were made, not misleading, except insofar as such Losses arise out of or are caused by any such untrue statement or omission included or omitted in conformity with information furnished to the Company in

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writing by such Indemnitee or any Person acting on behalf of such Indemnitee expressly for use therein; provided, however, that the foregoing indemnity agreement with respect to any preliminary Prospectuses or Issuer Free Writing Prospectuses shall not inure to the benefit of such Indemnitee if the Person asserting any Losses against such Indemnitee purchased Registrable Securities and (i) prior to the time of sale of the Registrable Securities to such Person (the "Initial Sale Time") the Company shall have notified the Holder that the preliminary Prospectus or Issuer Free Writing Prospectus (as it existed prior to the Initial Sale Time) contains an untrue statement of material fact or omits to state therein a material fact required to be stated therein in order to make the statements therein not misleading, (ii) such untrue statement or omission of a material fact was corrected in a preliminary Prospectus or, where permitted by law, Issuer Free Writing Prospectus and such corrected preliminary Prospectus or Issuer Free Writing Prospectus was provided to the Holder a reasonable amount of time in advance of the Initial Sale Time such that the corrected preliminary Prospectus or Issuer Free Writing Prospectus could have been provided to such Person prior to the Initial Sale Time, (iii) such corrected preliminary Prospectus or Issuer Free Writing Prospectus (excluding any document then incorporated or deemed incorporated therein by reference) was not conveyed to such Person at or prior to the Initial Sale Time and (iv) such Losses would not have occurred had the corrected preliminary Prospectus or Issuer Free Writing Prospectus (excluding any document then incorporated or deemed incorporated therein by reference) been conveyed to such Person as provided for in clause (iii) above. This indemnity shall be in addition to any liability the Company may otherwise have under this Agreement or otherwise. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Holder or any indemnified party and shall survive the transfer of Registrable Securities by the Holder.

Section 6.2 Indemnification by the Holder. The Holder agrees, to the fullest extent permitted under applicable law, and each underwriter selected shall agree, severally and not jointly, to indemnify and hold harmless each of the Company, its directors, officers, employees and agents, and each Person, if any, who Controls the Company, to the same extent as the foregoing indemnity from the Company, but only with respect to Losses arising out of or caused by an untrue statement or omission included or omitted in conformity with information furnished in writing by or on behalf of the Holder or such underwriter, as the case may be, expressly for use in any Registration Statement described herein or any related Prospectus relating to the Registrable Securities (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto). No claim against the assets of the Holder shall be created by this Section 6.2, except as and to the extent permitted by applicable law. Notwithstanding the foregoing, the Holder shall not be liable to the Company or any such Person for any amount in excess of the net amount received by the Holder from the sale of Registrable Securities in the offering giving rise to such liability.

Section 6.3 Indemnification Procedures.

(a) In case any claim is asserted or any proceeding (including any governmental investigation) shall be instituted where indemnity may be sought by an Indemnitee pursuant to any of the preceding paragraphs of this Article VI, such Indemnitee shall promptly notify in writing the Person against whom such indemnity may be sought (the "Indemnitor"); provided, however, that the omission so to notify the Indemnitor shall not relieve the Indemnitor of any liability which it may have to such Indemnitee except to the extent that the Indemnitor was prejudiced by such failure to notify. The Indemnitor, upon request of the Indemnitee, shall

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retain counsel reasonably satisfactory to the Indemnitee to represent (subject to the following sentences of this Section 6.3(a)) the Indemnitee and any others the Indemnitor may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any Indemnitee shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnitee unless (i) the Indemnitor and the Indemnitee shall have mutually agreed to the retention of such counsel, (ii) the Indemnitor fails to take reasonable steps necessary to defend diligently any claim within ten calendar days after receiving written notice from the Indemnitee that the Indemnitee believes the Indemnitor has failed to take such steps, or (iii) the named parties to any such proceeding (including any impleaded parties) include both the Indemnitor and the Indemnitee and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests or legal defenses between them and, in all such cases, the Indemnitor shall only be responsible for the reasonable fees and expenses of such counsel. It is understood that the Indemnitor shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate law firm (in addition to any local counsel) for all such Indemnitees not having actual or potential differing interests or legal defenses among them, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such firm for the VEBA or any Control Person of the VEBA, such firm shall be designated in writing by the Named Fiduciary. The Indemnitor shall not be liable for any settlement of any proceeding affected without its written consent.

(b) If the indemnification provided for in this Article VI is unavailable to an Indemnitee in respect of any Losses referred to herein, then the Indemnitor, in lieu of indemnifying such Indemnitee hereunder, shall contribute to the amount paid or payable by such Indemnitee as a result of such Losses in such proportion as is appropriate to reflect the relative fault of the Indemnitor and the Indemnitee and Persons acting on behalf of or Controlling the Indemnitor or the Indemnitee in connection with the statements or omissions or violations which resulted in such Losses, as well as any other relevant equitable considerations. If the indemnification described in Section 6.1 or Section 6.2 is unavailable to an Indemnitee, the relative fault of the Company, the Holder and Persons acting on behalf of or Controlling the Company or the Holder shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, the Holder or by Persons acting on behalf of the Company or the Holder and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Indemnitor shall not be required to contribute pursuant to this Section 6.3(b) if there has been a settlement of any proceeding affected without its written consent. No claim against the assets of the Holder shall be created by this Section 6.3(b), except as and to the extent permitted by applicable law. Notwithstanding the foregoing, the Holder shall not be required to make a contribution in excess of the net amount received by the Holder from the sale of Registrable Securities in the offering giving rise to such liability.

Section 6.4 Survival. The indemnification contained in this Article VI shall remain operative and in full force and effect regardless of any termination of this Agreement.

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ARTICLE VII
MISCELLANEOUS

Section 7.1 Binding Effect; Assignment. This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by each of the parties and their successors and permitted assigns. Except for an assignment to a successor trustee or to an investment manager as stated herein, and except as contemplated by Section 3.4, none of the rights or obligations under this Agreement shall be assigned without the consent of the other parties hereto.

Section 7.2 Adjustments; Restatement of Agreement. In the event of any stock dividend or distribution, stock split (forward or reverse), combination of shares, recapitalization, merger, consolidation, redemption, exchange of securities or other reorganization or reclassification after the date hereof with respect to the Registrable Securities or similar transactions affecting the Registrable Securities, all references herein to any designation of securities and to any specific number of shares or Registrable Securities shall be appropriately adjusted to give full effect thereto. Further, in the event of any of the foregoing transactions, the Company shall be entitled, without the consent of any other party hereto, to restate this Agreement in its entirety to reflect such adjustments, and the Company and the Holder hereby agree to execute any such restatement of this Agreement.

Section 7.3 Termination. All rights, restrictions and obligations of the parties hereto shall terminate and this Agreement shall have no further force and effect upon the date the Holder reduces its aggregate ownership of the Registrable Securities such that the Conversion Shares held by the Holder represent less than 2% of the aggregate number of shares of Common Stock then outstanding (it being understood that, for purposes of this Section 7.3, all Conversion Shares issuable upon conversion of the outstanding principal amount of the Debentures held by the Holder shall be deemed to be outstanding and held by the Holder); provided, that (i) all rights and obligations under Section 5.1 through Section 5.8 and Section 5.10, if they have not previously terminated, shall terminate on the date when the Holder is able to sell all the Registrable Securities immediately without restriction pursuant to Rule 144 and (ii) all rights and obligations under Article VI and Article VII shall continue in perpetuity.

Section 7.4 Amendments and Waivers. Except as otherwise provided herein, the provisions of this Agreement may not be amended, modified or supplemented except by a writing signed by the Company and the Holder. Any obligation of, or restriction applicable to, the Holder hereunder may be waived by a writing signed by the Company. Any obligation of, or restriction applicable to, the Company hereunder may be waived by a writing signed by the Holder.

Section 7.5 Attorneys' Fees. In any action or proceeding brought to enforce any provision of this Agreement or where any provision hereof is validly asserted as a defense, the successful party shall, to the extent permitted by applicable law, be entitled to recover reasonable attorneys' fees in addition to any other available remedy.

Section 7.6 Notices. All notices and other communications provided for or permitted hereunder shall be in writing and, except as specified herein, shall be made by hand delivery, by

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registered or certified first-class mail, return receipt requested, overnight courier or facsimile transmission:

(i) If to the Company:

General Motors Corporation
767 Fifth Avenue
New York, New York 10153
Attention: Treasurer
Telephone: (212) 418-3500
Facsimile: (212) 418-3695

with a copy to:

General Motors Corporation
Legal Staff
300 Renaissance Center
Mailcode 482-C23-D24
Detroit, Michigan 48265-3000
Attention: Robert C. Shrosbree, Esq.
Telephone: (313) 665-8452
Facsimile: (313) 665-4979

with a copy to:

Jenner & Block LLP
330 North Wabash Avenue
Chicago, Illinois 60611
Attention: Joseph P. Gromacki, Esq.
Telephone: (312) 923-2637
Facsimile: (312) 923-2737

(ii) If to the VEBA:

[_____]
[_____]
[_____]
Attention: [_____]
Telephone: [_____]
Facsimile: [_____]

with a copy to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, New York 10006
Attention: Richard S. Lincer, Esq./David I. Gottlieb, Esq.

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Telephone: (212) 225-2000
Facsimile: (212) 225-3999

All notices and communications shall be deemed to have been duly given and received: when delivered by hand, if hand delivered; the fifth Business Day after being deposited in the mail, registered or certified, return receipt requested, first class postage prepaid, or earlier Business Day actually received, if mailed; the first Business Day after being deposited with an overnight courier, postage prepaid, if by overnight courier; upon oral confirmation of receipt, if by facsimile transmission. Each party agrees promptly to confirm receipt of all notices.

Section 7.7 No Third Party Beneficiaries. This Agreement shall be for the sole and exclusive benefit of (i) the Company and its successors and permitted assigns, (ii) the Holder, the trustee of the Holder and any other investment manager or managers acting on behalf of the Holder with respect to the Registrable Securities and their respective successors and permitted assigns and (iii) each of the Persons entitled to indemnification under Article VI hereof. Nothing in this Agreement shall be construed to give any other Person any legal or equitable right, remedy or claim under this Agreement.

Section 7.8 Cooperation. Each party hereto shall take such further action, and execute such additional documents, as may be reasonably requested by any other party hereto in order to carry out the purposes of this Agreement.

Section 7.9 Counterparts. This Agreement may be executed in counterparts, and shall be deemed to have been duly executed and delivered by all parties when each party has executed a counterpart hereof and delivered an original or facsimile copy thereof to the other party. Each such counterpart hereof shall be deemed to be an original, and all of such counterparts together shall constitute one and the same instrument.

Section 7.10 Remedies.

(a) Each party hereto acknowledges that monetary damages would not be an adequate remedy in the event that any of the covenants or agreements in this Agreement is not performed in accordance with its terms, and it is therefore agreed that, in addition to and without limiting any other remedy or right it may have, the non-breaching party will have the right to an injunction, temporary restraining order or other equitable relief in any state court sitting in the State of New York enjoining any such breach or threatened breach and enforcing specifically the terms and provisions hereof. Each party hereto agrees not to oppose the granting of such relief in the event such court determines that such a breach has occurred, and to waive any requirement for the securing or posting of any bond in connection with such remedy.

(b) All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise or beginning of the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

Section 7.11 GOVERNING LAW; FORUM SELECTION. THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICTS OF LAW

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PRINCIPLES THEREOF. ANY ACTION OR PROCEEDING AGAINST THE PARTIES RELATING IN ANY WAY TO THIS AGREEMENT MAY BE BROUGHT AND ENFORCED EXCLUSIVELY IN THE COURTS OF THE STATE OF NEW YORK LOCATED IN THE BOROUGH OF MANHATTAN OR (TO THE EXTENT SUBJECT MATTER JURISDICTION EXISTS THEREFORE) THE U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AND THE PARTIES IRREVOCABLY SUBMIT TO THE JURISDICTION OF BOTH SUCH COURTS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING.

Section 7.12 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF THE PARTIES HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.12.

Section 7.13 Severability. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 7.14 Acknowledgments. The Holder agrees that it will obtain written acknowledgments, and provide a copy of such acknowledgments to the Company, from each of its investment managers with respect to the Registrable Securities and from the valuation advisers of the Trustee, confirming that such entity has received and reviewed this Agreement and will comply with the terms of this Agreement applicable to it.

* * * *

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

IN WITNESS WHEREOF, the parties hereto, being duly authorized, have executed and delivered this Securityholder and Registration Rights Agreement on the date first above written

GENERAL MOTORS CORPORATION

By: _____
Name: _____
Title: _____

[_____ VEBA TRUST]

By: **[Trustee]**

By: _____
Name: _____
Title: _____

Signature Page to Securityholder and Registration Rights Agreement

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EXHIBIT G

NATIONAL INSTITUTE FOR HEALTH
REFORM TERM SHEET

National Institute for Health Care Reform

Term Sheet

1. The Institute will be established as an industrywide labor management committee to conduct research and to analyze the current financing and medical delivery systems in the United States, develop targeted and broad-based reform proposals to improve the quality, affordability and accountability of the system, and educate the public, policymakers and others about how these reforms could address the deficiencies in the current system, e.g., skyrocketing costs, massive number of people left uninsured, profit driven decision-making on delivery of care, etc.
2. The Institute is intended to be a premier research and educational health care reform "think tank" dedicated to understanding, evaluating and developing thoughtful and innovative reform measures that would improve the financing and medical delivery systems in the U.S. and expand access to high quality, affordable and accountable health coverage for all Americans.
3. The Institute will be authorized to:
    a. Engage economists, analysts, academics and others who are experts on the U.S. and other health care systems as well as the public policies, physician, hospital and other provider systems that would need to be changed to improve health care quality, affordability and accountability in the U.S.
    b. Conduct studies and analyses of the current system and alternative structures, including ways to provide more effective sources of coverage for early retirees, reduce prescription drug costs, ensure drug safety and better inform patients of appropriate drug choices.
    c. Operate as a clearinghouse for select best practices that should be employed throughout the medical delivery system to ensure that error-free, high quality health care is available throughout the U.S.
    d. Develop innovative policy solutions to improve the current health care system.
    e. Host forums for discussion and debate of public policies that would improve the health care system and facilitate the interaction of ideas among experts.
    f. Formulate wide-ranging communications materials that discuss and describe reform measures.
4. The Institute shall be established as a non-profit, tax-exempt organization pursuant to section 501(c)(3) of the Internal Revenue Code (the "Code"). Neither GM nor the UAW will do anything to jeopardize the 501(c)(3) status of the Institute or disqualify the Institute from obtaining this status.
5. GM agrees to provide funding to the Institute of $3 million annually for five (5) years, provided that Ford Motor Company and Chrysler Corporation participate in the Institute and provide proportional funding.
6. GM and the UAW will be free, at a future date, to establish other organizations to support the mission of the Institute, including but not limited to an organization qualified under section

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501(c)(4) of the Code, provided that the governance of any such additional organization(s) shall be structured in accordance with Paragraphs 7 and 9 below.

7. The Institute shall be governed by a Board of Directors consisting of an equal number of labor and management representatives and a President. The Bylaws shall provide that, in any matter considered by the Board of Directors, the labor and management representatives shall have equal voting strength. The UAW shall appoint the labor representatives and GM shall appoint its management representative(s). GM, the UAW and any other contributing Institute members having a representative(s) on the Board shall have the right to change any of their appointed members at any time and for any reason. The President shall be entitled to participate in all meetings of the Board of Directors.

8. The Board shall operate according to a set of bylaws that are agreed to by the labor and management representatives of the Board consistent with the provisions of this term sheet.

9. The Board shall at all times strive to operate by consensus. In the event consensus can not be achieved, all decisions made by the Board shall be governed by a super-majority, except as otherwise provided in this paragraph 9 of this Term Sheet. A super-majority shall be defined as a minimum of all but one vote of the labor and management members of the Board, with no single company having the right to block a decision by the Board. The approval of additional Institute members, sponsors, affiliates or Board seats, any change to the voting or consensus requirements, and/or any change to the purpose or intent of the Institute will require the unanimous approval of the labor and management members of the Board.

10. The Institute shall work to minimize its administrative expenses and waste. GM and the UAW shall have the right to audit and review Institute finances and spending.

11. Lobbying will be permitted to the extent allowed for 501(c)(3) organizations. The names, brands, or logos of the UAW, GM and any other members of the Institute may not be used in Institute publications, press releases, statements, websites, or other communications or materials and the Institute or its employees or affiliates may not state, suggest or imply that any of the parties support any proposals, conclusions, or recommendations without the prior consent of the party whose support is being stated, suggested or implied. The UAW, GM and any other members of the Institute may use or reprint Institute material, but may not suggest support from any of the other parties or use their names, brands, or logos without their prior consent.

12. GM reserves the right to reduce or withdraw its funding upon 30 days notice if: a) Ford and/or Chrysler do not participate in the Institute and provide proportional financial support; b) the Institute loses its status as, or is failed to be recognized as, a section 501(c)(3) tax-exempt organization; c) inappropriate financial activity is discovered; (d) the institute, its employees or its members or affiliates engage in lobbying activities beyond those described in paragraph 11 of this Term Sheet; or e) any of the restrictions about the use of GM's name, brand, or logos is violated.

13. GM and the UAW will work together to assure the rapid and effective start-up of the Institute.

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EXHIBIT H
FORM OF DERIVATIVE CONTRACT

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

FORM OF DERIVATIVE CONTRACT

MASTER TERMS AND CONDITIONS FOR CAPPED CONVERTIBLE BOND TRANSACTIONS BETWEEN GENERAL MOTORS CORPORATION AND LBK, LLC

The purpose of this Master Terms and Conditions for Capped Convertible Bond Transactions, dated as of _____ ___, 2008 (this "Master Confirmation"), is to set forth certain terms and conditions for capped convertible bond transactions that General Motors Corporation ("GM") will enter into with LBK, LLC, a Delaware limited liability company ("Counterparty"). Each such transaction (a "Transaction") entered into between Counterparty and GM that is to be subject to this Master Confirmation shall be evidenced by a written confirmation substantially in the form of Exhibit A hereto, with such modifications thereto as to which GM and Counterparty mutually agree (a "Confirmation"). This Master Confirmation and each Confirmation together constitute a "Confirmation" as referred to in the Agreement specified below.

This Master Confirmation and a Confirmation evidence a complete binding agreement between you and us as to the terms of the Transaction to which this Master Confirmation and such Confirmation relates. This Master Confirmation and each Confirmation hereunder shall supplement, form a part of, and be subject to an agreement in the form of the 1992 ISDA Master Agreement (Multicurrency—Cross Border) as if we had executed an agreement in such form (but without any Schedule except that (i) for purposes of Sections 5(a) and 5(b), "Specified Entity" shall mean, for each party hereto, none and (ii) the provisions of Sections 5(a)(v), 5(a)(vi) and 5(b)(iv) shall not apply to either party hereto) on the Trade Date of the first such Transaction between you and us, and such agreement shall be considered the "Agreement" hereunder. The only Transactions under the Agreement shall be Transactions governed by this Master Confirmation.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "Definitions") as published by ISDA are incorporated into this Master Confirmation. For the purposes of the Definitions, each reference herein or in any Confirmation hereunder to a Unit shall be deemed to be a reference to a Call Option or an Option, as context requires.

THIS MASTER CONFIRMATION WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO CHOICE OF LAW DOCTRINE. THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES DISTRICT COURT LOCATED IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK IN CONNECTION WITH ALL MATTERS RELATING HERETO AND WAIVE ANY OBJECTION TO THE LAYING OF VENUE IN, AND ANY CLAIM OF INCONVENIENT FORUM WITH RESPECT TO, THESE COURTS.

1. In the event of any inconsistency between this Master Confirmation, on the one hand, and the Definitions or the Agreement, on the other hand, this Master Confirmation will control for the purpose of the Transaction to which a Confirmation relates. In the event of any inconsistency between the Definitions, the Agreement and this Master Confirmation, on the one hand, and a Confirmation, on the other hand, the Confirmation will govern. With respect to a Transaction, capitalized terms used herein that are not otherwise defined shall have the meaning assigned to them in the Confirmation relating to such Transaction.

2. Each party will make each payment specified in this Master Confirmation or a Confirmation as being payable by such party, not later than the due date for value on that date in the place of the account specified below or otherwise specified in writing, in freely transferable funds and in a manner customary for payments in the required currency.

3.Confirmations and General Terms:

This Master Confirmation and the Agreement, together with the Confirmation relating to a

Transaction, shall constitute the written agreement between GM and Counterparty with respect to such Transaction.

Each Transaction to which a Confirmation relates is a Capped Convertible Bond Transaction, which shall be considered a Share Option Transaction for purposes of the Definitions (and references herein to "Units" shall be deemed to be references to "Options" for purposes of the Definitions), and shall have the following terms:

Seller:	GM
Buyer:	Counterparty
Option Type:	Call
Option Style:	European
Shares:	The common stock, USD $1\frac{2}{3}$ par value per share, of GM (Symbol: "GM").
Trade Date:	As set forth in the Confirmation for such Transaction
Convertible Notes:	As set forth in the Confirmation for such Transaction
Base Indenture:	As set forth in the Confirmation for such Transaction
Number of Units:	As set forth in the Confirmation for such Transaction
Number of Cap Units:	As set forth in the Confirmation for such Transaction
Unit Entitlement:	As set forth in the Confirmation for such Transaction
Number of Shares:	As set forth in the Confirmation for such Transaction
Conversion Factor:	For any Transaction, as of any date, an amount equal to .625 divided by the Conversion Rate (as defined in the Convertible Notes) on such date; provided that (i) in no event shall there be any adjustment hereunder as a result of an adjustment to the Conversion Rate pursuant to Section 3(i) of the Convertible Notes, (ii) any adjustment hereunder as a result of an adjustment to the Conversion Rate pursuant to Section 4 of the Convertible Notes shall be made in accordance with Section 9 hereof, and (iii) for purposes hereof, adjustments to the Conversion Rate shall not be subject to Section 3(k)(i) of the Convertible Notes and any adjustment to the Conversion Rate under the Convertible Notes that would have applied but for Section 3(k)(i) shall adjust the Conversion Rate for purposes hereof. Notwithstanding clause (iii) above, if (1) the proviso in the first sentence of the second paragraph of Section 3(d) of the Convertible Notes applies, (2) the proviso in the first sentence of the second paragraph of Section 3(e) of the Convertible Notes applies, or (3) the proviso in the first sentence of the second paragraph of Section 3(f) of the Convertible Notes applies, the Calculation Agent shall adjust

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	the terms of the Transaction in a commercially reasonable manner to effectuate the economic intent of the applicable proviso in the context of the Transaction.
Lower Strike Price:	For any Transaction, as of any date, a price equal to USD36 multipliedby the Conversion Factor on such date
Lower Cap Price:	For any Transaction, as of any date, a price equal to USD40 multipliedby the Conversion Factor on such date
Upper Strike Price:	For any Transaction, as of any date, a price equal to USD63.48 multipliedby the Conversion Factor on such date
Upper Cap Price:	For any Transaction, as of any date, a price equal to USD70.53 multipliedby the Conversion Factor on such date
Exchange:	New York Stock Exchange
Related Exchanges:	All Exchanges
Calculation Agent:	GM, which shall make all calculations, adjustments and determinations required pursuant to a Transaction, and such calculations, adjustments and determinations shall constitute rebuttable presumptive evidence of the correctness thereof; provided that (i) the Calculation Agent shall deliver to Counterparty, within five Exchange Business Days following its making of any such calculation, adjustment or determination, a written explanation thereof (including, where applicable, the methodology and data applied) and (ii) any such calculation, adjustment or determination shall be binding, unless Counterparty notifies the Calculation Agent in writing within five Exchange Business Days of Counterparty's receipt of the written explanation thereof of its intention to dispute any such calculation, adjustment or determination. Whenever the Calculation Agent is required to act or to exercise judgment in any way, it will do so in good faith and in a commercially reasonable manner. To the extent reasonably practicable, and subject to applicable legal and regulatory requirements and operational limitations, the Calculation Agent shall make all such calculations, adjustments and determinations in consultation with Counterparty. In the event of any dispute regarding any calculations, adjustments or determinations made by the Calculation Agent with respect to a Transaction, such dispute shall be resolved by one of the nationally recognized independent investment banking firms listed on Exhibit B hereto retained for this purpose by GM and acceptable to Counterparty; provided that the investment banking firm selected by GM may not be providing GM a hedge for the Transaction or the Convertible Notes at that time.

4.Procedure for Exercise:

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Exercise Period:	With respect to any Units, the Exercise Period for such Units shall be the Expiration Date between 9:00 a.m. and the Expiration Time.
Expiration Time:	The Valuation Time.
Expiration Date:	June 30, 2011.
Automatic Exercise:	Applicable.

5.Procedure for Valuation:

Valuation Time:	As defined in Section 6.1 of the Definitions.
Valuation Date:	The Expiration Date

6.Settlement Terms:

Cash Settlement:	Applicable. Settlement shall occur in accordance with Section 8.1 of the Definitions and the modifications provided in this Master Confirmation, except that Cash Settlement Payment Date shall be the Settlement Date.
Option Cash Settlement Amount:	An amount equal to the sum of, for each Valid Day during the Averaging Period, the following amount: (1) the Unit Entitlement on such Valid Day, multiplied by (2) the greater of (x) zero and (y) the Lower Strike Price Differential for such Valid Day minus the Upper Strike Price Differential for such Valid Day, divided by (3) 40.
Lower Strike Price Differential:	For each Valid Day during the Averaging Period, the sum of: (A)(1) the Number of Cap Units, multiplied by (2) the lesser of (a) the greater of (x) the Reference Price, minus the Lower Strike Price and (y) zero and (b) the Lower Cap Price, minus the Lower Strike Price; plus (B)(1) the Number of Units minus the Number of Cap Units, multiplied by (2) the greater of (a) the Reference Price, minus the Lower Strike Price and (b) zero.
Upper Strike Price Differential:	For each Valid Day during the Averaging Period, the sum of: (A)(1) the Number of Cap Units, multiplied by (2) the lesser of (a) the greater of (x) the Reference Price, minus the Upper Strike Price and (y) zero and (b) the Upper Cap Price, minus the Upper Strike Price; plus (B)(1) the Number of Units minus the Number of Cap Units, multiplied by (2) the greater of (a) the Reference Price, minus the Upper Strike Price and (b) zero.
Valid Day:	A day during which (i) trading in the Shares generally occurs on the principal U.S. national or regional securities exchange or market on which the Shares are listed or admitted for trading and (ii) there is no Market Disruption Event.

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Scheduled Valid Day:	A day that is scheduled to be a Valid Day.
Reference Price:	For each of the Valid Days during the Averaging Period, the per Share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page GM.N <equity> AQR (or any equivalent successor page) in respect of the period from the scheduled open of trading on the principal U.S. national or regional securities exchange or market on which the Shares are listed or admitted for trading to the scheduled close of trading on such exchange or market on such Valid Day (without regard to after-hours trading), or if such volume-weighted average price is unavailable, the market value of one Share on such Valid Day using a volume-weighted method as determined by one of the nationally recognized independent investment banking firms listed on Exhibit B hereto retained for this purpose by GM and acceptable to Counterparty; provided that the investment banking firm selected by GM may not be providing GM a hedge for the Transaction or the Convertible Notes at that time.
Averaging Period:	For each Unit exercised or deemed exercised hereunder, means 40 consecutive Valid Days beginning on (and including) the 42nd Scheduled Valid Day immediately preceding the Expiration Date.
Settlement Date:	For any Unit exercised or deemed exercised, the third Scheduled Trading Day immediately following the last Valid Day of the Averaging Period for such Unit.
Settlement Currency:	USD.
Market Disruption Event:	A failure by the principal U.S. national or regional securities exchange or market on which the Shares are listed or admitted to trading to open for trading during its regular trading session or the occurrence or existence prior to 1:00 p.m., New York City time, on any Scheduled Valid Day for an aggregate one half-hour period of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in the Shares or in any options contracts or futures contracts relating to the Shares.

7. [*Reserved*.]

8.Share Adjustments:

Potential Adjustment Events:	Notwithstanding Section 11.2(e) of the Definitions, a "Potential Adjustment Event" means an occurrence of any event or condition, as set forth in Section 3(a), Section 3(b), Section 3(c), Section 3(d), Section 3(e) or Section 3(f) of the Convertible Notes, that would result in an adjustment to the Conversion Rate of the Convertible Notes; provided that (i) in

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	no event shall there be any adjustment hereunder as a result of an adjustment to the Conversion Rate pursuant to Section 3(i) of the Convertible Notes, (ii) any adjustment hereunder as a result of an adjustment to the Conversion Rate pursuant to Section 4 of the Convertible Notes shall be made in accordance with Section 9 hereof, and (iii) for purposes hereof, adjustments to the Conversion Rate shall not be subject to Section 3(k)(i) of the Convertible Notes and any adjustment to the Conversion Rate under the Convertible Notes that would have applied but for Section 3(k)(i) shall adjust the Conversion Rate for purposes hereof. Notwithstanding clause (iii) above, if (1) the proviso in the first sentence of the second paragraph of Section 3(d) of the Convertible Notes applies, (2) the proviso in the first sentence of the second paragraph of Section 3(e) of the Convertible Notes applies, or (3) the proviso in the first sentence of the second paragraph of Section 3(f) of the Convertible Notes applies, the Calculation Agent shall adjust the terms of the Transaction in a commercially reasonable manner to effectuate the economic intent of the applicable proviso in the context of the Transaction.
Method of Adjustment:	Calculation Agent Adjustment; which means, notwithstanding anything to the contrary in the Definitions, that upon any adjustment to the Conversion Rate of the Convertible Notes pursuant to the Convertible Notes (other than pursuant to Section 4 or Section 3(i) of the Convertible Notes), (i) the Calculation Agent shall make a corresponding adjustment to the Lower Strike Price, the Upper Strike Price, the Lower Cap Price, the Upper Cap Price and the Unit Entitlement, (ii) any adjustment to the Lower Cap Price shall, in no event, result in the Lower Cap Price being less than the Lower Strike Price, and (iii) any adjustment to the Upper Cap Price shall, in no event, result in the Upper Cap Price being less than the Upper Strike Price.
9.<u>Extraordinary Events</u>:	
Merger Events:	Notwithstanding Section 12.1(b) of the Definitions, a "Merger Event" means the occurrence of any event or condition set forth in Section 3(m) of the Convertible Notes.
Tender Offer:	Notwithstanding Section 12.1(d) of the Definitions, a "Tender Offer" means the occurrence of any event or condition set forth in Section 3(g) of the Convertible Notes.
Make-Whole Fundamental Change:	The occurrence of a Make-Whole Fundamental Change (as defined in the Convertible Notes) shall constitute an Extraordinary Event for purposes of this Section 9.
Consequences of Merger Events, Tender Offers and Make-Whole Fundamental Changes:	Notwithstanding Section 12.2 or Section 12.3 of the

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	Definitions, upon the occurrence of a Merger Event, a Tender Offer or a Make-Whole Fundamental Change, the Calculation Agent shall make a corresponding adjustment in respect of any adjustment under the Convertible Notes to any one or more of the nature of the Shares, the Lower Strike Price, the Upper Strike Price, the Lower Cap Price, the Upper Cap Price and the Unit Entitlement (including any adjustment to the Conversion Rate for the issuance of additional shares as set forth in Section 4 of the Convertible Notes); provided that (i) upon the occurrence of a Merger Event, Tender Offer or Make-Whole Fundamental Change, the Calculation Agent may make any adjustment consistent with the Modified Calculation Agent Adjustment set forth in Section 12.2(e) or Section 12.3(d), as applicable, of the Definitions to the Lower Cap Price, the Upper Cap Price or any other variable relevant to the exercise, settlement or payment for the Transaction to preserve the Average Fair Value (as defined below) of such Transaction to Counterparty and GM that would have existed had such event not occurred, (ii) with respect to a Tender Offer, adjustments to the Conversion Rate shall not be subject to Section 3(k)(i) of the Convertible Notes and any adjustment to the Conversion Rate under the Convertible Notes that would have applied but for such section shall adjust the Conversion Rate for purposes hereof, (iii) any adjustment to the Lower Cap Price shall, in no event, result in the Lower Cap Price being less than the Lower Strike Price, and (iv) any adjustment to the Upper Cap Price shall, in no event, result in the Upper Cap Price being less than the Upper Strike Price. "Average Fair Value" means, for any Transaction upon the occurrence of a Merger Event, Tender Offer or Make-Whole Fundamental Change, the average of (i) the fair value of such Transaction to Counterparty and (ii) the fair value of such Transaction to GM. In addition, with respect to a Merger Event for any Transaction, if the consideration for the Shares includes (or, at the option of a holder of Shares, may include) shares of an entity or person not organized under the laws of the United States, any State thereof or the District of Columbia, Cancellation and Payment (Calculation Agent Determination) shall apply to such Transaction.
Nationalization, Insolvency or Delisting:	Cancellation and Payment (Calculation Agent Determination) In addition to the provisions of Section 12.6(a)(iii) of the Definitions, it will also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, the American Stock Exchange, the NASDAQ Global Select Market or the NASDAQ Global

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	Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange, such exchange shall thereafter be deemed to be the Exchange.

10.Additional Disruption Events:

Change in Law:	Applicable; provided that Section 12.9(a)(ii) of the Definitions is hereby amended by (i) replacing the phrase "the interpretation" in the third line thereof with the phrase "or public announcement of the formal or informal interpretation" and (ii) immediately following the word "Transaction" in clause (X) thereof, adding the phrase "in the manner contemplated by the Hedging Party on the Trade Date".
Insolvency Filing:	Applicable
Determining Party:	For Insolvency Filing, Counterparty; for Change in Law, GM. Notwithstanding Section 12.8 of the Definitions, the "Cancellation Amount" for purposes of this Section 10 shall be an amount determined by the Determining Party to be equal to the average of (i) the "Cancellation Amount" (as defined in Section 12.8 of the Definitions) calculated as if the Determining Party were the Determining Party and (ii) the "Cancellation Amount" (as defined in Section 12.8 of the Definitions) calculated as if the other party were the Determining Party. For the avoidance of doubt and notwithstanding Section 12.8 of the Definitions, the applicable Determining Party specified in the first sentence of this definition will be the party calculating each of the amounts described in clauses (i) and (ii) above. The calculation by the Determining Party shall be subject to the dispute resolution procedures in "Calculation Agent" above, with references therein to the Calculation Agent or GM deemed to refer to the Determining Party and references therein to Counterparty deemed to refer to the party other than the Determining Party.

11.Acknowledgements:

Non-Reliance:	Applicable
Agreements and Acknowledgments Regarding Hedging Activities:	Applicable; provided that such provision shall not limit Counterparty's obligations under Section 13(j) below.
Additional Acknowledgments:	Applicable

12.Representations, Warranties and Agreements:

(a) In connection with this Master Confirmation, each Confirmation, each Transaction to which a Confirmation relates and any other documentation relating to the Agreement, each party to this Master Confirmation

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represents and warrants to, and agrees with, the other party that:

(i) it is an "accredited investor" as defined in Section 2(a)(15)(ii) of the Securities Act of 1933, as amended (the "Securities Act"); and

(ii) it is an "eligible contract participant" as defined in Section 1a(12) of the Commodity Exchange Act, as amended (the "CEA"), and this Master Confirmation and each Transaction hereunder are subject to individual negotiation by the parties and have not been executed or traded on a "trading facility" as defined in Section 1a(33) of the CEA.

(b) each party to this Master Confirmation represents and warrants to the other party that on the Trade Date of each Transaction that:

(i) its financial condition is such that it has no need for liquidity with respect to its investment in such Transaction and no need to dispose of any portion thereof to satisfy any existing or contemplated undertaking or indebtedness;

(ii) its investments in and liabilities in respect of such Transaction, which it understands are not readily marketable, are not disproportionate to its net worth, and it is able to bear any loss in connection with such Transaction, including the loss of its entire investment in such Transaction;

(iii) it understands that neither party has any obligation or intention to register such Transaction under the Securities Act or any state securities law or other applicable federal securities law;

(iv) it understands that no obligations of the other party to it hereunder will be entitled to the benefit of deposit insurance and that such obligations will not be guaranteed by any Affiliate of the other party or any governmental agency;

(v) IT UNDERSTANDS THAT SUCH TRANSACTION IS SUBJECT TO COMPLEX RISKS THAT MAY ARISE WITHOUT WARNING AND MAY AT TIMES BE VOLATILE AND THAT LOSSES MAY OCCUR QUICKLY AND IN UNANTICIPATED MAGNITUDE AND IS WILLING TO ACCEPT SUCH TERMS AND CONDITIONS AND ASSUME (FINANCIALLY AND OTHERWISE) SUCH RISKS;

(vi) it is not, and after giving effect to the transactions contemplated hereby will not be, an "investment company" as such term is defined in the Investment Company Act of 1940, as amended;

(vii) on the Trade Date (A) its assets at their fair valuation exceed its liabilities, including contingent liabilities, (B) its capital is adequate to conduct its business and (C) it has the ability to pay its debts and obligations as such debts mature and does not intend to, or does not believe that it will, incur debt beyond its ability to pay as such debts mature; and

(viii) it is not entering into any Transaction to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for Shares) or to raise or depress or to manipulate the price of the Shares (or any security convertible into or exchangeable for Shares).

13.Miscellaneous:

(a) Early Termination. The parties agree that Second Method and Loss will apply to each Transaction under this Master Confirmation as such terms are defined under the 1992 ISDA Master Agreement (Multicurrency—Cross Border) and U.S. Dollars will be the Termination Currency.

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(b) Set-Off and Netting. Except as provided in the immediately following sentence, each party waives any and all rights it may have to set-off delivery or payment obligations it owes to the other party under the Transactions against any delivery or payment obligations owed to it by the other party, whether arising under this Master Confirmation, any Confirmation or the Agreement, or under any other agreement between parties hereto, or by operation of law or otherwise. Section 2(c) of the Agreement as it applies to payments due with respect to Transactions hereunder shall remain in effect and is not subject to the first sentence of this provision; provided that subparagraph (ii) of Section 2(c) of the Agreement shall not apply to the Transactions.

(c) No Collateral. Notwithstanding any provision of this Master Confirmation, any Confirmation or the Agreement, or any other agreement between the parties, to the contrary, the obligations of each of the parties under the Transactions are not secured by any collateral. Without limiting the generality of the foregoing, if this Master Confirmation, the Agreement or any other agreement between the parties includes an ISDA Credit Support Annex or other agreement pursuant to which either party collateralizes obligations to the other party, then the obligations of such party hereunder will not be considered to be obligations under such Credit Support Annex or other agreement pursuant to which such party collateralizes obligations to the other party, and any Transactions hereunder shall be disregarded for purposes of calculating any Exposure, Market Value or similar term thereunder.

(d) Assignment; Right of First Offer.

(i) Counterparty cannot directly or indirectly sell, transfer, pledge or assign ("Transfer") its rights and obligations hereunder and under any Confirmation or the Agreement, in whole or in part, except to the "New VEBA" (as defined in the Settlement Agreement referenced in the Convertible Notes) in accordance with the terms of the Settlement Agreement (as defined in the Convertible Notes). Furthermore, the New VEBA may only Transfer (whether directly or indirectly) its rights and obligations hereunder and under any Confirmation or the Agreement, in whole or in part, (a) after the later of January 1, 2010, and the "Final Effective Date" (as defined in the Settlement Agreement referenced in the Convertible Notes) and (b) in each case, subject to the following conditions: (i) no direct or indirect Transfer of any rights and obligations hereunder and under any Confirmation or the Agreement may be made by the New VEBA to the extent that any such Transfer would result in more than five persons or entities acting (directly or indirectly) in the capacity of the "Counterparty" with respect to the Transactions on a cumulative basis during the term of such transactions, (ii) with respect to any such direct or indirect Transfer, the New VEBA shall have complied with the terms of, and provided GM the right of first offer set forth in, Section 13(d)(ii) below, (iii) the New VEBA's, direct or indirect, purchasers, transferees, pledgees or assignees (other than GM or any of its Affiliates or assigns) shall not have any right to directly or indirectly Transfer any of its rights and obligations hereunder and under any Confirmation or the Agreement and (iv) any potential direct or indirect purchasers, transferees, pledgees or assignees shall have been approved by GM in writing, such approval not to be unreasonably withheld. GM shall respond promptly to any request for approval (and, if such request is made at or around the time of an Offer Notice, in any event no later than the 5th business day following such request). GM cannot assign its rights and obligations under this Master Confirmation, any Confirmation or the Agreement, in whole or in part, without the consent of Counterparty, such consent not to be unreasonably withheld. Any purported Transfer in violation of this Section 13(d) shall be void, *ab initio*.

(ii) If at any time the New VEBA proposes to Transfer (whether directly or indirectly) its rights and obligations hereunder and under any Confirmation or the Agreement, in whole or in part, the New VEBA shall promptly give GM written notice of such intention to make the Transfer (the "Offer Notice"). The Offer Notice shall include (i) a description of the Transactions, the Units or portions of the Transactions or Units subject to the proposed Transfer, (ii) the proposed method of distribution therefor and (iii) the number of such Transactions, Units or portions of the Transactions or Units subject to the proposed Transfer (the "Offered Transactions"). GM shall have an option for a period of five (5) business days from delivery of the Offer Notice (the "Option Period") to elect to offer to purchase all or any portion of the Offered Transactions. GM may exercise such election option by notifying the New VEBA in writing before expiration of the Option Period (the "Option Exercise Notice") as to (i) the number of such Offered Transactions that it wishes to purchase (the "Elected Transactions"), (ii) the purchase price or range(s) of purchase prices that it proposes to pay the New VEBA for such

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Elected Transactions (the "Offer Price") and (iii) any market price or interest rate index conditions applicable at the time the New VEBA accepts the offer upon which the proposed purchase would be made. The Option Exercise Notice shall constitute an offer to purchase the number of Elected Transactions indicated in the Option Exercise Notice from the New VEBA at the cash Offer Price and on the market price or interest rate index conditions set forth in the Option Exercise Notice. The New VEBA shall have two (2) business days to accept, in writing, in whole and not in part, the offer (if any) made by GM in the Option Exercise Notice. If the New VEBA does not accept GM's offer, the New VEBA shall be entitled to Transfer all or any portion of the Offered Transactions, subject to the other terms of this Master Confirmation, to a purchaser or purchasers at a price or range(s) of prices that are no less favorable to the New VEBA than those set forth in the Option Exercise Notice in the New VEBA's reasonable judgment; provided, that a binding agreement for such Transfer of all or any portion of the Offered Transactions to the purchaser or purchasers is reached within ten (10) business days after delivery of the Offer Notice to GM. If at the end of the ten (10) business day period, the New VEBA has not reached a binding agreement for the Transfer of the Offered Transactions, the New VEBA shall no longer be permitted to Transfer any of the Offered Transactions without again fully complying with the provisions of this Section 13(d)(ii). If GM (x) does not deliver an Option Exercise Notice to the New VEBA before the expiration of the Option Period, or (y) elects to offer to purchase less than all of the Offered Transactions, the New VEBA shall be entitled to Transfer (1) all or any portion of the Offered Transactions (in the case of clause (x) above), or (2) any portion of the Offered Transactions that do not constitute Elected Transactions (in the case of clause (y) above), in each case subject to the other terms of this Master Confirmation, to a purchaser or purchasers on any terms and conditions; provided, that such Transfer of the Offered Transactions to the purchaser or purchasers is completed within ten (10) business days after delivery of the Offer Notice to GM. If at the end of the ten (10) business day period, the New VEBA has not completed the Transfer of the Offered Transactions, the New VEBA shall no longer be permitted to Transfer any of such Offered Transactions without again fully complying with the provisions of this Section 13(d)(ii). If the New VEBA accepts in whole within two (2) business days any offer made by GM in the Option Exercise Notice, then payment by GM for the Elected Transactions shall be made in cash by wire transfer at a time and place agreed upon between the parties, which shall be no later than four (4) business days after the New VEBA's acceptance of GM's offer; provided, however, that in the event GM is unable to effectuate such closing due to legal and/or contractual prohibitions applicable to GM or the transaction, GM shall have the right to extend such deadline for the closing for up to an additional two (2) business days. For the avoidance of doubt, any obligation of GM to effectuate such closing with respect to the Elected Transactions shall be subject to the market price or interest rate index conditions set forth in the Option Exercise Notice. Notwithstanding any provision of this Master Confirmation, any Confirmation or the Agreement to the contrary, GM may assign its rights and obligations under this Section 13(d)(ii) to any person or entity without the consent of the New VEBA; provided, that GM shall be liable to the New VEBA for any breach of, or failure to comply with, this Section 13(d)(ii) by any such assignee.

(e) Severability; Illegality. If compliance by either party with any provision of a Transaction would be unenforceable or illegal, (i) the parties shall negotiate in good faith to resolve such unenforceability or illegality in a manner that preserves the economic benefits of the transactions contemplated hereby and (ii) the other provisions of the Transaction shall not be invalidated, but shall remain in full force and effect.

(f) Waiver of Trial by Jury. EACH OF GM AND COUNTERPARTY HEREBY IRREVOCABLY WAIVES (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS STOCKHOLDERS OR EQUITY HOLDERS) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS TRANSACTION OR THE ACTIONS OF ANY PARTY HERETO OR ITS AFFILIATES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.

(g) Disclosure. Notwithstanding any provision in this Master Confirmation, any Confirmation or the Agreement, in connection with Section 1.6011-4 of the Treasury Regulations, the parties hereby agree that each party (and each employee, representative, or other agent of such party) may disclose to any and all persons, without limitation of any kind, the U.S. tax treatment and U.S. tax structure of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to such party relating to such U.S.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

tax treatment and U.S. tax structure, other than any information for which nondisclosure is reasonably necessary in order to comply with applicable securities laws.

(h) Securities Contract; Swap Agreement. The parties hereto intend for: (i) each Transaction hereunder to be a "securities contract" and a "swap agreement" as defined in the Bankruptcy Code (Title 11 of the United States Code) (the "Bankruptcy Code"), and the parties hereto to be entitled to the protections afforded by, among other Sections, Sections 362(b)(6), 555 and 560 of the Bankruptcy Code; (ii) a party's right to liquidate a Transaction and to exercise any other remedies upon the occurrence of any Event of Default under the Agreement with respect to the other party to constitute a "contractual right" as described in the Bankruptcy Code; (iii) any cash, securities or other property provided as performance assurance, credit support or collateral with respect to a Transaction to constitute "margin payments" and "transfers" under a "swap agreement" as defined in the Bankruptcy Code; and (iv) all payments for, under or in connection with a Transaction, all payments for the Shares and the transfer of such Shares to constitute "settlement payments" and "transfers" under a "swap agreement" as defined in the Bankruptcy Code.

(i) Extension of Settlement. Seller may extend the Averaging Period for any Unit exercised or deemed exercised (and, in such event, the Calculation Agent shall make appropriate adjustments to the Option Cash Settlement Amount for such Unit) hereunder if Seller determines, in its reasonable discretion, that such extension is necessary or advisable to preserve Seller's hedging activity hereunder in light of existing liquidity conditions or to enable Seller to effect purchases of Shares in connection with its hedging activity hereunder, in each case, in a manner that would be in compliance with applicable legal and regulatory requirements.

(j) Restriction on Hedging by Counterparty. Notwithstanding any provision of this Master Confirmation, any Confirmation or the Agreement to the contrary, until the later of January 1, 2010 and the "Final Effective Date" (as defined in the Settlement Agreement referenced in the Convertible Notes), Counterparty shall not engage in any direct or indirect Hedging Activities (as defined in the Definitions) with respect to any or all of the Transactions. Furthermore, to the extent permitted by this Section, any direct or indirect Hedging Activities by Counterparty shall be engaged with respect to all or a pro rata portion of a Transaction.

(k) Additional Termination Event. Notwithstanding anything to the contrary in this Master Confirmation, the occurrence of a Note Event shall be an Additional Termination Event with respect to any portion of any Transaction or Units for which the New VEBA is acting in the capacity of the Buyer and Counterparty. With respect to such Additional Termination Event, such portion of such Transaction or Units will be the sole Affected Transaction, GM will be the sole Affected Party and the New VEBA will be the party entitled to designate an Early Termination Date pursuant to Section 6(b) of the Agreement; provided that such Transaction shall be subject to termination only in respect of a percentage of the Units relative to the original Number of Units that does not exceed the percentage of the aggregate outstanding principal amount of the Convertible Notes held or beneficially owned by the New VEBA relative to the original aggregate outstanding principal amount of the Convertible Notes.

"Note Event" means that an Event of Default (as defined in the Convertible Notes) has occurred and is continuing and as a consequence of such Event of Default the principal amount of all Convertible Notes held or beneficially owned by the New VEBA has been declared due and payable prior to maturity in accordance with Section 7 of the Convertible Notes; provided that a Note Event shall not arise with respect to any portion of any Transaction or Units that is not held or beneficially owned by the New VEBA; provided, further, that a Note Event shall not arise if the New VEBA no longer holds or beneficially owns any portion of the outstanding Convertible Notes.

(l) Service of Process. With respect to the third sentence of Section 13(c) of the Agreement, notwithstanding the reference therein to Section 12 of the Agreement, no consent is given by either party to service of process by telex, electronic messaging system, facsimile (telefax or fax), e-mail or telephone.

(m) Change of Account. Section 2(b) of the Agreement is hereby amended by adding immediately prior to the period at the end thereof the following:

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

"and provided that, unless the other party consents (which consent shall not be unreasonably withheld), such new account shall be in the same tax jurisdiction as the original account."

(n) Notice of Event of Default. Section 6(a) of the Agreement is hereby amended by adding at the end thereof the following:

"If an Event of Default occurs, the Defaulting Party will, promptly upon becoming aware of such event, notify the other party, specifying the nature of that Event of Default and give such other information about that Event of Default as the other party may reasonably require."

(o) Absence of Litigation. Section 3(c) of the Agreement is amended only in respect of GM by deleting the provision and inserting the following:

"Except as previously disclosed in GM's Form 10-Qs and other publicly available periodic reports filed from time to time with the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, there is no pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or its ability to perform its obligations under this Agreement."

(p) Automatic Early Termination Not Applicable. The "Automatic Early Termination" provisions of Section 6(a) will not apply to either party hereto; provided, however, that where an Event of Default specified in Sections 5(a)(vii)(1), (3), (4), (5), (6), or to the extent analogous thereto, (8) in respect of either party hereto is governed by a system of law that does not permit termination to take place after the occurrence of the relevant Event of Default, then the Automatic Early Termination provision of Section 6(a) will apply to such party.

(q) Special Provisions for Counterparty Payments. The parties hereby agree that, notwithstanding anything to the contrary in this Master Confirmation, in the Definitions, in any Confirmation or in the Agreement, in no event shall Counterparty owe GM any amount under this Master Confirmation, the Definitions, any Confirmation or the Agreement; provided that the foregoing shall not limit or prejudice any of GM's rights or remedies under contract, in law, at equity or otherwise with respect to any breach or violation of this Master Confirmation, the Definitions, any Confirmation or the Agreement by Counterparty.

14. Addresses for Notice:

If to Counterparty: [_____]
[_____]
[_____]
Attention: [_____]
Facsimile: [_____]
Telephone: [_____]

If to GM: General Motors Corporation
767 Fifth Avenue, 14th Floor
New York, NY 10153
Attention: Director of Global Funding
Facsimile: [_____]
Telephone: (212) 418-6260

15. Accounts for Payment:

To Counterparty: To be advised.
To GM: To be advised.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Yours sincerely,

GENERAL MOTORS CORPORATION

By: _____
Name:
Title:

Confirmed as of the
date first above written:

LBK, LLC

By: _____
Name:
Title:

EXHIBIT A
FORM OF CAPPED CONVERTIBLE BOND
TRANSACTION CONFIRMATION

CONFIRMATION

Date: _____ ___, 2008

To: LBK, LLC ("Counterparty")

Telefax No.: [Please provide]

Attention: [Please provide]

From: General Motors Corporation ("GM")

Telefax No.: _____

Transaction Reference Number: _____

The purpose of this communication (this "Confirmation") is to set forth the terms and conditions of the above-referenced Transaction entered into on the Trade Date specified below between you and us. This Confirmation supplements, forms a part of, and is subject to the Master Terms and Conditions for Capped Convertible Bond Transactions dated as of _____ ___, 2008 and as amended from time to time (the "Master Confirmation") between you and us.

1. The definitions and provisions contained in the Definitions (as such term is defined in the Master Confirmation) and in the Master Confirmation are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

2. The particular Transaction to which this Confirmation relates shall have the following terms:

Trade Date:	_____ ___ 2008
Convertible Notes:	6.75% Series U Convertible Senior Debentures of GM due 2012, issued pursuant to the Base Indenture. For the avoidance of doubt, the term "Convertible Notes" shall include such 6.75% Series U Convertible Senior Debentures of GM due 2012 that are evidenced by "Global Securities" (as defined in the Base Indenture). Further, references herein and in the Master Confirmation to sections of the Convertible Notes are based on the draft of the Convertible Notes most recently reviewed by the parties at the time of execution of this Confirmation. If any relevant sections of the Convertible Notes are changed, added or renumbered following execution of this Confirmation but prior to the execution and authentication of the Convertible Notes, the parties will amend this Confirmation and/or the Master Confirmation, as applicable, in good faith to preserve the economic intent of the parties. The Transaction shall not be amended, terminated or otherwise modified solely due to any repurchase, exchange,

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

	conversion, repayment, redemption, termination or similar event with respect to any or all of the Convertible Notes; and, if upon the occurrence of any such event the Convertible Notes cease to be outstanding or are otherwise terminated, the term "Convertible Notes" shall continue to refer to the Convertible Notes as if they were still outstanding.
Base Indenture:	The indenture for "Debt Securities" dated as of January 8, 2008, between GM and The Bank of New York, as trustee, as supplemented by the First Supplemental Indenture thereto, dated as of _____, 2008, and as such indenture may be further amended, supplemented or otherwise modified from time to time with the consent of the New VEBA.
Number of Units:	121,458,333.
Number of Cap Units:	109,312,500. For the avoidance of doubt, the Number of Cap Units are included in, and not in addition to, the Number of Units.
Unit Entitlement:	As of any date, a number of Shares per Unit equal to one divided by the Conversion Factor on such date.
Number of Shares:	The product of the Number of Units and the Unit Entitlement.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

4. Counterparty hereby agrees (a) to check this Confirmation promptly upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing correctly sets forth the terms of the agreement between us with respect to the particular Transaction to which this Confirmation relates, by manually signing this Confirmation and providing any other information requested herein or in the Master Confirmation and promptly returning an executed copy to GM at the fax number shown in Section 14 of the Master Confirmation.

Yours sincerely,

GENERAL MOTORS CORPORATION

By: _____
Name:
Title:

Confirmed as of the
date first above written:

LBK, LLC

By: _____
Name:
Title:

EXHIBIT B
FORM OF CAPPED CONVERTIBLE BOND
TRANSACTION CONFIRMATION

LIST OF INVESTMENT BANKS

Citibank, N.A.
Goldman Sachs
JPMorgan Chase Bank, National Association
Merrill Lynch, Pierce, Fenner & Smith Incorporated
Morgan Stanley
Deutsche Bank
The Royal Bank of Scotland
Barclays Bank PLC
Bank of America, N.A.
Bear, Stearns & Co. Inc.

EXHIBIT 10(N)

GENERAL MOTORS 2002 LONG-TERM INCENTIVE PLAN
As Amended October 1, 2007

1. The purpose of the General Motors 2002 Long-Term Incentive Plan (this "Plan") is to provide employees in positions of senior leadership with incentive compensation related to accomplishment of key Corporate long-term strategic objectives which enhance stockholder value.

2(a). The Executive Compensation Committee of the General Motors Board of Directors (the "Committee"), as from time to time constituted pursuant to the by-laws of General Motors Corporation (the "Corporation"), may prior to June 1, 2007, authorize the granting of target awards to certain employees of the Corporation. The Committee, in its sole discretion, shall determine the performance levels at which different percentages of such awards shall be earned, the collective amount for all awards to be granted at any one time, and the individual amounts with respect to employees who are officers of the Corporation. The Committee may delegate to the Chief Executive Officer responsibility for determining, within the limits established by the Committee, individual award grants for employees who are not executive officers of the Corporation. Further, the Committee shall determine whether, to what extent, and under what circumstances payment with respect to an Award shall be deferred by the Committee or at the election of an employee in a manner consistent with the General Motors Deferred Compensation Plan for Executive Employees and Section 409A of the Code.

2(b). Prior to the grant of any target award, the Committee shall establish for each such award (i) performance levels related to the enterprise (as defined below) at which 100% of the award shall be earned and a range (which need not be the same for all awards) within which greater and lesser percentages shall be earned and (ii) a performance period which shall be determined at the time of grant. The term "enterprise" shall mean the Corporation and/or any unit or portion thereof, and any entities in which the Corporation has, directly or indirectly, a substantial ownership interest.

2(c). With respect to the performance levels to be established pursuant to paragraph 2(b), the specific measures for each grant shall be established by the Committee at the time of such grant. In creating these measures, the Committee may establish the specific goals based upon or relating to one or more of the following business criteria: asset turnover, cash flow, contribution margin, cost objectives, cost reduction, earnings per share, economic value added, increase in customer base, inventory turnover, market price appreciation of the Corporation's common stock, market share, net income, net income margin, operating profit margin, pre-tax income, productivity, profit margin, quality, return on assets, return on net assets, return on capital, return on equity, revenue, revenue growth, and/or total shareholder return. The business criteria may be expressed in absolute terms or relative to the performance of other companies or to an index.

2(d). If any event occurs during a performance period that requires changes to preserve the incentive features of this Plan, the Committee may make adjustments.

2(e). Except as otherwise provided in paragraph 3, the percentage of each target award to be distributed to an employee shall be determined by the Committee (i) on the basis of the performance levels established for such award and the performance of the applicable enterprise during the performance period and (ii) in the discretion of the Committee, on the basis of individual performance during such period. Following determination of the final payout percentage, the Committee may, upon the recommendation of the Chief Executive Officer, make adjustments to

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

awards for officers of the Corporation to reflect individual performance during such period, which for covered officers shall only involve negative discretion. A covered officer is any individual whose compensation in the year of expected payment of an award, or in the year in which the Corporation will claim a tax deduction in respect of such individual's award thereunder, will be subject to the provisions of Section 162(m) of the Internal Revenue Code of 1986, as amended from time to time, as determined by the Committee. Adjustments to awards to reflect individual performance for employees who are not executive officers of the Corporation shall be made upon the recommendation of the Chief Executive Officer. Following the performance period, each target award, as determined and adjusted by the Committee pursuant to this paragraph and paragraph 3, shall be referred to herein as a "final award" and, for covered officers, shall be certified by the Committee prior to payment. The amount related to any final award for each performance period grant paid to any employee shall not exceed $10 million. No distribution of any final award (or portion thereof) shall be made if the minimum performance level applicable to the related target award is not achieved during the applicable performance period, except as otherwise provided in paragraph 3(d), or, unless otherwise determined by the Committee, if the employment of the employee to whom the related target award was granted shall terminate for any reason whatsoever (including death) within 12 months after the date the target award was granted.

2(f). All final awards which have vested in accordance with the provisions of paragraphs 3 and 4 shall be paid as promptly as practical, but not later than 90 days following the determination of such final award and such vesting. Final awards shall be paid in cash, in General Motors stock, or partly in cash and partly in General Motors stock, as the Committee shall determine. General Motors stock (hereinafter referred to as "stock") shall include all present and future classes of capital stock of General Motors Corporation. Shares deliverable in payment of such final awards shall be made available from shares reacquired by the Corporation, including shares purchased in the open market. If shares are purchased in the open market for delivery in payment of such final awards, they shall be held in a treasury account specifically for awards under this Plan. If the Corporation shall have any unpaid claim against the employee arising out of or in connection with such employee's employment with the Corporation, such claim may be offset against awards under this Plan. Such claim may include, but is not limited to, unpaid taxes or Corporate business credit card charges, in an amount up to $5,000.,

2(g). Subject to such additional limitations or restrictions as the Committee may impose, the term "employees" shall mean persons who, at any time during the period to which an award relates, (i) are employed by the Corporation or any subsidiary (as such term is defined below), including employees who are also directors of the Corporation or any such subsidiary, or (ii) accept (or previously have accepted) employment, at the request of the Corporation, with any entity not described in (i) above but in which the Corporation has, directly or indirectly, a substantial ownership interest. For purposes of this Plan, the term "subsidiary" means (A) a corporation of which capital stock having ordinary voting power to elect a majority of the board of directors of such corporation is owned, directly or indirectly, by the Corporation or (B) any unincorporated entity in respect of which the Corporation can exercise, directly or indirectly, comparable control. The Committee shall, among other things, determine when and to what extent individuals otherwise eligible for consideration shall become or cease to be, as the case may be, employees for purposes of this Plan and to determine when and under what circumstances any individual shall be considered to have terminated employment for purposes of this Plan. To the extent determined by the Committee, the term employees shall be deemed to include former employees and any beneficiaries thereof. For purposes of this Plan, a "participant" shall mean an employee who receives an award hereunder.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

3(a). Payment of any final award (or portion thereof) to an individual employee shall be subject to the satisfaction of the following conditions precedent that such employee: (i) continue to render services as an employee (unless this condition is waived by the Committee), (ii) refrain from engaging in any activity which, in the opinion of the Committee, is competitive with any activity of the Corporation or any subsidiary (except that employment at the request of the Corporation with an entity in which the Corporation has, directly or indirectly, a substantial ownership interest, or other employment specifically approved by the Committee, shall not be considered to be an activity which is competitive with any activity of the Corporation or any subsidiary) and from otherwise acting, either prior to or after termination of employment, in any manner inimical or in any way contrary to the best interests of the Corporation, and (iii) furnish to the Corporation such information with respect to the satisfaction of the foregoing conditions precedent as the Committee shall reasonably request. If the Committee shall determine that such employee has failed to satisfy any of the foregoing conditions precedent, all target awards granted to such employee which have not become final awards, and all final awards which have not been paid pursuant to paragraph 4(a) shall be immediately canceled. Upon termination of an employee's employment other than by death (whether such termination is before or after a target award shall have become a final award), the Committee may, but shall not in any case be required to, waive the condition precedent of continuing to render services but in the event of such waiver, the payment of any target award which shall thereafter become a final award and payment of any final award which shall remain unpaid shall nevertheless remain subject to the conditions precedent that (A) the employee refrains from engaging in any activity which, in the opinion of the Committee, is competitive with any activity of the Corporation or any subsidiary (except that employment at the request of the Corporation with an entity in which the Corporation has, directly or indirectly, a substantial ownership interest or other employment specifically approved by the Committee shall not be considered to be an activity which is competitive with any activity of the Corporation or any subsidiary) and from otherwise acting, either prior to or after termination of employment, in any manner inimical or in any way contrary to the best interests of the Corporation and (B) the employee furnish to the Corporation such information with respect to the satisfaction of the foregoing condition precedent as the Committee shall reasonably request. As used in the immediately preceding clause (B), the term employees shall include the beneficiary or beneficiaries designated by such employee as provided in paragraph 6, or if no such designation of any beneficiary or beneficiaries has been made, the employee's legal representative or other persons entitled to any payment or benefit with respect to the employee pursuant to this Plan. As a condition to the vesting and payment of all or any portion of a final award, the Committee may, among other things, require an employee to enter into such agreements as the Committee considers appropriate and in the best interests of the Corporation.

3(b). If, upon termination of an employee's employment prior to the end of any performance period for a reason other than death, the Committee shall determine to waive the condition precedent of continuing to render services as provided in paragraph 3(a), the target award granted to such employee with respect to such performance period shall be reduced pro rata based on the number of months remaining in the performance period after the month of such termination and such awards will be paid at the time they would have been paid absent an employment termination. The final award for such employee shall be determined by the Committee (i) on the basis of the performance levels established for such award (including the minimum performance level) and the performance level achieved through the end of the performance period and (ii) in the discretion of the Committee, on the basis of individual performance during the period prior to such termination. A qualifying leave of absence, determined in accordance with procedures established by the Committee, shall not be deemed to be a termination of employment but, except as otherwise determined by the Committee, the employee's target award will be reduced pro rata based on the number of months during which such person was on such leave of absence during the performance

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

period. A target award shall not vest during a leave of absence granted an employee for local, state, provincial, or federal government service.

3(c). Upon termination of an employee's employment by reason of death prior to the end of any performance period, following completion of the performance period the target award granted to such employee with respect to such period, except as otherwise provided in paragraph 2(e), shall be reduced pro rata based on the number of months remaining in the performance period after the month of such employee's death. The percentage of the reduced target award to be vested and paid on behalf of such employee shall be determined by the Committee (i) on the basis of the performance levels established for such award (including the minimum performance level) and the performance level achieved through the end of the fiscal year during which such employee died and (ii) in the discretion of the Committee, on the basis of individual performance during the applicable period. Such final awards as determined by the Committee under (i) and (ii) above will immediately vest and be paid as promptly as practicable, but not later than 90 days following vesting.

3(d). If the performance levels established for any target award are based on the performance of a specified portion of the enterprise and that portion is sold or otherwise disposed of or reorganized or the employee is transferred to another portion of the enterprise prior to the end of the performance period, the target award granted to such employee with respect to such performance period shall be reduced pro rata based on the number of months remaining in the performance period after the month of such event. The final award for such employee shall be determined by the Committee (i) on the basis of the performance levels established for such award (including the minimum performance level) and the performance level achieved, in the case of a sale, disposition, or reorganization of the applicable portion of the enterprise, through the end of the fiscal year during which such event occurs and, in the case of a transfer of the employee, through the end of the performance period and (ii) in the discretion of the Committee, on the basis of individual performance during the applicable period. In addition, in any such case, the Committee may, in its discretion, further adjust such award upward as it may deem appropriate and reasonable.

3(e). If an employee is promoted during the performance period with respect to any target award, such target award may, in the discretion of the Committee, be increased to reflect such employee's new responsibilities.

3(f). If the Corporation acquires an entity which has issued and outstanding long-term target awards, the Corporation may substitute awards under this Plan in place of such awards, under such provisions consistent with the terms of this Plan, as the Committee, in its sole discretion, may determine.

4(a). Target awards that have become final awards as determined by the Committee following the conclusion of the performance period shall vest and be paid as promptly as possible, but not later than 90 days following vesting, unless an alternative vesting schedule is established by the Committee. Except as otherwise provided in this Plan, no final award (or portion thereof) subject to a vesting schedule shall be paid prior to vesting and the unpaid portion of any final award shall be subject to the provisions of paragraph 3(a). The Committee shall have the authority to modify a vesting schedule as may be necessary or appropriate in order to implement the purposes of this Plan. As a condition to the vesting of all or any portion of a final award, the Committee may, among other things, require an employee to enter into such agreements as the Committee considers appropriate and in the best interests of the Corporation, except for awards that vest pursuant to paragraph 12 of this Plan.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

4(b). If the employment of an employee is terminated for any reason prior to the vesting of any final award, the Committee may, but in any case shall not be required to, change the vesting period with respect to such final awards to accelerate the vesting period related to all or any portion of such final award. If the employment of an employee is terminated by death, all final awards not currently vested shall immediately vest.

4(c). No holder of a target award shall have any rights to dividends or interest (other than as provided in paragraph 4(d) below) or other rights of a stockholder with respect to a target award prior to such target award's becoming a final award.

4(d). With respect to target awards which have become final awards payable in cash pursuant to paragraph 2(f) but which have not vested, the Committee may, in its discretion, pay to the employees interest on all such unvested cash amounts. With respect to target awards which have become final awards payable in stock pursuant to paragraph 2(f) but which have not vested, the Committee may, in its discretion, pay to the employees an amount equal to the dividends which would have been paid if such shares had been vested and registered in the employee's name. Any interest or dividend equivalents payable with respect to such final awards shall be paid at such times, in such amounts, and in accordance with such procedures as the Committee shall determine.

4(e). With respect to any dividend or other distribution on the Corporation's common stock the Committee shall make appropriate adjustments to outstanding target awards and unvested final awards denominated in shares of stock to reflect such dividend or distribution in order to prevent unintended enhancement or diminution of the benefit intended to be provided under this Plan.

4(f). Specified Employees. Employees determined to be Specified Employees (as determined by the Committee) shall not be entitled to be paid any portion of any final award payable on account of a termination of employment until the expiration of six months from date of termination (or, if earlier, death). The value of the award(s) (without interest) shall be payable on the first day of the seventh full month following termination.

5(a). An employee shall be eligible for consideration for a target award based on such criteria as the Committee shall, from time to time, determine.

5(b). No target award shall be granted to any director of the Corporation who is not an employee at the date of grant nor to any member of the Executive Compensation Committee or the Audit Committee.

5(c). The Committee shall have discretion with respect to the determination of each target award. Recommendations shall be made to the Committee by the Chief Executive Officer under such procedures as may, from time to time, be approved by the Committee as to the employees to be granted target awards, the amounts of such awards, the performance levels at which different percentages of such awards would be earned and adjustments, if any, to such levels, the adjustments to such awards on the basis of individual performance, and the amounts of final awards, except that no such recommendations shall be made with respect to employees who are executive officers of the Corporation or members of the Board of Directors, but such selections and determinations shall be dealt with exclusively by the Committee under such procedures as it may determine.

6. Except as otherwise determined by the Committee, with the exception of transfer by will or the laws of descent and distribution, no target or final award shall be assignable or transferable and, during the lifetime of the employee, any payment in respect of any final award shall be made

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

only to the employee. An employee shall designate a beneficiary or beneficiaries to receive all or part of the amounts to be distributed to the employee under this Plan in case of death. A designation of beneficiary or beneficiaries may be replaced by a new designation or may be revoked by the employee at any time. A designation or revocation shall be on forms prescribed by and filed with the Secretary of the Committee. In case of the employee's death, the amounts distributable to the employee under this Plan with respect to which a designation of beneficiary or beneficiaries has been made (to the extent it is valid and enforceable under applicable law) shall be distributed in accordance with this Plan to the designated beneficiary or beneficiaries. The amount distributable to an employee upon death and not subject to such a designation shall be distributed to the employee's estate or legal representative. If there shall be any question as to the legal right of any beneficiary to receive a distribution under this Plan, the amount in question may be paid to the estate of the employee, in which event the Corporation shall have no further liability to any party with respect to such amount.

7. To the extent that any employee, former employee, or any other person acquires a right to receive payments or distributions under this Plan, such right shall be no greater than the right of a general unsecured creditor of the Corporation. All payments and distributions to be made hereunder shall be paid from the general assets of the Corporation. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Corporation and any employee, former employee, or any other person.

8. The expenses of administering this Plan shall be borne by the Corporation.

9. Full power and authority to construe and interpret this Plan shall be vested in the Committee. To the extent determined by the Committee, administration of this Plan, including, but not limited to (a) the selection of employees for participation in this Plan, (b) the determination of the number of installments, and (c) the determination of the vesting schedule for final awards, may be delegated to the Chief Executive Officer provided, however, the Committee shall not delegate to the Chief Executive Officer any powers, determinations, or responsibilities with respect to executive officers of the Corporation. Any person who accepts any award hereunder agrees to accept as final, conclusive, and binding all determinations of the Committee and the Chief Executive Officer. The Committee shall have the right, in the case of participants not employed in the United States, to vary from the provisions of this Plan in order to preserve the incentive features of this Plan.

10.(a) Upon the occurrence of a Change in Control of the Corporation as defined in this paragraph all outstanding awards granted prior to January 1, 2007 shall (i) vest on the date of such Change in Control and (ii) be paid (A) as determined by the Committee following the performance period, but not later than 90 days following such determination, (B) reduced pro rata based on the number of months remaining in the performance period after the month of such Change in Control, and (C) based on the greater of target award level or actual performance

10.(b) For awards granted after January 1, 2007, upon the occurrence of a Change in Control and the termination of the employment of an employee within three years thereafter (i) by the Corporation other than for gross negligence or deliberate misconduct which demonstrably harms the Corporation or (ii) by the participant for Good Reason, all outstanding awards granted under this Plan shall vest and be paid at the time they would have been paid absent a Change in Control and the performance period shall terminate as of the date of Change in Control. Awards shall be paid at the target award level, or, if greater, at the level resulting from the Corporation's actual performance. For purposes hereof, the Corporation's actual performance shall be measured immediately prior to the Change in Control or, if measurement of such performance at the time of

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

such termination of employment or at the end of the performance period is practicable, and if such performance would result in a higher award hereunder, at the time of such termination of employment or the end of the performance period, as applicable.

10.(c) If a Change in Control shall occur during a performance period, an employee whose employment terminates during such performance period prior to such Change in Control under circumstances in which such employee's award hereunder for such performance period was prorated and to be paid at the conclusion of the performance period shall be entitled to receive payment of such prorated award at such time at the target level or, if greater, at the level resulting from the Corporation's actual performance. For purposes hereof, the Corporation's actual performance shall be measured as set forth in Section 10(b). Any such award shall be prorated in the same manner as in Paragraph 10(a).

10.(d) The terms "Change in Control", "Good Reason", "Employer", "Notice of Termination", "Person", and "Subsidiary", as used in this paragraph 10, shall have the same meanings as those contained in Paragraphs 12.(a) through 12.(i), inclusive, of the General Motors 2002 Annual Incentive Plan, as amended December 4, 2006.

11. If the implementation of any of the foregoing provisions of this Plan would cause an employee or participant to incur adverse tax consequences under Section 409A of the Internal Revenue Code of 1986, as amended from time to time, the implementation of such provision shall be delayed until, or otherwise modified to occur on, the first date on which such implementation would not cause adverse tax consequences under Section 409A.

12. Notwithstanding anything in this Plan to the contrary, any award of cash or stock made to a participant under this plan on or after January 1, 2007 or any unvested award previously granted is subject to being called for repayment to the Corporation in any situation where the Board of Directors or a committee thereof determines that fraud, negligence, or intentional misconduct by the participant was a significant contributing factor to the Corporation having to restate all or a portion of its financial statement(s). The determination regarding employee conduct and repayment under this provision shall be within the sole discretion of the Committee and shall be final and binding on the participant and the Corporation.

13. The Committee, in its sole discretion, may, at any time, amend, modify, or terminate this Plan provided that no such action shall (a) adversely affect the rights of an employee with respect to previous target awards or final awards under this Plan (except as otherwise permitted under paragraphs 2(d) and 3), and this Plan, as constituted prior to such action, shall continue to apply with respect to target awards previously granted and final awards which have not been paid, or (b) without the approval of the stockholders, (i) increase the limit on the maximum amount of final awards provided in paragraph 2(e), or (ii) render any director of the Corporation who is not an employee at the date of grant or any member of the Executive Compensation Committee or the Audit Committee, eligible to be granted a target award, or (iii) permit any target award to be granted under this Plan after May 31, 2007. The Committee shall not terminate the Plan or final awards if such termination would result in tax and penalties under Section 409A of the Code. Further, the Corporation shall not be liable to Participants for an inadvertent violation of Section 409A of the Code.

14. Every right of action by, or on behalf of, the Corporation or by any stockholder against any past, present, or future member of the Board of Directors, officer, or employee of the Corporation or its subsidiaries arising out of or in connection with this Plan shall, irrespective of the place where action may be brought and irrespective of the place of residence of any such director,

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

officer, or employee, cease and be barred by the expiration of three years from the date of the act or omission in respect of which such right of action arises. Any and all right of action by any employee (past, present, or future) against the Corporation arising out of or in connection with this Plan shall, irrespective of the place where an action may be brought, cease and be barred by the expiration of three years from the date of the act or omission in respect of which such right of action arises. This Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of the State of Delaware and construed accordingly.

15. This amended Plan shall be effective as of October 1, 2007

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

EXHIBIT 10(o)

GENERAL MOTORS CORPORATION
2007 LONG-TERM INCENTIVE PLAN

As Amended October 1, 2007

SECTION 1. PURPOSE

The purpose of the General Motors Corporation 2007 Long-Term Incentive Plan ("the Plan") is to provide incentives to Employees for the creation of stockholder value through Awards of Options, Restricted Stock Units, and Performance Awards. The Corporation believes that these incentives will stimulate the efforts of Employees toward the long-term success of the Corporation and its Subsidiaries, as well as assist in the recruitment of new Employees. Capitalized terms as used in the Plan shall have the definitions as set forth in Section 15 of the Plan.

SECTION 2. ADMINISTRATION

(a) The Plan shall be administered by the Committee. The Committee shall have full discretionary power and authority, subject to such orders or resolutions not inconsistent with the provisions of the Plan as may from time to time be adopted by the Board, to (i) select the Employees of the Corporation and its Subsidiaries to whom Awards may from time to time be granted hereunder; (ii) determine the type or types of Awards to be granted to each Participant hereunder; (iii) determine the number of Shares to be covered by or relating to each Award granted hereunder; (iv) determine the terms and conditions, not inconsistent with the provisions of the Plan, of any Award granted hereunder; (v) determine whether, to what extent and under what circumstances Awards may be settled in cash, Shares (excluding Performance Awards) or other property, or canceled; (vi) determine whether, to what extent, and under what circumstances payment of cash, Shares, other property and other amounts payable with respect to an Award made under the Plan shall be deferred either by the Committee or at the election of the Participant in a manner consistent with the General Motors Deferred Compensation Plan for Executive Employees and Section 409A of the Code; (vii) interpret and administer the Plan and any instrument or agreement entered into under the Plan; (viii) establish such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (ix) make any other determination and take any other action that the Committee deems necessary or desirable for administration of the Plan.

(b) The Committee may, in its sole discretion, and subject to the provisions of the Plan and applicable law, from time to time delegate any or all of its authority to administer the Plan to the Corporation's Chief Executive Officer, except that no such delegation shall be made in the case of Awards to Employees who are executive officers of the Corporation. The Chief Executive Officer may only grant Awards within the maximum number of Shares authorized for grant under the Plan and in accordance with the terms established by the Committee.

(c) The decisions of the Committee shall be final, conclusive and binding with respect to the interpretation and administration of the Plan and any grant made under it. The Committee shall make, in its sole discretion, all determinations arising in the administration, construction or interpretation of the Plan and Awards under the Plan, including the right to construe disputed or doubtful Plan or Award terms and provisions, and any such determination shall be conclusive and binding on all Persons.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

SECTION 3. SHARES SUBJECT TO THE PLAN

(a) Subject to the provisions of Section 3(c) below, the aggregate number of Shares with respect to which Options or Restricted Stock Units may be granted under this Plan shall not exceed 16,000,000; provided, however, subject to the provisions of Section 3(c), the maximum number of Shares which may be granted in the form of Restricted Stock Units under this Plan shall not exceed 1,500,000 shares of Common Stock. Subject to the provisions of Section 3(c), no individual may be granted Options in any calendar year covering more than 1,000,000 shares and no individual may be granted Restricted Stock Units in any calendar year covering more than 250,000 shares of Common Stock. Performance Awards granted under the Plan that are by their terms to be settled in cash will not count against the approved share reserve.

(b) Any Shares issued hereunder may consist, in whole or in part, of authorized and unissued Shares, treasury Shares or Shares purchased in the open market or otherwise. If Shares are purchased in the open market for delivery upon the exercise or settlement of an Award, they shall be held in a treasury account specifically designated for such Awards.

(c) In the event of any merger, reorganization, consolidation, re-capitalization, stock dividend, stock split, extraordinary cash dividend, or other change in corporate structure affecting the Corporation's Shares, the Committee shall make such adjustments in the aggregate number of Shares which may be delivered under this Plan, the individual Award maximums, the number and Option price of Shares subject to outstanding Options and the number of Shares subject to RSUs granted under this Plan (provided the number of Shares subject to such awards shall always be a whole number), as may be determined to be appropriate by the Committee in order to prevent unintended enhancement or diminution of the benefits or potential benefits intended to be conferred on Participants pursuant to applicable Awards granted hereunder.

(d) Shares underlying Substitute Awards shall not reduce the number of Shares available for Options or RSUs hereunder.

(e) For avoidance of doubt, Shares which are tendered in an Option exercise to pay the exercise price or tax obligation, or Shares withheld from an Option exercise to satisfy the exercise price or tax obligation arising therefrom will not become available to grant under the terms of this Plan. Shares previously granted under this Plan or the 2002 Stock Incentive Plan which are forfeited following termination of employment shall again become available for grant under the terms of this Plan.

SECTION 4. ELIGIBILITY

Any Employee shall be eligible to be selected as a Participant; provided, however, that Incentive Stock Options shall only be awarded to Employees of the Corporation, or a parent or subsidiary, within the meaning of Section 424 of the Code. Substitute Awards may be granted to any holder of an Award granted by a company acquired by the Corporation or with which the Corporation combines.

SECTION 5. CONDITIONS PRECEDENT

(a) Except for Awards that vest pursuant to Section 9 of this Plan, settlement or exercise of any Award (or portion thereof) to or by an individual Participant shall be subject to the satisfaction of the following conditions precedent that such Participant: (i) continue to render services as an Employee through the later of the first anniversary of the date of grant or the date specified upon

which vesting (in whole or in part) will occur (unless this condition is waived by the Committee and Section 6(c)(iii)(B) shall constitute a partial such waiver), (ii) refrain from engaging in any activity which, in the opinion of the Committee, is competitive with any activity of the Corporation or any Subsidiary (except that employment at the request of the Corporation with an entity in which the Corporation has, directly or indirectly, a substantial ownership interest, or other employment specifically approved by the Committee, shall not be considered to be an activity which is competitive with any activity of the Corporation or any Subsidiary) and from otherwise acting, either prior to or after termination of employment with the Corporation or any Subsidiary, in any manner the Committee finds to be inimical or in any way contrary to the best interests of the Corporation, and (iii) furnish to the Corporation such information with respect to the satisfaction of the foregoing conditions precedent as the Committee or Corporation shall request. If the Committee shall determine that such Participant has failed to satisfy either of the foregoing conditions (i) or (ii) precedent, all Awards granted to such Participant shall be immediately canceled.

(b) As used in this Section 5, the term Participants shall include the beneficiary or beneficiaries designated by such Participant as provided in Section 13(a) hereof, or if no such designation of any beneficiary or beneficiaries has been made, the Participant's legal representative or other persons entitled to any payment or benefit with respect to the Participant pursuant to this Plan. As a further condition precedent to the vesting and settlement or exercise of all or any portion of an Award, the Committee may, among other things, require a Participant to enter into such Participant agreements as the Committee considers appropriate and in the best interests of the Corporation.

SECTION 6. STOCK OPTIONS

Options may be granted hereunder to any Employee, either alone or in addition to other Awards granted under the Plan and shall be subject, in addition to the other terms and conditions of the Plan, to the following terms and conditions:

(a) The Option price per Share shall not be less than the Fair Market Value (and in no event less than the par value) of the Shares on the date the Option is granted, except in the case of Substitute Awards.

(b) Determination as to whether the Options granted shall be "Incentive Stock Options" ("ISO's") (within the meaning of Section 422 of the Code), or Nonqualified Stock Options, and as to any restrictions which shall be placed on Options, shall be made by the Committee under such procedures as it may, from time to time, determine and each Option granted hereunder shall be identified as either an ISO or a Nonqualified Stock Option at the time of grant.

(c) Terms of Options. Options granted under this Plan shall be subject to the following provisions, except as otherwise determined by the Committee:

(i) Vesting and Exercise. Except in the case of death or except as set forth in Section 6(c)(iii)(B) or as set forth in Section 9, no Option shall vest or become exercisable prior to the first anniversary date of the date of the Option grant (or such other date as may be established by the Committee or its delegate(s)); and after such date Options shall be exercisable only in accordance with the terms and conditions established at the time of grant. Unless otherwise specified at the date of grant, beginning on the first anniversary date of the Option grant, stock Options will vest and become exercisable in one-third increments. Subject to paragraph 6(c)(iii), the first increment will vest on or after the first anniversary date and the second and third increments will vest on or after the second and third anniversaries of the date of grant.

(ii) Term of the Option. The normal expiration date of the Option shall be determined at

the time of grant, provided that each such Option shall expire not more than ten years after the date of grant.

(iii) Termination of Employment. Notwithstanding the following provisions, the Committee may from time to time determine in its discretion that optionees retiring from the organization during specified time periods under specified circumstances may vest and retain some portion of those Options granted in the year the retirement occurs.

(A) If the Participant quits employment with the Corporation or is terminated by the Corporation for inadequate job performance, or for willful misconduct harmful to the Corporation, all unvested and vested Options shall be forfeited as of the date that such grounds for termination first exist.

(B) If an Employee retires from the Corporation at age 55 or older with ten or more years of credited service (or for a Participant who is a tax resident of a location outside the United States at equivalent normal retirement age in such country), subject to the other terms and conditions of the Plan, all Options will vest immediately, including Options granted within the prior 12 months, provided that such Employee shall have remained employed until December 31 of the year of grant, and will be exercisable until the expiration date of such Option.

C) If employment is terminated by reason of death, all Options shall immediately vest and remain exercisable until the third anniversary of the date of death or, if earlier, the expiration date of such Option.

(D) If an employee becomes disabled, Options will continue to vest and become exercisable in accordance with the original terms of the grant while the Employee remains on the disability leave and, subject to the other terms and conditions of the Plan, vested Options will remain exercisable for the full remaining term.

(E) If employment terminates for any reason other than as set forth above (including, for the avoidance of doubt, retirement not meeting the conditions set forth in Section 6(c)(iii)(B) or other voluntary termination with the consent of the Corporation), subject to the other terms and conditions of the Plan, all vested Options will remain exercisable until the third anniversary of the date of termination of employment or, if earlier, the expiration date of such Option.

(F) If employment terminates for any reason (other than death) prior to the first anniversary of the date an Option is granted, except as provided in Section 6(c)(iii)(B) the Option shall be forfeited and terminate on the date of termination of employment.

(iv) Forfeiture of Gains on Exercise. If the Employee terminates employment in breach of the covenants and conditions precedent set forth in Section 5(a) and becomes employed by a competitor of the Corporation within one year after the date of exercise of any Option, the employee shall pay to the Corporation an amount equal to any gain from such exercise. The gain will be determined by multiplying the difference between the mean of the highest and lowest market price as reported in The Wall Street Journal (or, if such prices are not reported in The Wall Street Journal, in another reliable, widely available source of such prices as designated by the Committee) for the date of the Option exercise and the exercise price of the Option (without regard to any subsequent market price decrease or increase) by the number of Option shares exercised. Any such Option gain realized by the Employee from exercising an Option shall be paid by the Employee to the Corporation within thirty days of the employment termination date or if later, the date in which employment with a competitor commences. By accepting an Option grant under this Plan, the Employee consents, to the extent permitted by law, to a deduction of an amount equal to such Option gain from any

amounts the Corporation owes the Employee, including, but not limited to, amounts owed as wages or other compensation, fringe benefits, or vacation pay.

(v) Leave of Absence. For purposes of this Plan, a qualifying leave of absence shall not constitute a termination of employment, except that an Option shall not be exercisable during a leave of absence granted an Employee for civilian local, state, provincial, or federal government service other than military service.

(vi) Payment of Exercise Price. All Shares purchased upon exercise of any Option shall be paid for in full at the time of purchase or adequate provision for such payment shall be made. Such payment shall be made (A) in cash, (B) through delivery or constructive delivery of Shares (provided that the Shares, other than Shares purchased on the open market, must be held for at least six months or to the extent required to obtain favorable accounting treatment), or (C) a combination of cash and stock. Any Shares delivered as a result of an Option exercise shall be valued at their Fair Market Value on the exercise date of the Option. To the extent authorized by the Committee, any exercise of an Option granted under this Plan may be made in accordance with any cashless exercise program approved by the Committee.

SECTION 7. RESTRICTED STOCK UNITS

(a) Restricted Stock Unit Awards may be granted hereunder to Participants either alone or in addition to other Awards granted under the Plan. RSUs are valued by reference to a designated number of Shares, with such restrictions as the Committee, in its sole discretion, may impose, which restrictions may lapse separately or in combination at such time or times, in installments or otherwise, as the Committee may deem appropriate. Any RSU Award shall be subject to the following terms and conditions and to such other terms and conditions as the Committee shall deem advisable or appropriate, consistent with the provisions of the Plan as herein set forth.

(b) Terms of Restricted Stock Units. RSUs granted under this Plan shall, in addition to the other terms and conditions of the Plan, be subject to the following provisions,

(i) Vesting. Except for RSU Awards that vest pursuant to Section 9 of this Plan, or that vest in the case of death, as set forth in Section 7(b)(ii)(B) below, and exceptions set forth in 7(b)(ii)(A), no RSU award shall vest prior to the third anniversary date of the Award date (or such other date as may be established by the Committee or its delegate(s)); after such date, RSU Awards shall vest and be paid only in accordance with the terms and conditions established at the time of grant which may also include performance conditions.

(ii) Termination of Employment. If the Corporation or Participant terminates the Participant's employment before an RSU Award or any portion thereof vests, the unvested portion of any RSU Award then held by such Participant will be forfeited, except as follows:

(A) If a Participant retires from the Corporation at age 55 or older with ten or more years of credited service (or for a Participant who is a tax resident of a location outside the United States at equivalent normal retirement age in such country), subject to the other terms and conditions of the Plan, all restrictions on such Awards of RSUs will immediately lapse, and stock will be delivered in payment of such RSUs in accordance with the original payment schedule set forth in such Award. A retirement prior to age 55 or otherwise not meeting the condition set forth above shall be treated as a voluntary resignation, governed by the general rule set forth in Section 7(b)(ii) above, unless the Committee approves another treatment of the Award in writing.

(B) If a Participant's employment is terminated by reason of death, all RSU Awards

shall immediately vest and be paid. All restrictions on such Shares will lapse effective as of the date of death, and stock will be delivered in payment of such RSUs as promptly as is practicable, but not later the 90 days following death.

(C) If a Participant becomes disabled or is on any other type of leave of absence, unvested RSU Awards will continue to vest and be settled in accordance with the original vesting and payment schedule while the Employee remains on the disability or other type of leave.

Notwithstanding the foregoing provisions, the Committee may at any time determine that RSU Awards shall vest or be forfeited on the date of Notice of Termination, or such later date, as it may deem appropriate. In addition, the Committee may from time to time determine in its discretion that Participants retiring from the Corporation during specified time periods under specified circumstances may vest and retain some portion of those Awards granted in the year the retirement occurs, settlement to occur in accordance with the original payment schedule.

(c) The Committee may designate whether any RSU Award is intended to be a Qualified Performance Award. Any such Qualified Performance Award shall comply with the provisions of Section 10 hereof.

SECTION 8. PERFORMANCE AWARDS

Performance Awards may be granted hereunder to any Participant, either alone or in addition to other Awards granted under the Plan and shall, in addition to the other terms and conditions of the Plan, be subject to the following terms and conditions, and such other terms and conditions as the Committee shall deem advisable or appropriate, consistent with the provisions of the Plan:

(a) Performance Awards will be denominated in units, each having a value equal to one Share, and will be paid in cash. The performance levels to be achieved for each Performance Period, the vesting of the Performance Award, and the amount of the Performance Award to be distributed shall be conclusively determined by the Committee following the completion of each Performance Period. Performance Awards may be paid in a lump sum or in installments following the close of the Performance Period or, in accordance with procedures established by the Committee, on a deferred basis. The Committee may designate whether any Performance Award, either alone or in addition to other Performance Awards granted under the Plan is intended to be a Qualified Performance Award. Any such Qualified Performance Award shall comply with the provisions of Section 10 hereof. Performance Awards are subject to the Participant's continued compliance with the conditions precedent of Section 5 hereof, and any other conditions set forth by the Committee at any time.

(b) Prior to the grant of any Performance Award, the Committee shall establish for each such Award (i) performance measures and levels related to the enterprise (as defined below) and/or individual performance at which 100% of the Performance Award shall be earned and, if determined by the Committee, a range (which need not be the same for all Performance Awards) within which greater or lesser percentages shall be earned and (ii) a Performance Period. The term "enterprise", for purposes of this Section 8, shall mean the Corporation and/or any unit or portion thereof, and any entities in which the Corporation has, directly or indirectly, a substantial ownership interest.

(c) If any event occurs during a Performance Period that requires changes to preserve the incentive features of this Plan, the Committee may make such adjustments, except that the Committee may not make any such adjustment to a Qualified Performance Award that is not

permitted under Section 10(d). Following determination of the percentage of the Award earned, the Committee may, upon the recommendation of the Corporation's Chief Executive Officer, make adjustments to reflect individual performance during such period, except that any such adjustment to a Qualified Performance Award shall comply with Section 10. No distribution with respect to any Performance Award (or portion thereof) shall be made if the minimum performance level applicable to the related target Performance Award is not achieved during the applicable Performance Period, except as otherwise provided below or in Section 9.

(d) If, upon termination of a Participant's employment prior to the end of any Performance Period but after a minimum twelve months of participation in the performance period for a reason other than death, the Committee may determine to waive any condition precedent of continuing to render services as provided in Section 5, and the target Performance Award granted to such Participant with respect to such Performance Period and, as applicable, any portion thereof, shall be reduced pro rata based on the number of months remaining in the Performance Period after the month of such termination and such Performance Award will be paid at the time it would have been paid absent the termination of employment. The Performance Award for such Participant shall be determined by the Committee (i) on the basis of the performance levels established for such Performance Award (including the minimum performance level) and the performance level achieved through the end of the Performance Period and (ii) at the discretion of the Committee, on the basis of individual performance during the period prior to such termination. During a qualifying leave of absence, the Participant's target Performance Award will be reduced pro rata based on the number of months during which such person was on such leave of absence during the Performance Period. A target Performance Award shall not vest during a leave of absence granted a Participant for civilian local, state, provincial, or federal government service other than military service.

(e) Upon termination of a Participant's employment by reason of death prior to the end of any Performance Period, but subject to a minimum of twelve months employment during such Performance Period, the target Performance Award granted to such Participant with respect to such Performance Period (modified pursuant to Section 8(c), if applicable) shall be reduced pro rata based on the number of months remaining in the Performance Period after the month of such Participant's death. The percentage of the reduced target Performance Award to be paid in respect of such Participant shall be determined by the Committee (i) on the basis of the performance levels established for such Performance Award (including the minimum performance level) and the performance level achieved through the end of the fiscal year during which such Participant died and (ii) in the discretion of the Committee, on the basis of individual performance during the applicable period. Such pro rata Performance Awards will be paid as promptly as practicable, but not later than 90 days following the Committee's determination of the final award amount.

(f) If the performance levels established for any target Performance Award are based on the performance of a specified portion of the enterprise and that portion is sold or otherwise disposed of or reorganized or the Participant is transferred to another portion of the enterprise prior to the end of the Performance Period, the target Performance Award granted to such Participant with respect to such Performance Period shall be reduced pro rata based on the number of months remaining in the Performance Period after the month of such event. The Performance Award for such Participant shall be determined by the Committee (i) on the basis of the performance levels established for such Performance Award (including the minimum performance level) and the performance level achieved, in the case of a sale, disposition, or reorganization of the applicable portion of the enterprise, through the end of the fiscal year during which such event occurs or, in the case of a transfer of the Participant, through the end of the Performance Period and (ii) in the discretion of the Committee, on the basis of individual performance during the applicable

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Performance Period. In addition, in any such case, the Committee may, in its discretion, further adjust such Performance Award upward or downward, as it may deem appropriate and reasonable. Awards so determined will be paid at the time it would have been paid absent the sale, disposition or transfer of employment.

(g) If a Participant is promoted during the Performance Period with respect to any target Performance Award, such target Performance Award may, in the discretion of the Committee, be increased to reflect such Participant's new responsibilities.

SECTION 9. CHANGE IN CONTROL PROVISIONS

Upon the occurrence of a Change in Control (as defined in Section 15(c)):

(a) Outstanding Options shall be treated as described in subsection (b); outstanding Restricted Stock Units shall be treated as described in subsection (c) and Performance Awards shall be treated as described in subsection (d).

(b) (i) If in connection with the Change in Control, any outstanding Option is not continued in effect or converted into an Option to purchase stock of the survivor or successor parent corporation in a manner that complies with Sections 424 and 409A of the Internal Revenue Code, such outstanding Option(s) shall vest and become fully exercisable.

(ii) If outstanding Options are continued or converted as described in Section 9(b)(i), then upon the occurrence of a Qualifying Termination of the holder thereof, such Options shall vest and become fully exercisable.

(c) (i) If in connection with the Change in Control, any outstanding RSU is not continued in effect or converted into a unit representing an interest in stock of the survivor or successor parent corporation on a basis substantially equivalent to the consideration received by stockholders of the Corporation in connection with the Change in Control, such outstanding RSU(s) shall vest and be valued at the time of the Change in Control and shall be paid at the time it would have been paid absent the Change in Control.

(ii) If any outstanding RSU(s) is continued or not converted as described in Section 9(c)(i), then upon occurrence of a Qualifying Termination of employment of the holder thereof, such RSU(s) shall vest in full. Such RSU(s) shall be valued at the greater of the value at the time of termination or payment date and will be paid at the time it would have been valued and paid absent the Change in Control.

(d) (i) If in connection with the Change in Control, any outstanding Performance Award or Qualified Performance Award is not continued in effect or converted into an Award relating to the stock of the successor or survivor parent corporation on a substantially equivalent basis, taking into account for this purpose the consideration, if any, received by stockholders of the Corporation and the performance conditions applicable to the Awards immediately prior to the Change in Control, then all such outstanding Performance Awards and Qualified Performance Awards, shall vest and be valued at the time of the Change in Control at the threshold level, or, if greater, at the level resulting from the Corporation's actual performance, giving effect to the transaction constituting the Change in Control. Any Awards for which payment is made shall be pro-rated based on the number of days in the Performance Period occurring prior to the Change in Control and shall be paid at the time they would have been paid absent the Change in Control.

(ii) If any outstanding Performance Award or Qualified Performance Award is continued or converted as described in Section 9(d)(i), then upon a Qualifying Termination of the holder thereof, such Award shall vest in full and be paid at the time it would have been paid absent the Change in Control at the greater of the value at the time of termination or the value

on the date of payment. Payment will be made at the threshold level, or, if greater, at the level resulting from the Corporation's actual performance. For purposes hereof, the Corporation's actual performance shall be measured at the time of the Change in Control, giving effect to the transaction constituting the Change in Control or, if measurement of such performance at the time of termination of employment is practicable, and if such measurement would result in better Corporation performance, at the time of the Qualifying Termination . Any Award for which payment is made as a final Award as determined by the Committee shall be pro-rated based on the number of days in the Performance Period occurring prior to the Change in Control.

(e) For purposes of this Section, a "Qualifying Termination" shall mean a termination of employment within thirty six months following a Change in Control (i) by the Corporation other than for gross negligence or deliberate misconduct which demonstrably harms the Corporation or (ii) by the Participant for Good Reason.

(f) For purposes of Sections 9(b), (c) and (d) hereof, (i) no Option, RSU, Performance Award or Qualified Performance Award shall be treated as "continued or converted" on a basis consistent with the requirements of Sections 9(b)(i), (c)(i) or (d)(i), as applicable, unless the stock underlying such Award after such continuation or conversion consists of securities of a class that is widely held and publicly traded on a U.S. national securities exchange, and (ii) no Performance Award or Qualified Performance Award will be treated as "continued or converted" on a basis consistent with the requirements described in Section 9(d)(i) unless the performance conditions applicable to a Participant's earning of the Award are practicably susceptible of continuing measurement following the Change in Control transaction and do not effectively increase the performance required to be achieved in order for the Participant to earn any portion or level of Award.

(g) If the implementation of any of the foregoing provisions of this Section 9 would cause a Participant to incur adverse tax consequences under Section 409A of the Code, the implementation of such provision shall be delayed until the first date on which such implementation would not cause any adverse tax consequences under Section 409A.

(h) The preceding subsections (a) through (f) of this Section 9 shall apply notwithstanding any other provision of the Plan to the contrary, unless the Committee shall have expressly provided in any applicable Award for different provisions to apply in the event of a Change in Control. For the avoidance of doubt, any such different provisions may be more or less favorable to either of the parties to the Award, but if the application of such different provisions is unclear, uncertain or ambiguous, the provisions of this Section 9 shall govern.

SECTION 10. QUALIFIED PERFORMANCE AWARDS

(a) Notwithstanding any other provision of the Plan, if the Committee determines at the time an Award is granted to a Participant who is then an executive officer of the Corporation that such Participant is, or is likely to be a Covered Employee as of the end of the tax year in which the Corporation would ordinarily claim a tax deduction in connection with such Award, then the Committee may provide that this Section 10 is applicable to such Award.

(b) If an Award is subject to this Section10, then the lapsing of restrictions thereon and the distribution of cash, Shares, or other property pursuant thereto, as applicable, shall be subject to the achievement of one or more objective performance goals established by the Committee, which shall be based on the attainment of specified levels of one or any combination of Performance Criteria as described in Section 15(t). Such performance goals shall be set by the Committee within the time period prescribed by, and shall otherwise comply with the

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requirements of, Section 162(m) of the Code, and the regulations hereunder.

(c) When establishing performance goals for a Performance Period, the Committee may exclude any or all "extraordinary items" as determined under U.S. generally accepted accounting principles plus, without limitation, the charges or costs associated with restructurings of the Corporation, discontinued operations, other unusual or non-recurring items, and the cumulative effects of accounting changes. The Committee may also adjust the performance goals for any Performance Period as it deems equitable in recognition of unusual or non-recurring events affecting the Corporation, changes in applicable tax laws or accounting principles, or such other factors as the Committee may determine.

(d) Following determination of the final payout percentage, the Committee may make negative adjustments to Qualified Performance Awards to reflect individual performance or such other facts and circumstances as the Committee deems appropriate during such period. Prior to payment, the Committee shall certify in writing that the applicable performance goal, and other conditions relating to said Award under this Section 10, have been satisfied. The amount related to any Award under this section paid to any Participant with respect to the Performance Period shall not exceed $10 million if the Award is denominated in cash, or 250,000 Shares if denominated in stock.

SECTION 11. AMENDMENTS AND TERMINATION

(a) The Board may amend, alter, discontinue or terminate the Plan or any portion thereof at any time; provided, however; that no such amendment, alteration, discontinuation or termination shall be made without (i) stockholder approval if such approval is necessary to comply with the rules of the New York Stock Exchange, or (ii) following a Change in Control, the consent of the affected Participant, if such action would materially impair the rights of such Participant under any outstanding Award. For the avoidance of doubt, the provisions of Section 15(c) may be amended by the Board if necessary or desirable to be compliant or consistent with, or to avoid adverse consequences to Participants under Section 409A of the Code. Further, the Committee shall not terminate the Plan if such termination would result in tax and penalties under Section 409A of the Code, and the Corporation shall not be liable to Participants for an inadvertent violation of Section 409A of the Code.

(b) The Committee may delegate to another committee, as it may appoint, the authority to take any action consistent with the terms of the Plan, either before or after an Award has been granted, which such other committee deems necessary or advisable to comply with any governmental laws or regulatory requirements of a foreign country, including, but not limited to, modifying or amending the terms and conditions governing any Awards, or establishing any local country plans as sub-plans to this Plan. In addition, under all circumstances, the Committee may make non-substantive administrative changes to the Plan so as to conform with or take advantage of governmental requirements, statutes or regulations.

(c) The Committee may amend the terms of any Award theretofore granted, prospectively or retroactively, but no such amendment shall (i) following a Change in Control, materially impair the rights of any Participant without his or her consent or (ii) except for adjustments made pursuant to Section 3(c) or in connection with Substitute Awards, reduce the exercise price of an outstanding Option or cancel or amend an outstanding Option for the purpose of re-pricing, replacing or re-granting such Option with an exercise price that is less than the exercise price of the original Option without stockholder approval. Any change or adjustment to an outstanding Incentive Stock Option shall not, without the consent of the Participant, be made in a manner so as to constitute a "modification" that would cause such Incentive Stock Option to fail to continue

to qualify as an Incentive Stock Option.

(d) Notwithstanding anything in this Plan to the contrary, any award of cash, stock, Options (or otherwise) made to a Participant under this Plan is subject to being called for repayment to the Corporation in any situation where the Board of Directors or a committee thereof determines that fraud, negligence, or intentional misconduct by the Participant was a significant contributing factor to the Corporation having to restate all or a portion of its financial statement(s). The determination regarding Employee conduct and repayment under this provision shall be within the sole discretion of the Committee and shall be final and binding on the Participant and the Corporation.

SECTION 12. DIVIDENDS

(a) Subject to the provisions of the Plan, the recipient of an Award (including, without limitation, any deferred Award) may, if so determined by the Committee, be entitled to receive, currently or on a deferred basis, cash or stock dividends, or cash payments in amounts equivalent to cash or stock dividends on Shares with respect to the number of Shares covered by the Award, as determined by the Committee, in its sole discretion, and the Committee may provide that such amounts (if any) shall be deemed to have been reinvested in additional Shares or otherwise reinvested. With respect to any dividend or other distribution on any Shares, the Committee may, in its discretion, authorize current or deferred payments (payable in cash or stock or a combination thereof, as determined by the Committee) or appropriate adjustments to an outstanding Award to reflect such dividend or distribution.

(b) Except as specifically provided at the time of the Award grant, no holder of any Award shall have any rights to dividends or other rights of a stockholder with respect to Shares subject to the Award prior to becoming the record owner of such Shares.

SECTION 13. GENERAL PROVISIONS

(a) (i) An Award may not be sold, exercised, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. (ii) A Participant holding an Award under this Plan may make a written designation of beneficiary or beneficiaries on a form prescribed by and filed with the Secretary of the Committee. In the event of the death or legal incapacity of the Participant, such beneficiary or beneficiaries or, if no such designation of any beneficiary or beneficiaries has been made, the Participant's legal representative(s) or such other person(s) entitled thereto as determined by a court of competent jurisdiction, (A) may exercise, in accordance with and subject to the provisions of Section 6 any unterminated and unexpired Option granted to such Participant and (B) receive payment, in accordance with and subject to the provisions of Sections 7 or 8, respectively, pursuant to the vesting of all or any portion of an RSU award, or Performance Award. A designation of beneficiary may be replaced by a new designation or may be revoked by the Participant at any time.

(b) No Employee shall have the right to be selected to receive an Award under this Plan or, having been so selected, to be selected to receive a future Award. Neither the Award nor any benefits arising out of this Plan shall constitute part of a Participant's employment or service contract with the Corporation or any Subsidiary and, accordingly, this Plan and the benefits hereunder may be terminated at any time in the sole discretion of the Corporation in accordance with Section 11(a) without giving rise to liability on the part of the Corporation or any Subsidiary for severance payments. The Awards under this Plan are not intended to be treated as

compensation for any purpose under any other Corporation plan.

(c) No Employee shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Participants under the Plan.

(d) Nothing in the Plan or any Award granted under the Plan shall be deemed to constitute an employment or service contract or confer or be deemed to confer on any Employee or Participant any right to continue in the employ or service of, or to continue any other relationship with, the Corporation or any Subsidiary or limit in any way the right of the Corporation or any Subsidiary to terminate an Employee's employment or a Participant's service at any time, with or without cause.

(e) All certificates for Shares delivered under the Plan pursuant to any Award shall be subject to such stock transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Shares are then listed, and any applicable federal or state securities law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(f) No Award granted hereunder shall be construed as an offer to sell securities of the Corporation, and no such offer shall be outstanding, unless and until the Committee in its sole discretion has determined that any such offer, if made, would comply with all applicable requirements of the U.S. federal securities laws and any other laws to which such offer, if made, would be subject.

(g) The Corporation and its Subsidiaries shall be authorized to withhold from any Award granted or payment due under the Plan the amount of withholding taxes due in respect of an Award or payment hereunder and to take such other action as may be necessary in the opinion of the Corporation or its Subsidiaries to satisfy all obligations for the payment of such taxes. The Committee shall be authorized to establish procedures for election by Participants to satisfy such obligation for the payment of such taxes by delivery of or transfer of Shares to the Corporation (to the extent the Participant has owned the surrendered Shares for less than six months, then only up to the Participant's statutory minimum required tax withholding rate), or by directing the Corporation to retain Shares (up to the Participant's statutory minimum required tax withholding rate) otherwise deliverable in connection with the Award.

(h) Nothing contained in the Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to stockholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

(i) To the extent determined by the Committee, any Subsidiary may have a separate long-term incentive plan or program. The Committee shall have exclusive jurisdiction and sole discretion to approve or disapprove any such plan or program and, from time to time, to amend, modify, or suspend any such plan or program. Individuals eligible for grants under any such plan or program shall not be considered Participants eligible for grants under this Plan, unless otherwise determined by the Committee. No provision of any such plan or program shall be included in or considered a part of this Plan, unless otherwise determined by the Committee.

(j) The provisions of the Plan shall be construed, regulated and administered according to the laws of the State of Delaware without giving effect to principles of conflicts of law, except to the extent superseded by any controlling Federal statute.

(k) If any provision of the Plan is or becomes or is deemed invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws

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or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan, it shall be stricken and the remainder of the Plan shall remain in full force and effect.

(l) Awards may be granted to Participants who are foreign nationals or employed outside the United States, or both, on such terms and conditions different from those applicable to Awards to Employees employed in the United States as may, in the judgment of the Committee, be necessary or desirable in order to recognize differences in local law or tax policy; provided, however, that amendments deemed necessary under this Section 13(l) may not be made without stockholder approval or Participant approval, if such approval is required by Section 11. The Committee also may impose conditions on the exercise or vesting of Awards in order to minimize the Corporation's obligation with respect to tax equalization for Employees on assignments outside their home country.

(m) For purposes of this Plan, a qualifying leave of absence shall not constitute a termination of employment, except that an Option shall not be exercisable during a leave of absence granted a Participant for civilian local, state, provincial, or federal government service other than military service. If approved by the Committee in its sole discretion, a Participant's absence or leave because of military or governmental service, disability or other reason shall not be considered an interruption of employment for any purpose under the Plan.

(n) If the Corporation shall have any unpaid claim against the Participant arising out of or in connection with such Participant's employment with the Corporation, such claim may be offset against Awards under this Plan. Such claim (i) may include, but is not limited to, unpaid taxes or corporate business credit card charges, limited to $5,000.

(o) Notwithstanding any provision of this Plan, no Plan elections, modifications or distributions will be allowed or implemented if they would cause an otherwise eligible Plan Participant to be subject to tax (including interest and penalties) under Section 409A of the Code.

(p) Specified Employees. Participants determined to be Specified Employees (as determined by the Committee) shall not be entitled to be paid any portion of any Award payable on account of a termination of employment until the expiration of six months from date of termination (or, if earlier, death). The value of the Award(s) (without interest) shall be payable on the first day of the seventh full month following termination.

SECTION 14. EFFECTIVE DATE and TERM OF PLAN

The amended Plan is effective as of October 1, 2007, and the Plan shall terminate on May 31, 2012, unless sooner terminated by the Board pursuant to Section 11.

SECTION 15. DEFINITIONS

As used in the Plan, the following terms shall have the meanings set forth below:

(a) "Award" shall mean any award hereunder of Options, Restricted Stock Units, Performance Awards or Qualified Performance Awards.

(b) "Board" shall mean the Board of Directors of the Corporation.

(c) "Change in Control" shall mean the occurrence of any one of the following:

(1) any "person" or "group" as those terms are used in the Exchange Act, other than any employee benefit plan of GM or a trustee or other administrator or fiduciary holding securities under an employee benefit plan of the Corporation, is or becomes the current

beneficial owner, within the meaning of Rules 13d3 and 13d-5 promulgated under the Exchange Act, of GM securities representing in the aggregate 20% or more of the combined voting power of GM's then outstanding securities entitled to vote in general matters coming before stockholders of the Corporation, whether in a meeting or otherwise; provided, however, that the provisions of this subsection (c) are not intended to apply to or include as a Change in Control any transaction that is specifically excepted from the definition of Change in Control under subsection (iii) below.

In the event that the application of this subsection (c) to an occurrence that has taken place or may take place raises interpretive issues regarding the foregoing definitions of "person," and "group," a duly adopted resolution of the Board of Directors of the Corporation or the Directors & Corporate Governance Committee, or a successor thereof, determining that a Change in Control, as defined in this subsection (c), has occurred or will occur shall be final, binding and conclusive for all purposes under the terms of this Plan, and no revocation of that decision, rescission of that resolution or change to the terms hereof shall alter the effect of the resolution of the Board of Directors that such occurrence does or will constitute a Change in Control, unless the effect of such rescission, revocation, change, or alteration shall not have an adverse effect on Employees covered by this Plan to the extent they have benefited or will benefit by reason of such resolution;

(2) during any two-year period, Incumbent Directors, as hereinafter defined, cease for any reason to constitute a majority of the Board. For purposes of this paragraph, "Incumbent Director" shall mean the directors of the Corporation on the effective date of a Change in Control and any new directors whose election by the Board or nomination for election by the Corporation's stockholders was approved by at least two-thirds of the directors still in office who were Incumbent Directors (including individuals whose appointment or election to office after the effective date of a Change in Control satisfied the requirements of this paragraph); provided, however, that, notwithstanding the foregoing, no individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 or Regulation 14A promulgated under the Exchange Act or successor statutes or rules containing analogous concepts) or other actual or threatened solicitation of proxies or consents by or on behalf of an individual, corporation, partnership, group, associate or other entity or "person" other than the Board, shall in any event be considered to be an Incumbent Director;

(3) GM merges, consolidates or combines with any other corporation or other entity, other than a merger, consolidation, combination or any similar transaction, without regard to the form thereof, (A) that would result in all or a portion of the voting securities of GM outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or parent entity thereof) securities representing more than 50% of the combined voting power of the voting securities of GM or such surviving entity (or parent entity thereof) outstanding immediately after such merger or consolidation and (B) by which the corporate existence of GM is not affected and following which GM's Chief Executive Officer would retain his or her position with GM and the GM directors would remain on the Board of the Corporation and constitute a majority thereof; provided, however, that if GM is not the ultimate parent of the controlled group of which it is a member, references to GM in clause (ii) of this subsection shall be deemed to refer to such ultimate parent of the Corporation or its successor;

(4) GM sells or otherwise disposes of all or substantially all of its assets; or

(5) the stockholders of the Corporation approve a plan of complete liquidation of GM.

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(d) “Code” shall mean the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto, and any reference to any section of the Code shall also include any successor provision thereto.

(e) “Committee” shall mean the Executive Compensation Committee of the Board, its named successor, or such other persons or committee to whom the Board has delegated any authority, as may be appropriate.

(f) “Corporation” of “GM” shall mean General Motors Corporation, a Delaware corporation.

(g) “Covered Employee” shall mean a “covered employee” within the meaning of Section 162(m)(3) of the Code.

(h) “Director” shall mean a member of the Board.

(i) “Employees”

(1) shall mean persons (A) who are employed by the Corporation or any Subsidiary, including employees who are also Directors of the Corporation or any such Subsidiary, or (B) who accept (or previously have accepted) employment, at the request of the Corporation, with any entity not described in (A) above but in which the Corporation has, directly or indirectly, a substantial ownership interest. The rights reserved herein shall, among other things, permit the Committee to determine when, and to what extent, individuals otherwise eligible for consideration shall become or cease to be, as the case may be, Employees for purposes of this Plan and to determine when, and under what circumstances, any individual shall be considered to have terminated employment for purposes of this Plan. To the extent determined by the Committee, the term Employees shall be deemed to include former Employees and any beneficiaries thereof; and,

(2) shall not include the following classes of individuals, regardless of whether the individual is a common-law employee of the Corporation: (A) any individual who provides services to the Corporation where there is an agreement with a separate company under which the services are provided. Such individuals are commonly referred to by the Corporation as “contract employees”, “contract workers” or “bundled-services workers or employees”; (B) any individual who has signed an independent contractor agreement, consulting agreement, or other similar personal service contract with the Corporation; (C) any individual that the Corporation classifies as an independent contractor, consultant, contract employee, contract worker, or bundled services worker or employee during the period the individual is so classified by the Corporation.

(j) “Employer” shall mean, as applicable to any Participant, the Corporation or Subsidiary that employs the Participant.

(k) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

(l) “Fair Market Value” shall mean, with respect to Shares, as of any date, the average of the high and low trading prices for the Shares as reported on the New York Stock Exchange Composite Tape for that date or, if no such prices are reported for that date, the average of the high and low trading prices on the immediately preceding date for which such prices were reported, unless the Committee shall have determined to apply another method of ascertaining Fair Market Value.

(m) “Good Reason” for termination by the Participant of the Participant’s employment shall mean the occurrence (without the Participant’s express written consent) of any one of the following acts by the employer, or failures by the Employer to act, following the occurrence of a Change in Control:

(1) a significant adverse change in the Participant’s authority, duties, responsibilities or position from those in effect immediately prior to the Change in Control; provided that,

notwithstanding the foregoing, the following are not "Good Reason": (A) an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Employer promptly after receipt of notice thereof given by the Participant, or (B) for employees below the executive vice president level, a change of less than two levels in the position to which the Participant reports, or (C) a change in the person to whom the Participant reports:

(2) a reduction in the Participant's annual base salary as in effect immediately prior to the Change in Control or as the same may be increased from time to time following the Change in Control, or a reduction in the level of the Participant's incentive opportunity under the incentive plans as in effect immediately prior to the Change in Control or as the same may be increased from time to time following the Change in Control;

(3) the Employer's requiring the Participant to change the principal workplace location at which the Participant is based to a location that is greater than 50 miles distant from such Participant's principal workplace location immediately prior to the date of such change of location;

(4) the failure by the Corporation or the Employer (as applicable) to pay to the Participant (A) any portion of the Participant's annual base salary, (B) any awards earned pursuant to the Incentive Plans or (C) any portion of an installment of deferred compensation under any deferred compensation program of the Corporation or any of its Subsidiaries, in each case within seven days of the date such compensation is due;

(5) the failure by the Corporation or the Employer (as applicable) to continue in effect any compensation plan or program in which the Participant participates immediately prior to the Change in Control and which is material to the Participant's total compensation, including, without limitation, the Incentive Plans or any plans or programs adopted in substitution thereof prior to the Change in Control, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan or program) has been made with respect to such plan or program, or the failure by the Corporation or the Employer (as applicable) to continue the Participant's participation therein (or in such substitute or alternative plan or program) on a basis not materially less favorable, both in terms of the amount of opportunities provided and the level of the Participant's participation relative to other positions, as existed at the time of the Change in Control;

(6) the failure by the Corporation or the Employer (as applicable) to continue to provide the Participant with benefits substantially similar to those enjoyed by the Participant in the aggregate under any of the Corporation's or the Employer's (as applicable) pension and retirement, fringe benefit and welfare plans, including life insurance, medical, health and accident, disability, and vacation plans and programs in which the Participant participates immediately prior to the Change in Control or the taking of any action by the Corporation or the Employer (as applicable) which would directly or indirectly materially reduce any of such benefits or deprive the Participant of any material fringe benefits enjoyed by the Participant immediately prior to the Change in Control;

(7) the failure by the Corporation or the Employer (as applicable) to continue to provide the Participant with indemnification and insurance coverage under the Corporation's Certificate of Incorporation, Bylaws and any applicable agreement to which the Participant is a party or of which the Participant is a beneficiary, which is substantially the same as that enjoyed by the Participant under any such instruments or arrangements immediately prior to the Change in Control;

(8) the failure of the Corporation to obtain a satisfactory agreement from any successor to

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assume and agree to perform this Plan; or

(9) any purported termination of the Participant's employment by the Corporation or the Employer (as applicable) which is not effected pursuant to a Notice of Termination.

The Participant's right to terminate the Participant's employment for Good Reason shall not be affected by the Participant's incapacity due to physical or mental illness.

The Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder. Notwithstanding the foregoing, the occurrence of an event that would otherwise constitute Good Reason hereunder shall cease to be an event constituting Good Reason if (x) the Participant fails to provide the Corporation with notice of the occurrence of any of foregoing within the ninety-day period immediately following the date on which the Participant first becomes aware (or reasonably should have become aware) of the occurrence of such event, (y) the Participant fails to provide the Corporation with a period of at least thirty days from the date of such notice to cure such event prior to terminating his or her employment for Good Reason or (z) Notice of Termination is not provided to the Corporation by the Participant within ninety days following the day on which the thirty-day period set forth in the preceding clause (y) expires; provided, that the notice period required by clause (y) and referred to in clause (z) shall end two days prior to the third anniversary of the Change in Control in the event that the third anniversary of the Change in Control would occur during such thirty-day period

(n) "Incentive Stock Option" shall mean an Option granted under Section 6 that is intended to meet the requirements of Section 422 of the Code.

(o) "Nonqualified Stock Option" shall mean an Option granted under Section 6 that is not intended to be an Incentive Stock Option.

(p) "Notice of Termination" shall mean a notice that indicates the basis for any termination of employment and sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of a participant's employment.

(q) "Option" shall mean any right granted to a Participant under the Plan allowing such Participant to purchase Shares at such price or prices and during such period or periods, as the Committee shall determine.

(r) "Participant" shall mean an Employee who is selected by the Committee or the Board from time to time in its sole discretion to receive an Award under the Plan.

(s) "Performance Award" shall mean any grant pursuant to Section 8.

(t) "Performance Criteria" shall mean the specific measures for each Qualified Performance Award established by the Committee at the time of such grant. In creating these measures, the Committee may establish the specific goals based upon or relating to one or more of the following business criteria: asset turnover, cash flow, contribution margin, cost objectives, cost reduction, earnings per share, economic value added, increase in customer base, inventory turnover, market price appreciation of the Corporation's Shares, market share, net income, net income margin, operating profit margin, pre-tax income, productivity, profit margin, quality, warranty, return on assets, return on net assets, return on capital, return on equity, revenue, revenue growth, and/or total shareholder return. The business criteria may be expressed in absolute terms or relative to the performance of other companies or to an index.

(u) "Performance Period" shall mean that period established by the Committee at the time any Performance Award is granted or at any time thereafter during which any performance goals specified by the Committee with respect to such Award are to be measured.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(v) “Person” mean any individual, corporation, partnership, association, limited liability corporation, joint-stock corporation, trust, unincorporated organization or government or political subdivision thereof, including any Employee or Participant of the Corporation and its Subsidiaries.

(w) “Qualified Performance Award” shall mean any Award that complies with the provisions of Section 10.

(x) “Restricted Stock Unit” (“RSU”) shall mean any grant pursuant to Section 7.

(y) “Shares” shall mean shares of General Motors Stock, $1 2/3 par value.

(z) “Subsidiary” shall mean (A) a corporation of which capital stock having ordinary voting power to elect a majority of the board of directors of such corporation is owned, directly or indirectly, by the Corporation or (B) any unincorporated entity in respect of which the Corporation can exercise, directly or indirectly, comparable control.

(aa) “Substitute Awards” shall mean Awards granted in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, by a corporation acquired by the Corporation or with which the Corporation combines.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

EXHIBIT 10(p)

AMENDED GENERAL MOTORS CORPORATION 2006 Cash-Based Restricted Stock Unit Plan

As Amended October 1, 2007

SECTION 1. PURPOSE The purpose of the Amended General Motors Corporation 2006 Cash-Based Restricted Stock Unit Plan ("the Plan") is to provide incentives to Employees for the creation of stockholder value through awards of Cash-Based Restricted Stock Units. The Corporation believes that these incentives will stimulate the efforts of Employees toward the long-term success of the Corporation and its Subsidiaries, as well as assist in the recruitment of new Employees. Capitalized terms as used in the Plan shall have the definitions as set forth in Section 12 of the Plan.

SECTION 2. ADMINISTRATION The Plan shall be administered by the Committee. The Committee shall have full discretionary power and authority, subject to such orders or resolutions not inconsistent with the provisions of the Plan as may from time to time be adopted by the Board, to (a) select the Employees of the Corporation and its Subsidiaries to whom Awards may from time to time be granted hereunder; (b) determine the number of Shares relating to each Award granted hereunder; (c) determine the terms and conditions, not inconsistent with the provisions of the Plan, of any Award granted hereunder; (d) determine whether, to what extent and under what circumstances Awards may be canceled; (e) determine whether, to what extent, and under what circumstances payment with respect to an Award shall be deferred by the Committee or at the election of the Participant in a manner consistent with the General Motors Deferred Compensation Plan for Executive Employees and Section 409A of the Code; (f) interpret and administer the Plan and any instrument or agreement entered into under the Plan; (g) establish such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (h) make any other determination and take any other action that the Committee deems necessary or desirable for administration of the Plan.

The Committee may, in its sole discretion, and subject to the provisions of the Plan and applicable law, from time to time delegate any or all of its authority to administer the Plan to the Corporation's Chief Executive Officer. The Chief Executive Officer may only grant Awards in accordance with the terms established by the Committee.

The decisions of the Committee shall be final, conclusive, and binding with respect to the interpretation and administration of the Plan and any grant made under it. The Committee shall make, in its sole discretion, all determinations arising in the administration, construction, or interpretation of the Plan and Awards under the Plan, including the right to construe disputed or doubtful Plan or Award terms and provisions, and any such determination shall be conclusive and binding on all Persons.

In the event of any merger, reorganization, consolidation, re-capitalization, stock dividend, or other change in Corporate structure affecting the Corporation's Shares the Committee shall consistent with Section 409A of the Code make such adjustments in the aggregate number of Shares underlying such awards outstanding under this Plan, the individual Award maximums, and the number of units subject to Awards granted under this Plan (provided the number of units subject to any Award shall always be a whole number), as may be determined to be appropriate by the Committee in order to prevent unintended enhancement or diminution of the benefits to participants of Awards hereunder, and any such adjustment may, in the sole discretion of the Committee, take the form of Awards covering more than one class of General Motors capital stock.

SECTION 3. ELIGIBILITY Any Employee shall be eligible to be selected as a Participant. Substitute Awards may be granted to any holder of an award granted by a company acquired by the Corporation or with which the Corporation combines.

SECTION 4. CONDITIONS PRECEDENT Except for Awards that vest pursuant to Section 6 of this Plan or Awards that vest pursuant to Section 5(c)(ii), settlement of any Award (or portion thereof) shall be subject to the satisfaction of the following conditions precedent that such Participant: (i) continue to render services as an Employee for a period of 12 months following the date of the Award (unless this condition is waived by the Committee), (ii) refrain from engaging in any activity which, in the opinion of the Committee, is competitive with any activity of the Corporation or any Subsidiary (except that employment at the request of the Corporation with an entity in which the Corporation has, directly or indirectly, a substantial ownership interest, or other employment specifically approved by the Committee, shall not be considered to be an activity which is competitive with any activity of the Corporation or any Subsidiary) and from otherwise acting, either prior to or after termination of employment with the Corporation or any Subsidiary, in any manner inimical or in any way contrary to the best interests of the Corporation, and (iii) furnish to the Corporation such information with respect to the satisfaction of the foregoing conditions precedent as the Committee or Corporation shall request. If the Committee shall determine that such Participant has failed to satisfy any of the foregoing conditions precedent, all Awards granted to such Participant shall be immediately canceled.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

As used in this Section 4, the term Participant shall include the beneficiary or beneficiaries designated by such Participant as provided in Section 10(b) hereof, or if no such designation of any beneficiary or beneficiaries has been made, the Participant's legal representative or other person(s) entitled to any payment or benefit with respect to the Participant pursuant to this Plan. As a further condition precedent to the vesting and settlement of all or any portion of an Award, the Committee may, among other things, require a Participant to enter into such agreements as the Committee considers appropriate and in the best interests of the Corporation.

SECTION 5. CASH-BASED RESTRICTED STOCK UNITS

(a) Any Award shall be subject to the following terms and conditions and to such other terms and conditions as the Committee shall deem advisable or appropriate, consistent with the provisions of the Plan as herein set forth.

(b) Cash-Based Restricted Stock Unit Awards shall be paid as soon as practicable, but not later than 90 days following the vesting thereof, in an amount, for each Share underlying the portion of the Award so vesting, equal to the Fair Market Value of such Share. Payments of Awards will be made solely in cash.

(c) Awards granted under this Plan shall, in addition to the other terms and conditions of the Plan, be subject to the following provisions:

(i) Vesting. Except for Awards that vest pursuant to Section 6 of this Plan, or that vest in the case of death as set forth in Section 5(c)(ii)(C) below,, no portion of any Award shall vest prior to the first anniversary date of the Award date (unless otherwise established by the Committee or its delegate(s)). Unless the Committee shall establish a shorter or longer vesting period or different vesting schedule, beginning on the first anniversary date of the Award one-third of the Award will vest and be paid, on the second anniversary date of the Award one-third of the original Award will vest and be paid, and on the third anniversary date of the Award, the final one-third of the original Award will vest and be paid provided that the Participant remains employed through the relevant anniversary date.

(ii) Termination of Employment. If the Participant's employment terminates for any reason before an Award vests, the unvested portion of such Award then held by such Participant will be terminated, except as follows:

(A) This provision shall apply to awards granted prior to February 5, 2007. If, after the first anniversary of the Award's grant date, a Participant retires from the Corporation at age 62 or older with ten or more years of credited service (or equivalent normal retirement age in countries outside the United States), subject to the other terms and conditions of the Plan, payment of such Award shall be delivered in accordance with the original payment schedule set forth in such Award. A retirement prior to age 62 shall be treated as a voluntary resignation, governed by the general rule set forth in Section 5(c)(ii) above, unless the Committee approves other treatment of the Award at the time of grant.

(B) This provision shall apply to awards granted on or after February 5, 2007. If a Participant retires from the Corporation at age 55 or older with ten or more years of credited service (or equivalent normal retirement age in countries outside the United States), subject to the other terms and conditions of the Plan, payment of outstanding Award(s) shall be prorated based on the number of months employed during the vesting period provided that such employee shall have remained employed through December 31 of the year of grant and payment of such prorated Award will be made in accordance with the original payment schedule set forth in such Award.

(C) If a Participant's employment is terminated by reason of death, all Awards shall vest upon death and be prorated based on the number of months employed during the vesting period, and cash will be delivered in payment of such prorated Award as promptly as is practicable but no later than 90 days following death.

(D) If a Participant's employment is terminated through a mutually satisfactory release or other voluntary termination with the consent of the Corporation or divestiture of a business unit in which the Participant is employed, provided that such employee shall have remained employed through the first anniversary date of grant, all unvested Awards shall be prorated based on the number of months employed during the vesting period, and payment of such prorated Award will be made in accordance with the original payment schedule set forth in such Award.

(E) If a Participant becomes disabled or begins any other type of approved leave of absence (excluding a leave for civilian local, state or federal governmental service, in which case Awards will

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

be forfeited), unvested Awards will continue to vest and be paid in accordance with the original payment schedule set forth in such Award while the Employee remains on the approved leave.

(F) Specified Employees. Participants determined to be Specified Employees (as determined by the Committee) shall not be entitled to be paid any portion of any Award payable on account of a termination of employment until the later of the original payment date or the expiration of six months from date of termination (or, if earlier, death). The value of the Award(s) shall be payable without interest.

Notwithstanding the foregoing provisions, the Committee may at any time determine that Awards shall vest or terminate on the date of notice of employment termination, or such later date, as it may deem appropriate. In addition, the Committee may from time to time determine in its discretion that Participants retiring from the Corporation during specified time periods under specified circumstances may retain some portion of those Awards granted in the year the retirement occurs, and the Award shall vest and be paid in accordance with the original payment schedule set forth in such Award.

SECTION 6. CHANGE IN CONTROL PROVISIONS

Upon the occurrence of a Change in Control (as defined in Section 12(d)) and upon the occurrence of a termination of a Participant's employment by the Corporation (other than for gross negligence or deliberate misconduct which demonstrably harms the Corporation) or termination of employment by the participant for Good Reason within 36 months following the Change in Control:

(a) All unvested Awards shall be prorated based on the number of months employed during the vesting period, and such prorated Awards shall vest and be paid in accordance with the original payment schedule set forth in such Award.

(b) The preceding provisions of this Section 6 shall apply notwithstanding any other provision of the Plan to the contrary, unless the Committee shall have expressly provided in any applicable Award for different provisions to apply in the event of a Change in Control. For the avoidance of doubt, any such different provisions may be more or less favorable to either of the parties to the Award, but if the application of such different provisions is unclear, uncertain, or ambiguous, the provisions of this Section 6 shall govern.

SECTION 7. AMENDMENTS AND TERMINATION The Board may amend, alter discontinue, or terminate the Plan or any portion thereof in a manner consistent with Section 409A of the Code at any time provided, however that no such amendment, alteration, ,discontinuation or termination shall be made without (a) stockholder approval if such approval is necessary to comply with the rules of the New York Stock Exchange or (b) following a Change in Control, the consent of the affected Participant, if such action would materially impair the rights of such Participant under any outstanding Award. The Committee shall not discontinue or terminate the Plan if such discontinuance or termination would result in tax and penalties under Section 409A of the Code. Further, the Corporation shall not be liable to Participants for an inadvertent violation of Section 409A of the Code.

The Committee may amend the terms of any Award granted under the Plan, prospectively or retroactively, in a manner consistent with Section 409A of the Code, but following a Change in Control, no such amendment shall materially impair the rights of any Participant without his or her consent.

The Committee may delegate to another committee, as it may appoint, the authority to take any action consistent with the terms of the Plan, either before or after an Award has been granted, which such other committee deems necessary or advisable to comply with any government laws or regulatory requirements of a foreign country, including, but not limited to, modifying or amending the terms and conditions governing any Awards or establishing any local country plans as sub-plans to this Plan. In addition, under all circumstances, the Committee may make non-substantive administrative changes to the Plan so as to conform with or take advantage of governmental requirements, statutes or regulations.

SECTION 8. DIVIDEND EQUIVALENTS Subject to the provisions of the Plan, the recipient of an Award will receive, at the time declared by the Corporation, cash payments in amounts equivalent to cash or stock dividends on Shares underlying an Award.

Except as specifically provided at the time of the Award grant, no holder of any Award shall have any other rights of a stockholder with respect to Shares subject to the Award.

SECTION 9. RECOUPMENT OF INCENTIVE PAY Notwithstanding anything in this Plan to the contrary, any Award made to a Participant under this Plan is subject to being called for repayment to the Corporation in any situation where the Board of Directors or a committee thereof determines that fraud, negligence, or intentional misconduct by

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

the participant was a significant contributing factor to the Corporation having to restate all or a portion of its financial statement(s). The determination regarding Employee conduct and repayment under this provision shall be within the sole discretion of the Committee and shall be final and binding on the Participant and the Corporation.

SECTION 10. GENERAL PROVISIONS

(a) An Award may not be sold, exercised, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution.

(b) A Participant holding an Award under this Plan may make a written designation of beneficiary or beneficiaries on a form prescribed by and filed with the Secretary of the Committee. In the event of the death or legal incapacity of the Participant, such beneficiary or beneficiaries or, if no such designation of any beneficiary or beneficiaries has been made, the Participant's legal representative(s) or such other person(s) entitled thereto as determined by a court of competent jurisdiction, may receive payment, in accordance with and subject to the provisions of Sections 5 or 8, respectively, pursuant to the vesting of all or any portion of Award. A designation of beneficiary may be replaced by a new designation or may be revoked by the Participant at any time.

(c) No Employee shall have the right to be selected to receive an Award under this Plan or, having been so selected, to be selected to receive a future Award. Neither the Award nor any benefits arising out of this Plan shall constitute part of a Participant's employment or service contract with the Corporation or any Subsidiary and, accordingly, this Plan and the benefits hereunder may be terminated at any time in the sole discretion of the Corporation without giving rise to liability on the part of the Corporation or any Subsidiary for severance payments. The Awards under this Plan are not intended to be treated as compensation for any purpose under any other Corporation plan.

(d) The prospective recipient of any Award under the Plan shall not, with respect to such Award, be deemed to have become a Participant, or to have any rights with respect to such Award, until and unless such recipient shall have accepted any Award. By accepting an Award pursuant to the Plan a Participant accepts and agrees to all of the terms and provisions of this Plan. Unless affirmatively rejected within [30] days of the date of grant, the Award will be deemed accepted.

(e) Nothing in the Plan or any Award granted under the Plan shall be deemed to constitute an employment or service contract or confer or be deemed to confer on any Employee or Participant any right to continue in the employ or service of, or to continue any other relationship with, the Corporation or any Subsidiary or limit in any way the right of the Corporation or any Subsidiary to terminate an Employee's employment or a Participant's service at any time, with or without cause.

(f) No Award granted hereunder shall be construed as an offer by the Corporation to sell securities of the Corporation.

(g) The Corporation and its Subsidiaries shall be authorized to withhold from any Award granted or payment due under the Plan the amount of withholding taxes due in respect of an Award or payment hereunder and to take such other action as may be necessary in the opinion of the Corporation or its Subsidiaries to satisfy all obligations for the payment of such taxes.

(h) Nothing contained in the Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to stockholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

(i) The provisions of the Plan shall be construed, regulated and administered according to the laws of the State of Delaware without giving effect to principles of conflicts of law, except to the extent superseded by any controlling Federal statute.

(j) If any provision of the Plan is or becomes or is deemed invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan, or violating Section 409A of the Code, it shall be stricken and the remainder of the Plan shall remain in full force and effect.

(k) For purposes of vesting under this Plan, a qualifying leave of absence (excluding a leave for civilian, local, state or federal governmental service,) shall not constitute a termination of employment. If approved by the Committee in its sole discretion, a Participant's absence or leave because of military service, disability or other reason shall not be considered an interruption of employment for purposes of vesting under the Plan.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(l) If the Corporation shall have any unpaid claim against the Participant arising out of or in connection with such Participant's employment with the Corporation, such claim may be offset against Awards under this Plan in an amount up to $5,000 a year. Such claim may include, but is not limited to, unpaid taxes, or corporate business credit card charges.

(m) Notwithstanding any provision of this Plan, no Plan provisions will be allowed or implemented against any individual Plan Participant if they would cause such otherwise eligible Plan Participant to be subject to tax (including interest and penalties) under Section 409A of the Code. Further, the Corporation shall not be liable to the Participant for an inadvertent violation of Section 409A of the Code.

SECTION 11. TERM OF PLAN The Plan shall terminate on May 31, 2007.

SECTION 12. DEFINITIONS As used in the Plan, the following terms shall have the meanings set forth below:

(a) "Award" shall mean any award hereunder of Cash-Based Restricted Stock Units.

(b) "Board" shall mean the Board of Directors of the Corporation.

(c) "Cash-Based Restricted Stock Unit" shall mean a unit valued by reference to a designated number of Shares representing a contractual right (subject to such restrictions and conditions as the Committee may impose) to receive a cash payment upon settlement of such Award or portion thereof in accordance with the terms of the Plan. Any payment by the Corporation in respect of such Unit will be made in cash.

(d) "Change in Control", "Good Reason", and "Notice of Termination" shall have the same meanings as those contained in the General Motors 2002 Annual Incentive Plan, as amended December 4, 2006.

(e) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto, and any reference to any section of the Code shall also include any successor provision thereto.

(f) "Committee" shall mean the Executive Compensation Committee of the Board or such other persons or committee to whom it has delegated any authority, as may be appropriate.

(g) "Corporation" shall mean General Motors Corporation, a Delaware corporation.

(h) "Director" shall mean a member of the Board.

(i) "Effective Date" shall mean October 1, 2007, the date this Plan was last amended.

(j) "Employees" shall mean persons (A) who are employed by the Corporation or any Subsidiary (as such term is defined herein), or (B) who accept (or previously have accepted) employment, at the request of the Corporation, with any entity not described in (A) above but in which the Corporation has, directly or indirectly, a substantial ownership interest. The rights reserved herein shall, among other things, permit the Committee to determine when, and to what extent, individuals otherwise eligible for consideration shall become or cease to be, as the case may be, Employees for purposes of this Plan and to determine when, and under what circumstances, any individual shall be considered to have terminated employment for purposes of this Plan. To the extent determined by the Committee, the term Employees shall be deemed to include former Employees and any beneficiaries thereof.

The term "Employee" shall not include the following classes of individuals, regardless of whether the individual is a common-law employee of the Corporation: (1) Any individual who provides services to the Corporation where there is an agreement with a separate company under which the services are provided. Such individuals are commonly referred to by the Corporation as "contract employees", "contract workers" or "bundled- services workers or employees"; (2) Any individual who has signed an independent contractor agreement, consulting agreement, or other similar personal service contract with the Corporation; (3) Any individual that the Corporation classifies as an independent contractor, consultant, contract employee, contract worker, or bundled services worker or employee during the period the individual is so classified by the Corporation.

(k) "Employer" shall mean as applicable to any Participant, the Corporation or Subsidiary that employs the Participant

(l) "Fair Market Value" shall mean, with respect to Shares, as of any date, the average of the high and low trading prices for the Shares as reported on the New York Stock Exchange Composite Tape for that date or, if no such prices are reported for that date, the average of the high and low trading prices on the immediately preceding date for which such prices were reported, unless otherwise determined by the Committee.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(m) “Participant” shall mean an Employee who is selected by the Committee or the Board from time to time in their sole discretion to receive an Award under the Plan.

(n) “Person” shall mean any individual, corporation, partnership, association, limited liability corporation, joint-stock corporation, trust, unincorporated organization or government or political subdivision thereof, including any Employee or Participant of the Corporation and its Subsidiaries.

(o) “Shares” shall mean shares of GM Common Stock of the Corporation, $1 2/3 par value.

(p) “Subsidiary” shall mean (A) a corporation of which capital stock having ordinary voting power to elect a majority of the board of directors of such corporation is owned, directly or indirectly, by the Corporation or (B) any unincorporated entity in respect of which the Corporation can exercise, directly or indirectly, comparable control.

(q) “Substitute Awards” shall mean Awards granted by the Corporation in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, by a corporation acquired by the Corporation or with which the Corporation combines.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

EXHIBIT 10(q)

GENERAL MOTORS CORPORATION 2007 Cash-Based Restricted Stock Unit Plan

As Amended October 1, 2007

SECTION 1. PURPOSE The purpose of the Amended General Motors Corporation 2007 Cash-Based Restricted Stock Unit Plan ("the Plan") is to provide incentives to Employees for the creation of stockholder value through awards of Cash-Based Restricted Stock Units. The Corporation believes that these incentives will stimulate the efforts of Employees toward the long-term success of the Corporation and its Subsidiaries, as well as assist in the recruitment of new Employees. Capitalized terms as used in the Plan shall have the definitions as set forth in Section 12 of the Plan.

SECTION 2. ADMINISTRATION The Plan shall be administered by the Committee. The Committee shall have full discretionary power and authority, subject to such orders or resolutions not inconsistent with the provisions of the Plan as may from time to time be adopted by the Board, to (a) select the Employees of the Corporation and its Subsidiaries to whom Awards may from time to time be granted hereunder; (b) determine the number of Shares relating to each Award granted hereunder; (c) determine the terms and conditions, not inconsistent with the provisions of the Plan, of any Award granted hereunder; (d) determine whether, to what extent and under what circumstances Awards may be canceled; (e) determine whether, to what extent, and under what circumstances payment with respect to an Award shall be deferred by the Committee or at the election of the Participant in a manner consistent with the General Motors Deferred Compensation Plan for Executive Employees and Section 409A of the Code; (f) interpret and administer the Plan and any instrument or agreement entered into under the Plan; (g) establish such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (h) make any other determination and take any other action that the Committee deems necessary or desirable for administration of the Plan.

The Committee may, in its sole discretion, and subject to the provisions of the Plan and applicable law, from time to time delegate any or all of its authority to administer the Plan to the Corporation's Chief Executive Officer. The Chief Executive Officer may only grant Awards in accordance with the terms established by the Committee.

The decisions of the Committee shall be final, conclusive, and binding with respect to the interpretation and administration of the Plan and any grant made under it. The Committee shall make, in its sole discretion, all determinations arising in the administration, construction, or interpretation of the Plan and Awards under the Plan, including the right to construe disputed or doubtful Plan or Award terms and provisions, and any such determination shall be conclusive and binding on all Persons.

In the event of any merger, reorganization, consolidation, re-capitalization, stock dividend, or other change in Corporate structure affecting the Corporation's Shares the Committee shall, consistent with Section 409A of the Code, make such adjustments in the aggregate number of Shares underlying such awards outstanding under this Plan, the individual Award maximums, and the number of units subject to Awards granted under this Plan (provided the number of units subject to any Award shall always be a whole number), as may be determined to be appropriate by the Committee in order to prevent unintended enhancement or diminution of the benefits to participants of Awards hereunder, and any such adjustment may, in the sole discretion of the Committee, take the form of Awards covering more than one class of General Motors capital stock.

SECTION 3. ELIGIBILITY Any Employee shall be eligible to be selected as a Participant. Substitute Awards may be granted to any holder of an award granted by a company acquired by the Corporation or with which the Corporation combines.

SECTION 4. CONDITIONS PRECEDENT Except for Awards that vest pursuant to Section 6 of this Plan or Awards that vest pursuant to Section 5(c)(ii), settlement of any Award (or portion thereof) shall be subject to the satisfaction of the following conditions precedent that such Participant: (i) continue to render services as an Employee for a period of 12 months following the date of the Award (unless this condition is waived by the Committee), (ii) refrain from engaging in any activity which, in the opinion of the Committee, is competitive with any activity of the Corporation or any Subsidiary (except that employment at the request of the Corporation with an entity in which the Corporation has, directly or indirectly, a substantial ownership interest, or other employment specifically approved by the Committee, shall not be considered to be an activity which is competitive with any activity of the Corporation or any Subsidiary) and from otherwise acting, either prior to or after termination of employment with the Corporation or any Subsidiary, in any manner inimical or in any way contrary to the best interests of the Corporation, and (iii) furnish to the Corporation such information with respect to the satisfaction of the foregoing conditions precedent as the Committee or Corporation shall request. If the Committee shall determine that such Participant has failed to satisfy any of the foregoing conditions precedent, all Awards granted to such Participant shall be immediately canceled.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

As used in this Section 4, the term Participant shall include the beneficiary or beneficiaries designated by such Participant as provided in Section 10(b) hereof, or if no such designation of any beneficiary or beneficiaries has been made, the Participant's legal representative or other person(s) entitled to any payment or benefit with respect to the Participant pursuant to this Plan. As a further condition precedent to the vesting and settlement of all or any portion of an Award, the Committee may, among other things, require a Participant to enter into such agreements as the Committee considers appropriate and in the best interests of the Corporation.

SECTION 5. CASH-BASED RESTRICTED STOCK UNITS

(a) Any Award shall be subject to the following terms and conditions and to such other terms and conditions as the Committee shall deem advisable or appropriate, consistent with the provisions of the Plan as herein set forth.

(b) Cash-Based Restricted Stock Units shall be settled or paid as soon as practicable following the vesting thereof, in an amount, for each Share underlying the portion of the Award so vesting, equal to the Fair Market Value of such Share. Payments of Awards will be made solely in cash.

(c) Awards granted under this Plan shall, in addition to the other terms and conditions of the Plan, be subject to the following provisions:

(i) Vesting. Except for Awards that vest pursuant to Section 6 of this Plan, or that vest in the case of death, as set forth in Section 5(c)(ii)(B) below no portion of any Award shall vest prior to the first anniversary date of the Award date (unless otherwise established by the Committee or its delegate(s)). Unless the Committee shall establish a shorter or longer vesting period or different vesting schedule, beginning on the first anniversary date of the Award one-third of the Award will vest and be paid, on the second anniversary date of the Award one-third of the original Award will vest and be paid, and on the third anniversary date of the Award, the final one-third of the original Award will vest and be paid provided that the Participant remains employed through the relevant anniversary date.

(ii) Termination of Employment. If the Participant's employment terminates for any reason before an Award vests, the unvested portion of such Award then held by such Participant will be terminated, except as follows:

(A) If a Participant retires from the Corporation at age 55 or older with ten or more years of credited service (or equivalent normal retirement age in countries outside the United States), subject to the other terms and conditions of the Plan, payment of outstanding Award(s) shall be prorated based on the number of months employed during the vesting period provided that such employee shall have remained employed through December 31 of the year of grant and payment of such prorated Award will be made in accordance with the original payment schedule set forth in such Award.

(B) If a Participant's employment is terminated by reason of death, all Awards shall be prorated based on the number of months employed during the vesting period, and cash will be delivered in payment of such prorated Award as promptly as is practicable but not later than 90 days following death.

(C) If a Participant's employment is terminated through a mutually satisfactory release or other voluntary termination with the consent of the Corporation or divestiture of a business unit in which the Participant is employed, provided that such employee remain employed through the first anniversary date of grant, all unvested Awards shall be prorated based on the number of months employed during the vesting period, and payment of such prorated Award will be made in accordance with the original payment schedule set forth in such Award.

(D) If a Participant becomes disabled or begins any other type of approved leave of absence (excluding a leave for civilian local, state or federal governmental service, in which case Awards will be forfeited), unvested Awards will continue to vest and be paid in accordance with the original payment schedule set forth in such Award while the Employee remains on the approved leave.

(iii) Specified Employees. Participants determined to be Specified Employees (as determined by the Committee) shall not be entitled to be paid any portion of an Award payable on account of a termination of employment until the expiration of six months from date of termination (or, if earlier, death). The value of the Award(s) (without interest) shall be payable on the first day of the seventh full month following termination.

Notwithstanding the foregoing provisions, the Committee may at any time determine that Awards shall vest or terminate on the date of notice of employment termination, or such later date, as it

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

may deem appropriate. In addition, the Committee may from time to time determine in its discretion that Participants retiring from the Corporation during specified time periods under specified circumstances may retain some portion of those Awards granted in the year the retirement occurs, and the Award shall vest and be paid n accordance with the original payment schedule set forth in such Award.

SECTION 6. CHANGE IN CONTROL PROVISIONS

Upon the occurrence of a Change in Control (as defined in Section 12(d)) and upon the occurrence of a termination of a Participant's employment by the Corporation (other than for gross negligence or deliberate misconduct which demonstrably harms the Corporation) or termination of employment by the participant for Good Reason within 36 months following the Change in Control:

(a) All unvested Awards shall be prorated based on the number of months employed during the vesting period, and such prorated Awards shall vest and be paid in accordance with the original payment schedule set forth in such Award.

(b) The preceding provisions of this Section 6 shall apply notwithstanding any other provision of the Plan to the contrary, unless the Committee shall have expressly provided in any applicable Award for different provisions to apply in the event of a Change in Control. For the avoidance of doubt, any such different provisions may be more or less favorable to either of the parties to the Award, but if the application of such different provisions is unclear, uncertain, or ambiguous, the provisions of this Section 6 shall govern.

SECTION 7. AMENDMENTS AND TERMINATION The Board may amend, alter, suspend, discontinue, or terminate the Plan or any portion thereof in a manner consistent with Section 409A of the Code at any time provided, however that no such amendment, alteration, suspension, discontinuation or termination shall be made without (a) stockholder approval if such approval is necessary to comply with the rules of the New York Stock Exchange or (b) following a Change in Control, the consent of the affected Participant, if such action would materially impair the rights of such Participant under any outstanding Award.

The Committee may amend the terms of any Award granted under the Plan, prospectively or retroactively in a manner consistent with Section 409A of the Code, but following a Change in Control, no such amendment shall materially impair the rights of any Participant without his or her consent.

The Committee may delegate to another committee, as it may appoint, the authority to take any action consistent with the terms of the Plan, either before or after an Award has been granted, which such other committee deems necessary or advisable to comply with any government laws or regulatory requirements of a foreign country, including, but not limited to, modifying or amending the terms and conditions governing any Awards or establishing any local country plans as sub-plans to this Plan. In addition, under all circumstances, the Committee may make non-substantive administrative changes to the Plan so as to conform with or take advantage of governmental requirements, statutes or regulations.

SECTION 8. DIVIDEND EQUIVALENTS Subject to the provisions of the Plan, the recipient of an Award will receive, at the time declared by the Corporation, cash payments in amounts equivalent to cash or stock dividends on Shares underlying an Award.

Except as specifically provided at the time of the Award grant, no holder of any Award shall have any other rights of a stockholder with respect to Shares subject to the Award.

SECTION 9. RECOUPMENT OF INCENTIVE PAY Notwithstanding anything in this Plan to the contrary, any Award made to a Participant under this Plan is subject to being called for repayment to the Corporation in any situation where the Board of Directors or a committee thereof determines that fraud, negligence, or intentional misconduct by the participant was a significant contributing factor to the Corporation having to restate all or a portion of its financial statement(s). The determination regarding Employee conduct and repayment under this provision shall be within the sole discretion of the Committee and shall be final and binding on the Participant and the Corporation.

SECTION 10. GENERAL PROVISIONS

(a) An Award may not be sold, exercised, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution.

(b) A Participant holding an Award under this Plan may make a written designation of beneficiary or beneficiaries on a form prescribed by and filed with the Secretary of the Committee. In the event of the death or legal incapacity of the Participant, such beneficiary or beneficiaries or, if no such designation of any beneficiary or

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

beneficiaries has been made, the Participant's legal representative(s) or such other person(s) entitled thereto as determined by a court of competent jurisdiction, may receive payment, in accordance with and subject to the provisions of Sections 5 or 8, respectively, pursuant to the vesting of all or any portion of Award. A designation of beneficiary may be replaced by a new designation or may be revoked by the Participant at any time.

(c) No Employee shall have the right to be selected to receive an Award under this Plan or, having been so selected, to be selected to receive a future Award. Neither the Award nor any benefits arising out of this Plan shall constitute part of a Participant's employment or service contract with the Corporation or any Subsidiary and, accordingly, this Plan and the benefits hereunder may be terminated at any time in the sole discretion of the Corporation without giving rise to liability on the part of the Corporation or any Subsidiary for severance payments. The Awards under this Plan are not intended to be treated as compensation for any purpose under any other Corporation plan.

(d) The prospective recipient of any Award under the Plan shall not, with respect to such Award, be deemed to have become a Participant, or to have any rights with respect to such Award, until and unless such recipient shall have accepted any Award. By accepting an Award pursuant to the Plan a Participant accepts and agrees to all of the terms and provisions of this Plan. Unless affirmatively rejected within [30] days of the date of grant, the Award will be deemed accepted.

(e) Nothing in the Plan or any Award granted under the Plan shall be deemed to constitute an employment or service contract or confer or be deemed to confer on any Employee or Participant any right to continue in the employ or service of, or to continue any other relationship with, the Corporation or any Subsidiary or limit in any way the right of the Corporation or any Subsidiary to terminate an Employee's employment or a Participant's service at any time, with or without cause.

(f) No Award granted hereunder shall be construed as an offer by the Corporation to sell securities of the Corporation.

(g) The Corporation and its Subsidiaries shall be authorized to withhold from any Award granted or payment due under the Plan the amount of withholding taxes due in respect of an Award or payment hereunder and to take such other action as may be necessary in the opinion of the Corporation or its Subsidiaries to satisfy all obligations for the payment of such taxes.

(h) Nothing contained in the Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to stockholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

(i) The provisions of the Plan shall be construed, regulated and administered according to the laws of the State of Delaware without giving effect to principles of conflicts of law, except to the extent superseded by any controlling Federal statute.

(j) If any provision of the Plan is or becomes or is deemed invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan, or violating Section 409A of the Code, it shall be stricken and the remainder of the Plan shall remain in full force and effect.

(k) For purposes of vesting under this Plan, a qualifying leave of absence (excluding a leave for civilian, local, state or federal governmental service,) shall not constitute a termination of employment. If approved by the Committee in its sole discretion, a Participant's absence or leave because of military service, disability or other reason shall not be considered an interruption of employment for purposes of vesting under the Plan.

(l) If the Corporation shall have any unpaid claim against the Participant arising out of or in connection with such Participant's employment with the Corporation, such claim may be offset against Awards under this Plan in an amount up to $5,000 a year. Such claim may include, but is not limited to, unpaid taxes, or corporate business credit card charges.

(m) Notwithstanding any provision of this Plan, no Plan provisions will be allowed or implemented against any individual Plan Participant if they would cause such otherwise eligible Plan Participant to be subject to tax (including interest and penalties) under Section 409A of the Code. Further, the Corporation shall not be liable to a Participant for an inadvertent violation of Section 409A of the Code.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

SECTION 11. TERM OF PLAN The Plan shall terminate on May 31, 2012.

SECTION 12. DEFINITIONS As used in the Plan, the following terms shall have the meanings set forth below:

(a) “Award” shall mean any award hereunder of Cash-Based Restricted Stock Units.

(b) “Board” shall mean the Board of Directors of the Corporation.

(c) “Cash-Based Restricted Stock Unit” shall mean a unit valued by reference to a designated number of Shares representing a contractual right (subject to such restrictions and conditions as the Committee may impose) to receive a cash payment upon settlement of such Award or portion thereof in accordance with the terms of the Plan. Any payment by the Corporation in respect of such Unit will be made in cash.

(d) “Change in Control”, “Good Reason”, and “Notice of Termination” shall have the same meanings as those contained in the General Motors 2007 Annual Incentive Plan.

(e) “Code” shall mean the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto, and any reference to any section of the Code shall also include any successor provision thereto.

(f) “Committee” shall mean the Executive Compensation Committee of the Board or such other persons or committee to whom it has delegated any authority, as may be appropriate.

(g) “Corporation” shall mean General Motors Corporation, a Delaware corporation.

(h) “Director” shall mean a member of the Board.

(i) “Effective Date” shall mean January 1, 2008.

(j) “Employees” shall mean persons (A) who are employed by the Corporation or any Subsidiary (as such term is defined herein), or (B) who accept (or previously have accepted) employment, at the request of the Corporation, with any entity not described in (A) above but in which the Corporation has, directly or indirectly, a substantial ownership interest. The rights reserved herein shall, among other things, permit the Committee to determine when, and to what extent, individuals otherwise eligible for consideration shall become or cease to be, as the case may be, Employees for purposes of this Plan and to determine when, and under what circumstances, any individual shall be considered to have terminated employment for purposes of this Plan. To the extent determined by the Committee, the term Employees shall be deemed to include former Employees and any beneficiaries thereof.

The term “Employee” shall not include the following classes of individuals, regardless of whether the individual is a common-law employee of the Corporation: (1) Any individual who provides services to the Corporation where there is an agreement with a separate company under which the services are provided. Such individuals are commonly referred to by the Corporation as “contract employees”, “contract workers” or “bundled- services workers or employees”; (2) Any individual who has signed an independent contractor agreement, consulting agreement, or other similar personal service contract with the Corporation; (3) Any individual that the Corporation classifies as an independent contractor, consultant, contract employee, contract worker, or bundled services worker or employee during the period the individual is so classified by the Corporation.

(k) “Employer” shall mean as applicable to any Participant, the Corporation or Subsidiary that employs the Participant

(l) “Fair Market Value” shall mean, with respect to Shares, as of any date, the average of the high and low trading prices for the Shares as reported on the New York Stock Exchange Composite Tape for that date or, if no such prices are reported for that date, the average of the high and low trading prices on the immediately preceding date for which such prices were reported, unless otherwise determined by the Committee.

(m) “Participant” shall mean an Employee who is selected by the Committee or the Board from time to time in their sole discretion to receive an Award under the Plan.

(n) “Person” shall mean any individual, corporation, partnership, association, limited liability corporation, joint-stock corporation, trust, unincorporated organization or government or political subdivision thereof, including any Employee or Participant of the Corporation and its Subsidiaries.

(o) “Shares” shall mean shares of GM Common Stock of the Corporation, $1 2/3 par value.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(p) “Subsidiary” shall mean (A) a corporation of which capital stock having ordinary voting power to elect a majority of the board of directors of such corporation is owned, directly or indirectly, by the Corporation or (B) any unincorporated entity in respect of which the Corporation can exercise, directly or indirectly, comparable control.

(q) “Substitute Awards” shall mean Awards granted by the Corporation in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, by a corporation acquired by the Corporation or with which the Corporation combines.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

EXHIBIT 10(R)

GENERAL MOTORS CORPORATION
COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS

1.Name and Purpose

The name of this plan is the General Motors Corporation Compensation Plan for Non-Employee Directors (the "Plan"). Its purpose is to provide Non-Employee Directors ("Directors") of General Motors Corporation (the "Corporation") with an opportunity to defer compensation while providing them a means to increase their stock ownership. The Plan's purpose will be accomplished by using share units of GM $1-2/3 par value Common Stock ("Common Stock") to ensure that Director compensation is closely aligned with stockholder interests and the performance of the Corporation.

2.Effective Date

The Plan became effective January 1, 1996 following approval by stockholders on May 23, 1997. The Plan as amended on December 4, 2007, shall be effective January 1, 2008.

3.Administration

The Directors and Corporate Governance Committee of the Corporation's Board of Directors ("DCG") will administer the Plan. The decisions of the DCG with respect to any questions arising as to the interpretation of the Plan, including the severability of any and all of the provisions thereof, shall be final, conclusive and binding on all parties.

The DCG is authorized, subject to the provisions of the Plan, from time to time to establish such rules and regulations, and to delegate responsibilities, as it deems appropriate for the proper administration of the Plan.

4.Eligibility

Eligibility to participate in the Plan is limited to Directors who are not current or former officers of the Corporation or of a subsidiary of the Corporation.

5.Election of Deferral; Required Deferral

On or before December 31 of each year prior to the year compensation is to be earned, each Director, or nominee for election as a Director, must make an irrevocable election to defer receipt of all or a specified portion of the compensation (exclusive of expense reimbursement) otherwise payable during the following year for serving on the Board of Directors of the Corporation and its Committees. The Plan will establish and maintain for each Director an unfunded deferred compensation account. The Director's compensation will be credited annually to such Director's deferred compensation account on December 31 of the year in which the compensation was earned.

A Director's compensation may be deferred into share units of Common Stock a cash-based alternative, or a combination of the two, as the Director shall elect.

When a Director is elected to the Board for the first time, the Director's election under the Plan for the remainder of the calendar year in which the Director joins the Board must be made prior to the month in which he or she performs services as a newly elected Director.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Each annual deferral election will include the method by which the value of amounts deferred will be measured and distributed in accordance with Sections 7 and 8 below, respectively.

A portion, as annually determined by the DCG, of each Director's annual Board retainer is required to be deferred in share units of Common Stock, in accordance with Section 7(b) below.

6.Manner of Electing Deferral

A Director will elect to defer all or a portion of his or her compensation by giving written notice to the Corporation before January 1 of the year in which the compensation is to be earned. Such notice will include:

(a) The mandatory deferral, which will equal a portion of the Director's annual Board retainer as determined pursuant to Section 5, and will be deferred in the form of share units of Common Stock;

(b) The voluntary deferral, which will be the amount or percentage of the Director's remaining compensation that may be credited under share units of Common Stock and/or the cash-based alternative; and

(c) The election of a lump sum cash payment or a number of annual cash installments (not to exceed ten) for distribution of deferred compensation. For purposes of Section 409A of the Internal Revenue Code, each installment shall be treated as a separate payment.

In subsequent annual elections, a Director may change any or all of the above elections, but only with respect to future compensation.

7.Value of Compensation Accounts

Deferred compensation will be held in the Director's account and will be credited, pursuant to the Director's written instructions, as follows:

(a) Share Units of Common Stock Deferral Alternative

Amounts deferred under this alternative will be converted into share units of Common Stock determined by dividing the amount of compensation deferred each calendar year by the average daily closing market price of such stock as reported in *The Wall Street Journal* (or, if such prices are not reported in *The Wall Street Journal*, in another reliable, widely available source of such prices as designated by the DCG) for that calendar year. Dividend equivalents in the form of additional share units of Common Stock will be credited to the Director's account annually on December 31 in an amount equal to the sum of the per share cash dividend multiplied by the number of share units of Common Stock in the Director's account on December 31 after giving effect to that year's annual credit pursuant to Section 5 above, and then divided by the average market price of such stock on each dividend payment date. In the event of any change in the number or kind of any outstanding shares of the Corporation, appropriate adjustments will be made in the number of share units of Common Stock credited to a Director's account.

Amounts credited to the Director's account will continue to accrue interest and/or dividend equivalents until distributed in accordance with provisions of the Plan. Share units of Common Stock will be calculated to the nearest thousandth. Average market price on any valuation date under the Plan is defined as the mean of the highest and lowest sales prices of GM Common Stock as reported in *The Wall Street Journal.*

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

In the event that the Director's account is credited with share units of Common Stock calculated as provided in this Section 7, the value of such portion of the account for purposes of distribution to the Director will be determined by multiplying the number of share units of Common Stock credited to the account by the average daily closing market price of GM Common Stock as reported in *The Wall Street Journal* for the calendar quarter prior to payment.

As further described in Section 10, a Director will not have any interest in the deferred compensation held in his or her account until it is distributed in accordance with the Plan. A Director's deferred compensation account is an unsecured liability of the Corporation.

(b) Cash-Based Deferral Alternative

The crediting rate for this investment option is set each January and applies to all amounts previously deferred and earmarked for the cash-based deferral alternative. It is based on 120% of the twelve-month average of the closing rates of Ten-Year United States Treasury Notes on the first business day of the preceding twelve months.

(c) Grandfathered Stock Options

For Directors who were granted stock options between 1999 and 2002 under the General Motors Corporation Non-Employee Director Long-Term Stock Incentive Plan (the "Terminated Option Plan"), the stock options have a term of 10 years and 2 days from the date of grant, subject to earlier termination as provided herein. Such stock option became exercisable, in one-third increments, beginning one year from the date of grant. Stock option grants made after January 1, 2001 remain exercisable for their full term upon a Director's retirement.

Stock options granted under the Terminated Option Plan are not transferable other than by will or by the laws of descent and distribution. A Director's beneficiary, or if no such designation has been made, the Director's legal representative or such other person entitled thereto by a court of competent jurisdiction, may exercise, in accordance with the Plan's provisions, all unexercised options for a period of three years from the date of the Director's death, subject to earlier expiration of the stock option by its original terms.

On the date of exercise the Director must pay the full amount of the stock option exercise price. The stock option exercise price may be paid by the Director either in cash or shares of the same type of stock as the stock option to be exercised, or a combination of cash and such shares. If stock is used to exercise stock options it will be valued at the stock's fair market value on the date of exercise. A cashless exercise of such stock options will be permitted in accordance with the administrative procedures for exercising stock options established pursuant to The Sarbanes Oxley Act of 2002.

If a Director leaves the Board while holding unexercised stock options previously granted to him or her under the Terminated Option Plan, such stock options will immediately be forfeited, except in the case of the Director's (i) death, (ii) disability, (iii) retirement after attaining the minimum age of 70, or (iv) such other conditions as may be approved by the DCG. Stock options granted to a Director who ceases to be a Director under the circumstances set forth in clauses (ii), (iii) or (iv) of the preceding sentence will remain exercisable for a period of the lesser of the term of the grant or five years from the date the Director leaves the Board for options granted prior to January 1, 2001. Stock option grants made after January 1, 2001 remain exercisable for their full term upon a Director's retirement.

8.Method of Distribution of Deferred Compensation

No distribution will be permitted from a Director's deferred compensation account except as provided in this Section 8.

Amounts deferred and credited under this Plan are not available until after the Director retires or otherwise separates from the Board. After a Director leaves the Board, payment under this Plan will be made in cash, based on the number of share units in a Director's deferred

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

compensation account, valued at the market price as provided in Section 7. The value of a Director's deferred compensation account invested in share units of Common Stock or the cash-based alternative is payable in accordance with the Director's deferral election, in cash, in a lump sum or in up to ten annual installments as provided in Section 6. If annual installments are elected, the amount of the first payment will be a fraction of the value of the Participant's deferred compensation account as of December 31st of the year preceding payment, the numerator of which is one and the denominator of which is the total number of installments elected. The amount of each subsequent payment will be a fraction of the value as of December 31st of the year preceding each subsequent payment, the numerator of which is one and the denominator of which is the total number of installments elected minus the number of installments previously paid. The distribution of the deferred compensation will be made, or will commence, as soon as practicable in January of the year following a Director's ceasing to be a Director.

If a Director leaves the Board with less than five years of service, any deferred compensation will be paid to such Director in a lump sum in January following separation from the Board, which will negate the original election of a number of installment payments elected.

9.Distribution Upon Death

A Director may designate a beneficiary or beneficiaries to receive amounts credited under the Plan in the event of the Director's death. A designation of beneficiary or beneficiaries shall be on a form prescribed by and filed with the Secretary of the DCG. In the event of the Director's death, the unpaid amount in such Director's Plan account will be paid to his or her beneficiary, or if none has been designated, to his or her estate. Such payment will be made in one lump sum in cash not later than 90 days following the date of death. The value of the Plan account on the date of payment will be determined in accordance with the provisions of Section 7 hereof.

10.Participant's Rights Unsecured

A Director shall not have any interest in any amounts credited to his or her account(s) until it is paid in accordance with the Plan. All amounts deferred under the Plan shall remain the sole property of the Corporation, subject to the claims of its general creditors and available for use by the Corporation for whatever purposes are desired. With respect to amounts deferred, a Director shall be merely a general creditor of the Corporation and the obligation of the Corporation hereunder shall be purely contractual and may or may not be funded or secured in any way.

11.Non-Assignability

The right of a Director to the payment of deferred compensation as provided in this Plan shall not be assigned, transferred, pledged or encumbered or be subject in any manner to alienation or anticipation, except as provided in Section 9.

12.Statement of Accounts; Statement of Stock Options

Statements will be sent to each Director as soon as practicable each year as to the value of his or her deferred compensation accounts as of the end of the previous year, together with a summary of his or her stock options, if applicable.

13.Business Days

If any date specified herein falls on a Saturday, Sunday or legal holiday such date shall be deemed to refer to the next GM business day after that date unless such date is December 31, in which case such date shall be deemed to refer to the immediately prior GM business day.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

14.Adjustments to Grandfathered Stock Options

Outstanding stock options and share units of Common Stock awarded under this Plan will be subject to appropriate adjustment in the event of future stock splits, stock dividends, spin-offs, split-offs or other changes in capitalization of the Corporation to prevent the dilution or enlargement of the Director's rights under the Plan. Such adjustments to stock options will be made in the same manner as adjustments to stock options issued pursuant to the General Motors Corporation 2007 Long-Term Incentive Plan or its successor. Such adjustments to share units of Common Stock will be made in the same manner as adjustments to shares of GM Common Stock contained in the General Motors Corporation's Dividend Reinvestment and Stock Purchase Plan or its successor.

15.Amendments and Termination

This Plan may at any time be amended, modified or terminated by the DCG to comport with changes in the Internal Revenue Code of 1986, as amended (the "Code"), or the Employee Retirement Income Security Act of 1974, as amended, or the rules or regulations promulgated thereunder. In addition the DCG may, in its sole discretion, modify the terms and conditions of the Plan in response to and consistent with any changes in other applicable law, rule or regulation. The DCG also reserves the right to modify the Plan from time to time, or to terminate the Plan entirely**;** provided, however, that no modification of the Plan, except for such modifications as may be required by law, rule or regulation, will operate to annul an election already in effect for the current calendar year or any preceding calendar year. The DCG shall not amend or terminate the Plan or an account if such action would result in tax and penalties under Section 409A of the Code.

It is the Corporation's intent that the Plan complies in all respects with Rule 16b-3 of the Securities Exchange Act of 1934 (the "Exchange Act"), or its successor, and any regulations promulgated thereunder. If any provision of the Plan is found not to be in compliance with such Rule and such regulations, the provision will be deemed null and void, and the remaining provisions of the Plan will continue in full force and effect. All transactions under this Plan will be executed in accordance with the requirements of Section 16 of the Exchange Act and regulations promulgated thereunder.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

EXHIBIT 10(S)

GENERAL MOTORS CORPORATION 2007 ANNUAL INCENTIVE PLAN

1. The purposes of the General Motors Corporation 2007 Annual Incentive Plan (this "Plan") are to reward performance and provide incentive for future endeavor to employees who contribute to the success of the business by making them participants in that success.

2(a). The Executive Compensation Committee of the General Motors Board of Directors (the "Committee"), as from time to time constituted pursuant to the Bylaws of General Motors Corporation (the "Corporation"), may, prior to June 1, 2012, authorize the granting to employees of the Corporation of annual target awards. The Committee, in its sole discretion, shall determine the performance levels at which different percentages of such awards shall be earned, the collective amount for all awards to be granted at any one time, and the individual annual grants with respect to employees who are officers of the Corporation. The Committee may delegate to the Chief Executive Officer responsibility for determining, within the limits established by the Committee, individual award grants for employees who are not executive officers of the Corporation. All such awards shall be denominated and paid in cash (U.S. dollars or local currency equivalent). Further, the Committee shall determine whether, to what extent, and under what circumstances payment with respect to an award shall be deferred by the Committee or at the election of an employee in a manner consistent with the General Motors Deferred Compensation Plan for Executive Employees and Section 409A of the Internal Revenue Code.

2(b). Prior to the grant of any target award, the Committee shall establish for each such award performance levels related to the enterprise (as defined below) at which 100 percent of the award shall be earned and a range (which need not be the same for all awards) within which greater and lesser percentages shall be earned. The term "enterprise" shall mean the Corporation and/or any unit or portion thereof, and any entities in which the Corporation has, directly or indirectly, a substantial ownership interest.

2(c). With respect to the performance levels to be established pursuant to paragraph 2(b), the specific measures for each grant shall be established by the Committee at the time of such grant. In creating these measures, the Committee may establish the specific goals based upon or relating to one or more of the following business criteria: asset turnover, cash flow, contribution margin, cost objectives, cost reduction, earnings per share, economic value added, increase in customer base, inventory turnover, market price appreciation of the Corporation's Common Stock, market share, net income, net income margin, operating profit margin, pre-tax income, productivity, profit margin, quality, return on assets, return on net assets, return on capital, return on equity, revenue, revenue growth, total shareholder return and/or warranty. The business criteria may be expressed in absolute terms or relative to the performance of other companies or to an index.

2(d). If any event occurs during a performance period which requires changes to preserve the incentive features of this Plan, the Committee may make appropriate adjustments.

2(e). Except as otherwise provided in paragraph 6, the percentage of each target award to be distributed to an employee shall be determined by the Committee on the basis of the performance levels established for such award and the performance of the applicable enterprise or specified portion thereof, as the case may be, during the performance period. Following determination of the final payout percentage, the Committee may, upon the recommendation of the Chief Executive Officer, make adjustments to awards for officers of the Corporation to reflect individual performance during such period, which for covered officers will involve only negative discretion. A covered officer is any individual whose compensation in the year of expected payment of an award, or in the year in which the Corporation will claim a tax deduction in respect of such individual's award thereunder, will be subject to the provisions of Section 162(m) of the Internal Revenue Code, as amended, as determined by the Committee. Adjustments to awards to reflect individual performance for employees who are not executive officers of the Corporation may be made by the Chief Executive Officer. Any target award, as determined and adjusted pursuant to this paragraph 2(e) and paragraph 6, is herein referred to as a "final award." The total aggregate final award paid to any employee for any one year shall not exceed $7.5 million. The Committee shall certify the final awards earned by covered officers in writing prior to any award payments.

3. Subject to such additional limitations or restrictions as the Committee may impose, the term "employees" shall mean persons (a) who are employed by the Corporation, or any subsidiary (as such term is defined below), including employees who are also directors of the Corporation or any such subsidiary, or (b) who accept (or previously have accepted) employment, at the request of the Corporation, with any entity not described in 3(a) above but in which the Corporation has, directly or indirectly, a substantial ownership interest. For purposes of this Plan, the term "subsidiary" shall mean (i) a corporation of which capital stock having ordinary voting power to elect a majority of the board of directors of such corporation is owned, directly or indirectly, by the Corporation, or (ii) any unincorporated entity in respect of which the Corporation can exercise, directly or indirectly, comparable

control. The Committee shall, among other things, determine when and to what extent individuals otherwise eligible for consideration shall become or cease to be, as the case may be, employees for purposes of this Plan and shall determine when, and under what circumstances, any individual shall be considered to have terminated employment for purposes of this Plan. To the extent determined by the Committee, the term employees shall be deemed to include former employees and any beneficiaries thereof. For purposes of this Plan, a “participant” shall mean an employee who receives an award hereunder.

4(a). Awards shall be paid upon vesting. Annual target awards may become final awards, as determined by the Committee, in the year following the year target awards are granted. Final awards shall vest and be paid in such following year, unless subject to a vesting schedule established by the Committee. Except as otherwise provided in this Plan, no final award (or portion thereof subject to a vesting schedule) shall be paid prior to vesting and the unpaid portion of any final award shall be subject to the provisions of paragraph 6. The Committee shall have the authority to modify a vesting schedule as may be necessary or appropriate in order to implement the purposes of this Plan. As a condition to the vesting of all or any portion of a final award the Committee may, among other things, require an employee to enter into such agreements as the Committee considers appropriate and in the best interests of the Corporation, except for awards that vest pursuant to paragraph 12 of this Plan.

4(b). With respect to target awards which have become final awards as provided in paragraph 2(e), the Committee may, in its discretion, pay to the participant interest on all portions thereof which are unvested. No holder of a target award shall have any rights to interest prior to such target award becoming a final award. Any interest payable with respect to such unvested final awards shall be paid at such times, in such amounts, and in accordance with such procedures as the Committee shall determine.

5(a). An employee shall be eligible for consideration for a target award based on such criteria as the Committee shall from time to time determine.

5(b). No target award shall be granted to any director of the Corporation who is not an employee at the date of grant.

6(a). Payment of any final award (or portion thereof) to an individual employee shall be subject to the satisfaction of the conditions precedent that such employee: (i) continue to render services as an employee (unless this condition is waived by the Committee), (ii) refrain from engaging in any activity which, in the opinion of the Committee, is competitive with any activity of the Corporation or any subsidiary (except that employment at the request of the Corporation with an entity in which the Corporation has, directly or indirectly, a substantial ownership interest, or other employment specifically approved by the Committee, shall not be considered to be an activity which is competitive with any activity of the Corporation or any subsidiary) and from otherwise acting, either prior to or after termination of employment, in any manner inimical or in any way contrary to the best interests of the Corporation, and (iii) furnish to the Corporation such information with respect to the satisfaction of the foregoing conditions precedent as the Committee shall reasonably request. Except as otherwise provided under paragraph 6(c) below, the failure by any employee to satisfy such conditions precedent shall result in the immediate cancellation of the unvested portion of any final award previously made to such employee and such employee shall not be entitled to receive any consideration in respect of such cancellation.

6(b). If any employee is dismissed for cause or quits employment without the prior consent of the Corporation, the unvested portion of any final award previously made to such employee shall be cancelled as of the date of such termination of employment, and such employee shall not be entitled to receive any consideration in respect of such cancellation.

6(c). Upon termination of an employee’s employment for any reason other than as described in (b) above, the Committee may, but shall not in any case be required to, waive the condition precedent relating to the continued rendering of services in respect of all or any specified percentage of the unvested portion of any final award, as the Committee shall determine. To the extent such condition precedent is waived, the Committee may accelerate the vesting of all or any specified percentage of the unvested portion of any final award.

6(d). For purposes of this Plan, a qualifying leave of absence, determined in accordance with procedures established by the Committee, shall not constitute a termination of employment, except that a final award shall not vest during a leave of absence granted an employee for local, state, provincial, or federal government service.

6(e). If employment of an employee is terminated by death, all final awards not currently vested shall immediately vest.

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7. Subject to paragraph 6, all final awards which have vested in accordance with the provisions of this Plan shall be paid in cash promptly following the vesting of such final award but not later than two and one-half months after the end of the calendar year in which vesting occurs. If the Corporation shall have any unpaid claim against an employee arising out of or in connection with the employee's employment with the Corporation, such claim may be offset against awards under this Plan. Such claim may include, but is not limited to, unpaid taxes, the obligation to repay gains pursuant to paragraph 6(c)(iv) of the General Motors Corporation 2007 Long-Term Incentive Plan, or corporate business credit card charges.

8. To the extent that any employee, former employee, or any other person acquires a right to receive payments or distributions under this Plan, such right shall be no greater than the right of a general unsecured creditor of the Corporation. All payments and distributions to be made hereunder shall be paid from the general assets of the Corporation. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between the Corporation and any employee, former employee, or any other person.

9. The expenses of administering this Plan shall be borne by the Corporation.

10. Except as otherwise determined by the Committee, with the exception of transfer by will or the laws of descent and distribution, no target or final award shall be assignable or transferable and, during the lifetime of the employee, any payment in respect of any final award shall be made only to the employee. An employee shall designate a beneficiary or beneficiaries to receive all or part of the amounts to be distributed to the employee under this Plan in case of death. A designation of beneficiary may be replaced by a new designation or may be revoked by the employee at any time. A designation or revocation shall be on forms prescribed by and filed with the Secretary of the Committee. In case of the employee's death, the amounts distributable to the employee under this Plan with respect to which a designation of beneficiary has been made (to the extent it is valid and enforceable under applicable law) shall be distributed in accordance with this Plan to the designated beneficiary or beneficiaries. The amount distributable to an employee upon death and not subject to such a designation shall be distributed to the employee's estate or legal representative. If there shall be any question as to the legal right of any beneficiary to receive a distribution under this Plan, the amount in question may be paid to the estate of the employee, in which event the Corporation shall have no further liability to any party with respect to such amount.

11. Full power and authority to construe and interpret this Plan shall be vested in the Committee. To the extent determined by the Committee, administration of this Plan, including, but not limited to (a) the selection of employees for participation in this Plan, (b) the determination of the number of installments, and (c) the determination of the vesting schedule for final awards, may be delegated to the Chief Executive Officer; provided, however, the Committee shall not delegate to the Chief Executive Officer any powers, determinations, or responsibilities with respect to executive officers of the Corporation. Any person who accepts any award hereunder agrees to accept as final, conclusive, and binding all determinations of the Committee and the Chief Executive Officer. The Committee shall have the right, in the case of participants not employed in the United States, to vary from the provisions of this Plan in order to preserve the incentive features of this Plan.

12(a). Upon the occurrence of a Change in Control and the termination of the employment of an employee within three years thereafter (i) by the Corporation other than for gross negligence or deliberate misconduct which demonstrably harms the Corporation or, (ii) by the participant for Good Reason, all outstanding awards granted under this Plan shall vest and be paid promptly at the threshold award level, or, if greater, at the level resulting from the Corporation's actual performance based on the most recent forecast approved by the Committee immediately prior to the Change in Control. Awards shall be prorated based on the number of days in the performance period occurring prior to such payment as a percentage of the total number of days in the performance period.

12(b). If a Change in Control shall occur during a performance period, an employee whose employment terminates during such performance period prior to such Change in Control under circumstances in which such employee's award hereunder was prorated and to be paid when final awards were determined hereunder shall be entitled to receive payment of such final prorated award at the conclusion of the performance period at the threshold level or, if greater, at the level resulting from the Corporation's actual performance. Any such award shall be prorated in the same manner as in paragraph 12(a).

12(c). A "Change in Control" shall mean the occurrence of any one of the following:

(i) any "person" or "group" as those terms are used in the Securities Exchange Act of 1934, as amended, (the "Exchange Act"), other than any employee benefit plan of GM or a trustee or other administrator or fiduciary holding

securities under an employee benefit plan of the Corporation, is or becomes the current beneficial owner, within the meaning of Rules 13d-3 and 13d-5 promulgated under the Exchange Act, of GM securities representing in the aggregate 20 percent or more of the combined voting power of GM's then outstanding securities entitled to vote in general matters coming before stockholders of the Corporation, whether in a meeting or otherwise; provided, however, that the provisions of this subsection (a) are not intended to apply to or include as a Change in Control any transaction that is specifically excepted from the definition of Change in Control under subsection (iii) below.

In the event that the application of this subsection (i) to an occurrence that has taken place or may take place raises interpretive issues regarding the foregoing definitions of "person" and "group," a duly adopted resolution of the Board of Directors of the Corporation or the Directors and Corporate Governance Committee, or a successor thereof (the "DCG Committee"), determining that a Change in Control, as defined in this subsection (i), has occurred or will occur shall be final, binding, and conclusive for all purposes under the terms of this Plan, and no revocation of that decision, rescission of that resolution, or change to the terms hereof shall alter the effect of the resolution of the Board of Directors or the D&CG Committee that such occurrence does or will constitute a Change in Control, unless the effect of such rescission, revocation, change, or alteration shall not have an adverse effect on employees covered by this Plan to the extent they have benefited or will benefit by reason of such resolution;

(ii) during any two-year period, Incumbent Directors, as hereinafter defined, cease for any reason to constitute a majority of the Board. For purposes of this paragraph, "Incumbent Directors" shall mean the directors of the Corporation on the date of adoption of this Plan and any new directors whose election by the Board or nomination for election by the Corporation's stockholders was approved by at least two-thirds of the directors still in office who were Incumbent Directors (including individuals whose appointment or election to office after the date of adoption of this Plan satisfied the requirements of this paragraph); provided, however, that, notwithstanding the foregoing, no individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 or Regulation 14A promulgated under the Exchange Act or successor statutes or rules containing analogous concepts) or other actual or threatened solicitation of proxies or consents by or on behalf of an individual, corporation, partnership, group, associate, or other entity or "person" other than the Board, shall in any event be considered to be an Incumbent Director;

(iii) GM merges, consolidates, or combines with any other corporation or other entity, other than a merger, consolidation, combination, or any similar transaction, without regard to the form thereof, (A) that would result in all or a portion of the voting securities of GM outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or parent entity thereof) securities representing more than 50 percent of the combined voting power of the voting securities of GM or such surviving entity (or parent entity thereof) outstanding immediately after such merger or consolidation and (B) by which the corporate existence of GM is not affected and following which GM's Chief Executive Officer would retain his or her position with GM and the GM directors would remain on the Board of the Corporation and constitute a majority thereof; provided, however, that if GM is not the ultimate parent of the controlled group of which it is a member, references to GM in clause (B) of this subsection shall be deemed to refer to such ultimate parent of the Corporation or its successor;

(iv) GM sells or otherwise disposes of all or substantially all of its assets; or

(v) the stockholders of the Corporation approve a plan of complete liquidation of GM.

12(d). "Good Reason" for termination by the participant of the participant's employment shall mean the occurrence (without the participant's express written consent) of any one of the following acts by the Employer, or failures by the Employer to act, following the occurrence of a Change in Control:

(i) a significant adverse change in the participant's authority, duties, responsibilities, or position from those in effect immediately prior to the Change in Control; provided that, notwithstanding the foregoing, the following are not "Good Reason:" (A) an isolated, insubstantial, and inadvertent action not taken in bad faith and which is remedied by the Employer promptly after receipt of notice thereof given by the participant, or (B) for employees below the level of executive vice president, a change of less than two levels in the position to which the participant reports, or (C) a change in the person to whom the participant reports;

(ii) a reduction in the participant's annual base salary as in effect immediately prior to the Change in Control or as the same may be increased from time to time following the Change in Control, or a reduction in the level of the participant's incentive opportunity under the incentive plans as in effect immediately prior to the Change in Control or as the same may be increased from time to time following the Change in Control;

(iii) the Employer's requiring the participant to change the principal workplace location at which the participant is based to a location that is greater than 50 miles distant from such participant's principal workplace location immediately prior to the date of such change of location;

(iv) the failure by the Corporation or the Employer (as applicable) to pay to the participant (A) any portion of the participant's annual base salary, (B) any awards earned pursuant to the incentive plans or (C) any portion of an installment of deferred compensation under any deferred compensation program of the Corporation or any of its Subsidiaries, in each case within seven days of the date such compensation is due;

(v) the failure by the Corporation or the Employer (as applicable) to continue in effect any compensation plan or program in which the participant participates immediately prior to the Change in Control and which is material to the participant's total compensation, including, without limitation, the incentive plans or any plans or programs adopted in substitution thereof prior to the Change in Control, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan or program) has been made with respect to such plan or program, or the failure by the Corporation or the Employer (as applicable) to continue the participant's participation therein (or in such substitute or alternative plan or program) on a basis not materially less favorable, both in terms of the amount of opportunities provided and the level of the participant's participation relative to other positions, as existed at the time of the Change in Control;

(vi) the failure by the Corporation or the Employer (as applicable) to continue to provide the participant with benefits substantially similar to those enjoyed by the participant in the aggregate under any of the Corporation's or the Employer's (as applicable) pension and retirement, fringe benefit and welfare plans, including life insurance, medical, health and accident, disability, and vacation plans and programs in which the participant participates immediately prior to the Change in Control or the taking of any action by the Corporation or the Employer (as applicable) which would directly or indirectly materially reduce any of such benefits or deprive the participant of any material fringe benefits enjoyed by the participant immediately prior to the Change in Control;

(vii) the failure by the Corporation or the Employer (as applicable) to continue to provide the participant with indemnification and insurance coverage under the Corporation's Certificate of Incorporation, Bylaws, and any applicable agreement to which the participant is a party or of which the participant is a beneficiary, which is substantially the same as that enjoyed by the participant under any such instruments or arrangements immediately prior to the Change in Control;

(viii) the failure of the Corporation to obtain a satisfactory agreement from any successor to assume and agree to perform this Plan; or

(ix) any purported termination of the participant's employment by the Corporation or the Employer (as applicable) which is not effected pursuant to a Notice of Termination.

The participant's right to terminate the participant's employment for Good Reason shall not be affected by the participant's incapacity due to physical or mental illness.

The participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder. Notwithstanding the foregoing, the occurrence of an event that would otherwise constitute Good Reason hereunder shall cease to be an event constituting Good Reason if (i) the participant fails to provide the Corporation with notice of the occurrence of any of foregoing within the 90-day period immediately following the date on which the participant first becomes aware (or reasonably should have become aware) of the occurrence of such event, (ii) the participant fails to provide the Corporation with a period of at least 30 days from the date of such notice to cure such event prior to terminating his or her employment for Good Reason or (iii) Notice of Termination is not provided to the Corporation by the participant within 90 days following the day on which the 30-day period set forth in the preceding clause (ii) expires; provided, that the notice period required by clause (ii) and referred to in clause (iii) shall end two days prior to the third anniversary of the Change in Control in the event that the third anniversary of the Change in Control would occur during such thirty-day period.

12(e). "Employer" shall mean, as applicable to any participant, the Corporation or Subsidiary that employs the participant.

12(f). "Notice of Termination" shall mean a notice that indicates the basis for any termination of employment and sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of a participant's employment.

12(g). “Person” shall mean any individual, corporation, partnership, association, limited liability corporation, joint-stock corporation, trust, unincorporated organization, or government or political subdivision thereof, including any employee or participant of the Corporation and its subsidiaries.

12(h). “Subsidiary” shall mean (a) a corporation in which capital stock having ordinary voting power to elect a majority of the board of directors is owned, directly or indirectly, by the Corporation and (b) any unincorporated entity in respect of which the Corporation can exercise, directly or indirectly, control comparable to that described in clause (a).

12(i). The preceding provisions of this section 12 shall apply notwithstanding any other provision of the Plan to the contrary, unless the Committee shall have expressly provided in any applicable award for different provisions to apply in the event of a Change in Control. For the avoidance of doubt, any such different provisions may be more or less favorable to either of the parties to the award, but if the application of such different provisions is unclear, uncertain, or ambiguous, the provisions of this section 12 shall govern.

13. If the implementation of any of the foregoing provisions of this Plan would cause an employee or participant to incur adverse tax consequences under Section 409A of the Code, the implementation of such provision shall be delayed until, or otherwise modified to occur on, the first date on which such implementation would not cause adverse tax consequences under Section 409A.

14. Notwithstanding anything in this Plan to the contrary, any award made to a participant under this Plan is subject to being called for repayment to the Corporation in any situation where the Board of Directors or a committee thereof determines that fraud, negligence, or intentional misconduct by the participant was a significant contributing factor to the Corporation having to restate all or a portion of its financial statement(s). The determination regarding employee conduct and repayment under this provision shall be within the sole discretion of the Committee and shall be final and binding on the participant and the Corporation.

15. The Committee, in its sole discretion, may, at any time, amend, modify, suspend, or terminate this Plan provided that no such action shall (a) adversely affect the rights of an employee with respect to previous target awards or final awards under this Plan (except as otherwise permitted under paragraphs 2(d), 4, or 6), and this Plan, as constituted prior to such action, shall continue to apply with respect to target awards previously granted and final awards which have not been paid, or (b) without the approval of the stockholders, (i) increase the limit on the maximum amount of final awards provided in paragraph 2(e), or (ii) render any director of the Corporation who is not an employee at the date of grant or any member of the Executive Compensation Committee or the Audit Committee, eligible to be granted a target award, or (iii) permit any target award to be granted under this Plan after May 31, 2012. For the avoidance of doubt, the provisions of section 12(c) may be amended by the Board, if necessary, or desirable to be compliant or consistent with, or to avoid adverse consequences to participants under Section 409A of the Code.

16. Every right of action by, or on behalf of, the Corporation or by any stockholder against any past, present, or future member of the Board of Directors, officer, or employee of the Corporation or its subsidiaries arising out of or in connection with this Plan shall, irrespective of the place where action may be brought and irrespective of the place of residence of any such director, officer, or employee, cease and be barred by the expiration of three years from the date of the act or omission in respect of which such right of action arises. Any and all right of action by any employee (past, present, or future) against the Corporation arising out of or in connection with this Plan shall, irrespective of the place where an action may be brought, cease and be barred by the expiration of three years from the date of the act or omission in respect of which such right of action arises. This Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of the State of Delaware and construed accordingly.

17. This Plan, as amended, shall be effective on January 1, 2008.

EXHIBIT 10(T)

GENERAL MOTORS
DEFERRED COMPENSATION PLAN FOR EXECUTIVE EMPLOYEES

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Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

ARTICLE I
INTRODUCTION

1.01. Name.

The Plan shall be known as the General Motors Deferred Compensation Plan for Executive Employees.

1.02. Purpose.

The purpose of the Plan is to provide Eligible Employees the opportunity to defer receipt of a portion of any of their Eligible Payment(s), including base salary, an Annual Incentive Plan Award, Long-Term Incentive Plan Award, Cash-Based Restricted Stock Unit Plan Award, and/or any other compensation related payment permitted by the Plan Administrator in accordance with Section 3.03.

1.03. Effective Date.

The Plan as amended on November 13, 2007, shall be effective January 1, 2008.

ARTICLE II
DEFINITIONS

Unless the context clearly indicates otherwise, the following terms, when used in capitalized form in the Plan, shall have the meanings set forth below.

2.01. Account. "Account" or "Accounts" shall mean the hypothetical book-entry Retirement Account and Optional Account(s) established by General Motors for a Participant with respect to a Participant's Deferral.

2.02. Annual Incentive Plan. "Annual Incentive Plan" shall mean the General Motors 2007 Annual Incentive Plan and any successor plan.

2.03. Annual Incentive Plan Award. "Annual Incentive Plan Award" shall mean any award granted under the Annual Incentive Plan.

2.04. Article. "Article" shall mean an article of the Plan.

2.05. Board. "Board" shall mean the Board of Directors of General Motors Corporation.

2.06. Cash-Based Restricted Stock Unit Plan. "Cash-Based Restricted Stock Unit Plan" shall mean the General Motors 2007 Cash-Based Restricted Stock Unit Plan and any successor plan.

2.07. Code. "Code" shall mean the Internal Revenue Code of 1986, as amended, or any successor statute thereto.

2.08. Committee. "Committee" shall mean the Executive Compensation Committee of the Board.

2.09. Corporation. "Corporation" shall mean General Motors Corporation and its wholly owned and substantially wholly owned subsidiaries.

2.10. Deferral. "Deferral" shall mean the deferral with respect to an Eligible Payment, elected by a Participant in accordance with Section 3.03.

2.11. Disability. "Disability" shall have the meaning determined under Section 409A of the Code.

2.12. Eligible Employee. "Eligible Employee" shall mean a full time, active eligible executive employee of the Corporation as chosen by the Plan Administrator.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

2.13. Eligible Payment. "Eligible Payment" or "Eligible Payments" shall mean base salary, an Annual Incentive Plan Award, a Long-Term Incentive Plan Award, a Cash-Based Restricted Stock Unit Plan Award, and/or any other compensation payment permitted by the Plan Administrator to be deferred during a designated election period.

2.14. Financial Hardship. "Financial Hardship" shall mean a reason given by a Participant for a withdrawal that (1) is necessary to meet the Participant's immediate and heavy financial needs, (2) is for an amount required to meet such immediate financial need created by the hardship, and (3) is for an amount not reasonably available to the Participant from other resources.

2.15. Long-Term Incentive Plan Award. "Long-Term Incentive Plan Award" shall mean any award granted under the General Motors 2007 Long-Term Incentive Plan and any successor plan.

2.16. Optional Account. "Optional Account" shall mean an Account established by a Participant for distribution at a point in time designated by the Participant before the Participant's Separation from Service.

2.17. Participant. "Participant" shall mean each Eligible Employee who makes an election pursuant to Section 3.03 and maintains an Account(s) pursuant to Section 4.01.

2.18. Person. "Person" shall mean any individual, firm, corporation, partnership, joint venture, association, trust, or other entity.

2.19. Plan. "Plan" shall mean the General Motors Deferred Compensation Plan for Executive Employees, as it may be amended from time to time.

2.20. Plan Administrator. "Plan Administrator" shall mean General Motors or such other Person designated by the Committee to serve as administrator of the Plan. The address of the Plan Administrator is:

300 Renaissance Center
Mail Code 482-C32-C66
Detroit, MI 48265-3000

2.21. Plan Year. "Plan Year" shall mean each calendar year that the Plan is in effect.

2.22. Retirement Account. "Retirement Account" shall mean the Account established for distribution upon the Participant's Separation from Service.

2.23. S-SPP. "S-SPP" shall mean the General Motors Savings-Stock Purchase Program for Salaried Employees in the United States, as amended from time to time.

2.24. Section. "Section" shall mean a section of the Plan.

2.25. Separation from Service. "Separation from Service" shall mean a separation from service as set forth in Section 409A of the Code for any reason other than death or Disability.

2.26. Specified Employee. "Specified Employee" shall mean a Participant who meets the definition set forth in section 409A of the Code and as determined under the criteria established by the Committee.

2.27. Unforeseeable Emergency. "Unforeseeable Emergency" shall mean a reason given by a Participant for withdrawal that is within the meaning of Section 409A of the Code as a severe financial hardship to the Participant resulting from: (1) an illness or accident of the Participant, spouse, or eligible dependent, (2) the loss of the Participant's property due to casualty, or (3) a similar extraordinary and unforeseeable circumstance resulting from events beyond the control of the Participant.

2.28. Valuation Date. "Valuation Date" shall mean the last business day of the month preceding a distribution.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

ARTICLE III
ELIGIBILITY AND ELECTION TO DEFER

3.01. Eligibility.

Eligible Employees shall be eligible to make the elections described in this Article III.

3.02. Deferral Amounts.

(a) Each Participant shall be eligible to defer pursuant to the terms of this Plan a minimum of 5%, and up to a maximum of 100%, of an Annual Incentive Plan Award, Long-Term Incentive Plan Award, and/or a Cash-Based Restricted Stock Unit Plan Award, provided that any such Deferral must be made in multiples of 5% or any other increment as permitted by the Plan Administrator.

(b) Deferral elections relating to compensation other than Annual Incentive Plan, Long-Term Incentive Plan, and Cash-Based Restricted Stock Unit Plan Awards may be permitted by the Plan Administrator from time to time, and will be communicated to eligible participants by Prospectus in sufficient time to make such elections.

3.03. Election Timing.

(a) Initial deferral elections for (1) Annual Incentive Plan Awards, and other performance-based Eligible Payments must be made six months before the end of the performance period covered by the award (but in no event after an award or Eligible Payment becomes readily ascertainable), and initial deferral elections for (2) Cash-Based Restricted Stock Unit Plan Awards and other nonperformance-based Eligible Payments must be made before the close of the calendar year preceding the calendar year(s) a Participant's services are performed.

(b) The Plan Administrator shall determine whether an initial deferral election may be made within 30 days after the date an employee first becomes an Eligible Employee under the Plan. Such an election shall apply only with respect to compensation paid for services performed after the election. The Plan Administrator shall determine whether a former Plan Participant may make a deferral election under this subsection.

(c) The Plan Administrator may provide a Participant a subsequent election to defer a distribution under Article V attributable to deferrals made after 2004. A subsequent election to defer may only be made provided (1) the subsequent election will not take effect for at least 12 months after the date the subsequential election is made, (2) the first distribution made (other than for death, Disability or Unforeseeable Emergency) pursuant to the subsequent election is payable more than 5 years after the date such payment would otherwise have been made, and (3) the election is made not less than twelve months before the date such payment would otherwise be made. For purposes of this Section 3.03, all distributions, including installment distributions, shall be treated as separate payments under Section 409A of the Code.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

3.04. Election to Defer.

(a) A Participant who wishes to defer all or part of an Eligible Payment shall submit an election to the Plan Administrator or its agent that satisfies each of the requirements set forth in paragraphs (1) through (6) below:

(1) **Deadline for Submitted Election.** An election with respect to a Deferral shall be submitted on or before 5:00 p.m. (Eastern Time) on the last business day of the Deferral election period chosen by the Plan Administrator.

(2) **Form of Election.** A Participant's Deferral election shall be submitted to the Plan Administrator in writing, electronically, or telephonically, as approved by the Plan Administrator.

(3) **Amount of Deferral.** Subject to Section 3.02, the Deferral election shall specify the percentage of the Participant's Eligible Payment that the Participant wishes to defer.

(4) **Selection of Accounts and Distributions.** The Deferral election shall specify the Account(s) established under Section 4.01 that shall be credited with the amounts deferred by the Participant. The deferral election also shall specify the year the distribution shall be made from such Accounts pursuant to Article V, and whether the distribution is to be made, in the event of the Retirement Account, in a lump sum or installments. Installment distributions shall be permitted only in the case of a Separation from Service after age 55 with 10 years of service.

(5) **Selection of Investment Options.** The Deferral election shall specify the Participant's selection of the investment option(s) established pursuant to Section 4.03. The returns on the Deferral(s) will be calculated as if invested in the investment option(s) selected by the Participant as provided in Article IV.

(6) **Election Irrevocable.** Except as otherwise specifically provided in the Plan the Deferral amount and the distribution commencement date(s) elected by a Participant with respect to a Deferral in accordance with paragraphs (3) through (5) above are irrevocable and are not subject to modification at any time.

(b) The Plan Administrator may from time to time establish Accounts on behalf of an executive and make compensation payments on behalf of such executive directly into such Accounts, subject to the terms of the Plan despite the absence of an election to defer.

3.05. Designation of Beneficiaries.

A Participant with a Deferral pursuant to Section 3.04 may designate one or more beneficiaries. In the absence of designation of one or more beneficiaries under this Section 3.05, the beneficiaries for a Participant's Plan Account(s) will be the same as the beneficiaries chosen for the General Motors incentive plans. Notwithstanding Section 3.04(a)(6), a Participant may, at any time, revoke a prior designation of beneficiaries and make a new designation pursuant to this Section 3.05. Any such designation or revocation shall be in writing and shall be submitted to the Plan Administrator prior to the Participant's death in such form and in such manner as is acceptable to the Plan Administrator.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

ARTICLE IV
ACCOUNTS AND INVESTMENT OPTIONS

4.01. Establishment of Accounts.

The Corporation shall maintain separate bookkeeping accounts, hypothetical in nature, for each Participant. The Plan Administrator has the sole discretion to determine the number of Accounts available for Deferrals under the Plan. Unless otherwise determined by the Plan Administrator, each Participant shall be entitled to establish up to three separate Accounts for each Eligible Payment. For each Eligible Payment, one such Account must be established for distribution upon the Participant's Separation from Service (the Retirement Account) and two additional Accounts may be established (the Optional Accounts) and shall be payable pursuant to Section 5.05 upon the earlier of the Participant's Separation from Service or a specific year selected by the Participant. The year selected by the Participant for distribution of an Optional Account must be no sooner than the third calendar year after the calendar year during which an amount would otherwise have been paid. Such Accounts shall be credited with the earnings (or losses) on such Deferrals. At no time may a Participant have more than three Accounts outstanding at any one time for each Eligible Payment.

4.02. Nature of Accounts and Earnings.

Each Account and the related Deferrals and returns thereon under this Article IV shall be hypothetical in nature and shall be maintained by the Corporation for bookkeeping purposes only. The Accounts established under the Plan shall hold no actual funds or assets. **The right of any Person to receive one or more distributions under the terms of the Plan shall be an unsecured claim against the general assets of the Corporation.** Any liability of the Corporation to any Participant, former Participant, or beneficiary with respect to a right to a distribution shall be based solely upon contractual obligations created by the Plan. Neither the Corporation, the Board, the Committee, the Plan Administrator, nor any other Person shall be deemed to be a trustee of any amounts to be paid under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Corporation and a Participant or any other Person except and only to the extent required by law.

4.03 Investment Options.

(a) **General**. The Plan Administrator has the sole discretion to determine the investment options available as the measurement mechanism for Deferrals under the Plan, the manner and extent to which elections may be made, the method of valuing the various investment options and Account(s) and the method of crediting the Account(s) with, or making other adjustments as a result of dividend equivalents, interest equivalents or other earnings, losses, or returns on such Accounts.

(b) **Investment Options for Eligible Payments Initially Payable in Cash**. Unless otherwise determined by the Plan Administrator, the investment options available as the measurement mechanism for Deferrals of Eligible Payments initially payable in cash shall be:

(1) 120% of 10-Year United States Treasury Notes — The crediting rate for this investment option will be set annually in January. It will be based on 120% of the twelve-month average of closing rates of the first trading day of the preceding twelve months of the 10-Year United States Treasury Notes.

(2) GM $1-2/3 Common Stock — The investment returns for this option will be based on the price performance of GM $1-2/3 Common Stock and the dividends thereon.

(3) Promark Income Fund — The crediting rate for this option will be based on the performance of this investment fund option currently available in the S-SPP.

(4) Pyramis Strategic Balanced Commingled Pool — The investment returns for this option will be based on the performance of this investment option currently available in the S-SPP.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(5) Promark Large Cap Index Fund — The investment returns for this option will be based on the performance of this investment fund option currently available in the S-SPP.

(6) Fidelity Emerging Markets Fund — The investment returns for this option will be based on the performance of this investment fund option currently available in the S-SPP.

(7) Fidelity Contrafund — The investment returns for this option will be based on the performance of this investment fund option currently available in the S-SPP.

(8) Fidelity Diversified International Fund — The investment returns for this option will be based on the performance of this investment fund option currently available in the S-SPP.

(c) **Investment Option for Eligible Payments Initially Payable in Stock**. Unless otherwise determined by the Plan Administrator, the investment option available as the measurement mechanism for Deferrals of Eligible Payments initially payable in stock shall be:

(1) GM $1-2/3 Common Stock — The crediting rate for this investment option will be based on the price performance of GM $1-2/3 Common Stock and the dividends thereon.

(d) **Valuing of Investment Options**. Unless otherwise determined by the Plan Administrator, the methodology for valuing the various investment options and the Account(s) and for calculating amounts to be credited or debited or other adjustments, including transfers between investment options for Deferrals with multiple investment options to any Account(s) with respect to any investment options, shall be the same as that used under the S-SPP. The investment options and the Account(s) shall be revalued on a daily basis.

(e) **No Ownership Rights**. Investment options available under the Plan shall be used solely for measuring the value of the Account(s) and accounting, on a book entry basis, as if the deferred amounts had been invested in actual investments, but no such investments shall be made on behalf of Participants. Participants shall not have any voting rights or any other ownership rights with respect to the investment options selected as the measuring mechanism for their Account(s).

4.04 Treatment of Deferrals.

The returns on the Deferral(s) shall be calculated as if invested in the investment options selected by the Participant. For Account(s) with multiple investment options, any investment option elections made by a Participant shall remain in effect until changed by the Participant; and unless otherwise determined by the Plan Administrator, any Participant may change his or her investment option election or transfer deferred amounts between investment options pursuant to Section 4.05.

Each Participant is solely responsible for the selection of his or her investment options. General Motors, the Plan Administrator and other employees and agents of the Corporation are not empowered to advise a Participant as to the manner in which investments should be made. The fact that an investment option is available for investment under the Plan shall not be construed as a recommendation for investment in that option. It should be noted that market value and the rate of return on each investment option will fluctuate over time and in varying degrees. Accordingly, the proceeds, if any, realized from such investments will depend on the prevailing market value of the investments at a particular time, which may be more or less than the amount expended initially. There is no assurance that any of the investment options will achieve their objectives.

4.05 Transfers Within an Account(s) Eligible for Multiple Investment Options.

(a) **General**. A Participant, or the legal beneficiary or legal representative of a deceased Participant, may transfer amounts credited to an Account(s) among the investment options available under the Plan for such

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Account. No transfers relating to a particular Deferral may occur on or after the scheduled distribution date for the Deferral.

(b) **Timing**. A Participant may request a transfer from one investment option to another on any business day and such transfer shall be effective at the close of business of the New York Stock Exchange (normally 4:00 p.m. Eastern time) on the business day on which the Participant's transfer request is received and confirmed by the Plan Administrator. If a transfer request is received and confirmed after the close of business of the New York Stock Exchange (normally 4:00 p.m. Eastern time) or on a weekend or holiday observed by the New York Stock Exchange, it will become effective on the next business day.

(c) **Amount of Transfer**. Any transfer shall be in a specified whole percentage of the amounts contained in the investment option from which the transfer is being made.

(d) **Securities Laws.** Transfers by Participants between investment options are subject to the Corporation's insider trading policy and are subject to applicable Federal securities laws.

ARTICLE V
DISTRIBUTIONS

5.01. Exclusive Entitlement to Distribution.

A Participant's Deferral pursuant to Section 3.04 shall constitute a waiver of such Participant's right to receive the amount deferred and an agreement to receive in lieu thereof the amounts payable to such Participant at the times and in the amounts specified in this Article V. No other amounts shall be due under the Plan, or otherwise as a result of a Participant's Deferral pursuant to Section 3.04.

5.02. Timing of Valuation.

The timing of the valuation of the amount of any distribution pursuant to Article V shall be the Valuation Date.

5.03. Six Month Delay of Distribution for Specified Employees.

For distributions of Deferrals (plus earnings) made after December 31, 2004, Specified Employees shall not be entitled to be paid any portion of such distribution payable on account of a Separation from Service until the expiration of six months from date of separation (or, if earlier, death). The value of the distribution (without interest) shall be payable on the first day of the seventh full month following termination.

5.04. Reduction of Distribution.

For distributions under this Article V attributable to deferrals made prior to January 1, 2005, the amount shall be reduced by the amount that a Participant owes the Corporation, or any subsidiary thereof, due to any reason, including taxes, benefit overpayments, wage overpayments, hypothetical taxes related to the International Assignment Services tax equalization program, and amounts due under all Corporation incentive compensation plans. For distributions under this Article V attributable to deferrals made after December 31, 2004, the reduction contained in the prior sentence shall be limited to $5,000 a year. Any liability owed by the Participant to the Corporation will be reduced by such amount withheld by the Corporation pursuant to this Section 5.04.

5.05. Form and Timing of Distributions.

(a) Distributions from Accounts will be made in the same form as the initial Eligible Payment would have been paid out but for a Deferral. Eligible Payments initially payable in cash will be distributed in cash and Eligible Payments initially payable in stock will be distributed in stock.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

(b) A Participant may elect a distribution from the following choices with respect to the Retirement Account.

(1) **Lump Sum.** Absent an election under (2) below for eligible installment distributions after age 55 with 10 years of service, a Participant shall receive a distribution with respect to the Retirement Account in a lump sum. The lump sum shall be payable to the Participant as soon as practicable after a Separation from Service, but no later than 90 days after such Separation, except as provided in Section 5.03. The lump sum shall equal the balance in the Participant's Retirement Account determined as of the Valuation Date preceding the Participant's Separation from Service.

(2) **Installments**. A Participant may elect to receive a distribution with respect to the Retirement Account in annual installments for a period of five or ten years (or any other schedule as determined by the Plan Administrator) as elected by the Participant. The annual installments shall be payable to the Participant beginning as soon as practicable after a Separation from Service after age 55 with 10 years of service (as determined under the GM S-SPP), but no later than 90 days after such Separation, except as provided in Section 5.03. If annual installments are elected, the amount of the first payment shall be a fraction of the value of the Participant's Account as of the Valuation Date, the numerator of which is one and the denominator of which is the total number of installments elected. The amount of each subsequent payment shall be a fraction of the value as of the Valuation Date, the numerator of which is one and the denominator of which is the total number of installments elected minus the number of installments previously paid.

(c) In the case of a distribution from an Optional Account, such distribution shall be made upon the earlier of the Participant's Separation from Service or the specific year selected by the Participant and shall be paid as a lump sum as soon as practicable after a Separation from Service, but no later than 90 days after such Separation, or within the specific year selected by the Participant. The lump sum shall equal the balance in the Participant's Optional Account determined as of the Valuation Date.

(d) In the case of a Participant's Separation from Service prior to age 55 with 10 years of service (as determined under the GM S-SPP), all Accounts will be distributed as a lump sum as soon as practicable after a Separation from Service, but no later than 90 days after such Separation, except as provided in Section 5.03. The lump sum shall equal the balance in the Participant's Accounts determined as of the Valuation Date.

(e) In the case of a Participant's death, all Accounts shall be distributed as a lump sum as soon as practical, but no later than 90 days after the date of death, or if elected at the time of Deferral, installment distributions. The lump sum shall equal the balance in the Participant's Account(s) determined as of the Valuation Date. If annual installments are elected, the amount of the first payment shall be a fraction of the value of the Participant's Account(s) as of the Valuation Date prior to payment, the numerator of which is one and the denominator of which is the total number of installments elected. The amount of each subsequent payment shall be a fraction of the value as of the last Valuation Date prior to payment, the numerator of which is one and the denominator of which is the total number of installments elected minus the number of installments previously paid.

(f) In the case of a Participant's Disability, all Accounts shall be distributed as a lump sum no later than 90 days following the Participant's completion of twelve months on a Corporation approved disability leave of absence.

5.06. Unscheduled Distributions, Forfeiture, and Financial Hardships.

(a) For Eligible Payments (initial amount plus earnings) deferred into a Participant's Account before January 1, 2005, a Participant may elect, with the prior written consent of the Plan Administrator or its designated agent, to make an unscheduled withdrawal from an Account by selecting an amount by which the Account is to be reduced. The amount distributed to the Participant shall be 90% of the withdrawal amount requested, as determined by the Plan Administrator. Such distribution shall be paid to the Participant not later than 60 days following the filing of such election. If a Participant receives a

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

distribution pursuant to this subsection, the remaining 10% requested but not distributed shall be permanently forfeited to the Corporation and shall not be paid to, or in respect of, the Participant. In addition to the forfeiture provided immediately above, a Participant receiving a distribution under this subsection shall not be permitted to make any contributions to the Plan during the 12 months following the month in which the election to make the unscheduled distribution is made.

(b) A Participant shall be allowed to take a distribution under this subsection (b) from one or more Accounts only with the prior written consent of the Plan Administrator and the Vice President of Global Human Resources. For distributions of Deferrals (plus earnings) made prior to January 1, 2005, the Participant must incur a sudden and unforeseen Financial Hardship. For distributions of Deferrals (plus earnings) made after December 31, 2004, the Participant must incur an Unforeseeable Emergency. A Participant shall be able to apply to withdraw the amount needed for the Financial Hardship or Unforeseeable Emergency up to the balance in the Participant's Account(s). If approved by the Plan Administrator and the Vice President of Global Human Resources, such distribution shall be determined based on the Valuation Date and be paid to the Participant not later than 60 days following the filing of such election. A Participant receiving a distribution under this subsection shall not be permitted to make any contributions to the Plan during the 12 months following the month in which the Financial Hardship or Unforeseeable Emergency distribution is made.

(c) Distributions pursuant to Sections 5.06(a) and (b) shall be in the same form as the initial Eligible Payment. Eligible Payments initially payable in cash will be distributed in cash and Eligible Payments initially payable in stock will be distributed in stock.

(d) The Plan Administrator may cause a deferred distribution to be accelerated and paid at an earlier date, provided such accelerated payment is not inconsistent with Section 6.01(c). Such accelerated payments shall include:

(1) Pursuant to the terms of a Qualified Domestic Relations Order, as defined in Section 414(p) of the Code;

(2) To comply with an ethics agreement with the federal government, or to avoid a violation of any domestic or foreign ethics law or conflicts law;

(3) To pay the Participant an amount required to be included in income due to a failure of the Plan to comply with Section 409A of the Code;

(4) Upon termination of the Plan;

(5) To pay state, local or foreign taxes arising from participation in the Plan; and

(6) To settle a bona fide dispute as to a Participant's right to a Plan distribution

ARTICLE VI
MISCELLANEOUS

6.01. Plan Administration.

(a) **In General.** The Committee has full power, authority, and discretion to construe, interpret, and administer the Plan. Unless otherwise specifically provided in the Plan, the Committee may delegate to the Plan Administrator all authority granted with respect to the Plan. Except to the extent provided otherwise: (1) the Plan Administrator shall have the discretionary authority to interpret, apply and construe the Plan and to decide any and all matters arising under the Plan, including without limitation the right to determine eligibility for participation, investment options, the method of valuing investment options and Plan accounts, the method of crediting Plan Accounts with, or making adjustments

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

as a result of, dividend and interest equivalents or returns on such Accounts, benefits, and other rights under the Plan; the right to determine whether any election or notice requirement or other administrative procedure under the Plan has been adequately observed; the right to remedy possible ambiguities, inconsistencies, or omissions by general rule or particular decision; and the right otherwise to interpret the Plan in accordance with its terms; and (2) the Plan Administrator's determination on any and all questions arising out of the interpretation or administration of the Plan shall be final, conclusive, and binding on all parties.

(b) **Amendment, Suspension, and Termination of Plan.** The Committee may amend, suspend, or terminate the Plan at any time. In addition, the Committee may also, at any time, terminate in whole or in part any Account(s) and make an immediate lump sum distribution of the amounts in such Account(s) to the Participants affected thereby. The Committee shall not amend, suspend, or terminate the Plan or Account(s) if such action would result in tax and penalties under Section 409A of the Code. Further, the Corporation shall not be liable to Participants for an inadvertent violation of Section 409A of the Code. Upon termination or suspension of the Plan, all amounts deferred before the date of termination or suspension, and any rights to distributions with respect to such deferred amounts, shall continue to be governed by the provisions of the Plan, subject to Section 6.01(b). Notwithstanding anything to the contrary in this subsection (b), no amendment, suspension, or termination of the Plan shall reduce the benefits under the Plan which have accrued to the Participant prior to the date of such amendment, suspension, or termination.

(c) **Internal Revenue Code Section 409A Compliance.** The Plan is intended to comply with Section 409A of the Code and any ambiguity shall be interpreted to fulfill that intent. Notwithstanding any provision of this Plan, no Plan elections, modification, or distributions will be allowed or implemented if they would cause an otherwise eligible Plan Participant to be subject to tax (including interest and penalties) under Section 409A of the Code. Further, the Corporation shall not be liable to Participants for an inadvertent violation of Section 409A of the Code.

6.02. Appeal Procedure.

A claimant who has been denied a claim for benefits under the Plan, in whole or in part, may, within a period of 60 days following receipt of the denial, request a review of such denial by the Plan Administrator by filing a written notice with the Plan Administrator or its designate. In connection with an appeal, the claimant (or his or her authorized representative) may review pertinent documents and may submit evidence and arguments in writing to the Plan Administrator. The Plan Administrator may decide the questions presented by the appeal and shall issue to the claimant a written notice setting forth: (1) the specific reasons for the decision and (2) specific reference to the pertinent provisions of the Plan or the absence of pertinent provisions on which the decision is based. The notice shall be issued within a period of time not exceeding 90 days after receipt of the request for review provided that, if special circumstances should require, such period of time may be extended for an additional 60 days commencing at the end of the initial 90-day period. The decision of the Plan Administrator shall be final and conclusive.

6.03. Rights Not Assignable.

No distribution due any Participant, beneficiary or Person under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge in any way. Any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge such distribution in any way shall be void.

6.04. Inability to Locate Participants and Beneficiaries.

Each Participant or beneficiary entitled to receive a distribution under the Plan shall keep the Plan Administrator advised of his or her current address. If the Plan Administrator is unable to locate a Participant or beneficiary to whom a distribution is due under the Plan, the Participant or beneficiary shall be considered Separated from Service and the total amount payable to such Participant or beneficiary shall be forfeited if not paid within 90 days after such Separation.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

6.05. Withholding Taxes.

The Plan Administrator may make any appropriate arrangements to deduct from all Deferrals and distributions hereunder any taxes that the Plan Administrator reasonably determines to be required by law to be withheld from such Deferrals and distributions.

6.06. Certain Rights Reserved.

Nothing in the Plan shall confer upon any employee of the Corporation or other Person the right (1) to continue in the employment or service of the Corporation or affect any right that the Corporation may have to terminate the employment or service of (or to demote or to exclude from future participation in the Plan) any such employee or other Person at any time for any reason, or (2) to participate in the Plan.

6.07. Severability.

If any provision of the Plan is held unlawful or otherwise invalid or unenforceable in whole or in part, such unlawfulness, invalidity, or unenforceability shall not affect any other provision of the Plan or part thereof, each of which shall remain in full force and effect. If the making of any distribution or the provision of any other benefit required under the Plan is held unlawful or otherwise invalid or unenforceable, such unlawfulness, invalidity or unenforceability shall not prevent any other distribution or benefit from being made or provided under the Plan, and, if the making of any distribution in full or the provision of any other benefit required under the Plan in full would be unlawful or otherwise invalid or unenforceable, then such unlawfulness, invalidity, or unenforceability shall not prevent such distribution or benefit from being made or provided in part, to the extent that it would not be unlawful, invalid, or unenforceable, and the maximum distribution or benefit that would not be unlawful, invalid, or unenforceable shall be made or provided under the Plan.

6.08. Titles and Headings Not to Control.

The titles to Articles and the headings of Sections, subsections, paragraphs, and subparagraphs in the Plan are placed herein for convenience of reference only and, as such, shall have no force or effect in the interpretation of the Plan.

6.09. Governing Law.

The Plan and all determinations made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of New York, without regard for its conflict of law principles.

6.10. Limitations.

A Participant shall not have any interest in any Deferral credited to his or her Account(s) until it is paid in accordance with the Plan. All amounts deferred under the Plan shall remain the sole property of the Corporation, subject to the claims of its general creditors and available for use by the Corporation for whatever purposes are desired. **With respect to the Deferrals, a Participant shall be merely a general creditor of the Corporation and the obligation of the Corporation hereunder shall be purely contractual and may or may not be funded or secured in any way**.

6.11. Statements of Account.

Account statements shall be sent to Participants as soon as practicable on a quarterly basis following the close of each three-month valuation period.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

6.12. Administrative Expense.

The entire expense of offering and administering the Plan shall be borne by the Corporation unless otherwise determined by the Plan Administrator.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

EXHIBIT 10(U)



GENERAL MOTORS CORPORATION

General Motors
Executive Retirement Plan

Effective for Retirements on and after January 1, 2007

(Effective January 1, 2008)

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GENERAL MOTORS
EXECUTIVE RETIREMENT PLAN

The Executive Retirement Plan (ERP) is an unfunded, nonqualified deferred compensation plan. The Plan is structured to qualify for certain exemptions from the eligibility, funding and other requirements of the Employee Retirement Income Security Act of 1974 (ERISA) and, further, ERP benefits are computed without regard to compensation limits imposed under the Internal Revenue Code.

Article I.Purpose; Administration; and Effective Date

Article I, Section I.Purpose of the Plan

The purpose of the General Motors Executive Retirement Plan (the Plan) is to help provide eligible retiring salaried executive employees of General Motors Corporation (hereinafter referred to as the “Corporation”) as well as eligible retiring executive employees of General Motors Acceptance Corporation (GMAC) and General Motors Asset Management (GMAM) an overall level of monthly retirement benefits, or lump sum distributions of account balances, which are competitive with the benefits provided executives retiring from other major U.S. industrial companies. To achieve this goal, the monthly retirement benefits determined under the tax-qualified General Motors Retirement Program for Salaried Employees (hereinafter referred to as the “Retirement Program”), or account balances determined under the tax-qualified Savings-Stock Purchase Program (hereinafter referred to as the “S-SPP”) plus any benefits payable under certain other GM-provided benefit programs, may be supplemented by benefits provided under the formulas of this Plan. It is intended that this Plan, in relevant part, qualify as an “excess benefit plan” under Section 3(36) of ERISA and, in relevant part, as a plan “providing deferred compensation for a select group of management or highly compensated employees” under Section 201(2) of ERISA.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GENERAL MOTORS
EXECUTIVE RETIREMENT PLAN

Article I, Section II.Administration of the Plan

(a) This Plan shall at all times be maintained, considered, and administered as a non-qualified plan that is wholly separate and distinct from the Retirement Program and the S-SPP.

(b) Benefits under this Plan are not guaranteed.

(c) The Corporation is the Plan Administrator. The Plan Administrator has discretionary authority to construe, interpret, apply, and administer the Plan and serves as the first step of the Plan appeal process. Any and all decisions of the Plan Administrator as to interpretation or application of this Plan shall be given full force and effect unless it is proven that the interpretation or determination was arbitrary and capricious.

(d) The Plan Administrator shall have the full power to engage and employ such legal, actuarial, auditing, tax, and other such agents, as it shall, in its sole discretion, deem to be in the best interest of the Corporation, the Plan, and its participants and beneficiaries.

(e) The expenses of administering this Plan are borne by the Corporation and are not charged against its participants and beneficiaries.

(f) Various aspects of Plan administration have been delegated to the Plan recordkeeper selected by the Plan Administrator. In carrying out its delegated responsibilities, the Plan recordkeeper shall have discretionary authority to construe, interpret, apply, and administer the Plan provisions. The discretionary authority delegated to the Plan recordkeeper shall, however, be limited to the Plan terms relevant to its delegated responsibilities and shall not permit the Plan recordkeeper to render a determination or to make any representation concerning benefits which are not provided by the express terms of the Plan. The Plan recordkeeper’s actions shall be given full force and effect unless determined by the Plan Administrator to be contrary to the Plan provisions or arbitrary and capricious.

(g) For purposes of the Plan, a Plan Year shall mean the 12-month period beginning January 1 and ending December 31.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GENERAL MOTORS
EXECUTIVE RETIREMENT PLAN

Article I, Section III.Effective Date

The Corporation established the Supplemental Executive Retirement Program ("SERP") under Article II of this Plan effective December 1, 1985. The Plan has been amended from time to time. Effective January 1, 2007, the name of the Plan was changed from the SERP to the "Executive Retirement Plan (ERP)". The terms and conditions of the ERP are set forth in Article II. ERP benefits for service through December 31, 2006 were frozen as described in Article II, Section II and Section III and new benefit formulas for service on and after January 1, 2007 were adopted, as described in Article II, Section IV and Section V. In addition, effective January 1, 2007, the Benefit Equalization Plan (BEP) was merged into this Plan, the terms and conditions of which are set forth in Article III.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article I, Section IV.Individuals Not Eligible; Suspensions; and Normal Retirement Age

(a) The following classes of individuals are ineligible to participate in the Plan regardless of any other Plan terms to the contrary, and regardless of whether the individual is a common-law employee of the Corporation:

(1) Any individual who provides services to the Corporation where there is an agreement with a separate company under which the services are provided. Such individuals are commonly referred to by the Corporation as “contract employees” or “bundled-services employees;”

(2) Any individual who has signed an independent contractor agreement, consulting agreement, or other similar personal services contract with the Corporation;

(3) Any individual that the Corporation, in good faith, classifies as an independent contractor, consultant, contract employee, or bundled-services employee during the period the individual is so classified by the Corporation.

The purpose of Section IV (a) is to exclude from participation in the Plan all persons who actually may be common-law employees of the Corporation, but are not paid as though they are employees of the Corporation regardless of the reason they are excluded from the payroll, and regardless of whether the exclusion is correct.

(b) Notwithstanding the provisions of this Section IV, vested benefits will be suspended or forfeited if an executive employee or retired executive employee engages in activity that is competitive with the Corporation and/or otherwise acts in a manner inimical or contrary to the best interests of the Corporation or if an executive or a retired executive does not respond to the Corporation’s request for information relating to this paragraph.

(c) Normal Retirement Age (NRA) is 65.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GENERAL MOTORS
EXECUTIVE RETIREMENT PLAN

Article II.Executive Retirement Plan

Article II, Section I.Eligibility and Vesting

(a) Date of vesting is the first date the employee satisfies the requirements set forth in Section I (b), (c) and (d), respectively.

(b) To be eligible for a vested benefit under Section II or III of this Article, payable upon separation from service, an executive employee must meet the following requirements:

(1) Be a Regular Active or Flexible Service U.S. executive employee or U.S. International Service Personnel executive employee as of December 31, 2006 (appointments on or after January 1, 2007 are ineligible for benefits under Section II or III); and

(2) As of the date of vesting be a Regular Active or Flexible Service U.S. executive employee or U.S. International Service Personnel executive employee; and

(3) As of the date of vesting have at least 10 years of combined Part B Retirement Program credited service, Part C Retirement Program credited service and credited service as determined under the Retirement Program accrued on and after January 1, 2007; and

(4) As of the date of vesting be at least 55 years old.

(c) To be eligible for a vested benefit under Section IV of this Article, payable upon separation from service, an employee must meet the following requirements:

(1) Be a Regular Active or Flexible Service U.S. executive employee or U.S. International Service Personnel executive employee on or after January 1, 2007 with a length of service date prior to January 1, 2001; and

(2) As of the date of vesting be a Regular Active or Flexible Service U.S. executive employee or U.S. International Service Personnel executive employee; and

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article II, Section I. (c) (3)

(3) As of the date of vesting have at least 10 years of combined Part B Retirement Program credited service and credited service as determined under the Retirement Program accrued on and after January 1, 2007; and

(4) As of the date of vesting be at least 55 years old.

(d) To be eligible for a vested benefit under Section V of this Article, payable upon separation from service, an employee must meet the following requirements:

(1) Be a Regular Active or Flexible Service U.S. executive employee or U.S. International Service Personnel executive employee on or after January 1, 2007 with a length of service date on or after January 1, 2001; and

(2) As of the date of vesting be a Regular Active or Flexible Service U.S. executive employee or U.S. International Service Personnel executive employee; and

(3) As of the date of vesting have at least 10 years of combined Part C Retirement Program credited service and S-SPP credited service accrued on and after January 1, 2007; and

(4) As of the date of vesting be at least 55 years old.

(e) Eligible executives will be vested in any frozen SERP and/or ERP benefits under this Article II upon their attainment of age 55 with a minimum of 10 years' credited service where credited service is defined as:

(1) A combination of Part B credited service (as defined in the Retirement Program) plus credited service in the Retirement Program on and after January 1, 2007, or a combination of Part C credited service (as defined in the Retirement Program) plus S-SPP credited service for service on and after January 1, 2007.

(f) General Motors Asset Management executives who on or after August 4, 2003 are transferred to GMAM or hired or promoted into executive status may be eligible for benefits under Section II, IV or V if they meet all eligibility requirements, but are not eligible for benefits under the frozen Alternative SERP formula described in Section III.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article II, Section II. Calculation of Regular Formula SERP Benefits for Credited Service Accrued Prior to January 1, 2007

(a) Regular Formula SERP benefits determined under this Section II as in effect prior to January 1, 2007, shall be frozen as of December 31, 2006. The amount of the frozen Regular Formula SERP benefits shall be calculated using the following factors:

(1) Part B or Part C Retirement Program credited service accrued as of December 31, 2006.

(2) Average monthly base salary for the highest 60 of the 120 months immediately preceding January 1, 2007, as described in Article II, Section II (f).

(3) The sum of all frozen accrued monthly benefits determined under the Retirement Program as of December 31, 2006, prior to reduction for the cost of any survivor coverage.

(4) Two percent (2%) of the maximum monthly Primary Social Security benefit payable in 2007 (regardless of actual receipt) multiplied by the executive's years of Part A or Part C credited service, determined as of December 31, 2006, under the Retirement Program.

(b) Regular Formula SERP benefits under this Article II, Section II shall be determined for all executive employees on the active rolls as of December 31, 2006. Those appointed to executive positions on or after January 1, 2007 are ineligible for SERP benefits under this Section.

(c) Executives must meet the eligibility and vesting requirements as set forth in Article II, Section I to be eligible for SERP benefits under this Article II, Section II.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article II, Section II. (d)

(d) The frozen monthly benefit determined under this Article II, Section II shall be an amount equal to two percent (2%) of average monthly base salary for the highest 60 of the 120 months immediately preceding January 1, 2007 (as described in Article II, Section II (f) below), multiplied by the years of credited service, determined as of December 31, 2006, used to determine the frozen Part B Supplementary benefit or the frozen benefit under the Account Balance Plan feature under Part C under the Retirement Program (hereinafter referred to as the "ABP"), less the sum of (1) all frozen accrued monthly benefits determined under the Retirement Program, prior to reduction for the cost of any survivor coverage, and BEP (if any), including the annuitized value of the frozen accrued ABP benefit (as described in Article II, Section II (g) below), (2) two percent (2%) of the monthly maximum Primary Social Security benefit payable in 2007 (regardless of actual receipt) multiplied by the executive's years of Part A or Part C credited service, determined as of December 31, 2006, under the Retirement Program, and (3) any benefits payable under certain other GM-provided benefit programs, such as Extended Disability Benefits.

(e) The "Special Benefit" provided under the GM Health Care Program is not taken into account in determining the amount of any monthly SERP benefit payable under this Article II, Section II.

(f) For purposes of this Article II, Section II, average monthly base salary means the monthly average of base salary for the highest 60 of the 120 months immediately preceding January 1, 2007. For executives with less than 60 months of base salary history prior to January 1, 2007, the executive's starting monthly base salary will be imputed for the number of months less than 60.

(g) For purposes of determining the SERP benefits under this Article II, Section II for executives with a length of service date on and after January 1, 2001 who participate in the ABP, the frozen ABP amount accrued as of December 31, 2006 shall be converted to an annuity for the purpose of offsetting this amount from the target SERP using the following methodology:

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article II, Section II. (g) (1)

(1) First, credit the December 31, 2006 ABP account balance with interest credits until Normal Retirement Age (age 65) using the ABP crediting rate in effect as of December 31, 2006 to calculate a projected lump sum value at NRA.

(2) Second, convert the amount determined under (1) above to an annuity using the Retirement Program mortality table and the same ABP crediting rate used in Article II, Section II (g) (1) above as the discount rate.

a) Both the mortality table and the crediting rate will be those that were in effect under the Retirement Program as of December 31, 2006.

(3) Third, offset target frozen SERP with the annuitized amount determined under (2) above.

(h) For purposes of calculating the SERP benefits under this Article II, Section II, the SERP benefit amounts will not be increased due to any election regarding commencement of Retirement Program benefits on a reduced for early receipt basis.

(i) The monthly Social Security offset amount used in paragraph (d) of this Section shall be based upon the maximum 2007 monthly Primary Social Security benefit, regardless of the executive's age as of January 1, 2007 or availability to him/her of a U. S. Social Security benefit. This Social Security offset amount shall not be changed for any subsequent Social Security increase.

(j) Any post-retirement increase under the Retirement Program does not reduce any monthly benefit payable under this Plan. For purposes of this subsection, adjustments to the IRC Section 415 limits are not considered post-retirement increases.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article II, Section III. Calculation of Alternative Formula SERP Benefits for Credited Service Accrued Prior to January 1, 2007

(a) Alternative Formula SERP benefits determined under this Article II, Section III as in effect prior to January 1, 2007, shall be frozen as of December 31, 2006. The amount of the frozen benefits shall be calculated using the following factors:

(1) Part B or Part C Retirement Program credited service accrued as of December 31, 2006 (maximum 35 years).

(2) Average total direct compensation is the total of:

a) Average monthly base salary for the highest 60 of the 120 months immediately preceding January 1, 2007, as described in Article II, Section III (g) below, plus

b) Average monthly incentive compensation determined by dividing the total of the highest five of the ten years of annual incentive awards received for the period 1997 through 2006, as described in Article II, Section III (h) below, by 60.

(3) The sum of all frozen accrued monthly benefits determined under the Retirement Program as of December 31, 2006, prior to reduction for the cost of any survivor coverage.

(4) One hundred percent (100%) of the maximum monthly Primary Social Security benefit payable in 2007 (regardless of actual receipt).

(b) Alternative Formula SERP benefits under this Article II, Section III shall be determined for all executive employees on the active rolls as of December 31, 2006. Those appointed to executive positions on or after January 1, 2007 are ineligible for frozen Alternative Formula SERP benefits.

(c) Executives must meet the eligibility and vesting requirements as set forth in Article II, Section I to be eligible for SERP benefits under this Article II, Section III.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article II, Section III. (d)

(d) The frozen monthly benefit determined under this Article II, Section III for an eligible retiring executive shall be the greater of the monthly benefit, if any, determined under either (1) the formula set forth in this Article II Section III or (2) the formula described in Article II, Section II.

(e) The frozen monthly benefit determined under this Article II, Section III will equal 1.5% of average total direct compensation (monthly base salary plus average monthly annual incentive compensation, as defined in Article II, Section III (g) and Article II, Section III (h) below), multiplied by the executive's years of credited service (35-year maximum), determined as of December 31, 2006, used to determine the frozen Part B Supplementary benefits or the frozen ABP benefits, less the sum of (1) all frozen accrued monthly benefits determined under the Retirement Program, prior to reduction for the cost of any survivor coverage, and BEP (if any), including the annuitized value of any frozen accrued ABP benefit, (as described in Article II, Section III (i) below), (2) 100% of the maximum monthly Primary Social Security benefit payable in 2007 (regardless of executive's age in January 2007 or availability to him/her of a U.S. Social Security benefit), and (3) any benefits payable under certain other GM-provided programs, such as Extended Disability.

(f) The "Special Benefit" provided under the GM Health Care Program is not taken into account in determining the amount of any monthly benefits payable under this Article II, Section III.

(g) For purposes of this Article II, Section III, average monthly base salary means the monthly average of base salary for the highest 60 of the 120 months immediately preceding January 1, 2007. For executives with less than 60 months of base salary history prior to January 1, 2007, the executive's starting monthly base salary will be imputed for the number of months less than 60.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article II, Section III. (h)

(h) For purposes of this Article II, Section III, average monthly incentive compensation means an amount determined by dividing the total of the highest five of the ten years of annual incentive awards received for the period 1997 through 2006, by 60. For executives with less than five years of service as of December 31, 2006 or those appointed to executive status within the last five years, the average of annual incentive compensation awards paid for service through December 31, 2006 divided by the number of years since date of hire or date of appointment to December 31, 2006 shall be imputed for the number of years less than five. Each annual incentive award amount is the final award amount related to the performance period year for which it was awarded. Moreover, neither Stock Performance Program awards, Stock Incentive Plan grants, Cash-Based Restricted Stock Unit awards nor any other form of incentive payment, are eligible for inclusion in determining a benefit under this Article II, Section III. Non-consecutive years within the 1997 through 2006 period may be used for determining the blended amount of average monthly (1) base salary, and (2) incentive compensation.

(i) For purposes of calculating the benefits under this Article II, Section III for executives with a length of service date on and after January 1, 2001 who participate in the ABP, the frozen ABP account balance accrued as of December 31, 2006 shall be converted to an annuity for the purpose of offsetting this amount from the frozen target Alternative Formula SERP using the following methodology:

(1) First, credit the December 31, 2006 ABP account balance with interest credits until Normal Retirement Age (age 65) using the ABP crediting rate in effect as of December 31, 2006 to calculate a projected lump sum value at NRA.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article II, Section III. (i) (2)

(2) Second, convert the amount determined under (1) above to an annuity using the Retirement Program mortality table and the same ABP crediting rate used in Article II, Section II (g) (1) as the discount rate.

a) Both the mortality table and the crediting rate will be those that were in effect under the Retirement Program as of December 31, 2006.

(3) Third, offset frozen target Alternative Formula SERP with the amount determined under (2) above.

(j) For purposes of calculating the SERP benefits under this Article II, Section III, the SERP benefit amounts will not be increased due to any election regarding commencement of Retirement Program benefits on a reduced for early receipt basis.

(k) The monthly Social Security offset amount used in paragraph (e) of this Section shall be based upon the maximum 2007 Primary Social Security benefit, regardless of the executive's age as of January 1, 2007 or availability to him/her of a U. S. Social Security benefit. This Social Security offset amount shall not be changed for any subsequent Social Security increase.

(l) Any post-retirement increase under the Retirement Program does not reduce any monthly frozen Alternative Formula benefit that may become payable. For purposes of this subsection, adjustments to the IRC Section 415 limits are not considered post-retirement increases.

(m) General Motors Asset Management executives who on or after August 4, 2003 are transferred to GMAM or hired or promoted into executive status are ineligible for benefits under this Article II, Section III.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article II, Section IV. Calculation of 1.25% Career Average Pay Benefits for Credited Service Accrued on and after January 1, 2007 for Executives With a Length of Service date Prior to January 1, 2001

(a) Effective for service on and after January 1, 2007, ERP benefits under this Article II, Section IV for Regular Active or Flexible Service U.S. executives, or U. S. International Service Personnel executives, with a length of service date prior to January 1, 2001 will be calculated using a 1.25% Career Average Pay formula as set forth in this Article II, Section IV.

(b) To be eligible for a 1.25% Career Average Pay ERP Benefit, an executive employee must:

(1) Be a Regular Active or Flexible Service U.S. executive, or U.S. International Service Personnel executive, on and after January 1, 2007 with a length of service date prior to January 1, 2001; and

(2) Be at work for GM or GMAM on or after January 1, 2007; and

(3) Meet the eligibility and vesting requirements as set forth in Article II, Section I.

(c) Eligible executives will accrue benefits under this Article II, Section IV with respect to actual base salary and Annual Incentive Plan final awards received while an executive for service on and after January 1, 2007 equal to 1.25% of the total of base salary plus Annual Incentive Plan final awards received in excess of the compensation limit under IRC 401(a)(17) in effect for the Retirement Program. As benefits are specified on a career average pay basis, subsequent base salary increases will not impact the value of previously accrued benefits.

(1) Annual Incentive Plan final awards are defined as those paid with respect to annual incentive compensation performance periods commencing on and after January 1, 2007.

(2) Pro-rata annual incentive awards attributable to the year of retirement will not be used in the calculation of benefits under this Section.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article II, Section IV. (c) (3)

(3) General Motors Asset Management executives who on or after August 4, 2003 are transferred to GMAM or hired or promoted into executive status are ineligible for 1.25% Career Average Pay ERP benefits calculated with respect to annual incentive compensation.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GENERAL MOTORS
EXECUTIVE RETIREMENT PLAN

Article II, Section V. **Calculation of 4% Defined Contribution Benefits for Credited Service Accrued on and after January 1, 2007**

(a) Effective for service on and after January 1, 2007, ERP benefits under this Article II, Section V for Regular Active or Flexible Service U.S. executives, or U.S. International Service Personnel executives, with a length of service date on and after January 1, 2001 will be accumulated using a 4% defined contribution formula.

(b) To be eligible for the 4% defined contribution benefits under this Section , an executive employee must:

(1) Be a Regular Active or Flexible Service U.S. executive, or U.S. International Service Personnel executive, with a length of service date on or after January 1, 2001; and

(2) Be at work for GM or GMAM on or after January 1, 2007; and

(3) Meet the eligibility and vesting requirements as set forth in Article II, Section I.

(c) Eligible executives with a length of service date on and after January 1, 2001 will accrue benefits under this Article II, Section V with respect to actual base salary and Annual Incentive Plan final awards received while an executive for service on and after January 1, 2007 equal to 4% of the total of base salary plus Annual Incentive Plan final awards received in excess of the annual compensation limit under IRC 401(a)(17) in effect for the S-SPP. Once the total of base salary and eligible Annual Incentive Plan final awards received in any Plan Year exceed the compensation limit under IRC 401(a)(17) in effect for the S-SPP for that year, notional contributions shall be allocated each pay period into an unfunded defined contribution account maintained for each eligible executive on a book reserve basis.

(1) Annual Incentive Plan final awards are defined as those paid with respect to annual incentive compensation performance periods commencing on and after January 1, 2007.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article II, Section V. (c) (2)

(2) Pro-rata annual incentive awards attributable to the year of retirement will not be used in the calculation of benefits under this Section.

(3) General Motors Asset Management executives who on or after August 4, 2003 are transferred to GMAM or hired or promoted into executive status are ineligible for the 4% benefits calculated with respect to annual incentive compensation.

(d) The individual amounts for each eligible executive shall be an unfunded, notional defined contribution account that will be credited with earnings based on investment options as selected by the executive from the list below:

(1) GM $1-2/3 Par Value Common Stock

(2) Promark Income Fund

(3) Pyramis Strategic Balanced Commingled Pool

(4) Promark Large Cap Index Fund

(5) Fidelity Emerging Market Fund

(6) Fidelity Contrafund

(7) Fidelity Diversified International

Until such time as the executive makes an eligible investment choice, the executive's account will be credited with earnings based on the Pyramis Strategic Balanced Commingled Pool. In the event any of the listed funds are discontinued, absent an election by the executive (if any), the notional amounts in such funds will be transferred to other funds designated by the Plan Administrator.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article II, Section VI. Payment of Benefits

(a) Payment of benefits determined pursuant to Article II, Section II, III, IV or V of this Plan, are payable in accordance with the provisions of Article II, Section VI (c) below effective the first day of the month following the employee's separation from service.

(1) In the event of disability, as defined under IRC Section 409A, payment of benefits will commence from the first day of the month following twelve months of a Corporation approved disability leave of absence.

(2) Payment of benefits will commence not later than 90 days following separation from service or termination of disability leave of absence.

(b) The payment of benefits under this Plan shall be reduced, in an amount up to $5,000 per year, as repayment of amounts that a Participant owes the Corporation or any subsidiary, for any reason, including but not limited to benefit overpayments, wage overpayments, and amounts due under all incentive compensation plans. The Participant will be relieved of liability in the amount of the reduction following the payment to the Corporation.

(c) Prior to payment, all vested Plan benefits, including any frozen SERP benefits, if applicable, will be converted to a five year monthly annuity form of payment.

(1) For retirements or death in service at or after age 60, the monthly value of benefits under the Plan shall be unreduced for early age receipt.

(2) For retirements commencing at age 55 to age 59 and 11 months, or death in service at or after age 55 and prior to age 60, the monthly value of any Plan benefits determined under Article II, Section IV, and any frozen SERP benefits determined under Article II, Section II or III for executives with a length of service date prior to January 1, 2001, shall be reduced for early age receipt prior to conversion to a five year monthly annuity form of payment. The defined contribution individual account plan benefits under Article II, Section V for executives with a length of service date on or after January 1, 2001 will be converted to a five year monthly annuity form of payment without applying an early age reduction.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article II, Section VI. (c) (3)

(3) In the event of disability as defined in Article II, Section VI (a) (1) above, the monthly value of benefits under Article II of this Plan shall be unreduced for early age receipt and converted to a five year monthly annuity using the following methodology:

a) First, offset the lifetime monthly annuity value of benefits under this Article II by the amount of any Extended Disability Benefits (EDB) payable to age 65 to determine the amount of monthly ERP and frozen SERP payable to age 65, if any.

1) For this purpose, the conversion of any Article II, Section V ERP to a lifetime monthly annuity will use the Retirement Program discount rate in effect at the date of total and permanent disability retirement.

b) Second, convert the monthly value of benefits determined in Article II, Section VI (c) (3) a) above to a five year monthly annuity using age at effective date of total and permanent disability retirement.

c) Third, convert the lifetime monthly annuity value of benefits under this Article II payable from age 65 to a five year annuity using age 65 as the effective date of payment.

d) Fourth, add the five year annuity values calculated in Article II, Section VI (c) (3) (b) plus Article II, Section VI (c) (3) (c) above to determine the total amount of the five year annuity payment.

(4) Early receipt reduction factors will be identical to those used under the terms of the Retirement Program.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article II, Section VI. (c) (5)

(5) The conversion of the monthly value of any benefits determined under Article II, Section II, III and IV (after applying any reduction for early age receipt) to a five year annuity form of payment, shall be made using the same discount rate and mortality tables applicable under the Retirement Program at date of separation from service. The defined contribution benefits under Article II, Section V for executives with a length of service date on or after January 1, 2001, will not use a mortality table for the conversion to a five year annuity form of payment.

(6) Should the executive die during the five year annuity payment period, the remaining five year annuity payments will be converted to a one-time lump sum and paid to a beneficiary named at date of retirement. If the executive is married at date of retirement spousal consent will be required to name a beneficiary other than the spouse. If the primary beneficiary has predeceased the executive, any contingent beneficiaries designated for the executive's Basic Group Life Insurance will receive the lump sum payment. If more than one person is named as the eligible beneficiary for the executive's Basic Group Life Insurance at date of death, the lump sum will be paid at the percentages designated for their respective interests as eligible beneficiaries of the executive's Basic Group Life Insurance. If their respective interests are not specified, their interests shall be several and equal. If a non-living entity such as a trust is named as beneficiary, or the executive should have no living beneficiary, any remaining five year annuity payments will be converted to a one-time lump sum for final payment.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article II, Section VI. (c) (7)

(7) Should an executive who is vested pursuant to the provisions of Article II, Section I die during active service with General Motors, any five year annuity benefits payable under Article II, Section VI (c) (1) and Article II, Section VI (c) (2) will be converted to a one-time lump sum and paid to the executive's surviving spouse. If the executive is not married at date of death, the person designated as primary beneficiary for the executive's Basic Life Insurance will receive the lump sum payment. If the primary beneficiary has predeceased the executive any contingent beneficiaries designated for the executive's Basic Group Life insurance will receive the lump sum payment. If more than one person is named as the eligible beneficiary for the executive's Basic Group Life insurance at date of death, the lump sum will be paid at the percentages designated for their respective interests as eligible beneficiaries of the executive's Basic Group Life insurance. If their respective interests are not specified, their interests shall be several and equal. If a non-living entity such as a trust is named as beneficiary, or the executive should have no living beneficiary, the five year annuity payments will be converted to a lump sum for final payment.

(8) The obligation to provide benefits under this Article II shall cease at the end of the five year annuity period or upon payment of a present value lump sum to multiple named beneficiaries, a trust or to the executive's estate as described in Article II, Section VI (c) (6) and Article II, Section VI (c) (7) above.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article II, Section VI. (c) (9)

(9) The Plan benefits under this Article II for active executives who were age 62 and above as of December 31, 2004 with a minimum of 10 years Part B or Part C credited service under the Retirement Program are grandfathered for benefit amounts accrued and vested through December 31, 2004, in accordance with IRC Section 409A, under the terms of the Plan in effect prior to January 1, 2007. Benefit amounts accrued and vested after December 31, 2004 for such grandfathered executives are payable only as a lifetime monthly annuity. Such grandfathered executives are not eligible for the five year annuity form of payment.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article III.Benefit Equalization Plan

Article III, Section I.Eligibility and Vesting

(a) Eligibility to participate in this Article III shall be limited solely to those active executive level or separated executive level employees, or the designated beneficiaries of such active executive level or separated executive level employees, whose aggregate contributions and benefits under the S-SPP are in excess of the maximum limitations on compensation, contributions and benefits imposed by Sections 401(a)(17) and/or 415 of the Code.

(b) For purposes of this Article III, the terms “designated beneficiary” or “designated beneficiaries” shall include surviving spouses and contingent beneficiaries. The term “Participant” shall refer to an eligible active executive level employee or a former executive level employee who has separated from service and is otherwise eligible for benefits under this Article III.

(c) Eligible executives were immediately vested in any benefits accrued under Article III, Section II (a) prior to January 1, 2007.

(d) Eligible executives will become vested in any benefits accrued on and after January 1, 2007 under Article III Section II (a) upon their attainment of age 55 with a minimum of 10 years’ credited service. For this purpose, credited service is as defined in the S-SPP.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article III, Section II.Amount of Benefits

(a) An executive level employee who is eligible to participate in this Article III, or the designated beneficiary of such a deceased executive level employee who was eligible to participate in this Article III, shall be eligible to receive the value of the assets that would have been purchased with GM S-SPP matching contribution amounts and the S-SPP 1% GM Benefit Contribution, if eligible, plus related earnings on such assets, set forth in Article III, Section II (b) below, but for the maximum benefit limitations imposed under Section 415(c) of the Code and maximum compensation limits imposed under Section 401(a)(17) of the Code. The portion of the Plan that provides benefits in the event the maximum compensation limits under Section 401(a)(17) of the Code apply is an unfunded plan for the purpose of providing deferred compensation for a select group of management or highly compensated employees. The value of assets described in this Article III, Section II (a) shall be separately accounted for each employee or designated beneficiary.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GENERAL MOTORS
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Article III, Section II (b)

(b) Prior to April 1, 2007 earnings on the unfunded, notional account assets will be valued as though such amounts had been invested in the GM $1-2/3 par value Common Stock Fund under the S-SPP. Effective April 1, 2007 the value of the assets for each eligible executive shall be maintained in an unfunded, notional account that will be credited with earnings based on investment options as selected by the executive from the list below.

(1) GM $1-2/3 Par Value Common Stock

(2) Promark Income Fund

(3) Pyramis Strategic Balanced Commingled Pool

(4) Promark Large Cap Index Fund

(5) Fidelity Emerging Market Fund

(6) Fidelity Contrafund

(7) Fidelity Diversified International

Commencing effective April 1, 2007, until such time as the executive makes an eligible investment choice, the executive's account will be credited with earnings based on the Pyramis Strategic Balanced Commingled Pool. In the event any of the listed funds are discontinued, absent an election by the executive (if any), the notional amounts in such funds and future contributions that were designated for that fund will be transferred to the fund that such option is mapped to by the S-SPP.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article III, Section III.Payment of Benefits

(a) For assets accrued and vested on or before December 31, 2004, payment of benefits in the amount determined pursuant to Article III, Section II (a) for separations prior to January 1, 2007, shall be payable to the Participant in a lump-sum amount on the earlier of the Participant's request or as soon as practicable following such Participant's total distribution of their S-SPP account. Such distributions will be based on the market value on the Business Day on which the request is received or the day in which the participant's S-SPP account is totally distributed, as confirmed by the GM Benefits & Services Center provided that the request is received or the S-SPP account is totally distributed before the close of business of the New York Stock Exchange (NYSE), normally 4:00 p.m. (EST). A withdrawal request received and confirmed by the GM Benefits & Services Center after the close of business of the NYSE, or on a weekend or holiday observed by the NYSE, will be based on the market value on the next Business Day.

(b) For separations on and after January 1, 2007, payment of vested plan benefits, in the amount determined pursuant to Article III, Section II (a) will be converted to a five year monthly annuity form of payment.

(1) Conversion of the account value at date of separation to a five year annuity will use the same discount rate applicable under Article II, Section VI (c) (5) at date of separation from service.

(2) If the separated executive is eligible for payment of Executive Retirement Plan (ERP) benefits under Article II, payable as a five year annuity, payment of benefits as a five year annuity under this Article III will be combined with and paid coincident with ERP payments under Article II.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article III, Section III. (c)

(c) The payment of benefits under Article III, Section III (a), and (b) above shall be reduced in an amount up to $5,000 per year as repayment of amounts that a Participant owes the Corporation or any subsidiary, for any reason, including benefit overpayments, wage overpayments, and amounts due under all incentive compensation plans. The Participant will be relieved of liability in the amount of the reduction following the payment to the Corporation.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article IV. Other Matters

Article IV, Section I. Amendment, Modification, Suspension, or Termination by Corporation

(a) The Corporation reserves the right, by and through the Executive Compensation Committee of the Board of Directors or its delegate, to amend, modify, suspend, or terminate this Plan in whole or in part, at any time. No oral statements can change the terms of this Plan. This Plan can only be amended, in writing, by the Board of Directors, the Executive Compensation Committee, or an appropriate individual or committee as designated by the Board of Directors or Executive Compensation Committee. The Corporation shall not terminate the Plan if such termination would result in tax and penalties under Section 409A of the Code, unless the Corporation acknowledges in writing that one of the results of a termination will be tax and penalties under the Code. Absent an express delegation of authority from the Board of Directors or the Executive Compensation Committee, no one has the authority to commit the Corporation to any benefit or benefits provision not provided for under this Plan or to change the eligibility criteria or other provisions of this Plan.

(b) The Corporation may, from time-to-time and in its sole discretion, adopt limited early retirement provisions to provide retirements (i) during a specified period of time, (ii) at a specified level of benefits, and (iii) for identified executive employees. Any such early retirement provisions relating to the Plan that may be adopted by the Corporation are made a part of this Plan as though set out fully herein.

(c) The Corporation may, from time-to-time and in its sole discretion, adjust the amount of an executive's credited service used to determine the benefits under this Plan, or the amount of benefits payable to an executive under this Plan.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article IV Section II, Special Rules

(a) Notwithstanding any provision of this Plan, no elections, modifications or distributions will be allowed or implemented if they would cause an otherwise eligible Participant to be subject to tax (including interest and penalties) under Section 409A of the Code, unless the Committee specifies in writing that such elections, modifications or distributions shall be made notwithstanding the impact of such tax (e.g. court order, adverse business conditions).

(b) Specified employees, as defined by IRC 409A, will have a six month waiting period (or, if earlier, the date of death) before commencement of payment of any Plan benefits payable on account of a separation from service. During the six month waiting period, all amounts payable under this Plan will accumulate without interest and be paid effective with the seventh monthly payment.

(c) If at the time of separation from service the present value of all benefits under the Plan is less than the dollar limit under Section 402(g) of the Code as adjusted by the Secretary of the Treasury ($15,500 for 2008) such amount shall be paid in a lump sum within 90 days of such separation.

(d) Notwithstanding the provisions of the Plan to the contrary, under the provisions of Treasury Regulation Section 1.409A-3(j) benefits may be paid prior to the applicable payment date in the following events:

(1) Pursuant to the terms of a Qualified Domestic Relations Order, as defined in Section 414(p) of the Code;

(2) To comply with an ethics agreement with the federal government, or to avoid a violation any domestic or foreign ethics law or conflicts law;

(3) To satisfy any Federal Insurance Contributions Act (FICA) tax obligations;

(4) To pay the Participant an amount required to be included in income due to a failure of the Plan to comply with Section 409A of the Code;

(5) Upon termination of the Plan;

(6) To pay state, local or foreign taxes arising from participation in the Plan; and

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article IV Section II, (d) (7)

(7) To settle a bona fide dispute as to a Participant's right to a Plan distribution.

Notwithstanding the above, other than suspension or forfeiture as set forth in Article I, Section IV (b) with respect to any benefits that are vested or in payment pursuant to the terms of this Plan, the prior Benefit Equalization Plan or the prior Supplemental Executive Retirement Program (SERP), no amendment, modification, suspension, or termination may reduce the vested rights or benefits of participants under this Plan, including benefits being provided to current executive retirees or their surviving spouse, without the participant's, retiree's, or surviving spouse's written permission, unless such amendment, modification, suspension or termination is required by law.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article IV, Section III.Claim Denial Procedures

The Plan Administrator will provide adequate notice, in writing, to any Participant or beneficiary whose claim for benefits under the Plan has been denied, setting forth the specific reasons for such denial. The Participant or beneficiary will be given an opportunity for a full and fair review of a decision by the Plan Administrator denying a claim for benefits. An appeal may be filed with the Executive Compensation Committee of the Board of Directors, which has been delegated final discretionary authority to construe, interpret, apply, and administer the Plan. Such appeal to the Executive Compensation Committee must be filed, in writing, within 60 days from the date of the written decision from the Plan Administrator denying the claim for benefits. Such an appeal may be initiated by forwarding the request to General Motors Corporation, 300 Renaissance Center, Mail Code 482-C32-C61, P.O. Box 300, Detroit, Michigan 48265-3000. As a part of this review, the Participant or beneficiary must submit any written comments that may support their position. The Executive Compensation Committee shall be the final review authority with respect to appeals, and its decision shall be final and binding upon the Corporation and the participant or beneficiary.

Article IV, Section IV.Service of Legal Process

Service of legal process on General Motors Corporation may be made at any office of the CT Corporation. The CT Corporation, which maintains offices in 50 states, is the statutory agent for services of legal process on General Motors Corporation. The procedure for making such service generally is known to practicing attorneys. Services of legal process also may be made upon General Motors Corporation, 400 Renaissance Center, Mail Code 482-038-210, Detroit, Michigan 48265-4000.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Article IV, Section V.Named Fiduciary

The Executive Compensation Committee of the Corporation's Board of Directors shall be the Named Fiduciary with respect to the Plan. The Executive Compensation Committee may delegate authority to carry out such of its responsibilities, as it deems proper, to the extent permitted by ERISA.

Article IV, Section VI.Non-Assignability

It is a condition of this Plan, and all rights of each Participant shall be subject thereto, that to the full extent permissible by law no right or interest of any Participant in this Plan or in his or her account shall be assignable or transferable, in whole or in part, either directly or by operation of law or otherwise, including, but not by way of limitation, execution, levy, garnishment, attachment, pledge, bankruptcy, or in any other manner, and further excluding devolution by death or mental incompetence. No right or interest of any Participant in this Plan or in their account shall be liable for, or subject to, any obligation or liability of such Participant except as provided in Article II, Section VI (b).

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit 10(V)

Name: [ ]

[Form of] **COMPENSATION STATEMENT**

Commencing: [ ] Salary: $ [ ] per month

I agree the salary cited will be my total salary during each monthly period in which GM continues it in effect for all hours worked, including overtime.

I acknowledge I am aware of trade secrets or other confidential and/or proprietary information concerning GM; the disclosure of which will cause irreparable harm to the Corporation. I agree that I will not disclose to any person or entity any such trade secret, confidential and/or proprietary information and, upon termination of my employment with GM, I shall return all documents or other materials containing such information to GM.

For a period of two years immediately following my voluntary termination of employment with GM or any of its subsidiaries, I will not, without the prior written consent of the GM Chief Executive Officer, engage in or perform any services of a similar nature to those I performed at GM for any other corporation or business engaged in the design, manufacture, development, promotion, sale, or financing of automobiles or trucks within North America, Latin America, Asia, Australia, or Europe in competition with GM, any of its subsidiaries or affiliates, or any joint ventures to which GM or any of its subsidiaries or affiliates is a party. If the terms of this paragraph are found by a court to be unenforceable due to the duration, products or territory covered, such court shall be authorized to interpret these terms in a manner that makes the paragraph enforceable within that particular jurisdiction.

This Statement reaffirms that my employment is from month-to-month on a calendar month basis and I acknowledge GM retains the right in its discretion to increase or decrease my monthly compensation. The parties agree Michigan law applies to this Compensation Statement even if I am employed outside the state.

I agree that my job responsibilities with GM and a significant portion of my compensation are consideration for the confidentiality and non-compete agreements noted above. I acknowledge that my breach of the confidentiality or non-competition provisions of this agreement will cause irreparable harm to GM because of the weakened ability of GM to fairly compete and the inherent difficulty in quantifying the damage caused to GM from such breach. Such irreparable harm can and should be remedied by an injunction against me without any bond being required because any other potential remedy will not be as prompt, certain and full as is necessary to prevent such harm. I acknowledge that my breach of this non-compete agreement will cause GM a greater degree of harm than could be caused to me by living up to the terms because I am being compensated by GM at such a level so as to be able to sustain myself for the non-competition period and am also able to work in fields of business which are not competitive with GM, its affiliates or joint ventures. I further acknowledge that the non-competition provisions are reasonable in duration, geographical area and line of business.

By signing this compensation statement, I also acknowledge my responsibility to adhere to and believe I am in compliance with General Motors Corporation guidelines with respect to employee conduct as contained in the “Winning With Integrity — Our Values and Guidelines for Employee Conduct” materials. In addition, I agree that any award of cash, stock, stock options (or other compensation) made to me under any of the Corporation’s executive incentive compensation plans on or after January 1, 2007 or any unvested award previously granted is subject to recoupment by the Corporation in any situation where the Board of Directors or a

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

committee thereof determines that fraud, negligence, or intentional misconduct on my part was a significant contributing factor to the Corporation having to restate all or a portion of its financial statement(s). The determination regarding employee conduct and repayment under this provision shall be within the sole discretion of the Executive Compensation Committee of the General Motors Board of Directors and shall be final and binding on both parties to this Compensation Statement.

No modification or amendment of this Compensation Statement will be effective unless it is in writing and signed by both parties.

Employee	General Motors Corporation
Date	Date

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

[Form of] Restricted Stock Unit Grant Award

What is a Restricted Stock Unit?

A Restricted Stock Unit (RSU) is a long-term incentive award, granted in addition to other incentive compensation and designed to focus on employee retention.

Use of Restricted Stock Units within General Motors

GM grants RSUs to only select key executives identified as the most significant contributors to the organization without whose leadership current and future initiatives would be jeopardized.

Vesting

Provided all terms and conditions are met, your RSU grant will vest [ ] after [ ] and [ ] after [ ]. Vesting is subject to continued employment and substantial attainment of your annual PMP goals over the initial [ ] period as determined by the Chairman and CEO with review and consent of the ECC prior to the vesting date. Also, as with any other incentive award, vesting and payment of an RSU grant is subject to the Conditions Precedent as stipulated in the GM 2002 Stock Incentive Plan.

Earning of your RSU grant is contingent upon:

- Remaining as an employee of the Corporation (unless waived by the Executive Compensation Committee)
- Substantially attaining your annual PMP goals over the [ ] period as established by the Chairman and CEO at the time of your annual performance review and as may subsequently be modified during the [ ] period by Management, in its sole discretion.
- Final consent given by the ECC prior to the [ ] vesting date

Notwithstanding the above or anything in the GM 2002 Stock Incentive Plan to the contrary, your RSU grant will become 100% vested upon a Change in Control as defined in the GM 2002 Stock Incentive Plan and will be paid pursuant to the payment schedule below, or if earlier, immediately (but not later than 90 days) following termination of employment.

Denomination of your RSU Grant/Dividend Equivalents

Your RSU grant will be denominated in shares of GM $1-2/3 par value Common stock. The number of shares awarded is [ ] shares. Dividend equivalents will be paid unless the grant is forfeited or otherwise terminated. The first payment of dividend equivalents will be made in [ ]. The value of your RSU grant shares will fluctuate prior to payment based on appreciation/depreciation in the stock price.

Payment

Notwithstanding anything in the GM 2002 Stock Incentive Plan to the contrary, vested RSUs will be paid to you, in the form of shares of GM stock, on the following schedule:

- All RSUs that are vested as of [ ] will be paid to you not later than 90 days after that date.
- All RSUs that are vested as of [ ] will be paid to you not later than 90 days after that date.

Note: Your RSUs typically will vest before the dates described above only upon a Change in Control; thus, if you quit before the specified dates absent a Change in Control, you will forfeit RSUs that have not vested pursuant to the [ ] schedule described in the vesting section above.

If the Committee determines you are a “specified employee” who meets the definition set forth in Section 409A of the Internal Revenue Code, you will not be entitled to be paid any vested RSUs

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

payable on account of a separation from service until the expiration of six months from the date of separation (or, if earlier, death).

Vesting Issues

In addition to terms and conditions of the General Motors 2002 Stock Incentive Plan, the treatment of unvested Restricted Stock Unit grants is summarized below:

Event	Treatment of Unvested RSU Grant
Employment Termination, quit, leave (other than short-term disability or Family Medical Leave Act [FMLA]), violation of Conditions Precedent	Forfeited in its entirety
Demotion; Failure to perform to the satisfaction of the Chairman and CEO and the ECC	Forfeited in its entirety
Permanent Disability, Death, or Mutually Satisfactory Release	Unvested shares will vest pro rata for time worked and will be delivered to employee/beneficiary in shares of stock within 90 days
Retirement and Termination following a Change in Control	Vesting accelerated; all remaining unvested shares will be delivered immediately to employee in shares of stock within 90 days

The Executive Compensation Committee may, in its discretion, amend, modify, suspend or terminate this grant.

Section 16-B Reporting Requirements

As a Section 16-B officer, you must report the performance-based shares on Form 4 only upon vesting ([Date], or upon a termination following a Change in Control, or when delivered if earlier). There is no reporting requirement at the time of grant.

Tax Impact

1) At Grant — No Tax
2) Upon payment, full value of award taxed as ordinary income and subject to any applicable employment taxes

Note: Shares will be withheld from the final award delivery for tax purposes

3) Sale of shares received under grant (under current tax law)
   a) If held for more than one year following payment, gains are taxed at the long-term capital gains tax rate
   b) If held for less than one year following payment, any gain is taxed as ordinary income
4) Dividend Equivalents -Taxed as ordinary income when received

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Non-Compete

As a condition of this RSU grant, for a period of two years immediately following your voluntary termination of employment with GM or any of its subsidiaries, you will not, without the prior written consent of the Chairman and CEO of General Motors, engage in or perform any services of a similar nature to those you performed at GM for any other corporation or business engaged in the design, manufacture, development, promotion, sale, or financing of automobiles or trucks within North America, Latin America, Asia, Australia, or Europe in competition with GM, any of its subsidiaries or affiliates, or any joint ventures to which GM or any of its subsidiaries or affiliates is a party. If the terms of this paragraph are found by a court to be unenforceable due to the duration, products or territory covered, such court shall be authorized to interpret these terms in a manner that makes the paragraph enforceable within that particular jurisdiction.

Please indicate your agreement with these matters by signing below and returning this letter to me.

Sincerely,

I agree to the conditions of this RSU grant.

_____ _____

Date

Conditions Precedent: *Vesting and delivery of any incentive plan awards and/or grants are subject to all of the General Motors 2002 Stock Incentive Plan terms ,as amended, including the satisfaction of the following conditions precedent:*

- *Continued service as an employee with General Motors (unless waived by the Executive Compensation Committee [ECC] of the General Motors Board of Directors)*
- *Refrain from engaging in any activity which in the opinion of the ECC is competitive with any activity of General Motors Corporation or any subsidiary, and from acting in any way inimical or contrary to the best interests of General Motors Corporation (either prior to or after termination of employment)*
- *Furnish as shall be reasonably requested information with respect to the satisfaction of conditions precedent (except following a Change in Control).*

General Motors Corporation reserves the right to amend, modify, or terminate this RSU Grant and the General Motors 2002 Stock Incentive Plan, as amended. However, in no event may the Grant or the Plan be amended or terminated following a Change in Control in a manner that reduces your rights or otherwise has a detrimental impact on your benefits payable under this Grant. Further, the Committee shall not amend or terminate the Plan or Grant if such action would result in tax and penalties under Section 409A of the Code. Where the provisions of this RSU Grant expressly deviate from the terms of the Plan, the provisions of this Grant shall be controlling.

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

[Form of] Special Cash-based RSU Grant for March 2007 Award

In recognition of your contributions to GM's 2006 performance and your continued leadership in GM's turnaround, the Executive Compensation Committee has approved a special one-time Cash-based RSU granted on [ ]. This grant will vest ratably over the next [ ] years.

Denomination of Cash-based RSU Grant / Dividend Equivalents

The Cash-based RSU grant is denominated in shares of GM $1-2/3 par value Common stock and payable in cash at each vesting date. The number of units approved by the ECC for you is [ ]. Quarterly dividend equivalents will be paid if declared in cash, beginning with the first payment in [ ].

Vesting and Payment

Provided all terms and conditions are met, the grant will vest ratably over the next [ ] years and will be paid in cash on the following schedule: [ ] of the grant will be valued and paid on (or within 90 days following) each of the following dates: [ ] and will be included in your payroll check.

The vesting and payment of the Cash-based RSU grant is subject to the Conditions Precedent as stipulated in the GM 2006 Cash-based Restricted Stock Unit Plan.

The treatment of the unvested special Cash-based RSUs upon termination of employment is summarized below:

Event	Treatment of Unvested RSU Grant
Voluntary employment termination (quit), involuntary termination (for cause), unpaid personal leave (other than short-term disability or Family Medical Leave Act [FMLA]), violation of Conditions Precedent	Forfeited in its entirety
Permanent Disability or Death	Vesting accelerated; remaining unvested units would be valued and paid to employee/beneficiary within 90 days
Retirement, mutually satisfactory release or involuntary termination (without cause)	Grant to be delivered on the schedule set forth above subject to continued compliance with the conditions precedent other than continued service
Change in Control and Termination	Grant to be delivered on the schedule set forth above subject to continued compliance with the conditions precedent other than continued service

Notwithstanding the payment schedule described above, the 2006 Cash-based Restricted Stock Unit Plan permits us to accelerate or delay payment to you if required to

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

avoid penalties under Section 409A of the Code. In most cases, you may not be able to receive payments in the first six months following your termination of employment.

SEC Reporting Requirements

Since these Cash-based RSUs are time-based they were reported immediately on a Form 4.

Award Subject to the Plan

This Award is issued under and subject to the provisions of the 2006 Cash-based Restricted Stock Unit Plan. Where the provisions of this Award expressly deviate from the terms of the Plan, the provisions of this Award shall be controlling.

Please indicate your receipt of this term sheet by signing below and returning this to me.

_____ _____

Date

Conditions Precedent: Vesting and delivery of any incentive plan awards and/or grants are subject to all of the 2006 Cash-based Restricted Stock Unit Plan terms, including the satisfaction of the following conditions precedent:

- Continued service as an employee with General Motors (unless waived by the Executive Compensation Committee [ECC] of the General Motors Board of Directors)
- Refrain from engaging in any activity which in the opinion of the ECC is competitive with any activity of General Motors Corporation or any subsidiary, and from acting in any way inimical or contrary to the best interests of General Motors Corporation (either prior to or after termination of employment)
- Furnish as shall be reasonably requested information with respect to the satisfaction of conditions precedent (except following a Change in Control).

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

[Form of] Special RSU Grant for March 2007 Award

In recognition of your contributions to GM's 2006 performance and your continued leadership in GM's turnaround, the Executive Compensation Committee approved a special one-time RSU award which was granted on [ ]. This grant will vest ratably over the next [ ] years, subject to the provisions below.

Denomination of RSU Grant / Dividend Equivalents

The RSU grant is denominated in shares of GM $1-2/3 par value Common stock. The number of shares approved by the ECC for you is [ ]. Quarterly dividend equivalents will be paid in cash, if declared, beginning in [ ].

Vesting and Payment

Provided all terms and conditions are met, the grant will vest ratably over the next [ ] years and will be paid in the form of shares of GM stock on the following schedule: [ ] of the grant will vest and be paid on (or within 90 days following) each of the following dates [ ].

Upon receipt of the shares, you will be obligated to satisfy applicable withholding tax requirements by delivering the required amount to GM in cash, or directing that shares otherwise to be delivered to you having a value equal to the required amount be withheld by GM.

As with any other incentive award, vesting and payment of the RSU grant is subject to the Conditions Precedent as stipulated in the GM 2002 Stock Incentive Plan.

The treatment of unvested RSU grants upon termination of employment is summarized below:

Event	Treatment of Unvested RSU Grant
Voluntary employment termination (quit), involuntary termination (for cause), unpaid personal leave (other than short-term disability or Family Medical Leave Act [FMLA]), violation of Conditions Precedent	Forfeited in its entirety
Permanent Disability or Death	Vesting accelerated; remaining unvested shares would be delivered to employee/beneficiary in shares of stock with in 90 days
Retirement, mutually satisfactory release or involuntary termination (without cause)	Grant to be delivered on the schedule set forth above subject to continued compliance with the conditions precedent other than continued service
Change in Control and Termination	Grant to be delivered on the schedule set forth above subject to continued compliance with the conditions precedent other than continued service

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

If the Committee determines you are a “specified employee” who meets the definition set forth in Section 409A of the Internal Revenue Code, you will not be entitled to be paid any vested RSUs payable on account of a separation from service until the expiration of six months from the date of separation (or, if earlier, death).

Notwithstanding the payment schedule described above, the GM 2002 Stock Incentive Plan permits us to accelerate or delay payment to you if required to avoid penalties under Section 409A of the Code.

SEC Reporting Requirements

Since these RSUs are time-based, they were reported immediately on a Form 4 [, and will be included in the 2008 proxy tables].

Award Subject to the Plan

This Award is issued under and subject to the provisions of the GM 2002 Stock Incentive Plan, as amended. Where the provisions of this Award expressly deviate from the terms of the Plan, the provisions of this Award shall be controlling.

Please indicate your receipt of this term sheet by signing below and returning this to me.

_____ _____

Date

Conditions Precedent: Vesting and delivery of any incentive plan awards and/or grants are subject to all of the GM 2002 Stock Incentive Plan terms, including the satisfaction of the following conditions precedent:

- Continued service as an employee with General Motors (unless waived by the Executive Compensation Committee [ECC] of the General Motors Board of Directors)
- Refrain from engaging in any activity which in the opinion of the ECC is competitive with any activity of General Motors Corporation or any subsidiary, and from acting in any way inimical or contrary to the best interests of General Motors Corporation (either prior to or after termination of employment)
- Furnish as shall be reasonably requested information with respect to the satisfaction of conditions precedent (except following a Change in Control).

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

EXHIBIT 12

GENERAL MOTORS CORPORATION AND SUBSIDIARIES
COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES

	Years Ended December 31,				
	2007	2006	2005	2004	2003
			(dollars in millions)		
Income (loss) from continuing operations	$(43,297)	$ (2,423)	$(10,621)	$ 2,415	$ 2,450
Income tax expense (benefit)	37,162	(3,046)	(6,046)	(1,297)	498
(Income)/losses of and dividends from nonconsolidated associates	575	182	141	(447)	(346)
Amortization of capitalized interest	48	51	47	79	79
Income (loss) before income taxes, undistributed income of nonconsolidated associates, and capitalized interest	(5,512)	(5,236)	(16,479)	750	2,681
Fixed charges included in income (loss)					
Interest and related charges on debt	3,306	16,944	15,606	11,948	9,902
Portion of rentals deemed to be interest	220	301	293	274	267
Total fixed charges included in income (loss) from continuing operations	3,526	17,245	15,899	12,222	10,169
Earnings (losses) available for fixed charges	$ (1,986)	$12,009	$ (580)	$12,972	$12,850
Fixed charges					
Fixed charges included in income (loss)	$ 3,526	$17,245	$ 15,899	$12,222	$10,169
Interest capitalized in the period	24	44	45	38	33
Total fixed charges	$ 3,550	$17,289	$ 15,944	$12,260	$10,202
Ratios of earnings (losses) to fixed charges				1.06	1.26

Earnings for the twelve months ended December 31, 2007, 2006 and 2005 were inadequate to cover fixed charges. Additional earnings of $5.5 billion for 2007, $5.3 billion for 2006 and $16.6 billion for 2005 would have been necessary to bring the respective ratios to 1.0.

EXHIBIT 21

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

SUBSIDIARIES OF THE REGISTRANT
AS OF DECEMBER 31, 2007

Subsidiary companies of the Registrant are listed below.

Name of Subsidiary	State or Sovereign Power of Incorporation
Subsidiaries included in the Registrant's consolidated financial statements	
Alternative Energy Services LLC	Delaware
Annunciata Corporation	Delaware
Argonaut Holdings, Inc.	Delaware
Auto Lease Finance Corporation	Cayman Islands
North American New Cars, Inc.	Delaware
BOCO (Proprietary) Limited	South Africa
General Motors South Africa (Pty.) Limited	South Africa
Carve-Out Ownership Cooperative LLC	Delaware
Chevrolet Sociedad Anonima de Ahorro para Fines Determinados	Argentina
Controladora General Motors, S.A. de C.V.	Mexico
Controladora AC Delco S.A. de C.V.	Mexico
Cadillac Polanco, S.A. de C.V.	Mexico
General Motors de Mexico, S. de R.L. de C.V.	Mexico
Sistemas para Automotores de Mexico, S.A. de C.V.	Mexico
DMAX, Ltd.	Ohio
Doraville Bond Corporation	Delaware
Environmental Corporate Remediation Company, Inc	Delaware
Facilities Real Estate Trust	Maryland
General International Limited	Bermuda
General Motors — Colmotores, S.A.	Colombia
General Motors Asia Pacific (Japan) Limited	Japan
General Motors Asia Pacific (Pte) Ltd.	Singapore
General Motors Asia Pacific Holdings, LLC	Delaware
General Motors India Private Limited	India
General Motors Limited	England
ISPOL-IMG Holdings B.V.	Netherlands
GM APO Holdings, LLC	Delaware
General Motors Taiwan Ltd.	Taiwan
GM LAAM Holdings, LLC	Delaware
General Motors del Ecuador S.A.	Ecuador
General Motors do Brasil Ltd.	Brazil
General Motors Israel Ltd.	Israel
General Motors Venezolana, CA	Venezuela
PT General Motors Indonesia	Indonesia
P.T. GM AutoWorld Indonesia	Indonesia
General Motors Asia, Inc.	Delaware
Chevrolet Sales (Thailand) Limited	Thailand
General Motors Southeast Asia Operations Limited	Thailand
GM Auto World Korea Co.	Korea
General Motors Asset Management Corporation	Delaware
General Motors Investment Management Corporation	Delaware
General Motors Trust Bank, N.A.	New York
General Motors Trust Company	New Hampshire
GM Asset Management (UK) Limited	England
General Motors Automobiles Philippines, Inc.	Philippines
General Motors Chile S.A., Industria Automotriz	Chile
General Motors China, Inc.	Delaware
General Motors (China) Investment Company Limited	China
General Motors Warehousing and Trading (Shanghai) Co. Ltd.	China
Tai Jin International Automotive Distribution Co., Ltd.	Taiwan

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

Name of Subsidiary	State or Sovereign Power of Incorporation
General Motors Commercial Corporation	Delaware
General Motors East Africa Limited	Kenya
General Motors Export Corporation	Delaware
General Motors Foreign Sales Corporation	Barbados
General Motors Global Industries Co. Ltd.	Taiwan
General Motors Global Services Operations, Inc.	Delaware
General Motors Holding Espana, S.A.	Spain
General Motors Espana, S.L.	Spain
General Motors Manufacturing Poland sp.z.oo	Poland
General Motors Importaktiebolag	Sweden
General Motors Indonesia, Inc.	Delaware
General Motors International Holdings, Inc.	Delaware
General Motors Automotive Holdings, S.L.	Spain
Adam Opel GmbH	Germany
General Motors Belgium N.V.	Belgium
General Motors Poland Spolka, zo.o.	Poland
General Motors Turkiye Limited Sirketi	Turkey
GM Automotive Services Belgium	Belgium
General Motors Europe Holdings, S.L.	Spain
EMWE B.V.	Belgium
General Motors Austria GmbH	Austria
General Motors CIS, LLC	Russia
General Motors Europe AG	Switzerland
General Motors Finland Oy	Finland
General Motors Italia S.r.l.	Italy
General Motors Nederland, B.V.	Netherlands
General Motors Norge AS	Norway
General Motors Portugal Lda.	Portugal
General Motors Powertrain — Austria GmbH	Austria
General Motors Southeast Europe	Hungary
General Motors Strasbourg	France
General Motors Suisse S.A.	Switzerland
GM Ireland Limited	Ireland
GM Powertrain Holding B.V.	Netherlands
General Motors Investment Services Company N.V.	Belgium
General Motors Isuzu Diesel Engineering Limited K.K.	Japan
General Motors Japan Ltd.	Japan
General Motors Korea, Inc.	Delaware
GM Korea Co., Ltd.	Korea
General Motors Nova Scotia Finance Company	Canada
General Motors Nova Scotia Investments Limited	Canada
General Motors of Canada Limited	Canada
1908 Holdings Ltd.	Cayman Islands
Parkwood Holdings Ltd.	Cayman Islands
2035208 Ontario, Inc.	Canada
2140879 Ontario Inc.	Canada
GMCH&SP Private Equity II L.P.	Canada
3183795 Nova Scotia ULC	Canada
3535673 Canada, Inc.	Canada
GM Automotive UK	England
IBC Vehicles Limited	England
Millbrook Pension Management Limited	England
Millbrook Proving Ground Limited	England
VHC Sub Holdings (UK)	England

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

Name of Subsidiary	State or Sovereign Power of Incorporation
GM Overseas Funding, LLC	Delaware
General Motors Coordination Center BVBA.	Belgium
OnStar Canada Corporation	Canada
Saab Automobile Investering AB	Sweden
Saab Automobile AB	Sweden
General Motors Overseas Corporation	Delaware
General Motors Australia Ltd.	Australia
General Motors Investments Pty. Ltd.	Australia
GM Holden Ltd.	Australia
General Motors Overseas Commercial Vehicle Corporation	Delaware
GMOC Administrative Services Corporation	Delaware
Lidlington Engineering Company, Ltd.	Delaware
Truck and Bus Engineering U.K., Limited	Delaware
General Motors Overseas Distribution Corporation	Delaware
General Motors Africa and Middle East FZE	Dubai
GMODC Receivables Funding LLC	Delaware
GMODC Trade Receivables LLC	Delaware
General Motors Peru S.A.	Peru
General Motors Product Services, Inc.	Delaware
General Motors Receivables Corporation	Delaware
General Motors Trade Receivables LLC	Delaware
General Motors U.S. Trading Corp.	Nevada
General Motors Uruguay, S.A.	Uruguay
Global Tooling Service Company Europe Limited	England
GM Auslandsprojekte GmbH	Germany
General Motors Auto	Russia
GM Auto Receivables Co.	Delaware
GM Canada GEFS Holding Corporation	Canada
GM GEFS L.P.	Nevada
GM Eurometals, Inc.	Delaware
GM Finance Co. Holdings, LLC.	Delaware
GM GEFS HOLDING CANADA ULC	Canada
GM Global Technology Operations, Inc.	Delaware
GM Global Tooling Company, Inc.	Delaware
GM Imports & Trading Ltd.	Bermuda
GM International Sales Ltd.	Cayman Islands
GM Inversions Santiago Limitada	Chile
General Motors de Argentina S.r.l.	Argentina
GM Personnel Services, Inc.	Delaware
GM Plats (Proprietary) Limited	South Africa
GM Powertrain Ltda.	Brazil
GM Preferred Finance Co. Holdings Inc.	Delaware
GM Purchasing Vauxhall UK Limited	England
GM Technologies, LLC	Delaware
GM Worldwide Purchaisng Austria GmbH	Austria
GM Worldwide Purchasing do Brasil Ltda	Brazil
GM-DI Leasing Corporation	Delaware
Holden New Zealand Limited	New Zealand
General Motors New Zealand Pensions Limited	New Zealand
Lease Ownership Cooperative LLC	Delaware
Metal Casting Technology, Inc.	Delaware
Monetization of Carve-Out, LLC	Delaware
Motor Enterprises, Inc.	Delaware
Motors Holding San Fernando Valley, Inc.	Delaware
Multiple Dealerships Holdings of Albany, Inc.	Delaware

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

Name of Subsidiary	State or Sovereign Power of Incorporation
National Motors Bank FSB	Delaware
OnStar Corporation	Delaware
Saturn Corporation	Delaware
Saturn Distribution Corp.	Delaware
PIMS Co	Delaware
Premier Investment Group, Inc.	Delaware
Remediation and Liability Management Company, Inc.	Michigan
Riverfront Development Corporation	Delaware
Riverfront Holdings, Inc.	Delaware
Riverfront Holdings Phase II, Inc.	Delaware
Riverfront Holdings III	Delaware
Saab Automobili Italia S.r.l.	Italy
Saab Cars Holding Corp.	Delaware
Saab Cars Holding Overseas Corp.	Delaware
Saturn County Bond Corporation	Delaware
Sistemas de Compra Programada Chevrolet, CA	Venezuela
TX Holdco, LLC	Delaware
Vector SCM, LLC	Delaware
Vector SCM Asia Pacific Pte. Ltd.	Japan
Vector SCM Australia Pty. Ltd.	Australia
Vector SCM Mexico S. del. De CV	Mexico
Vector SCM Shanghai Co., Ltd.	China
Vector SCM, GmbH	Germany
WRE, Inc.	Michigan
Grand Pointe Holdings, Inc.	Michigan
184 directly or indirectly owned subsidiaries	

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

Companies not included in the Registrant's consolidated financial statements, for which no financial statements are submitted:

23 other directly or indirectly owned domestic and foreign subsidiaries
6 active subsidiaries
17 inactive subsidiaries
15 fifty-percent owned companies and 13 less than fifty-percent owned companies the investments in which are accounted for by the equity method.

In addition, the Registrant owns 100% of the voting control of the following companies:

124 dealerships, including certain dealerships operating under dealership assistance plans, engaged in retail distribution of General Motors products
68 dealerships operating in the United States
56 dealerships operating in foreign countries

The number of dealerships operating under dealership assistance plans decreased by a net of 17 during 2007.

Companies not shown by name, if considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

* * * * * * *

During 2007, there were changes in the number of subsidiaries and companies of the Registrant, as follows:

3 directly, 3 indirectly owned domestic subsidiaries, and 1 directly, 15 indirectly owned foreign subsidiaries were organized or acquired. Three 50% owned companies and 3 less than 50% owned companies were formed. No directly owned and 1 indirectly owned domestic subsidiaries and 2 directly owned and 8 indirectly owned foreign subsidiaries were dissolved, sold, or spun-off. No domestic or foreign 50% owned company were dissolved. One less than 50% owned domestic and no less than 50% owned foreign companies were dissolved. One foreign company changed ownership or percentage in ownership. Two foreign companies moved from 100% owned to 50% owned. There were no company name changes in domestic or foreign subsidiaries.

* * * * * * *

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference of:

- our reports dated February 28, 2008 on the consolidated financial statements and financial statement schedule of General Motors Corporation (the Corporation) (which report expresses an unqualified opinion and includes explanatory paragraphs relating to (1) the recognition and measurement of uncertain tax positions; the change in measurement date for defined benefit plan assets and liabilities; the recognition of the funded status of the Corporation's defined benefit plans; the accounting for the estimated fair value of conditional asset retirement obligations, and (2) the sale of a controlling interest in GMAC LLC), and the effectiveness of the Corporation's internal control over financial reporting (which report expresses an adverse opinion on the effectiveness of the Corporation's internal control over financial reporting because of material weaknesses), and;
- our report dated February 27, 2008 on the consolidated financial statements of GMAC LLC;

appearing in this Annual Report on Form 10-K of General Motors Corporation for the year ended December 31, 2007 in the following Registration Statements:

Form	Registration Statement No.	Description
S-3 and Post-Effective Amendment No. 1	333-88508	General Motors Corporation and GM Nova Scotia Finance Company Debt Securities, Preferred Stock, Preference Stock and Common Stock
S-3 and Amendment No. 1	333-103530	General Motors Corporation and GM Nova Scotia Finance Company Debt Securities, Preferred Stock, Preference Stock and Common Stock
S-3	333-105949	General Motors Corporation and GM Nova Scotia Finance Company Debt Securities, Preferred Stock, Preference Stock and Common Stock
S-3 and Post-Effective Amendment No. 1	333-108532	General Motors Corporation and GM Nova Scotia Finance Company Debt Securities, Preferred Stock, Preference Stock and Common Stock
S-8	333-109615	The General Motors Personal Savings Plan for Hourly-Rate Employees in the United States
S-8	333-90097	General Motors Stock Incentive Plan
S-8	333-109616	General Motors Savings-Stock Purchase Program for Salaried Employees in the United States

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Form	Registration Statement No.	Description
S-8	333-44957	General Motors 1998 Stock Option Plan
S-8	333-31846	General Motors Deferred Compensation Plan for Executive Employees
S-8	333-55122	The Holden Employee Share Ownership Plan
S-8	333-147422	General Motors 2007 Long-Term Incentive Plan

/s/ DELOITTE & TOUCHE LLP

DELOITTE & TOUCHE LLP
Detroit, Michigan
February 28, 2008

Exhibit 23.2

February 22, 2008

General Motors Corporation
300 Renaissance Center.
Detroit, MI 48265

Re: Consent of Hamilton, Rabinovitz and Associates

Ladies and Gentlemen:

Hamilton, Rabinovitz and Associates, an independent firm expert in asbestos valuation, hereby consents to the incorporation by reference in the Registration Statements in the table below, of General Motors Corporation (the "Corporation") of the use of and references to (i) its name and (ii) its review of and reports concerning the Corporation's liability exposure for pending and estimable unasserted asbestos-related claims, included in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2007, to be filed with the Securities and Exchange Commission on or about February 26, 2008.

Form	Registration Statement No.	Description
S-3 and Post-Effective Amendment No. 1	333-88508	General Motors Corporation and GM Nova Scotia Finance Company Debt Securities, Preferred Stock, Preference Stock and Common Stock
S-3 and Amendment No. 1	333-103530	General Motors Corporation and GM Nova Scotia Finance Company Debt Securities, Preferred Stock, Preference Stock and Common Stock
S-3	333-105949	General Motors Corporation and GM Nova Scotia Finance Company Debt Securities, Preferred Stock, Preference Stock and Common Stock
S-3 and Post-Effective Amendment No. 1	333-108532	General Motors Corporation and GM Nova Scotia Finance Company Debt Securities, Preferred Stock, Preference Stock and Common Stock
S-8	333-109615	The General Motors Personal Savings Plan for Hourly-Rate Employees in the United States
S-8	333-90097	General Motors Stock Incentive Plan
S-8	333-109616	General Motors Savings-Stock Purchase Program for Salaried Employees in the United States
S-8	333-44957	General Motors 1998 Stock Option Plan
S-8	333-31846	General Motors Deferred Compensation Plan for Executive Employees
S-8	333-55122	The Holden Employee Share Ownership Plan
S-8	333-147422	General Motors 2007 Long-Term Incentive Plan

Sincerely,

/s/ Dr. Francine F. Rabinovitz

Dr. Francine F. Rabinovitz, President
Hamilton, Rabinovitz & Associates, Inc.

Exhibit 24

POWER OF ATTORNEY

The undersigned, a director of General Motors Corporation (GM), hereby constitutes and appoints Nick S. Cyprus, Martin I. Darvick, Christopher T. Hatto and Anne T. Larin, and each of them, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for me and in my name, place and stead, in any and all capacities (including my capacity as a director of GM), to sign:

SEC Report(s) on	Covering
Form 10-K	Year Ended December 31, 2007

and any or all amendments to such Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or my substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ PERCY N. BARNEVIK
Percy N. Barnevik

February 5, 2008
Date

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

POWER OF ATTORNEY

The undersigned, a director of General Motors Corporation (GM), hereby constitutes and appoints Nick S. Cyprus, Martin I. Darvick, Christopher T. Hatto and Anne T. Larin, and each of them, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for me and in my name, place and stead, in any and all capacities (including my capacity as a director of GM), to sign:

SEC Report(s) on	Covering
Form 10-K	Year Ended December 31, 2007

and any or all amendments to such Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or my substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ ERSKINE B. BOWLES
Erskine B. Bowles

February 5, 2008
Date

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

POWER OF ATTORNEY

The undersigned, a director of General Motors Corporation (GM), hereby constitutes and appoints Nick S. Cyprus, Martin I. Darvick, Christopher T. Hatto and Anne T. Larin, and each of them, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for me and in my name, place and stead, in any and all capacities (including my capacity as a director of GM), to sign:

SEC Report(s) on	Covering
Form 10-K	Year Ended December 31, 2007

and any or all amendments to such Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or my substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ JOHN H. BRYAN
John H. Bryan

February 5, 2008
Date

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

POWER OF ATTORNEY

The undersigned, a director of General Motors Corporation (GM), hereby constitutes and appoints Nick S. Cyprus, Martin I. Darvick, Christopher T. Hatto and Anne T. Larin, and each of them, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for me and in my name, place and stead, in any and all capacities (including my capacity as a director of GM), to sign:

SEC Report(s) on	Covering
Form 10-K	Year Ended December 31, 2007

and any or all amendments to such Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or my substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ ARMANDO M. CODINA
Armando M. Codina

February 5, 2008
Date

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

POWER OF ATTORNEY

The undersigned, a director of General Motors Corporation (GM), hereby constitutes and appoints Nick S. Cyprus, Martin I. Darvick, Christopher T. Hatto and Anne T. Larin, and each of them, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for me and in my name, place and stead, in any and all capacities (including my capacity as a director of GM), to sign:

SEC Report(s) on	Covering
Form 10-K	Year Ended December 31, 2007

and any or all amendments to such Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or my substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ ERROLL B. DAVIS, JR.
Erroll B. Davis, Jr.

February 5, 2008
Date

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

POWER OF ATTORNEY

The undersigned, a director of General Motors Corporation (GM), hereby constitutes and appoints Nick S. Cyprus, Martin I. Darvick, Christopher T. Hatto and Anne T. Larin, and each of them, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for me and in my name, place and stead, in any and all capacities (including my capacity as a director of GM), to sign:

SEC Report(s) on	Covering
Form 10-K	Year Ended December 31, 2007

and any or all amendments to such Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or my substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ GEORGE M.C. FISHER
George M.C. Fisher

February 5, 2008
Date

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

POWER OF ATTORNEY

The undersigned, a director of General Motors Corporation (GM), hereby constitutes and appoints Nick S. Cyprus, Martin I. Darvick, Christopher T. Hatto and Anne T. Larin, and each of them, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for me and in my name, place and stead, in any and all capacities (including my capacity as a director of GM), to sign:

SEC Report(s) on	Covering
Form 10-K	Year Ended December 31, 2007

and any or all amendments to such Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or my substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ KAREN KATEN
Karen Katen

February 5, 2008
Date

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

POWER OF ATTORNEY

The undersigned, a director of General Motors Corporation (GM), hereby constitutes and appoints Nick S. Cyprus, Martin I. Darvick, Christopher T. Hatto and Anne T. Larin, and each of them, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for me and in my name, place and stead, in any and all capacities (including my capacity as a director of GM), to sign:

SEC Report(s) on	Covering
Form 10-K	Year Ended December 31, 2007

and any or all amendments to such Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or my substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ KENT KRESA
Kent Kresa

February 5, 2008
Date

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

POWER OF ATTORNEY

The undersigned, a director of General Motors Corporation (GM), hereby constitutes and appoints Nick S. Cyprus, Martin I. Darvick, Christopher T. Hatto and Anne T. Larin, and each of them, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for me and in my name, place and stead, in any and all capacities (including my capacity as a director of GM), to sign:

SEC Report(s) on	Covering
Form 10-K	Year Ended December 31, 2007

and any or all amendments to such Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or my substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ ELLEN J. KULLMAN
Ellen J. Kullman

February 5, 2008
Date

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

POWER OF ATTORNEY

The undersigned, a director of General Motors Corporation (GM), hereby constitutes and appoints Nick S. Cyprus, Martin I. Darvick, Christopher T. Hatto and Anne T. Larin, and each of them, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for me and in my name, place and stead, in any and all capacities (including my capacity as a director of GM), to sign:

SEC Report(s) on	Covering
Form 10-K	Year Ended December 31, 2007

and any or all amendments to such Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or my substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ PHILIP A. LASKAWY
Philip A. Laskawy

February 5, 2008
Date

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

POWER OF ATTORNEY

The undersigned, a director of General Motors Corporation (GM), hereby constitutes and appoints Nick S. Cyprus, Martin I. Darvick, Christopher T. Hatto and Anne T. Larin, and each of them, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for me and in my name, place and stead, in any and all capacities (including my capacity as a director of GM), to sign:

SEC Report(s) on	Covering
Form 10-K	Year Ended December 31, 2007

and any or all amendments to such Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or my substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ KATHRYN V. MARINELLO
Kathryn V. Marinello

February 5, 2008
Date

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

POWER OF ATTORNEY

The undersigned, a director of General Motors Corporation (GM), hereby constitutes and appoints Nick S. Cyprus, Martin I. Darvick, Christopher T. Hatto and Anne T. Larin, and each of them, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for me and in my name, place and stead, in any and all capacities (including my capacity as a director of GM), to sign:

SEC Report(s) on	Covering
Form 10-K	Year Ended December 31, 2007

and any or all amendments to such Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or my substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ ECKHARD PFEIFFER
Eckhard Pfeiffer

February 5, 2008
Date

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit 31.1

CERTIFICATION

I, G. Richard Wagoner, Jr., certify that:

1. I have reviewed this annual report on Form 10-K of General Motors Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ G. RICHARD WAGONER, JR.
G. Richard Wagoner, Jr.
Chairman and Chief Executive Officer

Date: February 28, 2008

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit 31.2

CERTIFICATION

I, Frederick A. Henderson, certify that:

1. I have reviewed this annual report on Form 10-K of General Motors Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ FREDERICK A. HENDERSON
Frederick A. Henderson
Vice Chairman and Chief Financial Officer

Date: February 28, 2008

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of General Motors Corporation (the "Corporation") on Form 10-K for the period ended December 31, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, G. Richard Wagoner, Jr., Chairman and Chief Executive Officer of the Corporation, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

/s/ G. RICHARD WAGONER, JR.
G. Richard Wagoner, Jr.
Chairman and Chief Executive Officer

February 28, 2008

Source: GENERAL MOTORS CORP, 10-K, February 28, 2008

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of General Motors Corporation (the "Corporation") on Form 10-K for the period ended December 31, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frederick A. Henderson, Vice Chairman and Chief Financial Officer of the Corporation, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

/s/ FREDERICK A. HENDERSON
Frederick A. Henderson
Vice Chairman and Chief Financial Officer

February 28, 2008

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