

**USW-DELPHI - GM  
MEMORANDUM OF UNDERSTANDING  
and SPECIAL ATTRITION PROGRAM – VANDALIA  
DELPHI RESTRUCTURING  
AUGUST 16, 2007**

The United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union and USW-Local 87L (together, "USW"), Delphi, and the General Motors Corporation ("the Parties") have a critical interest in Delphi's successful emergence from bankruptcy with certain USW-represented operations. The Parties acknowledge that restructuring actions are necessary and commit to take specific actions to protect the needs of the Parties and their constituencies, continuing progress already made toward transforming Delphi's labor cost structure and ongoing business operations. To enable continued transformation to more competitive wage and benefit levels, to address capacity, divestiture, work rules and staffing level issues, and to better position Delphi to retain existing business and attract new business, the Parties agree as follows on a two-party or three-party basis, as applicable, (the "Agreement") subject to ratification by the membership as provided in G below.

**A. DURATION**

Delphi and the USW agree that:

1. This Agreement will continue until 11:59 p.m. on September 14, 2011.
2. The agreement between Delphi Automotive Systems and Delphi Energy and Chassis Systems and Local Union 87, USW, dated December 8, 1999 (the "USW-Delphi Master Agreement") including all applicable modifications resulting from the Memorandum of Understanding – Home Avenue – Delphi Restructuring dated August 16, 2007 and resulting from this Agreement will be extended until 11:59 p.m. on September 14, 2011. The agreement between Delphi Corporation and Thermal and Interior Systems Vandalia and USW Local 87, dated June 22, 1998 and the "Survival Plan" effective January 3, 2005 (the "Vandalia Local Agreements"), and all related agreements and understandings, as modified by this Agreement, are extended until 11:59 p.m. on September 14, 2011. With respect to the Vandalia operations, the terms of this Agreement supersede and govern in the event of a conflict between this Agreement and the other agreements cited above.
3. With respect to the Ronald Pirtle letter dated December 17, 2004, it is understood between Delphi and the USW that this letter stays in full effect, except as modified by this Agreement including, without limitation, Section B.2.

4. The agreements comprising the USW-Delphi collective bargaining agreements, master and local, following the effective date of this Agreement are set forth in Attachment E.

## **B. SITE PLAN**

The USW and Delphi agree as follows concerning the transformation of the Vandalia plant operations (see Attachment A):

1. In order to keep the Vandalia Thermal Operation open it is necessary to achieve an all-in blended labor wage and benefit rate of \$19.57 per hour, consisting of E-II and up to a maximum of 43 E-I production employees, as soon as possible and maintain that rate for the life of the Vandalia local agreement. Methods to maintain the \$19.57 all-in blended rate may include, as an example, conversion of E-I personnel to the E-II wage and benefit structure, as mutually agreed by the USW and Delphi.
2. Failure to accomplish and maintain this all-in blended wage and benefit rate will result in the Vandalia Thermal Operations being closed during the term of the Vandalia local agreements.

## **C. WORKFORCE TRANSITION**

Delphi, the USW and GM, as applicable, agree on the following Special Attrition Program (the "Program") for Delphi-Vandalia Operations employees:

1. Delphi-Vandalia Operations employees who are active or on leave status will be offered lump sum buyouts, less applicable withholding, to sever all ties with Delphi and GM except vested pension benefits (as such no pension supplements are payable) on a date no later than January 1, 2008. Employees with 10 or more years of seniority or credited service as of January 1, 2008, whichever is greater, are eligible for \$140,000; employees with three (3) but less than 10 years seniority or credited service as of January 1, 2008, whichever is greater, are eligible for \$70,000; and employees hired prior to January 1, 2005, but with less than three (3) years of seniority or credited service as of January 1, 2008, whichever is greater, are eligible for \$40,000 (the "Buyout Payments"), paid in lump sum, less withholdings.
2. Those employees hired after January 1, 2005 will receive lump sum payments (less withholding) of \$5,000 on January 1, 2008 and January 1, 2009, provided they remain on the active roll as of the payment dates. Receipt of these payments is contingent upon a release of claims consistent with Paragraph C.5 of this agreement. These payments will not count towards the all-in wage and benefit

rate referred to in Paragraph B.1 of this Agreement.

3. The parties agree that the approximately twenty-five (25) employees at the Delphi Vandalia Operations who meet the retirement or pre-retirement program criteria contained in the Memorandum of Understanding – Home Avenue – Delphi Restructuring dated August 16, 2007 may, at the employee's election, be transferred to Home Avenue Operations. Such employees who accept transfer to the Home Avenue Operations will be eligible to participate in the retirement or pre-retirement options of the USW-Delphi-GM Special Attrition Program - Transformation. If the employees elect to remain at the Vandalia plant, their base wage rates and benefits will be modified to E-I status, and they will be subject to the terms of Section C.7.
4. The application period will begin as soon as possible and will end no later than the earlier of December 31, 2007 or 60 days after the application period begins.
5. All participants will be required to sign a release form releasing all claims against Delphi, GM, and the USW except workers' compensation claims.
6. Delphi will use temporary employees as needed to bridge any difficulties arising from the implementation of the Special Attrition Program subject to the approval of Delphi and USW-Local 87L. Temporary employees will be paid at the rate of \$8.00 per hour for production and \$17.10 for skilled trades. Employees who have accepted a Buy Out under Section C.1 of this Agreement may be rehired as temporary employees. Such employees will be eligible for conversion to permanent status after 120 days of continuous employment per the Vandalia Local Agreement. Such converted employees will not be eligible for any coverage under the Term Sheet or for any transition options provided under this Agreement.
7. In the event an insufficient number of E-I employees elect a buy out, the lowest seniority E-I employees over the maximum of 43 will be converted to E-II status effective December 31, 2007, and the plant staffing level will thereafter be adjusted in accordance with the local seniority agreement.
8. The parties acknowledge the following matters:
  - a) Delphi's participation in this Program is subject to the approval of the U.S. Bankruptcy Court; which approval Delphi will seek in Delphi's Chapter 11 cases. In the event such participation is not allowed by the Bankruptcy Court, no party will have any obligations under this Agreement. GM's obligations in respect of the Program are subject to approval of the Program by the U.S. Bankruptcy Court pursuant to entry of an order that provides for the allowance and/or treatment of GM's claims as described in this Program and is otherwise reasonably satisfactory to GM and Delphi.
  - b) The Program shall not be subject to abrogation, modification or rejection without the mutual consent of the USW, GM and Delphi and the order obtained

in the Bankruptcy Court by Delphi approving this Program shall so provide. The parties further agree (and the Bankruptcy Court order shall also provide) that this Agreement is without prejudice to any party-in-interest (including the parties to this Program and the official statutory committees appointed in Delphi's chapter 11 cases) in all other aspects of Delphi's Chapter 11 cases, including by illustration, Delphi's and GM's respective positions in all commercial discussions and claims matters between them, all collective bargaining matters involving the parties, in any proceedings under Sections 1113 and/or 1114 of the Bankruptcy Code with respect to the USW and under Section 365 of the Bankruptcy Code with respect to GM's contracts with Delphi, in any pension termination proceeding under ERISA and/or the Bankruptcy Code, and all claims administration and allowance matters.

- c) For the avoidance of doubt, any obligations assumed by GM under this Program with respect to OPEB under Paragraph C.3 above or active health care and life insurance shall be conclusively deemed to be comprehended by, included within, and shall constitute a prepetition, general unsecured claim assertable by GM against the estate of Delphi Corporation under Delphi's general indemnity of GM under the Master Separation Agreement.
- d) Nothing in this Agreement, the Bankruptcy Court's approval of such Agreement, or the performance of any obligation hereunder, shall limit or otherwise modify (a) Delphi's rights under Section 4041 of ERISA, or (b) Delphi's rights under Section 1113 and/or 1114 of the Bankruptcy Code with regard to any obligations which pre-existed this Agreement, such as (by way of illustration only) the obligation to maintain the hourly pension plan or provide retirees or active employees with levels of healthcare or other benefits as specified in pre-existing labor agreements. Under no circumstances shall Delphi freeze its pension plan covering USW represented employees in a manner that prevents employees in the pre-retirement program from receiving on-going credited service sufficient to reach 30 years of credited service. Delphi shall provide the same healthcare and life insurance coverage to employees participating in the pre-retirement program that it provides to its other active USW employees; provided, however, that if Delphi reduces or eliminates such coverage provided to its active USW employees, GM shall subsidize such coverage provided to employees participating in the pre-retirement program up to the level provided to GM active employees in accordance with the applicable plan provisions in effect between GM and the UAW at the time Delphi reduces or eliminates such coverages as amended from time to time. Except as otherwise expressly provided herein, nothing in this Agreement shall limit, expand or otherwise modify the rights or obligations of any party under the Benefit Guarantee between GM and the USW.
- e) Nothing contained herein, in the Bankruptcy Court's approval of this Program, or the performance of any obligation hereunder, shall constitute an assumption of any agreement described herein, including, without limitation (a) any

collective bargaining agreement between the USW and Delphi or (b) any agreement between GM and Delphi, nor shall anything herein, in the Bankruptcy Court's approval of this Agreement, or the performance of any obligation hereunder, be deemed to create or give rise to an administrative or priority claim with respect to, in favor of, or for the benefit of GM or convert a prepetition claim into a postpetition claim or an administrative expense with respect to any party.

#### **D. PENSION AND OPEB / BENEFIT GUARANTEE**

1. The Parties have agreed to a Term Sheet – Delphi Pension Freeze and Cessation of OPEB and GM Consensual Triggering of Benefit Guarantee (the "Term Sheet") with respect to the freezing of Delphi's pension plan, the cessation of Other Post Employment Benefits (OPEB) for Delphi employees and retirees and the consensual triggering of the Benefit Guarantee. That agreement the "Term Sheet" is attached as Attachment B, and is incorporated by reference herein.
2. GM and the USW agree that the period of time on or before which GM's obligations under sections b., c., d., and e. of the Benefit Guarantee Agreement between GM and the USW, dated December 13, 1999 and signed December 22, 1999 ("Benefit Guarantee"), may be triggered shall be extended to December 31, 2007 (and to March 31, 2008 if Delphi has commenced solicitation of acceptances of its chapter 11 plan of reorganization prior to December 31, 2007 but the plan has not been confirmed and substantially consummated or such later date as GM shall agree to extend ), provided, however that notwithstanding the foregoing or any other provision of this Agreement, this extension shall be without prejudice to any rights, defenses or claims of any Party with respect to the Benefit Guarantee.

#### **E. MASTER AND LOCAL AGREEMENT MODIFICATIONS**

1. Guaranteed Income Stream (GIS)

The USW and Delphi agree that the Guaranteed Income Stream (GIS) Program (Exhibit E to the Master Agreement) will be eliminated.

2. Transfer of Pension Assets and Liabilities – (414)(l)

A transfer of pension assets and liabilities will occur as provided in the Term Sheet pursuant to Internal Revenue Code Section (414)(l).

3. Benefits

The USW and Delphi agree that effective January 1, 2008, benefits for E-II Delphi – Vandalia employees will be modified in accordance with Attachment C.

4. Vacation Accrual

- a. The USW and Delphi agree that Section IV, item (6) of the hourly Vacation Pay Plan as outlined in the Delphi Interior Systems Agreement - Vandalia Plant dated June 22, 1998, and the Hourly vacation pay plan in the Local 87 Survival Plan effective January 3, 2005 will be modified to reflect the following vacation accrual schedule as soon as practicable.

<u>For an Eligible Employee With Seniority of:</u>	<u>Hours of Vacation Entitlement</u>
One but less than two years	48
Two but less than three years	56
Three but less than four years	80
Four but less than five years	88
Five but less than nine years	108
Nine but less than fifteen years	120
Fifteen but less than twenty years	140
Twenty years and beyond	160

- b. Employees must meet the eligibility requirements set forth in the Local Agreement.
- c. Without modifying or adding to any other provisions of the vacation entitlement section, an employee who has seniority but has not acquired one year's seniority as of December 31st shall nevertheless become eligible for a percentage of 48 hours vacation pay pursuant to Section IV, Paragraphs 7 and 10 of the Local Agreement and the Survival Plan.

5. Holidays

The USW and Delphi agree that effective as soon as practicable following October 1, 2007, Corporate-paid holidays shall be as follows:

October 1, 2007 – September 14, 2011

2007 (5 holidays)

Thanksgiving Day	Thursday, November 22, 2007
Day after Thanksgiving	Friday, November 23, 2007
Christmas Eve Day	Monday, December 24, 2007
Christmas Day	Tuesday, December 25, 2007
New Years Eve Day	Monday, December 31, 2007

2008 (10 holidays)

New Years Day	Tuesday, January 1, 2008
Martin Luther King, Jr. Day	Monday, January 21, 2008
Good Friday	Friday, March 21, 2008
Memorial Day	Monday, May 26, 2008
Independence Day	Friday, July 4, 2008
Labor Day	Monday, September 1, 2008
Thanksgiving Day	Thursday, November 27, 2008
Day after Thanksgiving	Friday, November 28, 2008
Christmas Day	Thursday, December 25, 2008
Day after Christmas	Friday, December 26, 2008

2009 (10 holidays)

New Years Day	Thursday, January 1, 2009
Day after New Years Day	Friday, January 2, 2009
Martin Luther King, Jr. Day	Monday, January 19, 2009
Good Friday	Friday, April 10, 2009
Memorial Day	Monday, May 25, 2009
Labor Day	Monday, September 7, 2009
Thanksgiving Day	Thursday, November 26, 2009
Day after Thanksgiving	Friday, November 27, 2009
Christmas Day	Friday, December 25, 2009
New Years Eve Day	Thursday, December 31, 2009

2010 (9 holidays)

New Years Day	Friday, January 1, 2010
Martin Luther King, Jr. Day	Monday, January 18, 2010
Good Friday	Friday, April 2, 2010
Memorial Day	Monday, May 31, 2010
Labor Day	Monday, September 6, 2010
Thanksgiving Day	Thursday, November 25, 2010
Day after Thanksgiving	Friday, November 26, 2010
Christmas Eve	Friday, December 24, 2010
New Years Eve Day	Friday, December 31, 2010

2011 (5 holidays)

Martin Luther King, Jr. Day	Monday, January 17, 2011
Good Friday	Friday, April 22, 2011
Memorial Day	Monday, May 30, 2011
Independence Day	Monday, July 4, 2011

Labor Day

Monday, September 5, 2011

The local parties are empowered to change and/or move paid holidays to different days by mutual agreement.

6. Income Security Plan (ISP)

The USW and Delphi agree that applicable terms and conditions of the Supplemental Agreement, Exhibit D, and all local agreements that concern any income security plans, benefits, payments or practices shall be modified, eliminating the plan for employees classified as E-II. Any funds in an individual's account will remain that of the employee for disbursement in accordance with plan regulations. The Plan will be modified and be limited to only currently existing E-I employee(s) at the rate of 18¢ per compensated hour.

7. Funding for Joint Activities and Health & Safety

The USW and Delphi agree that as of the Effective Date of this Agreement, all funding for Joint Activities, including Health & Safety activities will be eliminated. Any future participation in joint activities after the Effective Date will be a matter of negotiation at the plant level.

8. Independence Week

The USW and Delphi agree that:

- a. Independence Week Pay and Additional Time Off related to working during Independence Week will be eliminated.
- b. At its discretion, annually, the Corporation may designate the week in which the Independence Day holiday falls as a mandatory vacation period.
- c. Employees who are not scheduled to work during the Independence Week period shall have the option to use Vacation Entitlement hours, if available, or be granted an unpaid leave of absence for such period.
- d. Section 4, Paragraphs (22), (23a, b, c), (24), (25a, b, c), and (26) of the USW Local 87-L Delphi Vandalia Local Agreement will be eliminated.
- e. ATO days already earned in 2007 will be paid in accordance with Section IV, Paragraph 25 of the Local Agreement.

9. COLA

The USW and Delphi agree that effective October 1, 2007, employees who are receiving the existing frozen COLA will have that COLA folded into their base wage rates. Thereafter, COLA will be eliminated.

#### 10. Shift Premium

The USW and Delphi agree that shift premium for E-II will be paid at a rate of 2.5% for 2nd shift and 5% for third shift. The shift premium for E-I employees will be paid at 5% for 2<sup>nd</sup> shift and 10% for third shift.

#### 11. AOL

The USW and Delphi agree that the corporate-paid subsidy for AOL will be discontinued.

#### 12. Overtime

The USW and Delphi agree to ensure that overtime is closely monitored in a continuous effort to achieve and maintain the targeted level of 10%. In particular, overtime paid at double time will be minimized or eliminated to the extent practicable. The Local 87L President or his designated representative and the Plant Manager or his/her designated representative will review this cost item in the regularly scheduled operations meetings. Further, it is also understood that double time will not be worked in other than emergency situations unless approved by the Divisional Director of Manufacturing or his/her designated representative.

### **F. SETTLEMENT OF ALL EMPLOYEE, RETIREE AND UNION ASSERTED AND UNASSERTED CLAIMS**

The Parties agree to the following in partial consideration for the USW entering into this Agreement and in consideration for the releases to be provided pursuant to Section G:

1. Individual settlements pursuant to Transformation Program terms and conditions.
2. The USW asserted and unasserted claims are resolved pursuant to the settlement contained in Section F.2 and F.3 of the USW-Delphi-GM Memorandum of Understanding – Home Avenue – Delphi Restructuring dated August 16, 2007.
3. There shall be no waiver of rights, if any, to vested pension benefits, workers compensation benefits, unemployment compensation benefits, future claims arising out of the modified collective bargaining agreements, and pursuance of pending ordinary course grievances of employees remaining in the workforce.

4. All other consideration and concessions provided by GM and Delphi under the terms of this Agreement and all attachments to this Agreement.

The Parties also acknowledge that (i) the consideration provided by GM pursuant to this Agreement and all attachments to this Agreement constitutes a substantial contribution to Delphi's plan of reorganization, (ii) this contribution is necessary to the success of Delphi's plan of reorganization, and (iii) GM would not have made this contribution without obtaining the waivers and releases provided for herein. The Parties further acknowledge that nothing in the preceding sentence shall give rise to or entitle GM to seek or be allowed any claim against or consideration from any entity, including Delphi, other than as specifically approved by the Bankruptcy Court as agreed to by Delphi and GM in a comprehensive settlement agreement resolving the financial, commercial, and other matters between them.

## **G. EFFECTIVE DATES AND BANKRUPTCY PROCEEDINGS**

1. Subject to its terms and conditions, this Agreement is a final, binding and conclusive commitment and agreement that will be effective on the later of entry of an Order by the U.S. Bankruptcy Court approving this Agreement that is satisfactory to the USW, GM and Delphi (the "Approval Order"), or the first Monday following receipt by Delphi of written notice from the USW of ratification of the USW-Delphi-GM Memorandum of Understanding – Home Avenue Operations – Delphi Restructuring and the USW – Delphi – GM Memorandum of Understanding – Vandalia Operations – Delphi Restructuring (the "Effective Date"). The ratification process will commence as soon as practical following the date of this Agreement. In connection with Delphi's prosecution of a motion to obtain entry of the Approval Order in the Bankruptcy Court, (a) Delphi shall use its best efforts to file a motion for approval of this Agreement in form and substance reasonably acceptable to the Parties to be heard not later than the first monthly omnibus hearing at which the motion can be considered under the case management orders entered in the Bankruptcy Court, (b) Delphi shall provide, to the extent reasonably practicable, both the USW and GM with copies of, and a reasonable opportunity to comment on, all motions, applications, proposed orders, pleadings and supporting papers prepared by Delphi for filing with the bankruptcy court relating to court approval of this Agreement, and (c) the Parties shall support the approval of this Agreement in the Bankruptcy Court without condition, qualification or exception.
2. The parties acknowledge that the following provisions of this Agreement will not become effective until all of the following events have occurred and as of the date when the last of such events shall have occurred: (a) execution by Delphi and GM of a comprehensive settlement agreement resolving the financial, commercial, and other matters between them and (b) the substantial consummation of a plan of reorganization proposed by Delphi in its chapter 11 cases and confirmed by the Bankruptcy Court which incorporates, approves and is consistent with all of the

terms of this Agreement and the comprehensive settlement agreement between Delphi and GM:

- a. The Benefit Guarantee Term Sheet (Attachment B)
  - b. Delphi pension freeze (Section D and Attachment B)
  - c. Cessation of Delphi OPEB (Section D and Attachment B)
  - d. 414(l) transfer (Section E.2 and Attachment B)
  - e. Section F.2
3. The Parties agree that the order of the Bankruptcy Court approving this Agreement shall provide that any plan of reorganization consistent with this Agreement and any confirmation order entered into with respect to such plan shall include the following provisions:
- a. On the effective date of such plan of reorganization, the USW, all employees and former employees of Delphi represented or formerly represented by the USW, and all persons or entities with claims derived from or related to any relationship with such employees or former employees of Delphi, waive and release and be deemed to have waived and released any and all claims of any nature, whether liquidated, unliquidated, contingent, non-contingent, asserted or unasserted, existing and/or arising in the future against Delphi, its subsidiaries or affiliates, the Delphi HRP, the Delphi Health Care Program for Hourly Employees and the Delphi Life and Disability Benefits Program for Hourly Employees, GM, its subsidiaries or affiliates, the GM HRP, the GM Health Care Program for Hourly Employees and the GM Life and Disability Benefits Program for Hourly Employees, and the officers, directors, employees, fiduciaries, and agents of each, arising directly or indirectly from or in any way related to any obligations under the collective bargaining agreements between Delphi and the USW and between GM and the USW related to such employees and the USW-GM-Delphi Memorandum of Understanding - Benefit Plan Treatment dated December 10, 1999 regarding pension and other matters concerning the employment of GM employees with Delphi Automotive Systems related to such employees (provided, however, that claims for benefits provided for or explicitly not waived under the provisions of this Agreement are not waived).
  - b. A plan exculpation and release provision (which provision shall be at least as comprehensive as the plan exculpation and release provision under the plan of reorganization for the debtor) for the USW released parties (which shall include the USW and each of their current or former members, officers, committee members, employees, advisors, attorneys, accountants, investment bankers, consultants, agents and other representatives) with respect to any liability such person or entity may have in connection with or related to the Delphi bankruptcy cases, the formulation, preparation, negotiation, dissemination, implementation, administration, confirmation or consummation of any of the plan of reorganization, the disclosure statement concerning the plan of

reorganization, this Agreement or the Agreements on Attachment E hereto or any contract, employee benefit plan, instrument, release or other agreement or document created, modified, amended or entered into in connection with either the plan of reorganization or any agreement between the USW or Delphi, or any other act taken or omitted to be taken consistent with this Agreement in connection with the Delphi bankruptcy.

- c. This Agreement and the agreements referenced in Attachment E shall be assumed under 11 U.S.C. §365.
- 4. Nothing contained herein shall constitute an assumption of any agreement described herein, including, without limitation any collective bargaining agreement between the USW and Delphi (except as provided for in Section G.3) or any commercial agreement between GM and Delphi, nor shall anything herein be deemed to create an administrative or priority claim with respect to GM or convert a prepetition claim into a postpetition claim or an administrative expense with respect to any party. The Parties further agree (and the Bankruptcy Court order shall also provide) that this Agreement is without prejudice to any interested party (including the parties to this Agreement and the statutory committees) in all other aspects of Delphi's Chapter 11 cases and that each Party to this Agreement reserves all rights not expressly waived herein.
- 5. Unless this Agreement is consummated following all required approvals, nothing herein shall bind any of the Parties nor shall the Agreement be admissible in any judicial or other proceeding on behalf of or against any Party.

The parties, by their duly authorized officers and representatives, agree accordingly this 16th day of August, 2007.

United Steelworkers

Delphi Corporation

General Motors Corp

*Ronny Warding*  
United Steelworkers -  
Local 87L

*Tom Butler*

*Paul R. [unclear]*

*[unclear]*

*[unclear]*

*[unclear]*

*[unclear]*

*[unclear]*

*[unclear]*

*Sean [unclear]*  
*[unclear]*

*Demetri A. [unclear]*  
*Nic [unclear]*  
*Darrell Collins*  
*Johnny J. Carroll*

United Steelworkers -  
Local 87L

Delphi Corporation

General Motors Corp

Julian Pearson

J. M. ...

Richard ...

Stephane ...

Reggie ...

John ...

Ken ...

Max ...

Mike ...

Wayne ...

Gary ...

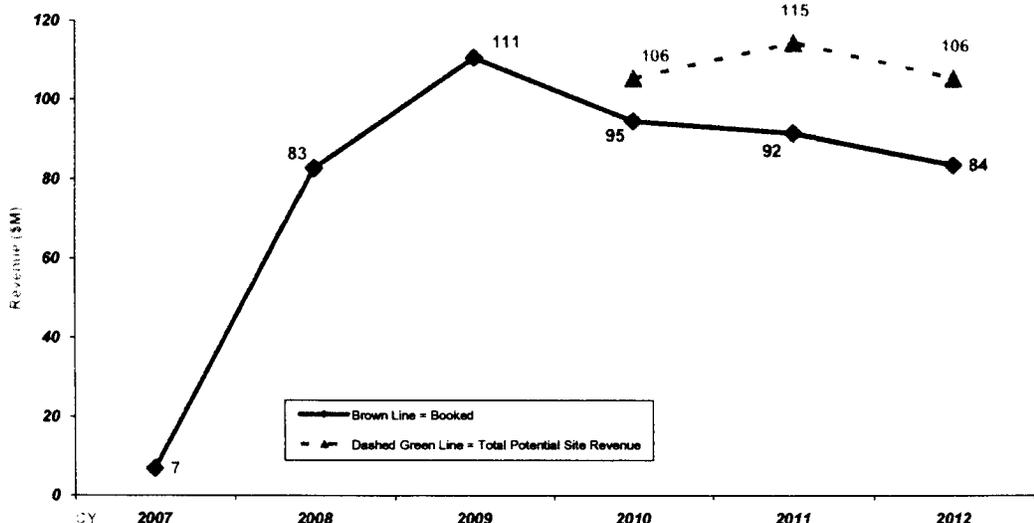
Steve ...

Earl D. Shepard

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Attachment A

# Revenue – Headcount Projection – Vandalia



CY	2007	2008	2009	2010	2011	2012
Average Headcount (Brown Line Rev)	48	175	174	161	158	151
Average Headcount (Green Line Rev)	48	175	174	192	194	TBD

**DELPHI**

# GM Major Products Pipeline – Vandalia

\$ Millions Revenue

CY		2007	2008	2009	2010	2011	2012
Brown Line (Booked + Contract Extensions)		6.9	83.1	111.3	94.6	91.9	84.1
<b>Potential New Product Programs</b>							
GM7721	HVAC	0.0	0.0	0.0	0.8	1.6	1.5
	PTC	0.0	0.0	0.0	0.9	1.8	1.7
GM7722	HVAC	0.0	0.0	0.0	0.1	0.2	0.3
	PTC	0.0	0.0	0.0	0.1	0.3	0.3
GM7731	HVAC	0.0	0.0	0.0	1.7	3.4	3.2
	PTC	0.0	0.0	0.0	2.0	3.9	3.6
GM7732	HVAC	0.0	0.0	0.0	0.4	0.8	0.9
	PTC	0.0	0.0	0.0	0.5	0.9	1.0
GM7741	HVAC	0.0	0.0	0.0	1.9	3.7	3.4
	PTC	0.0	0.0	0.0	2.1	4.2	3.9
GM7742	HVAC	0.0	0.0	0.0	0.4	0.8	1.0
	PTC	0.0	0.0	0.0	0.5	1.0	1.1
<b>Sub Total Potential New Programs</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>11.4</b>	<b>22.6</b>	<b>21.9</b>
<b>Total Potential Site Revenue</b>		<b>6.9</b>	<b>83.1</b>	<b>111.3</b>	<b>106.0</b>	<b>114.5</b>	<b>106.0</b>

memo: other potential new product programs beyond 2012 CY

CY		2014	2015
Epsilon II NG	HVAC	9.7	20.9
GMK-001	HVAC	10.2	20.4
	PTC	12.7	25.4

Sub Total Potential New Programs Beyond 2012 32.6 66.7

**DELPHI**

**Attachment B – Benefit Guarantee Term Sheet**

**(Attached Separately)**

## Attachment C – Benefits

Effective January 1, 2008, the following changes are applicable to all Vandalia employees, skilled and production who are not retired (subject to the provisions of Attachment B), excluding E-1 employees (Benefit Code F4), whose benefits will remain unchanged. Delphi will seek to continue to provide the applicable health care plan (HMO) to these E-1 employees as long as it is cost effective and the carrier will administer the plan. In the event the plan is no longer available, E-1 employees will be placed in the Traditional Care Network.

### **Active Health Care**

- Medical and Drug coverage will be the Basic Medical Plan (BMP). The new plan will be referred to as the BCBS Basic Medical Plan, Delphi plan code 5607.

USW members affected by this change, who are currently enrolled in other plans, will be automatically enrolled in the BMP effective January 1, 2008. The benefit summary for this plan appears later in this attachment.

- Dental and Vision coverages will be available after reaching 36 months of seniority.

### **Post-employment Health Care**

- Upon retirement from Delphi, eligible employees will be able to continue any health care coverages then in effect. Continuation of such coverages will be at the retiree's own expense and will be the full cost of any coverages continued.
- Delphi will provide a Retiree Health Care Credit Balance ("Balance") that retirees can use to pay for continued coverages. Delphi will credit each balance with \$0.50 for every compensated hour during the employee's active employment after January 1, 2008. In no event will calculation of a per hour cost (i.e. a pennysheet) for Vandalia include more than \$0.50 per hour to account for the cost of this Retiree Medical Account. Hours for which credit will generally be granted include any time for which pay is received, including straight-time hours, for such things as:
  - Bereavement Pay;
  - Call-in Pay;
  - Holiday Pay;
  - Jury Duty;
  - Overtime;
  - Short-term Military Duty; and
  - Vacation
- The Balance will also be credited with interest on an annual basis. The interest rate is that for the 30-year U.S. Treasury Bond. Any interest will be credited based on the accrued Balance at the end of each calendar year and will be recorded no later than May 1 of each year. This Balance continues to accrue until retirement or death at which time all credits and interest will cease to accrue.

- The Retiree Health Care Credit Balance will be a “notional” account and will not be funded but paid out of the general assets of the Corporation.
- At retirement or death, as applicable, the retiree or eligible surviving spouse may begin to draw down the balance. Credits may only be used to pay for the cost of health care coverages continued through Delphi or health care coverages purchased on an individual basis or through another group. In other words the credits can be used for premiums or contributions towards premiums, but cannot be used to reimburse medical expenses such as deductibles and co-payments.
- The Balance has no cash value and may not be transferred. Employees who leave Delphi without retiring forfeit any accumulated Balance.
- Upon the death of the retiree or if an employee dies after an employee becomes eligible to retire voluntarily under the Hourly-Rate Employees Pension Plan, health care coverages that were available may be continued for an eligible surviving spouse and eligible dependents on a self-pay basis. If the retiree/employee was eligible for and had any remaining Balance, the surviving spouse will be allowed to draw from such Balance on the same basis as the retiree until the Balance is exhausted.
- A surviving spouse age 65 or older who is eligible, but is not enrolled for Medicare Part B coverage is not eligible to draw upon the Balance. Coverages may be continued on a self-paid basis until Medicare Part B coverage is obtained. After enrollment in Part B, the surviving spouse may draw upon the Balance while Medicare Part B enrollment is maintained.

### **LIFE AND DISABILITY BENEFITS**

- Corporation-paid Life Insurance while active will be based on the reduced base hourly rate.
- Corporation-paid Life Insurance will cease upon retirement; the employee may continue any employee-paid coverage.
- Sickness and Accident Coverage based on the reduced base hourly rate and limited to 26 weeks of benefits over any rolling 12-month period. In no event will any employee be eligible for more than 60 weeks of benefits over the life of the Agreement.
- For current recipients, Extended Disability Benefit Coverage will be based on the reduced base hourly rate. For new recipients, the Parties agree EDB will be made available on a self-pay basis, Extended Disability Benefits for a maximum of 36 months of disability at an amount determined in accordance with Schedule I of the table found in Article II, 5 of Exhibit B (Life & Disability Supplement to the 2003 Master Agreement). Note: The joint parties will aggressively pursue an insurance provider in an effort to make available a self-paid EDB program.

### **OTHER BENEFIT MODIFICATIONS**

- Pension benefits will be provided under a defined contribution plan via a Corporation contribution to the employee's PSP account of 7% of eligible wages. If the Union discovers instances where the Corporation contribution is other than 7% of eligible wage, the Corporation will investigate and rectify any error so that the employee is credited with the appropriate contribution amount.
- Applicable terms and conditions of the Supplemental Agreement, Exhibit D, and all local agreements that concern any income security plans, benefits, payments or practices shall not apply to E-II employees. Any funds in an individual's account will remain that of the employee for disbursement in accordance with plan regulations.
- GIS. will be eliminated

	<b>BASIC MEDICAL PLAN (1) (Plan Code 5607)</b>	
<b><u>ANNUAL DEDUCTIBLE</u></b> Individual Family	\$ 900 \$1,800	
	<b>In Network</b>	<b>Out-of-Network</b>
<b><u>COPAYMENTS</u></b> Plan Pays You Pay	75% 25%	55% 45%
<b><u>OUT OF POCKET MAXIMUM</u></b> Individual Family	\$2,500 \$5,000	None None

**Notes:**

- (1) Annual deductibles, copayments, and out-of-pocket maximums are calculated on the basis of "Reasonable and Customary" charges (R&C) as determined by the carrier. For those carriers with "participating" or approved provider arrangements, it is the amount the participating/approved provider has agreed to accept for covered services.
- (2) Deductibles, copayments, and out-of-pocket maximums apply only to covered hospital/surgical and medical services. They do not include mental health/substance abuse coverage or prescription drug coverage.
- (3) Expenses for certain preventive services such as annual physical, routine screening mammographies, screening PSA tests, PAP smears and proctoscopies received in accordance with program guidelines are not subject to annual deductibles and copayments if received from a network provider.

**OUTPATIENT SERVICES**

- Outpatient Surgery Same as in-hospital surgery; facility charges paid only for hospital outpatient department or carrier-approved ambulatory surgical center
- Physical Therapy Carrier-approved providers covered; subject to utilization review
- Routine Office Visits Routine office visits covered; one physical per year for enrollees over age six; includes appropriate screening exams
- Diagnostic X-Ray and Lab Accepted procedures are covered
- Well-Baby Care Covered through age six; not subject to annual deductibles and copayments if received from a network provider
- Preschool Immunization Covered for all ages when medically necessary

- Mammography Screening, Pap Smears, PSA Screening Covered 100% when received in accordance with program guidelines; not subject to annual deductibles and copayments
- Allergy Testing and Injections Not covered

**HOSPITAL SERVICES**

These services require preauthorization: Call SHPS at 1-877-405-0134

- Semiprivate Room and Board, X-ray, Other Hospital Services Up to 365 days, semiprivate: 60 days out-of-care renewal period; excludes admissions for custodial care, physical therapy, dental procedures, and certain non-covered surgeries (e.g., cosmetic, refractive eye, sterilization reversals)
- Surgery Most medically necessary surgeries covered
- Doctor Visits In-Hospital Covered; includes consultations
- Maternity Benefits Covered

**SKILLED NURSING CARE**

These services require preauthorization: Call SHPS at 1-877-405-0134

- Skilled Nursing Facility Up to 730 days; 60 days out-of-care renewal period; excludes custodial care Medically necessary skilled/part-time/intermittent care provided in the home by carrier-approved provider.
- Home Health Care Limited to cost of equivalent care in a nursing facility. If mixture of skilled and unskilled services, or if skilled services exceed part-time and intermittent level, no coverage under BMP.

**EMERGENCY**

- Ambulance Covered when medically necessary
- Physician/Other Emergency Room Services Covered if qualifies as emergency; otherwise, physician services covered as office visit and facility charges denied

Administered by Medco Health: 1-800-711-3459 or [www.medcohealth.com](http://www.medcohealth.com)

**PRESCRIPTION DRUGS**

- Participating Pharmacies You pay 25% (\$15 minimum/\$35 maximum) up to 34-day supply per prescription/refill for brand name prescriptions  
You pay \$5 up to 34-day supply per prescription/refill for generic prescriptions
- Nonparticipating Pharmacies You pay for the prescription and are reimbursed 75% of R&C, less the required copayment
- Mail-Order Prescription You pay \$40 up to 90-day supply per prescription/refill for brand name prescriptions  
You pay \$12 up to 90-day supply per prescription/refill for generic prescriptions

**NOTE:** Prescriptions for weight control, inducement of pregnancy, and cosmetic purposes are excluded. Prescriptions for smoking cessation limited to Mail Order and subject to controls. Certain Maintenance Medications must be received through Mail Order after the original script and 2 refills have been obtained at retail.

**MENTAL HEALTH & SUBSTANCE ABUSE**

These services require preauthorization: Call CIGNA Behavioral Health at 1-888-371-0767

- Outpatient Services Mental Health: 1-20 visits at 100%, 21-35 at 75%; Substance Abuse: 1-35 visits at 100% 100% only when authorized
- Psychological Testing Up to 45 days per benefit period
- Inpatient/Residential (Includes Detoxification) Up to 90 visits per benefit period. Each (1) day of inpatient care reduces by two (2) the number of days available for day or night treatment
- Day/Night Treatment

**HEARING CARE**

- Examination/Hearing Aid One every 36 months. Services must be obtained from a carrier-approved provider

**DURABLE MEDICAL  
EQUIPMENT/  
PROSTHETICS &  
ORTHOTICS (DME/P&O)**

Administered by Northwood/NPN at 1-800-936-9314

In Network: Covered at 100% when medically necessary.

Out-of-Network: Enrollee must submit claim to Northwood/NPN. Claim is subject to the in-network reimbursement if medically necessary. Any remaining balance is the enrollee's responsibility.

**OTHER**

- Medicare Eligible
- Sponsored Dependents

Accepted.

Accepted. You pay cost

**Attachment C**

**Intentionally omitted – Vandalia attrition options contained in Section C of this Agreement**

## Attachment E – List of Agreements

(Attached Separately)