

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

IN RE: GENERAL MOTORS CORP.
DERIVATIVE LITIGATION

MDL No. 06-1749
Master Case No. 06-md-1749
Hon. Gerald E. Rosen
ALL DERIVATIVE CASES
Case Nos. 05-74334
05-74769
05-74770

STIPULATION OF SETTLEMENT

This Stipulation of Settlement dated as of September 17, 2008 (the “Stipulation”) is made and entered into by and among the following Settling Parties (as defined further in ¶1.20 hereof): (i) the Derivative Plaintiffs (on behalf of themselves and derivatively on behalf of General Motors Corporation (“GM”)), by and through their counsel of record in the Actions (as defined in ¶1.1); and (ii) the Defendants, by and through their counsel of record in the Actions. The Stipulation is intended by the Settling Parties to fully, finally and forever resolve, discharge and settle the Released Claims (as defined in ¶1.18), upon and subject to the terms and conditions hereof. All capitalized terms, unless otherwise defined elsewhere in this Stipulation, have the meaning set forth in Sections I and V. 1. below.

I. THE ACTIONS

A. The Federal Derivative Actions

These Actions were filed following the announcements by GM of a series of restatements of previously released financial statements. Federal Derivative Plaintiffs filed their initial Complaint, entitled *Stein v. Bowles et al.*, 2:05-cv-74334 (E.D. Mich.), in the United States District Court for the Eastern District of Michigan, on November 10, 2005. The Complaint alleged that GM’s board failed to exercise the requisite level of care, breached its fiduciary duty to shareholders, and caused the company to be exposed, *inter alia*, to civil liability and United States Securities and Exchange Commission (“SEC”) and Justice Department investigations.

On December 13, 2005, GM filed a motion before the Judicial Panel on Multidistrict Litigation (“MDL”) for Transfer and Consolidation of the *Stein* action in the Eastern District of Michigan with *In re General Motors Securities Litigation*, S.D.N.Y. No. 1:05-8088 and *Francesco Galliani v. General Motors Corp. et al.*, S.D.N.Y. 1:05-8545 (the “Securities Actions”). Additional Complaints were filed by Federal Derivative Plaintiffs in the Eastern

District of Michigan on December 15, 2005, entitled *Henry Gluckstern v. G. Richard Wagoner, Jr. et al.*, 2:05-74770 (E.D. Mich.) and *John Orr v. G. Richard Wagoner, Jr. et al.*, 2:05-74769 (E.D. Mich.).

On December 27, 2005, Federal Derivative Plaintiffs moved for consolidation of all of the pending Federal Derivative Actions in the Eastern District of Michigan, and for appointment of Stein as Lead Plaintiff and The Miller Law Firm PC and Wolf Haldenstein Adler Freeman & Herz LLP as co-lead counsel. On April 17, 2006, the MDL issued an Order consolidating the separate actions. On August 15, 2006, Federal Derivative Plaintiffs filed their Consolidated and Amended Derivative Complaint.

On October 19, 2006, Federal Derivative Plaintiffs filed a Second Consolidated and Amended Derivative Complaint. On November 16, 2006, Defendants filed a Motion to Dismiss. After the Motion to Dismiss was fully briefed, Judge Rosen issued an Order on August 29, 2007, scheduling a conference for the appointment of a settlement Special Master.

On October 16, 2007, pursuant to Federal Rule of Civil Procedure 53, the Court appointed the Honorable Layn R. Phillips (Ret.) as the Master for Settlement Negotiations to work together with the Honorable Thomas R. Brett (Ret.). Judges Phillips and Brett conferred with the parties, as well as the parties in the Securities Action, to schedule a mediation session to discuss global resolution of all the claims against all Defendants.

B. The State Derivative Actions

The State Derivative Plaintiffs filed two Complaints in the Wayne County Circuit Court in Detroit, Michigan. *Bouth v. Barnevik et. al.*, 05-534616-CZ was filed on December 2, 2005, and *Salisbury v. Barnevik et al.*, 05-535858-CZ was filed on December 15, 2005. These State Derivative Actions were consolidated on February 15, 2006. As described below, State

Derivative Plaintiffs' Counsel participated in the mediation sessions with Judges Phillips and Brett. State Derivative Plaintiffs' Counsel further engaged in the review of certain non-public documents, as explained further below, in connection with the mediation and settlement of the Actions.

II. THE MEDIATION AND SETTLEMENT

In preparation for the mediation, Federal Derivative Plaintiffs' Counsel engaged in an extensive document review. After negotiations between counsel for the parties, Defendants agreed to make available various categories of documents related to issues in the Federal Derivative Actions, and specifically, categories of documents given to the SEC.

Deloitte and Touche ("Deloitte"), GM's auditor, initially agreed to make documents available in the Securities Actions, but not in the Derivative Actions. Federal Derivative Plaintiffs' Counsel filed a letter motion with the Special Master on November 13, 2007, seeking access to the Deloitte documents. Judge Phillips entered Special Master Order No. 2, which directed Deloitte to make documents available for review by the Federal Derivative Plaintiffs.

GM and Deloitte made available for inspection close to 200,000 pages of documents. All of these documents were reviewed by Federal Derivative Plaintiffs' Counsel, with the assistance of accounting experts working under their direction. Based on their investigation of the matter, along with the review of the documents and consultation with experts, Derivative Plaintiffs' Counsel had sufficient information to evaluate the case and participate meaningfully in the mediation.

On April 4, 2008, the Federal Derivative Plaintiffs made a written settlement demand on the Defendants. The demand included substantive corporate governance reforms, prepared with substantial assistance of Federal Derivative Plaintiffs' expert, Professor Lucien Bebchuk, the

William J. Friedman and Alicia Townsend Friedman Professor of Law, Economics, and Finance and Director of the Program on Corporate Governance at Harvard Law School.

In advance of the mediation sessions, Federal Derivative Plaintiffs and Defendants prepared, exchanged and submitted to Judges Phillips and Brett opening and reply mediation statements.

On May 28 and 29, 2008, counsel for Defendants and Derivative Plaintiffs' Counsel (as well as parties in the Securities Actions) participated in mediation sessions with Judges Phillips and Brett. At the conclusion of the sessions, Judges Phillips and Brett scheduled another mediation session to be conducted on July 21, 2008.

Between May 29, 2008 and July 21, 2008, Derivative Plaintiffs' Counsel and Defendants' Counsel continued negotiating the corporate governance changes requested by Derivative Plaintiffs. On July 21, 2008, Defendants and Derivative Plaintiffs' Counsel participated in another mediation session with Judge Phillips and Judge Brett. As a result of these settlement discussions, and with the substantial assistance of Judges Phillips and Brett, the parties have agreed to settle the Actions on the terms set forth in this Stipulation.

III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

The Individual Defendants have denied and continue to deny each and all of the claims and contentions alleged by the Derivative Plaintiffs in the Actions. The Individual Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Actions. The Individual Defendants also have denied and continue to deny, *inter alia*, the allegations that the Derivative Plaintiffs, GM or its stockholders have suffered damage, or that the Derivative Plaintiffs, GM or its stockholders were harmed by the conduct alleged in

the Actions. The Individual Defendants have further asserted that, at all relevant times, they acted in good faith and in a manner they reasonably believed to be in the best interests of GM and its stockholders.

Nonetheless, the Defendants have concluded that further litigation of the Actions would be protracted, expensive and distracting, and recognizing the risk of uncertain outcome inherent in litigation, Defendants believe it is desirable that the Actions be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation.

IV. CLAIMS OF THE DERIVATIVE PLAINTIFFS AND BENEFITS OF SETTLEMENT

The Derivative Plaintiffs believe that the claims asserted in the Actions have merit. However, Derivative Plaintiffs' Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Actions against the Defendants through trial and through appeals. Derivative Plaintiffs' Counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as this, as well as the difficulties and delays inherent in such litigation, including the burden and distraction continued litigation may have on the Company on behalf of which the Derivative Plaintiffs have asserted claims. Derivative Plaintiffs' Counsel also are mindful of the inherent problems of proof and possible defenses to the claims asserted in the Actions and are aware of the uncertain outcome of pending Motions to Dismiss. Significantly, Derivative Plaintiffs have further considered the uncertainty as to what they may be entitled to recover on behalf of GM even if they were to prevail on some or all of their claims. As such, Derivative Plaintiffs' Counsel believe that the settlement set forth in this Stipulation confers substantial benefits upon GM and its stockholders and that the settlement set forth in the Stipulation is in the best interests of GM and its stockholders.

V. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the Derivative Plaintiffs (for themselves and derivatively on behalf of GM) and the Defendants, by and through their respective counsel or attorneys of record, that, subject to all necessary Court approvals, the Actions and the Released Claims shall be finally and fully compromised, settled and released, and the Actions shall be dismissed with prejudice, as to all Settling Parties, upon and subject to the terms and conditions of the Stipulation, as follows:

1. Definitions

As used in the Stipulation the following terms have the meanings specified below:

- 1.1 “Actions” means collectively, the Federal Derivative Actions and the State Derivative Actions.
- 1.2 “Defendants” means the Individual Defendants and nominal defendant GM.
- 1.3 “Derivative Plaintiffs” means the Federal Derivative Plaintiffs and State Derivative Plaintiffs.
- 1.4 “Derivative Plaintiffs’ Counsel” means The Miller Law Firm, PC and Wolf Haldenstein Adler Freeman & Herz L.L.P. in the Federal Derivative Actions, and Schifffrin Barroway Topaz & Kessler, LLP and Stephen F. Wasinger PLC in the State Derivative Actions.
- 1.5 “Effective Date” means the first date by which all of the events and conditions specified in ¶6.1 of the Stipulation have been met and have occurred.
- 1.6 “Federal Court” means the United States District Court for the Eastern District of Michigan.
- 1.7 “Federal Court Judgment” means the Order Approving Settlement, substantially in the form attached hereto as Exhibit F.

1.8 “Federal Derivative Actions” means *Stein v. Bowles et. al*, 2:05-cv-74334 (E.D. Mich.); *Orr v. Wagoner et. al*, 2:05-cv-74769 (E.D. Mich.); and *Gluckstern v. Wagoner et. al*, 2:05-cv-74770 (E.D. Mich.), consolidated in *In re General Motors Corp, Securities and Derivative Litigation*, MDL No. 06-md-1749 (E.D. Mich.).

1.9 “Federal Derivative Plaintiffs” means Albert Stein, John Orr and Henry Gluckstern.

1.10 “Federal Derivative Plaintiffs’ Counsel” means The Miller Law Firm, PC and Wolf Haldenstein Adler Freeman & Herz LLP.

1.11 “Final” means the date on which the time for filing any appeal from the Judgment has expired, or, if any appeal or writ seeking review of the Judgment is filed, the date on which any such appeal or writ is dismissed or denied, or the Judgment is affirmed and the time period for any further appeal or writ following such disposition appeal or review has expired or any such further appeal or writ is dismissed or denied or the Judgment is affirmed.

1.12 “GM” or the “Company” means General Motors Corporation.

1.13 “Individual Defendants” means Erskine B. Bowles, John M. Devine, G. Richard Wagoner, Jr., Kent Kresa, Philip A. Laskawy, Percy N. Barnevik, John H. Bryan, Armando M. Codina, George M. C. Fisher, Karen L. Katen, Ellen J. Kullman, E. Stanley O’Neal, and Eckhard Pfeiffer.

1.14 “Judgment” means the Federal Court Judgment or the State Court Judgment, as defined herein.

1.15 “Judgments” means both the Federal Court Judgment and the State Court Judgment as defined herein.

1.16 “Person” means an individual, corporation, limited liability corporation,

professional corporation, partnership, limited partnership, limited liability partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assignees.

1.17 “Related Parties” means each of a Defendant’s past or present directors, officers, employees, partners, members, principals, agents, insurers, attorneys, accountants, legal representatives, predecessors, successors, parents, subsidiaries, divisions, assigns, spouses, heirs and related or affiliated entities.

1.18 “Released Claims” shall collectively mean all claims (including “Unknown Claims” as defined in ¶1.27 hereof), or causes of action, including demands, rights, liabilities of every nature and description whatsoever, known or unknown, asserted or that might have been asserted against the Defendants, including, without limitation, claims for negligence, gross negligence, breach of duty of care and/or breach of duty of loyalty, and/or breach of duty of oversight, fraud, breach of fiduciary duty, or violations of any state or federal statute, rule or regulation, that have been or could have been asserted by GM stockholders, individually or derivatively, on behalf of GM against the Released Persons, that are based upon, arise out of or are related to the claims, facts, transactions, events, occurrences, acts, disclosures, statements, omissions or failures to act that were alleged in the Actions. Notwithstanding the foregoing, nothing herein shall be construed to release any claims asserted in the Securities Actions.

1.19 “Released Persons” means each and all of the Defendants and their Related Parties.

1.20 “Settling Parties” means, collectively, each of the Defendants and the Derivative Plaintiffs on behalf of themselves, GM and its stockholders.

1.21 “State Court” means the Circuit Court of Wayne County, Michigan.

1.22 “State Derivative Actions” means the following consolidated actions pending in the Circuit Court of Wayne County, Michigan: *Bouth v. Barnevik et. al*, 05-534616-CZ; and *Salisbury v. Barnevik et al.*, 05-535858-CZ.

1.23 “State Court Judgment” means the order to be rendered by the State Court, substantially in the form attached hereto as Exhibit C.

1.24 “State Derivative Plaintiffs” means Sharon Bouth and Robin Salisbury, or any Plaintiffs added to or substituted in the State Derivative Actions.

1.25 “State Derivative Plaintiffs’ Counsel” means Schiffrin Barroway Topaz & Kessler, LLP and Stephen F. Wasinger PLC.

1.26 “Unknown Claims” means any Released Claim which the Settling Parties do not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons, including claims which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Settling Parties each shall expressly waive, and by operation of the Judgment shall be deemed to have expressly waived, the provisions, rights and benefits of California Civil Code section 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Settling Parties each shall expressly waive, and by operation of the Judgment shall be deemed to have expressly waived, any and all provisions, rights and benefits conferred by any

law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to California Civil Code section 1542. The Settling Parties may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but, upon the Effective Date, the Settling Parties shall expressly settle and release, and each GM stockholder, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Settling Parties acknowledge, and the GM stockholders shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the settlement of which this release is a part.

2. Settlement of the Derivative Claims

2.1 Corporate Governance Changes: GM management agrees to recommend that the GM Directors and Corporate Governance Committee (the "DCGC") and/or other appropriate Board committees and the GM Board of Directors approve and implement the corporate governance proposals in Exhibit A. The DCGC and the GM Board of Directors will determine whether to approve the proposals on Exhibit A no later than 80 days after the Court enters the Preliminary Approval Order. Derivative Plaintiffs agree that the GM Board of Directors and its committees have discretion with respect to how to implement the corporate governance improvements in Exhibit A.

2.2 The settlement is contingent on the approval of the proposals (or proposals substantially similar to the proposals or substantial equivalents in terms of corporate governance improvements) on Exhibit A by the DCGC and by the Board of Directors. Notwithstanding the previous sentence, Derivative Plaintiffs acknowledge this paragraph is subject to the provisions of ¶ 2.3, below.

2.3 The failure to implement, the failure to maintain, or the modification of any of the proposals in Exhibit A (or any substantially similar proposal) shall not be a violation of the settlement provided the failure is due, in any part, to one or more of the following:

- a. a good-faith determination by GM's independent directors that the implementation or maintenance would be inconsistent with the interests of the Company;
- b. any statutory, regulatory, or other legal requirement that prohibits, restricts, or makes the implementation or maintenance impractical; or,
- c. a change in the corporate structure of GM that renders the implementation or maintenance moot, obsolete, inapplicable, or impractical.

2.4 The corporate governance improvements set forth in Exhibit A shall be published on the Company's website as they are adopted and incorporated. If GM fails to implement, fails to maintain, or modifies any of the proposals in Exhibit A (or any substantially similar proposal) within the time frame set forth in ¶ 2.5 below, GM shall publish notification on its website within ninety (90) days. For the period specified in ¶ 2.5 below, GM shall maintain its current practice of stating on the applicable corporate governance documents on the Company's website the date they were last revised.

2.5 GM shall maintain the proposals in Exhibit A for four years following the earlier of (i) the Effective Date of the Settlement Agreement, or (ii) the date any particular proposal is adopted.

2.6 Defendants acknowledge that the corporate governance enhancements to be implemented via this settlement as described in Exhibit A hereto were negotiated and agreed as part of the settlement, and that GM's agreement to make these changes is a material part of the consideration for the settlement and a result of the Actions.

2.7 GM acknowledges that the changes in internal controls listed in Exhibit B, some of which were implemented since the commencement of the Actions, were adopted in part as a response to issues of the type raised in the Actions.

3. Settlement Procedure

3.1 Promptly after execution of the Stipulation, the Settling Parties shall submit the Stipulation and its Exhibits to the Federal Court and apply for an order substantially in the form of Exhibit D hereto, requesting preliminary approval of the settlement set forth in the Stipulation.

3.2 On or before the dates set forth in the Preliminary Approval Order and consistent with Rule 23.1 of the Federal Rules of Civil Procedure: (1) the Stipulation and Notice in the form attached hereto as Exhibit E, describing this Settlement and advising GM stockholders of the scheduling of a hearing to consider the Settlement as set forth in this Stipulation, shall be posted on the websites of GM and of Federal Derivative Plaintiffs' Counsel; and (ii) the Notice in the form attached as Exhibit E shall be published once in *The Wall Street Journal*, the *Financial Times*, and the *Detroit Free Press*. GM shall bear all costs and expenses related to publishing the Notice.

3.3 Derivative Plaintiffs will request that after notice is given, the Federal Court hold a hearing (the "Settlement Hearing") and approve the settlement of the Actions as set forth herein.

3.4 Within five (5) business days of entry of the Federal Court Judgment, the parties

to the State Derivative Actions shall file in the State Court a Stipulation and Proposed Order substantially in the Form shown on Exhibit C hereto seeking dismissal of the State Derivative Actions with prejudice.

4. Releases

4.1 Upon the Effective Date, as defined in ¶1.5, GM and the Derivative Plaintiffs (acting on their own behalf and, derivatively on behalf of GM) shall be deemed to have, and by operation of the Judgments shall have, fully, finally, and forever released, relinquished and discharged the Released Claims against the Released Persons and any and all claims (including Unknown Claims) arising out of, relating to, or in connection with the defense, settlement or resolution of the Actions against the Released Persons. Nothing herein shall in any way impair or restrict the rights of any Settling Party to enforce the terms of the Stipulation.

4.2 Upon the Effective Date, as defined in ¶1.5, each of the Released Persons shall be deemed to have, and by operation of the Judgments shall have, fully, finally, and forever released, relinquished and discharged each and all of the Derivative Plaintiffs and Derivative Plaintiffs' Counsel from all claims (including Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement or resolution of the Actions or the Released Claims. Nothing herein shall in any way impair or restrict the rights of any Settling Party to enforce the terms of the Stipulation.

5. Derivative Plaintiffs' Counsel's Attorneys' Fees and Expenses

5.1 Subject to Federal Court approval of the Settlement and the Federal Court's award of attorneys' fees and expenses, and subject to the provisions of this Stipulation, Defendants agree that Derivative Plaintiffs' Counsel shall be entitled to fees and expenses based upon the benefit conferred on GM by the prosecution and settlement of the Actions. In connection with

any application for fees and expenses submitted by Derivative Plaintiffs' Counsel, Defendants will not oppose a petition by plaintiffs for attorneys' fees, costs, and expenses of up to \$7,465,000.00.

5.2 Within twenty-one (21) days after the later of the entry of the Order Approving Settlement by the Federal Court and an Order dismissing with Prejudice the State Derivative Actions, Defendants shall cause to be paid directly to Derivative Plaintiffs' Counsel any award by the Federal Court of attorneys' fees and expenses. This payment shall be made to the Miller Law Firm, PC as receiving agent for Derivative Plaintiffs' Counsel. Derivative Plaintiffs' Counsel agrees not to submit any application for attorney fees, costs or expenses in the State Derivative Actions. The Federal Court's award of attorneys' fees shall be paid to Derivative Plaintiffs' Counsel notwithstanding the existence of any timely filed post-judgment objections thereto, potential for appeal therefrom, and/or collateral attack on the settlement, subject to the joint and several obligation of Derivative Plaintiffs' Counsel, and/or their successors, to make a full refund, with interest, if any accrued, of any and all amounts paid to Derivative Plaintiffs' Counsel if the settlement is canceled or terminated in accordance with ¶ 6.3, and to make a full refund, with interest, if any accrued, of any and all amounts paid in excess of any award of attorneys' fees and expenses or costs if any such award is reduced or reversed as a result of any appeal and/or further proceedings on remand, and/or successful collateral attack.

6. Conditions of Settlement, Effect of Disapproval, Cancellation or Termination

6.1 The Effective Date of the Stipulation shall be conditioned on the occurrence of all of the following events:

(a) the Federal Court has entered an Order Approving Settlement dismissing with prejudice the Federal Derivative Actions, and that Order Approving Settlement has become Final, as defined in ¶ 1.11; and

(b) the State Court has entered a Judgment dismissing with prejudice the State Derivative Actions with prejudice, and that Judgment has become Final, as defined in ¶ 1.11.

6.2 If any of the conditions specified in ¶6.1 are not met, then the Stipulation shall be canceled and terminated subject to ¶6.3 unless Derivative Plaintiffs' Counsel and counsel for Defendants mutually agree in writing to proceed with the Stipulation.

6.3 In the event that the Stipulation is not approved by the Federal Court, or the State Derivative Actions are not dismissed with prejudice, the Settlement set forth in the Stipulation is terminated or fails to become Final in accordance with its terms, or if the Stipulation is in any other way canceled or terminated, the payments to Derivative Plaintiffs' Counsel pursuant to ¶ 5 shall be returned, with interest, if any accrued, within thirty (30) calendar days of said event. In addition, the Settling Parties agree and intend that the settlement is not conditioned on any ruling on attorneys' fees and expenses, and that any such ruling by the Federal Court, or any modification, alteration, or reversal, by the Federal Court or on appeal, of any award of attorneys' fees and expenses, shall not cancel, terminate, void, render ineffective, or in any way affect the Stipulation or any order approving the settlement contained herein.

6.4 In the event that the Stipulation is not approved by the Federal Court, or the State Derivative Actions are not dismissed with prejudice, or the Settlement set forth in the Stipulation is terminated or fails to become Final in accordance with its terms, all parties to the Derivative Actions (including all Derivative Plaintiffs and all Defendants) shall be restored to their respective positions in the Derivative Actions as of the date of signing this Stipulation. In such

event, the terms and provisions of the Stipulation shall have no further force and effect with respect to all parties to the Derivative Actions and shall not be used in the Derivative Actions or in any other proceeding for any purpose, and any Judgment or order entered by the Federal Court or State Court in accordance with the terms of the Stipulation shall be treated as vacated, nunc pro tunc.

7. Miscellaneous Provisions

7.1 The Settling Parties (i) acknowledge that it is their intent to consummate this Stipulation; and (ii) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of the Stipulation.

7.2 The Settling Parties intend this settlement to be a final and complete resolution of all disputes between them with respect to the Actions. The settlement compromises claims which are contested and shall not be deemed an admission by any Settling Party as to the merits of any claim, allegation or defense. While Defendants deny that the claims advanced in the Actions are meritorious, Defendants agree that the Actions were filed in good faith and in accordance with the applicable federal and state rules, including, without limitation, Federal Rule of Civil Procedure 11 and MCR 2.114, and Derivative Plaintiffs and Defendants further agree that the claims are being settled voluntarily after consultation with competent legal counsel.

7.3 Neither the Stipulation nor the settlement, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the settlement: (i) is or may be deemed to be or may be offered, attempted to be offered or used in any way by the Settling Parties as a presumption, a concession or an admission of, or evidence of, any fault, wrongdoing or liability of the Defendants or of the validity of any Released Claims; or (ii) is intended by the

Settling Parties to be offered or received as evidence or used by any other person in any other actions or proceedings, whether civil, criminal or administrative. Released Parties may file the Stipulation and/or the Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, *collateral estoppel*, full faith and credit, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

7.4 The Exhibits to this Stipulation are material and integral parts hereof and are fully incorporated herein by this reference.

7.5 The Stipulation may be amended or modified only by a written instrument signed by or on behalf of all Settling Parties or their respective successors-in-interest.

7.6 This Stipulation and the Exhibits attached hereto constitute the entire agreement among the Settling Parties and no representations, warranties or inducements have been made to any Settling Party concerning the Stipulation or any of its Exhibits other than the representations, warranties and covenants contained and memorialized in such documents. Except as otherwise provided herein, each Settling Party shall bear its own costs.

7.7 Derivative Plaintiffs' Counsel, derivatively on behalf of GM, are expressly authorized by the Derivative Plaintiffs to take all appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms and also are expressly authorized by the Derivative Plaintiffs to enter into any modifications or amendments to the Stipulation which they deem appropriate on behalf of the Derivative Plaintiffs.

7.8 Each counsel or other Person executing the Stipulation or its Exhibits on behalf of any Settling Party hereby warrants that such Person has the full authority to do so.

7.9 The Stipulation may be executed in one or more counterparts. All executed

counterparts and each of them shall be deemed to be one and the same instrument. A complete set of counterparts, either originally executed or copies thereof, shall be filed with the Federal Court and State Court.

7.10 The Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Settling Parties and the Released Persons.

7.11 The Federal Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Stipulation, and the Settling Parties submit to the jurisdiction of the Federal Court for purposes of implementing and enforcing the settlement embodied in the Stipulation.

7.12 This Stipulation and the Exhibits attached hereto shall be considered to have been negotiated, executed and delivered, and to be wholly performed, in the State of Michigan, and the rights and obligations of the parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of Michigan without giving effect to that State's choice of law principles.

IN WITNESS WHEREOF, the Settling Parties hereto have caused the Stipulation to be executed, by their duly authorized attorneys.

THE MILLER LAW FIRM, P.C.



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David H. Fink (P28235)

Jayson E. Blake (P56128)

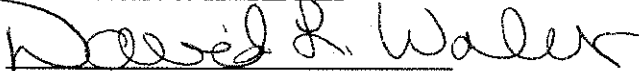
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**HONIGMAN MILLER SCHWARTZ &
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Telephone: (313) 465-7610
Facsimile: (313) 465-7611

**Counsel for Defendants Erskine B. Bowles, John
M. Devine, Kent Kresa, Philip A. Laskawy,
Percy N. Barnevik, John H. Bryan, Armando M.
Codina, George M. C. Fisher, Karen L. Katen,
Ellen J. Kullman, E. Stanley O'Neal, and
Eckhard Pfeiffer**

EXHIBIT A

CORPORATE GOVERNANCE ENHANCEMENTS

- a. The Audit Committee shall have two directors who qualify as “audit committee financial experts” except when GM’s independent directors determine that application of this requirement is not necessary, in which case the Audit Committee shall have one director who qualifies as an “audit committee financial expert.”
- b. Directors first elected to the Board after Jan. 1, 2009 shall be permitted to serve on the Audit Committee if that director does not also serve on the audit committees of more than three other U.S. public companies (excluding non-profits and subsidiaries).
- c. The General Auditor shall remain a member of GM’s Staff Officers Group and shall have direct access to the Chair of the Audit Committee when he or she deems it necessary.
- d. Audit Committee members will be encouraged to visit GM facilities for continued training and to ask for information on areas relevant to the audit committee, such as corporate governance issues related to their responsibilities, when appropriate.
- e. Materials should be sent to the Audit Committee at least 48 hours in advance of a regularly scheduled in-person meeting, except when such materials are not practically available. Additional materials may be sent to the Audit Committee within 48 hours of a regularly scheduled in-person meeting to update information previously provided, to provide information that may not have been available earlier, or for other business reasons.
- f. In the event of any material restatement or material reclassification resulting from a material error to the company’s audited consolidated financial statements, the Audit Committee shall in its judgment make appropriate inquiry about the cause to determine if any other action should be taken and if additional internal controls should be implemented to prevent recurrences in the future.
- g. On or before July 1, 2010, the Executive Compensation Committee will review the current Executive Compensation Recoupment Policy and determine, in its discretion, whether to recommend to the Board that the current policy be revised. If it is determined that the current policy should be revised, there is no minimum time period for which the revision(s) must remain in effect.
- h. Directors first elected after Jan. 1, 2009 shall agree not to serve as a member of more than four boards of U.S. public companies (excluding non-profits and subsidiaries), including GM.
- i. As of the Company’s 2010 annual meeting, directors then on the Board who serve as a member of more than four boards of U.S. public companies (excluding non-profits and subsidiaries) would agree not to accept any additional board positions at a U.S. public company (excluding non-profits and subsidiaries).
- j. Directors who do not attend at least 75% of the Board meetings and 75% of the meetings of committees on which they served for two consecutive years shall not be re-nominated

to the Board unless the reasons for doing so are stated in the proxy and the Board determines that the re-nomination is in the interests of the company. Directors are expected to attend the annual meeting of stockholders.

- k. Board members will be encouraged to visit GM facilities for continued training and to ask for information on areas relevant to their service on the Board.
- l. Materials should be sent to Board members at least 48 hours in advance of a regularly scheduled in-person meeting, except when such materials are not practically available. Additional materials may be sent to the Board within 48 hours of a regularly scheduled in-person meeting to update information previously provided, to provide information that may not have been available earlier, or for other business reasons.
- m. The Board, the DCGC, and the Audit Committee, each shall have an opportunity to meet in executive session at least three times per year. GM employee staff that assists the Board or its committees may be present, at the discretion of the independent directors on the Board, DCGC, or Audit Committee, respectively.
- n. Correspondence from shareholders to the Board or Committees sent to the address specified in the proxy shall be provided to all directors or all directors serving on the relevant committees, as applicable.
- o. The Presiding Director shall be selected by majority vote of the independent directors and this position shall rotate at least once every five years, unless GM's independent directors determine that it is in the interests of the Company to extend this limit.
- p. Corporate Guideline 36 will be revised to state that subjective factors may also be considered in evaluating the CEO, and to state more clearly that the CEO's evaluation is performed by GM's independent directors.
- q. Corporate Guideline 37 will be revised to state that the Presiding Director takes the lead in reporting to the Board on succession planning for the CEO.
- r. The DCGC charter will be modified to remove the first clause of items 7 and 8 under Responsibilities and Duties so that it is clearer that the DCGC can speak with whomever it believes appropriate concerning board committee assignments and chairs.
- s. Corporate Guideline 20 will be revised to state that the Presiding Director shall have final approval of the agenda for Board meetings, and can delete or add items to the agenda as he or she deems appropriate.
- t. The provisions in (b),(h), and (i) above may be waived by GM's independent directors with respect to any specific director or directors if the independent directors determine it is in the interests of the Company to do so.
- u. General Motors acknowledges that the changes in internal controls listed in Exhibit B, some of which were implemented since the commencement of the derivative actions, were adopted in part as a response to issues of the type raised in the derivative actions.

EXHIBIT B

Internal Controls Changes Adopted by GM

- 1) GM reorganized and restructured the Tax Department by:
 - a) Relocating 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;
 - b) Implementing new tax policies and procedures to ensure that tax account reconciliations and analyses are properly prepared and monitored on a timely basis;
 - c) Establishing appropriate communication and collaboration protocols between the Tax Staff and Controller's Staff; and,
 - d) Developing plans to complete staffing of the Tax Accounting Group.

- 2) In addition, GM has:
 - a) Enhanced procedures and controls regarding documentation requirements for hedge accounting to ensure compliance with SFAS No. 133;
 - b) 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;
 - c) Divided responsibility for accounting policy and research from SEC reporting to provide greater role clarity and focus;
 - d) Hired an experienced professional with strong SEC and technical accounting skills as an assistant controller;
 - e) Enhanced pre and post-closure communications processes to facilitate early identification, resolution and conclusions on accounting treatment of business transactions;
 - f) Utilized over 100 external resources in technical accounting areas and implemented additional closing procedures during 2007;
 - g) Appointed, effective December 01, 2006, a new Controller and Corporate Chief Accounting Officer;
 - h) Appointed a new Chief Accounting Officer (CAO) for GMNA and appointed six new accounting managers to support GMNA, Global Purchasing Supply Chain, Information Systems and Services, Vehicle

Sales, Service and Marketing, Manufacturing related activities, and Powertrain. Additionally, a new CAO was appointed for Treasury Operations;

- i) Appointed a new Director of Accounting Policy, Research, and SEC Reporting to manage all SEC related activities including accounting guidance and periodic reporting;
 - j) Initiated the Accounting Career Development Program, which is intended to facilitate improvements in the recruitment, training, and development of technical accounting personnel;
 - k) In the fourth quarter of 2005, GM's management implemented additional review procedures designed to identify occurrences that may require a reassessment and possible impairment of the carrying value of its foreign investments accounted for on the equity method. Those remedial actions, performed in conjunction with GM's quarterly closing and financial reporting process, included a thorough review by corporate and regional executives of transactions or events that could affect the classification or carrying value of such investments;
 - l) Discontinued the premature revaluation of previously recognized impairments.
- 3) GM has reorganized and restructured Corporate Accounting by:
- a) Revising the reporting structure;
 - b) Hiring additional technical accounting personnel to address GM's complex accounting and financial reporting requirements; and,
 - c) Assessing the technical accounting capabilities in the operating units to ensure the right complement of knowledge, skills, and training.
- 4) GM has strengthened controls over the period-end financial reporting process by:
- a) Improving period-end closing procedures by requiring all significant non-routine transactions to be reviewed by Corporate Accounting;
 - b) Ensuring that account reconciliations and analyses for significant financial statement accounts are reviewed for completeness and accuracy by qualified accounting personnel;

- c) Implementing a process that ensures the timely review and approval of complex accounting estimates by qualified accounting personnel and subject matter experts, where appropriate; and,
 - d) Developing improved monitoring controls at Corporate Accounting and the operating units.
- 5) GM has clarified the accounting treatment of supplier credits by adopting the following policy:
- a) A supplier credit may be recognized as a reduction of cost of sales when received only when all of the following criteria are met:
 - i) The credit relates to purchases made by or services provided to GM prior to the date of the credit;
 - ii) The credit is pursuant to the terms and conditions of (i) a previously-existing purchase order or contract or (ii) a pre-existing agreement between GM and the supplier to achieve cost reductions;
 - iv) The credit is not issued in exchange for or linked in any way to any commitment by GM for future performance. Examples of commitments for future GM performance include: (i) An agreement by GM to award future business to the supplier; (ii) An agreement by GM to extend a contract; (iii) GM giving up rights to which it would otherwise be entitled; (iv) An advance of future contractual price adjustments that are to be paid back in a subsequent time period;
 - v) There is no agreement or understanding that could require GM to refund or reverse the credit.
 - vi) If the criteria in (i) through (v) above are not met, the supplier credit should be recognized in income during the period(s) of benefit to the supplier/ GM, or the periods over which GM provides a commitment to the supplier.
 - b) Additionally, GM requires:
 - i) Formal training for purchasing personnel with respect to business processes applicable to the receipt of supplier credits;
 - ii) Establishment of formal approval levels for supplier credit transactions, and;

- iii) Standard communication protocols to reinforce GM's policies with suppliers.

EXHIBIT C

STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

SHARON BOUTH, Derivatively on Behalf of
Nominal Defendant GENERAL MOTORS
CORPORATION,

Plaintiff,

v.

PERCY N. BARNEVIK, et al.,

Defendants,

and

GENERAL MOTORS CORPORATION,

Nominal Defendant.

ROBIN SALISBURY, Derivatively on Behalf of
Nominal Defendant GENERAL MOTORS
CORPORATION,

Plaintiff,

v.

PERCY N. BARNEVIK, et al.,

Defendants,

and

GENERAL MOTORS CORPORATION,

Nominal Defendant.

STIPULATION AND [PROPOSED] ORDER DISMISSING ACTIONS

At a session of Court held in the City of Detroit,
County of Oakland, in the State of Michigan on

PRESENT: HON. _____
WARFIELD MOORE JR.

All parties hereto, by their respective counsel, stipulate, pursuant to MCR 2.504(A)(1)(b) and subject to approval of the Court, that the above-captioned actions are hereby dismissed with prejudice.

IT IS HEREBY ORDERED that the case be and hereby is dismissed with prejudice, and without costs or attorneys' fees to any party.

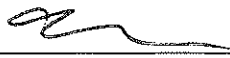
This Order resolves the last pending claim and closes the case.

Hon. Warfield Moore, Jr.

Stipulated to by:

Dated: 9/17/08

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KESSLER, LLP

By: 
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280 King of Prussia Road
Radnor, Pennsylvania 19087
(610) 667-7706

STEVEN F. WASINGER, PLC
Steven F. Wasinger (P25963)
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Royal Oak, Michigan 48073
(248) 554-6306

-and-

Attorneys for Plaintiffs

Dated: _____

BARRIS, SOTT, DENN & DRIKER, P.L.L.C.

By: _____
Eugene Driker (P12959)
Dennis M. Barnes (P39401)
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(313) 965-9725

-and-

KIRKLAND & ELLIS, LLP
Robert J. Kopecky
200 East Randolph Drive
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(312) 861-2000

Attorneys for Defendants General Motors Corporation, John M. Devine, and G. Richard Wagoner

Dated: _____

HONIGMAN MILLER SCHWARTZ AND COHN LLP

By: _____
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-and-

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EXHIBIT D

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

IN RE: GENERAL MOTORS CORP.
DERIVATIVE LITIGATION

MDL No. 06-1749
Master Case No. 06-md-1749
Hon. Gerald E. Rosen
ALL DERIVATIVE CASES
Case Nos. 05-74334
05-74769
05-74770

**[PROPOSED] ORDER PRELIMINARILY APPROVING DERIVATIVE
SETTLEMENT AND PROVIDING FOR NOTICE**

WHEREAS, the Settling Parties have made application, pursuant to Federal Rule of Civil Procedure 23.1, for an order (i) preliminarily approving the settlement (the "Settlement") of the Federal Actions, in accordance with a Stipulation of Settlement dated as of September 17, 2008 (the "Stipulation"), which, together with the Exhibits annexed thereto, sets forth the terms and conditions for a proposed Settlement and dismissal of the Federal Derivative Actions and the State Derivative Actions (collectively, the "Actions") with prejudice, upon the terms and conditions set forth therein; and (ii) approving for publication the Notice of Proposed Settlement of Shareholder Derivative Actions ("Derivative Notice"); and

WHEREAS, all capitalized terms contained herein shall have the same meanings as set forth in the Stipulation (in addition to those capitalized terms defined herein); and

WHEREAS, the Court having considered the Stipulation and the Exhibits annexed thereto and the application for preliminary approval:

NOW THEREFORE, IT IS HEREBY ORDERED:

1. The Court does hereby preliminarily approve, subject to further consideration at

the Settlement Hearing described below, the Stipulation and the Settlement set forth therein, including the terms and conditions for settlement and dismissal with prejudice of the Federal Derivative Actions.

2. A hearing (the "Settlement Hearing") shall be held before this Court on _____, 2008 at _____ m. at The Theodore Levin United States Courthouse, 231 W. Lafayette Blvd, Detroit, Michigan 48226, to determine whether the Settlement of the Federal Derivative Actions on the terms and conditions provided for in the Stipulation is fair, reasonable and adequate to the current GM shareholders and to GM and should be approved by this Court; whether a Judgment as provided in ¶1.14 of the Stipulation should be entered herein, and to determine the amount of fees and expenses that should be awarded to Derivative Plaintiffs' Counsel.

3. The Court approves, as to form and content, the Derivative Notice annexed as Exhibit E hereto, and finds that the publishing of the Derivative Notice, substantially in the manner and form set forth in this Order, meets the requirements of Federal Rule of Civil Procedure 23.1 and due process, and is the best notice practicable under the circumstances and shall constitute due and sufficient notice to all Persons entitled thereto.

4. Not later than thirty (30) calendar days following entry of this Order, Defendants' Counsel shall cause the Derivative Notice substantially in the form annexed as Exhibit E hereto to be published once in the national edition of *The Wall Street Journal*, the *Financial Times*, and the *Detroit Free Press*.

5. Not later than thirty (30) calendar days following the entry of this Order, the Derivative Notice shall be posted on the websites of GM and Federal Derivative Plaintiffs' Counsel.

6. At least seven (7) calendar days prior to the Settlement Hearing, Defendants' Counsel shall serve on all counsel in the Federal Derivative Actions and file with the Court proof, by affidavit or declaration of the publication of the Derivative Notice.

7. Current GM shareholders, defined as all holders of GM common stock as of September 17, 2008 shall be bound by all orders, determinations and judgments in the Federal Derivative Actions concerning the Settlement, whether favorable or unfavorable to the current GM shareholders.

8. Pending final determination of whether the Settlement should be approved, no current GM shareholder, either directly, representatively, or in any other capacity, shall commence or prosecute against any of the Defendants, any action or proceeding in any court or tribunal asserting any of the Released Claims.

9. All papers in support of the Settlement and the application by Derivative Plaintiffs' Counsel for attorneys' fees or reimbursement of expense shall be filed with the Court and served at least twenty (20) calendar days prior to the Settlement Hearing. Such submissions may be supplemented not later than five (5) calendar days before the date scheduled for the Settlement Hearing to respond to any objections filed by GM shareholders.

10. Any current GM shareholder may appear and show cause, if he, she or it has any reason why the Settlement should not be approved as fair, reasonable and adequate, or why a Judgment should not be entered thereon, or why attorneys' fees and expenses should not be awarded to Derivative Plaintiffs' Counsel; provided, however, unless otherwise ordered by the Court, no current GM shareholder shall be heard or entitled to contest the approval of the terms and conditions of the Settlement, or if approved, the Judgment to be entered thereon approving the same, or the attorneys' fees and expenses to be awarded to Derivative Plaintiffs' Counsel

unless that Person has, at least fourteen (14) calendar days prior to the Settlement Hearing, filed with the Clerk of the Court and served on the following counsel (delivered by hand or sent by first class mail) appropriate proof of stock ownership, along with written objections, including the basis therefore, and copies of any papers and briefs in support thereof:

David H. Fink
THE MILLER LAW FIRM, P.C.
950 W. University Drive, Suite 300
Rochester, Michigan 48307

David L. Wales
WOLF HALDENSTEIN ADLER FREEMAN & HERZ LLP
270 Madison Avenue
New York, New York 10016

Co-Lead Counsel for the Federal Derivative Plaintiffs

Robert J. Kopecky
KIRKLAND & ELLIS, LLP
200 East Randolph Drive
Chicago, IL 60601

Counsel for G. Richard Wagoner and Nominal Defendant General Motors Corporation

Stephen A. Radin
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, NY 10153

Counsel for Defendants Erskine B. Bowles, John M. Devine, Kent Kresa, Philip A. Laskawy, Percy N. Barnevik, John H. Bryan, Armando M. Codina, George M. C. Fisher, Karen L. Katen, Ellen J. Kullman, E. Stanley O'Neal, and Eckhard Pfeiffer

The written objections and copies of any papers and briefs in support thereof to be filed in Court shall be delivered by hand or sent by first class mail to:

Clerk of the Court
UNITED STATES DISTRICT COURT
Eastern District of Michigan
Theodore Levin United States Courthouse
231 W. Lafayette Blvd
Detroit, MI 48226

Any current GM shareholder who does not make his, her or its objection in the manner provided herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness or adequacy of the Settlement as incorporated in the Stipulation and to the award of attorneys' fees and expenses to Derivative Plaintiffs' Counsel, unless otherwise ordered by the Court, but shall otherwise be bound by the Judgment to be entered and the releases to be given.

11. Neither the Stipulation nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the settlement: (a) is or may be deemed to be or may be offered, attempted to be offered or used in any way by the Settling Parties as a presumption, a concession or an admission of, or evidence of, any fault, wrongdoing or liability of the Defendants or of the validity of any Released Claims; or (b) is intended by the Settling Parties to be offered or received as evidence or used by any other person in any other actions or proceedings, whether civil, criminal or administrative. Released Parties may file the Stipulation and/or a Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, full faith and credit, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

12. The Court reserves the right to adjourn the date of the Settlement Hearing or

modify any other dates set forth herein without further notice to the current GM shareholders, and retains jurisdiction to consider all further applications arising out of or connected with the Settlement. The Court may approve the Settlement, with such modifications as may be agreed to by the Settling Parties, if appropriate, without further notice to the current GM shareholders.

IT IS SO ORDERED.

DATED: _____

THE HONORABLE GERALD E. ROSEN
UNITED STATES DISTRICT JUDGE

EXHIBIT E

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

IN RE: GENERAL MOTORS CORP.
DERIVATIVE LITIGATION

MDL No. 06-1749
Master Case No. 06-md-1749
Hon. Gerald E. Rosen
ALL DERIVATIVE CASES
Case Nos. 05-74334
05-74769
05-74770

**TO: ALL CURRENT HOLDERS OF GENERAL MOTORS CORPORATION (“GM”)
COMMON STOCK**

YOU ARE HEREBY NOTIFIED that the parties to the above-captioned derivative actions (the “Federal Derivative Actions”) and the state court derivative actions filed in Wayne County, Michigan (*Bouth v. Barnevik et. al.*, 05-534616-CZ; and *Salisbury v. Barnevik et al.*, 05-535858-CZ.) (the “State Derivative Actions”) (the “Derivative Actions”) have entered into a Stipulation and Agreement of Settlement (the “Stipulation”) to resolve the issues raised by the Derivative Actions (the “Settlement”).

PLEASE BE FURTHER ADVISED that pursuant to an Order of the United States District Court for the Eastern District of Michigan, a hearing will be held on _____, 2008, at _____m., before the Honorable Gerald E. Rosen, at The Theodore Levin United States Courthouse, 231 W. Lafayette Blvd., Detroit, Michigan 48226, for the purpose of determining: (a) whether the Settlement of the Derivative Actions by way of the adoption of certain corporate governance provisions (as set forth in more detail in the Stipulation on file with the Court) should be approved by the Court as fair, reasonable and adequate to GM and its common

stockholders; (b) whether the Derivative Actions should be dismissed with prejudice; and (c) whether the application of Derivative Plaintiffs' Counsel for attorneys' fees and expenses should be approved.

If you were a shareholder of GM common stock as of September 17, 2008, your rights to pursue certain derivative claims on behalf of GM may be affected by this Settlement.

If you would like any additional information regarding the Derivative Actions or the settlement, including information regarding the requirements for filing objections to the Settlement, you may contact the following Federal Derivative Plaintiffs' Counsel: GM Derivative Litigation, c/o David H. Fink, Esq., The Miller Law Firm, P.C., 950 W. University Drive, Ste. 300, Rochester, Michigan 48307.

The pleadings and other records of the Federal Derivative Actions as well as the Stipulation filed with the Court may be examined and copied at any time during regular office hours of the United States District Court for the Eastern District of Michigan at The Theodore Levin United States Courthouse, 231 W. Lafayette Blvd., Detroit, Michigan 48226. The Stipulation can also be viewed on the websites of Federal Derivative Plaintiffs' Counsel at www.millerlawpc.com and www.whafh.com, as well as GM's website at www.gm.com.

Any objection to the Settlement must be filed with the Court and served on each of the following (either by hand delivery or first class mail) no later than _____, 2008:

Clerk of the Court
UNITED STATES DISTRICT COURT
Eastern District of Michigan
231 W. Lafayette Blvd
Detroit, MI 48226

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Counsel for G. Richard Wagoner and Nominal Defendant General Motors Corporation

Stephen A. Radin
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New York, NY 10153

Counsel for Defendants Erskine B. Bowles, John M. Devine, Kent Kresa, Philip A. Laskawy, Percy N. Barnevik, John H. Bryan, Armando M. Codina, George M. C. Fisher, Karen L. Katen, Ellen J. Kullman, E. Stanley O'Neal, and Eckhard Pfeiffer

PLEASE DO NOT TELEPHONE THE COURT OR GM REGARDING THIS NOTICE.

IT IS SO ORDERED.

DATED: _____, 2008

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN

EXHIBIT F

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

IN RE: GENERAL MOTORS CORP.
DERIVATIVE LITIGATION

MDL No. 06-1749
Master Case No. 06-md-1749
Hon. Gerald E. Rosen
ALL DERIVATIVE CASES
Case Nos. 05-74334
05-74769
05-74770

ORDER APPROVING SETTLEMENT

This matter came before the Court for hearing pursuant to the Order of this Court, dated _____, 2008 (“Order”), on the application of the parties for approval of the settlement (“Settlement”) set forth in the Stipulation of Settlement dated as of September 17, 2008 (the “Stipulation”). Due and adequate notice having been given to the current General Motors Corporation (“GM”) shareholders as required in said Order, and the Court having considered all papers filed and proceedings had herein and otherwise being fully informed in the premises and good cause appearing therefore,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

1. This judgment incorporates by reference the definitions in the Stipulation, and all capitalized terms used herein shall have the same meanings as set forth in the Stipulation, unless otherwise defined herein.

2. This Court has jurisdiction over the subject matter of the Federal Derivative Actions, including all matters necessary to effectuate the Settlement, and over all parties to the

Federal Derivative Actions, including the Federal Derivative Plaintiffs, Defendants, and the shareholders of GM stock as of September 17, 2008.

3. The Court finds that the publication of the Notice of Proposed Settlement of Derivative Actions (“Derivative Notice”), and posting of the Stipulation of Settlement on the websites of GM and Derivative Plaintiffs’ Counsel was the best notice practicable under the circumstances. Said Notice also provided the best notice practicable under the circumstances of these proceedings and of the matters set forth therein, including the proposed Settlement set forth in the Stipulation, to all Persons entitled to such notice, and said Notice fully satisfied the requirements of Federal Rule of Civil Procedure 23.1 and the requirements of due process.

4. The Court finds that the Stipulation and Settlement are fair, just, reasonable and adequate as to each of the Settling Parties, and hereby finally approves the Stipulation and Settlement in all respects, and orders the Settling Parties to perform its terms to the extent the Settling Parties have not already done so.

5. The Federal Derivative Actions and all claims contained therein, as well as all of the Released Claims, are dismissed with prejudice. As between Federal Derivative Plaintiffs and Defendants, the parties are to bear their own costs, except as otherwise provided in the Stipulation regarding Derivative Plaintiffs’ Counsel’s application for attorneys’ fees and expenses.

6. Upon the Effective Date, GM and the Federal Derivative Plaintiffs (acting on their own behalf and derivatively on behalf of GM) shall be deemed to have, and by operation of the Judgments shall have, fully, finally, and forever released, relinquished and discharged the Released Claims against the Released Persons and any and all claims (including Unknown Claims) arising out of, relating to, or in connection with the defense, settlement or resolution of

the Actions against the Released Persons. Nothing herein shall in any way impair or restrict the rights of any Settling Party to enforce the terms of the Stipulation.

7. Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of the Judgments shall have, fully, finally, and forever released, relinquished and discharged each and all of the Federal Derivative Plaintiffs and Federal Derivative Plaintiffs' Counsel from all claims (including Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement or resolution of the Actions or the Released Claims. Nothing herein shall in any way impair or restrict the rights of any Settling Party to enforce the terms of the Stipulation.

8. Derivative Plaintiffs' Counsel's attorney fees and expense request of [\$7,465,000] _____ is granted and shall be paid to Derivative Plaintiffs' Counsel as provided in the Stipulation.

9. Neither the Stipulation nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the settlement: (i) is or may be deemed to be or may be offered, attempted to be offered or used in any way as a presumption, a concession or an admission of, or evidence of, any fault, wrongdoing or liability of the Defendants; or of the validity of any Released Claims; or (ii) is to be offered or received as evidence or used by any other person in any other actions or proceedings, whether civil, criminal or administrative. Released Parties may file the Stipulation and/or the Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, full faith and credit, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

10. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over the implementation and enforcements of the terms of the Stipulation of Settlement.

11. The above-entitled case is hereby dismissed with prejudice and without costs.

IT IS SO ORDERED.

DATED: _____, 2008

HONORABLE GERALD E. ROSEN
UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN