

comment by the Debtors and the parties to the Master Disposition Agreement. The Debtors intend to present final versions of those documents and any related transaction documents at of before the Final Modification Hearing scheduled for July 29, 2009.

B. The Master Disposition Agreement

The following chart sets forth some of the principal differences between the GM-Platinum Master Disposition Agreement and the current version of the Master Disposition Agreement involving the DIP Lenders.⁷ Capitalized terms used but not defined in the chart have the meanings set forth in the agreements.

Topic	GM-Platinum Master Disposition Agreement	DIP Lenders' Pure Credit Bid
Form of Transaction	GM Components Holdings, LLC (" <u>GM Buyer</u> ") and Parnassus Holdings II, LLC (" <u>Parnassus</u> ") would acquire substantially all of the assets and liabilities of Delphi as described below.	GM Buyer and DIP Holdco 3, LLC, a newly-formed entity by certain DIP Lenders (" <u>DIP Lenders</u> "), would similarly acquire substantially all of the assets and liabilities of Delphi through a credit bid, whereby the DIP Lenders (i) would be the assignee of the rights of the DIP Agent, as bidder in connection with the credit bid, to the Company's acquired assets for which the bid is made and (ii) assign their rights to the GM Acquired Assets to the GM Buyers, as described below:
Securities and Assets to be Acquired	<ul style="list-style-type: none"> • GM Sale Securities & GM Acquired Assets - GM Buyer would acquire all of the equity and assets primarily related to Delphi's Steering Business and certain UAW Sites, including certain of those facilities located in Grand Rapids, Michigan; Rochester, New York; Kokomo, Indiana; and Lockport, New York. (§2.1.3) • Company Sale Securities & Company Acquired Assets - Parnassus would acquire all of the 	<p>Substantially similar to PE MDA.</p> <ul style="list-style-type: none"> • Company Sale Securities & Company Acquired Assets - DIP Lenders would acquire all of the Sellers' remaining business after the

⁷ There are also differences related to post-closing governance and the allocation of distributions by the non-GM buyers that are not reflected in the chart.

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	<p>equity and assets primarily related to Delphi's business, other than the GM Business, specified excluded assets, and the business relating to certain pending transactions. (§2.1.4)</p> <ul style="list-style-type: none"> • Excluded Assets - Certain Delphi assets are specifically excluded from the assets to be acquired by the Buyers, including without limitation, third party assets, certain insurance policies, books and records required to be retained, all of the rights and claims of Delphi and its subsidiaries available under the Bankruptcy Code, personnel records, certain scheduled excluded facilities, tax refunds relating to the excluded assets, inventory disposed of prior to the Closing and in the Ordinary Course of Business, cash pledged for the benefit of Senior DIP Lenders, pending transactions, certain intercompany receivables and wage escrow accounts for certain excluded employees. (§2.1.5) • Proceeds from Brakes, Suspension and Exhaust Businesses – GM Buyer to receive all proceeds received by any Seller in respect of the sale of the brakes and suspension and exhaust businesses. (§2.1.3(iii)) 	<p>wind-down, up to a maximum of \$500 million after GM has recovered all amounts advanced as wind-down costs. (§2.1.4.W)</p> <ul style="list-style-type: none"> • Proceeds from Brakes, Suspension and Exhaust Businesses - GM Buyer has clarified that it will acquire both pre- and post-Closing Net Proceeds (defined to exclude post-closing indemnity adjustments or payments received by Sellers for capital expenditures for respective buyers benefit) in respect of the brakes and suspension and exhaust businesses. (§2.1.3(iii))
Liabilities to be Assumed	<ul style="list-style-type: none"> • GM Assumed Liabilities – <ul style="list-style-type: none"> • Substantially all administrative liabilities relating to the GM Business, hedging agreements and certain specified prepetition liabilities. • Prepetition liabilities are limited to cure amounts relating to assumed contracts and certain taxes to the extent not 	Substantially similar to the GM-Platinum Master Disposition Agreement.

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	<p>discharged pursuant to the Modified Plan, in each case relating to the GM Acquired Assets. (§2.2.1)</p> <ul style="list-style-type: none"> • Parnassus Assumed Liabilities – <ul style="list-style-type: none"> • Substantially all administrative liabilities relating to the Company Business as well as specified director, officer, and employee related liabilities, which include assuming employment agreements or entering into new agreements (at Parnassus' discretion), obtaining insurance and undertaking other obligations under Delphi's policies that in the aggregate provide substantially similar economic benefits to Delphi's directors, officers and executives as currently in existence. • Prepetition liabilities are limited to cure amounts relating to assumed contracts and certain taxes to the extent not discharged pursuant to the Modified Plan, in each case relating to the Company Buyer Acquired Assets. (§2.2.2) • Retained Liabilities- Delphi would retain liability for all Excluded Assets and Excluded Facilities, certain Administrative Claims not assumed by Buyers, retained benefit plans, intercompany payables to Filing Affiliates and liabilities related to the DIP Agreement. (§2.3) 	
Purchase Price	<p>The purchase price would be comprised of the following:</p> <ul style="list-style-type: none"> • GM Purchase Price (§3.1) – <ul style="list-style-type: none"> • The DIP Priority Payment Amount (i.e., the amount necessary to pay outstanding fees, expenses, accrued and unpaid interest, the outstanding 	Substantially similar to the GM-Platinum Master Disposition Agreement:

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	<p>principle amounts on Tranche A and B Loans and up to \$350 million of Swap Exposure) to Delphi;</p> <ul style="list-style-type: none"> • \$291,020,079 to Delphi; • Certain post-Closing expenses of Delphi up to an aggregate of \$50 million; • A proportional post-closing payment to Delphi based on recoveries from the Appaloosa Claim as provided by the Plan of Reorganization; and • Waiver of GM's prepetition claims and administrative claims in Bankruptcy Cases. <ul style="list-style-type: none"> • Parnassus Purchase Price (§3.2) – <ul style="list-style-type: none"> • One dollar; • Issuance of Parnassus Class C Interest (i.e., membership interest in Parnassus in the nominal amount of \$145.5 million having an annual cash dividend rate of 8%) to Delphi; and • To the extent payable post-Closing, up to \$180 million to the unsecured creditors. • Additional Consideration – <ul style="list-style-type: none"> • Buyers would each assume the Assumed Liabilities and Cure Amounts applicable to their respective Businesses for Acquired Contracts and pay 50% of professional fees (in an amount not to exceed \$15,000,000 per Buyer, or \$30,000,000 in total) that are Administrative Claims required to be paid by certain affiliates. (§3.1 and §3.2) • GM Buyer will pay solicitation costs for approval of the Plan of 	<ul style="list-style-type: none"> • DIP Lender Purchase Price – To the extent payable post-Closing, DIP Lenders will pay up to \$300,000,000 to the unsecured creditors. In addition, the Official Committee of Unsecured Creditors, pre-Closing, and DPH Holding Co., post-Closing, are express third party beneficiaries with respect to this payment to the unsecured creditors. (§3.2)

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	Reorganization that are Administrative Claims (in an amount not to exceed \$12,000,000). (§3.1)	
Reps and Warranties	<ul style="list-style-type: none"> • Sellers Representations and Warranties - Delphi, jointly, would provide representations and warranties relating to themselves and the applicable Sale Companies, which are generally standard for a transaction of this type. Significantly, all Seller's representations and warranties are qualified by Delphi's reports filed with the SEC and many contain materiality qualifiers or exceptions for matters that would not have a MAE on the businesses being sold. (Article 4) • Buyers Representations and Warranties – Parnassus and GM also make standard representations and warranties. The representations and warranties do not survive Closing and no party would have any liability to the other parties after the Closing for any breaches of the representations and warranties. (Articles 5-8) 	Substantially similar to the GM-Platinum Master Disposition Agreement.
Financing Arrangements	The transaction will be consummated in connection with an equity commitment letter, stock purchase agreement, credit agreement and other related ancillary agreements, which establish the financing arrangements between GM and Parnassus for the purchase price. Under the GM-Platinum Master Disposition Agreement Buyers are restricted from terminating or amending the financing arrangements that would materially adversely impact the ability of GM or Parnassus to consummate the transaction, without the consent of Delphi. (§7.6)	Similar to the GM-Platinum Master Disposition Agreement, financing arrangements are contemplated under the GM-DIP Lenders Master Disposition Agreement, under which the DIP Lenders will enter a loan agreement, note agreement and investment agreement. Elliott Associates, L.P. (including its affiliates) and one or more investment funds managed by Silver Point Capital L.P. serve as the Commitment Parties in connection with such arrangements. Substantially similar representations for the financing arrangements are included in the GM-DIP Lenders Master Disposition Agreement. (§7.6)

<p>Employee Matters</p>	<ul style="list-style-type: none"> • Employees – <ul style="list-style-type: none"> • At Closing, the applicable Buyer generally would assume the employment contracts for all Non-U.S. Employees, would employ all active and inactive U.S. Hourly Employees, may offer employment to the U.S. Salaried Employees on Buyer's terms, and would assume the applicable collective bargaining agreements. (§9.5.1 and §9.5.2) • Buyers will assume the terms and conditions of the applicable U.S. CBAs in effect at the relevant businesses, except with respect to pre-Closing Liabilities under such CBAs. (§ 9.5.3.A) • Pension Liabilities - Pension liabilities would be transferred pursuant to certain transfer agreements for foreign Sellers, and the Buyers would continue to provide benefit plans to the extent required by law and would assume the sponsorship of certain contribution plans. (§9.5.4) • Severance - Severance payments for U.S. employees terminated (i) after June 1, 2009 will cease at Closing and (ii) after Closing will be made pursuant to a formula set forth in the PE MDA. (§ 9.5.11) 	<p>Substantially similar to the GM-Platinum Master Disposition Agreement except:</p> <ul style="list-style-type: none"> • Employees – Buyers will assume the terms and conditions of the applicable U.S. CBAs in effect at the relevant businesses, except with respect to pre-Closing Liabilities under such CBAs. (§ 9.5.3.A) • Severance - <ul style="list-style-type: none"> • Company Buyer will offer employment to all U.S. Salaried Employees not offered employment by GM Buyer. Immediately after closing, Company Buyer may sever such Transferred U.S. Salaried Employees. (§9.5.2) • U.S. Salaried Employees severed prior to June 1, 2009 would be offered a lump sum equal to 75% of their outstanding severance payable immediately before Closing. Further, Company Buyer would be responsible for paying all
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		severance owed after Closing to Previously Severed Employees who do not accept the 75% payment (GM would pay Company Buyer \$16,800,000 at Closing in consideration of such assumption of severance obligations by Company Buyer). (§9.5.11)
Conditions	<p>General - The respective obligations of each party to effect the transactions would be subject to the satisfaction or waiver of Closing conditions, including an effective plan of reorganization, Bankruptcy Court and other governmental approvals and regulatory matters (including certain competition filings), as well as an amendment of the DIP Credit Agreement as necessary to permit the consummation of the transactions. (§10.1)</p> <p>Sellers Conditions – The obligation of the Sellers to consummate the transactions contemplated by the GM-Platinum Master Disposition Agreement would be subject to the fulfillment at or prior to the Closing of certain conditions, which could be waived by the Sellers, including:</p> <ul style="list-style-type: none"> • the assumption by Buyers of applicable U.S. collective bargaining agreements and the receipt of certain related consents; and • the satisfaction by Delphi that the hourly pension plans would not be an obligation of Delphi after the Closing. (§10.3 and §10.4) <p>Buyers Conditions - The obligation of each of the Buyers to consummate the transactions contemplated by the GM-Platinum Master Disposition Agreement would be subject to the satisfaction, or waiver by such Buyer, at or prior to the Closing, of certain conditions, including:</p> <ul style="list-style-type: none"> • the assumption of the relevant US CBAs (other than the assumption of pre-Closing Liabilities) and union 	<p>Substantially similar to the GM-Platinum Master Disposition Agreement except:</p> <p>Sellers Conditions - The condition relating to the Hourly Pension Plan has been deleted, in addition to other conditions that are no longer applicable given the nature of the DIP Lender transaction.</p> <p>Buyers Conditions –</p> <ul style="list-style-type: none"> • The financing condition has been revised to allow the DIP Lenders and GM to avoid closing the transaction if the debt and equity financing is not obtained unless such failure is due to an actual or threatened breach by the DIP Lenders or the Commitment Parties or GM, respectively (§§10.3.5 and 10.4.6).

	<p>consent;</p> <ul style="list-style-type: none"> • Company Buyer's receipt of the requisite financing from each of PE and GM Buyer contemplated in financing agreements being entered into concurrently with the GM-Platinum Master Disposition Agreement; and • the transfer of Environmental Permits. (§10.2) 	<ul style="list-style-type: none"> • The following conditions were added: <ul style="list-style-type: none"> • all material environmental permits in the U.S. shall have been transferred to Company Buyer or reissued prior to Closing (or other satisfactory acknowledgement from a Governmental Authority regarding authority to continue operations post-Closing) and Sellers shall use commercially reasonable efforts with respect to same outside of the U.S. (§10.4.5); and • certain provisions of the Operating Agreement relating to, among other things, [consideration to the PBGC and] tax structure shall have been implemented. (§10.4.7)
Closing	Closing will occur on a month end. (§11.1.1)	GM Buyer has the ability to delay Closing by 15 days if it disputes the amount of the DIP Priority Payment delivered by the DIP Agent and, as a result, Closing may not occur on a month end. (§§11.1.1 and 9.44.3)
Termination	<p>In addition to other termination provisions that have already lapsed, the GM-Platinum Master Disposition Agreement would be terminable prior to Closing as follows:</p> <ul style="list-style-type: none"> • upon mutual written consent of the Sellers and the Buyers; • by any non-breaching party if the Closing has not occurred by September 30, 2009, subject to an automatic 60-day extension if all of the Closing conditions are met except for governmental approvals; and • by GM or Parnassus if (i) the Modification Approval Order is not entered by July 30, 2009, or (ii) such Modification Approval Order has not become a Final Order within ten days of its entry. (§12.1) 	<p>Substantially similar to the GM-Platinum Master Disposition Agreement except:</p> <ul style="list-style-type: none"> • the "drop-dead" date was extended from September 30 to October 2, 2009 subject to a 15 day extension option by GM if a GM Buyer has disputed the amount of the DIP Priority Payment Amount (§12.1.1); and • GM or Company Buyer may terminate if the Plan Modification Order is not entered on or prior to August 7, 2009. (§12.1.4)

Remedies	If a Termination Fee (as defined in the Securities Purchase Agreement) is payable under the Equity Commitment Letter or the Securities Purchase Agreement to GM, then GM would either fulfill Parnassus' obligations under the GM-Platinum Master Disposition Agreement or make a certain specified payment to Delphi. (§13.2)	Delphi is not a third party beneficiary to the financing arrangements.
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C. The Pure Credit Bid And The Modified Plan

Under the DIP Credit Agreement, in the event of a default by the Debtors, the Required DIP Lenders can instruct the DIP Agent to exercise remedies, which is binding upon all lenders to the DIP Facility.⁸ The "Pure Credit Bid" is a manifestation of this mechanism contained in the DIP Credit Agreement. To implement the Pure Credit Bid, the Required DIP Lenders have instructed the DIP Agent (the "DIP Direction") to credit bid 100% of the principal and interest due and owing in respect of the DIP Loans under the DIP Credit Agreement (after giving effect to the application of any cash collateral to the DIP Loans), which amount shall be payable solely as an offset against the claims of the DIP Lenders in respect of the loans (including interest) under the DIP Credit Agreement and which is being paid in consideration for the Company Acquired Assets (subject to the Company Assumed Liabilities), Company Sales Securities, the GM Acquired Assets (subject to the GM Assumed Liabilities) and GM Sales Securities (the "Pure Credit Bid").

⁸ In negotiating the DIP Credit Agreement, the Debtors, the DIP Agent, and the DIP Lenders agreed to certain provisions that authorized the DIP Agent to act upon the instruction of the Required DIP Lenders, for the benefit of all the DIP Lenders. This negotiated provision was consented to by all the DIP Lenders. Accordingly, individual lenders do not have the right to enforce remedies individually under the DIP Credit Agreement, and remedies can only be enforced through collective action. Because the DIP Lenders have all consented to the intercreditor arrangement among themselves, either through direct consent or by purchasing a portion of the debt covered by the DIP Credit Agreement, all DIP Lenders are bound by the DIP Agent's exercise of remedies. The Court generally endorsed the Debtors' collective action interpretation of the DIP Credit Agreement when it approved the Accommodation Agreement over the objection of certain DIP Lenders in December 2008. (See Docket No. 14515.)