

Systems”); the Delphi Corporation Board of Directors Executive Committee and its members; the Investment Policy Committee and its members; and the Delphi Officer and Director Defendants.¹

WHEREAS:

A. On August 31, 2007, the parties hereto executed the Stipulation and Agreement of Settlement with Certain Defendants – ERISA Actions (the “Stipulation”), which, subject to its terms including but not limited to approval by this Court and the Bankruptcy Court, provided for a final settlement and resolution of the Settled Claims against the Released Parties.

B. On September 5, 2007, the Court preliminarily approved the Settlement embodied in the Stipulation.

C. On September 6, 2007, Delphi and certain of its subsidiaries and affiliates filed in the Bankruptcy Court their Joint Plan of Reorganization of Delphi Corporation And Certain Affiliates, Debtors And Debtors-In-Possession (the “Plan”), which included the Stipulation as an exhibit thereto.

D. On various dates thereafter, Delphi filed certain amendments to the Plan to reflect agreements with Delphi’s key stakeholders and obtain their support of the Plan.

E. Consistent with the Stipulation, on September 7, 2007, Delphi filed a motion in the Bankruptcy Court seeking approval of the Settlement. On October 29, 2007, the Bankruptcy Court preliminarily approved the Settlement and scheduled the matter for final consideration to be heard in conjunction with Delphi’s confirmation hearing concerning the Plan.

¹ Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Amended Stipulation, as modified by this Modification.

F. On October 31, 2007, the parties hereto entered into an Amended Stipulation and Agreement of Settlement with Certain Defendants – ERISA Actions (the “Amended Stipulation”) that, *inter alia*, modified the Stipulation’s definitions of “Contribution Credit” and “Indemnity Credit” to resolve an objection that had been filed in the Court by State Street Bank and Trust Company, one of the defendants in the Delphi ERISA Action. The Amended Stipulation also corrected a typographical error in the Stipulation’s definition of “Judgment” and corrected the Stipulation’s inadvertent omissions of one of the ERISA plans at issue in the Delphi ERISA Action, namely, the Delphi Mechatronic Systems Savings-Stock Purchase Program.

G. On November 13, 2007, after due and adequate notice was provided to the Class, the Court conducted a fairness hearing concerning final approval of the Settlement.

H. The Court granted final approval of the Settlement in an opinion and order issued on January 10, 2008 and amended on January 11, 2008.

I. On January 23, 2008, the Court entered an Order and Final Judgment dismissing with prejudice the Complaint in its entirety against all defendants other than State Street Bank and Trust Company.

J. On January 25, 2008, the Bankruptcy Court entered an order confirming the Plan (the “Confirmation Order”), and the Confirmation Order became final on February 4, 2008. In connection with the approval of the Plan, the Bankruptcy Court entered an order approving the Settlement (the “Bankruptcy Court Approval Order”). The Bankruptcy Court Approval Order became final on February 4, 2008.

K. Although approved by the Bankruptcy Court and the Court, the Settlement does not become effective until the Delphi Consideration has been distributed following the Bankruptcy Effective Date.

L. The Plan has not been substantially consummated, and as a result the Bankruptcy Effective Date has not occurred.

M. Delphi has continued to work with its stakeholders to complete its restructuring efforts. Nonetheless, because the Bankruptcy Effective Date has not occurred, the Settlement has not become effective. The parties to the Amended Stipulation have determined that, based on the fact that the Bankruptcy Effective Date will not occur with respect to the Plan that is the subject of the Confirmation Order, it is in their best interests to finalize the Settlement, to, *inter alia*, make the releases granted thereunder effective, and to allow for the release from escrow all cash funds held by the Escrow Agent pursuant to the Amended Stipulation, as modified by this Modification, without regard to the occurrence of the Bankruptcy Effective Date.

N. Accordingly, the parties have agreed to modify the Amended Stipulation such that the Settlement, as modified by this Modification, becomes effective independent of the occurrence of the Bankruptcy Effective Date and/or the substantial consummation of any Delphi plan of reorganization. The separate stipulation of settlement of the Delphi Securities Action is being modified on terms similar to this Modification (the “Securities Stipulation Second Modification”).

O. The parties agree that each of the conditions set forth in paragraphs 17(a)-(c) and (e)-(g) of the Amended Stipulation has been satisfied, that the conditions set forth in paragraphs 17(h)-(i) of the Amended Stipulation should be eliminated, and that the Settlement, as modified by this Modification, including without limitation the releases provided therein, should become effective upon the entry of an order by each of the Bankruptcy Court and the Court approving this Modification and the Securities Stipulation Second Modification, and such orders becoming Final. With respect to the Court’s Judgment approving this Modification, such Judgment shall

amend the Order and Final Judgment dated January 23, 2008, and shall be in all material respects in the form attached hereto as Exhibit B.

P. With respect to ongoing bankruptcy matters, the ERISA Plans' Equity Interest granted to the Class pursuant to the Amended Stipulation will remain allowed in the same aggregate face amount as set forth in the Amended Stipulation, but will not be guaranteed any particular treatment or classification, and instead will be an interest to be classified under the Delphi Plan of Reorganization subject to further modifications and/or rulings of the Bankruptcy Court except as to the aggregate face amount of the ERISA Plans' Equity Interest. Regardless of the ultimate treatment and classification of the ERISA Plans' Equity Interest, the Settlement, as modified by this Modification, will be effective and final as of the Effective Date.

Q. Subject to Court approval and direction, the parties further agree that (i) notice of this Modification substantially in the forms attached as Tabs 1-3 to Exhibit A hereto should be provided to the Class that satisfies due process requirements so as to afford Class Members an opportunity to object solely to the Modification, and (ii) they will take appropriate steps to obtain the Court's approval of this Modification.

NOW THEREFORE, it is hereby STIPULATED AND AGREED, by and among the parties to this Modification, through their respective counsel:

1. Except as otherwise set forth herein, the Amended Stipulation remains in full force and effect, subject to all of its terms and conditions.
2. Section 1(n) of the Amended Stipulation is amended in its entirety as follows:

“Delphi Consideration” means the consideration, if any, to be distributed pursuant to this Stipulation, as modified by the Modification, to satisfy the ERISA Plans' Equity Interest granted to Named Plaintiffs as representatives of the Class pursuant to this Stipulation, as modified by the Modification.
3. Section 1(q) of the Amended Stipulation is deleted in its entirety.

4. Section 1(s) of the Amended Stipulation is amended in its entirety as follows:

“Effective Date” means the date upon which the Settlement contemplated by this Stipulation, as modified by the Modification, shall become effective, as set forth in ¶ 17 hereof; it being understood that the Settlement contemplated by this Stipulation, as modified by the Modification, shall become effective regardless of the treatment and classification of the ERISA Plans’ Equity Interest under the Delphi Plan of Reorganization and regardless of the occurrence of the distribution of the Delphi Consideration following the Bankruptcy Effective Date.

5. Section 1(t) of the Amended Stipulation is amended in its entirety as follows:

“ERISA Plans’ Equity Interest” means the interest as against Delphi granted and approved by the Bankruptcy Court in its order approving this Settlement, as modified by the Modification, to Named Plaintiffs, as representatives of the Class, pursuant to this Stipulation, as modified by the Modification, which shall be an allowed interest in the aggregate face amount of Twenty-Four Million, Five Hundred Thousand Dollars (U.S. \$24,500,000), with no additional provision to be made for accrued interest, and which shall be an interest classified under the Delphi Plan of Reorganization in a separate equity class, representative of the claims of the Class against Delphi arising out of or relating to any and all claims or causes of action in the Delphi ERISA Action; provided, however, that Delphi shall have no obligation to propose any particular treatment of the ERISA Plans’ Equity Interest under the Delphi Plan of Reorganization, it being understood and agreed by the parties that the ERISA Plans’ Equity Interest will not be given priority equal to or higher than the priority of general unsecured claims under the Delphi Plan of Reorganization; provided further, however, that if the Delphi Plan of Reorganization provides for a par plus accrued recovery for general unsecured creditors, then the ERISA Plans’ Equity Interest will receive the same classification and treatment as general unsecured claims; provided further that the final treatment or classification of the ERISA Plans’ Equity Interest under any Delphi plan of reorganization confirmed by Final order of the Bankruptcy Court shall not affect the finality of the Settlement, as modified by the Modification, or the releases granted therein, on the Effective Date.

6. Section 1(z) of the Amended Stipulation is amended in its entirety as follows:

“Judgment” means (i) the proposed judgment or order by the Court approving the Settlement, as modified by the Modification, substantially in the form attached to the Modification as Exhibit B, or as may be modified with the written consent of the parties, and (ii) any of the judgments and orders to be entered by the Bankruptcy Court approving the Settlement, as modified by the Modification.

7. Section 1(ee) of the Amended Stipulation is amended in its entirety as follows:

"Notice" means the notice of the proposed Modification to the Settlement and hearing, which is to be mailed to members of the Class substantially in the form attached to the Modification as Tab 1 to Exhibit A.

8. Section 1(ff) of the Amended Stipulation is amended in its entirety as follows:

"Order for Notice and Hearing" means the proposed order scheduling a hearing to approve the Modification and directing notice thereof to the Class, substantially in the form attached to the Modification as Exhibit A.

9. Section 1(ii) of the Amended Stipulation is amended in its entirety as follows:

"Publication Notice" means the summary notice of the proposed Modification and hearing, for publication substantially in the form attached to the Modification as Tab 2 to Exhibit A.

10. Section 1 of the Amended Stipulation is amended by adding section 1(tt) after section 1(ss), which shall read as follows:

(tt) "Delphi Plan of Reorganization" means the First Amended Joint Plan Of Reorganization of Delphi Corporation And Certain Affiliates, Debtors And Debtors-In-Possession as confirmed by an order of the Bankruptcy Court entered January 25, 2008, as the same may be modified, amended, or superseded by Final order of the Bankruptcy Court.

11. Section 1 of the Amended Stipulation is amended by adding section 1(uu) after section 1(tt), which shall read as follows:

(uu) "Website Notice" means the Notice of Proposed Modification to the Terms of the Settlement with Certain Defendants, substantially in the form attached as Tab 3 to Exhibit A of the Modification, which shall be posted and maintained on the Delphi ERISA Action settlement website in accordance with the instructions provided by the Court in the Order for Notice and Hearing.

12. Section 4 of the Amended Stipulation is amended by amending the first sentence of Section 4 to read as follows:

The Court shall include the Bar Order in ¶¶ 5-6 in its final Judgment approving the Settlement, as modified by the Modification.

13. Section 8(b) of the Amended Stipulation is amended in its entirety as follows:

Delphi shall distribute pursuant to the Escrow Agreement the Delphi Consideration as soon as practicable after the later of (i) the satisfaction of each of the conditions in ¶ 17 (a)-(g) and (j)-(l), or (ii) the Bankruptcy Effective Date.

14. Section 14 of the Amended Stipulation is amended in its entirety as follows:

(a) Promptly after the Modification has been fully executed, Lead Counsel shall apply to the Court for entry of an Order for Notice and Hearing, substantially in the form annexed to the Modification as Exhibit A.

(b) The mailing or publication of the Notice and Publication Notice shall not occur until all such orders of the Court have been obtained.

15. Section 15 of the Amended Stipulation is amended in its entirety as follows:

If the Settlement contemplated by this Stipulation, as modified by the Modification, is approved by the Court, Lead Counsel and Settling Defendants' counsel shall request that a Judgment be entered which shall in all material respects be in the form annexed as Exhibit B to the Modification.

16. Section 17(h) of the Amended Stipulation is deleted in its entirety.

17. Section 17(i) of the Amended Stipulation is deleted in its entirety.

18. Section 17 of the Amended Stipulation is amended by adding the following clauses (j), (k) and (l) at the end thereof:

(j) entry by the Court of an order and Judgment, in all material respects in the form attached as Exhibit B to the Modification, amending the Order and Final Judgment, dated January 23, 2008, and approving the Modification, and such order and Judgment becoming Final, or, in the event that the Court enters a judgment in a form other than that provided above (the "Alternative Judgment") and none of the parties hereto elect to terminate the Settlement as modified by the Modification, the date upon which such Alternative Judgment becomes Final;

(k) entry by the Court of an order approving the Securities Stipulation Second Modification and such order becoming Final; and

(l) entry by the Bankruptcy Court of an order(s) approving the Modification and the Securities Stipulation Second Modification and such order(s) becoming Final.

19. Section 18 of the Amended Stipulation is amended in its entirety as follows:

Named Plaintiffs and Settling Defendants shall each have the right to terminate the Settlement, as modified by the Modification, and thereby this Stipulation, as modified by the Modification, by providing written notice of their election to do so (the "Termination Notice") to one another hereto within thirty (30) days of any of the following: (a) the Court declining to enter the Judgment in any material respect or entering an Alternative Judgment; (b) the Bankruptcy Court declining to enter an order approving the Modification or the Securities Stipulation Second Modification; (c) the

date upon which any appellate court vacates, reverses, or modifies in any material respect any order or judgment of the Court or the Bankruptcy Court approving the Settlement, as modified by the Modification, or the settlement of the Delphi Securities Action, as modified by the Securities Stipulation Second Modification; or (d) the date upon which the settlement in the Delphi Securities Action is terminated; provided, however, that all termination rights provided under this Stipulation, as modified by the Modification, shall expire upon the Effective Date.

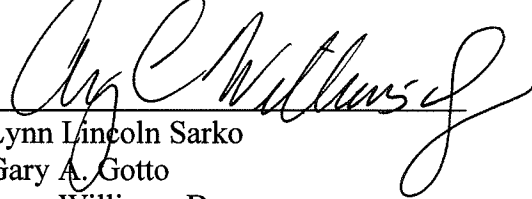
20. Following execution of this Modification, and subject to approval by and direction of the Court, Lead Counsel for Named Plaintiffs will cause the Notice substantially in the form attached to this Modification as Tab 1 to Exhibit A to be mailed to Class Members, and the Publication Notice substantially in the form attached to this Modification as Tab 2 to Exhibit A to be published, in a manner that satisfies due process requirements so as to afford an opportunity for Class Members to object solely to the Modification. Lead Counsel further agrees to post and maintain on the settlement administration website the Website Notice substantially in the form attached to this Modification as Tab 3 to Exhibit A, subject to approval by and direction of the Court. The parties agree that the costs of all notices described in this Modification and any related modifications to the settlement administration website will be paid by the Gross Settlement Fund.

21. Delphi will file a motion seeking the Bankruptcy Court's approval of this Modification and the Securities Stipulation Second Modification, and will use reasonable efforts to cause such motion to be returnable in connection with the July 23, 2009 omnibus hearing date in the Bankruptcy Case. Lead Counsel will use its reasonable efforts to assist Delphi in obtaining the Bankruptcy Court's approval of this Modification and the Securities Stipulation Second Modification.

22. Lead Counsel will take appropriate action to obtain the Court's approval of this Modification, and will use reasonable efforts to obtain the Court's approval as soon as practicable.

Dated: July 10, 2009

KELLER ROHRBACK L.L.P.



Lynn Lincoln Sarko
Gary A. Gotto
Amy Williams-Derry
1201 Third Avenue, Suite 3200
Seattle, Washington 98101-3052
Telephone: (206) 623-1200
Facsimile: (206) 623-3384

Lead Counsel

SHEARMAN & STERLING LLP

Stuart J. Baskin
Brian H. Polovoy
Brian G. Burke
599 Lexington Avenue
New York, New York 10022-6069
Telephone: (212) 848-4000
Facsimile: (212) 848-7179

**Counsel for Delphi Corporation, ASEC
Manufacturing General Partnership (sued as
“ASEC Manufacturing”), Delphi Mechatronic
Systems, Inc. (sued as “Delphi Mechatronic
Systems”), the Investment Policy Committee,
Robert H. Brust, Susan A. McLaughlin,
and John D. Opie**

Dated: July 10, 2009

KELLER ROHRBACK L.L.P.

Lynn Lincoln Sarko
Gary A. Gotto
Amy Williams-Derry
1201 Third Avenue, Suite 3200
Seattle, Washington 98101-3052
Telephone: (206) 623-1200
Facsimile: (206) 623-3384

Lead Counsel

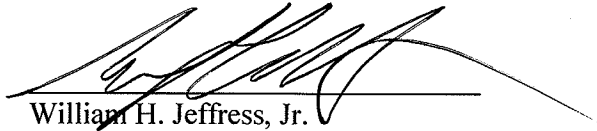
SHEARMAN & STERLING LLP



Stuart J. Baskin
Brian H. Polovoy
Marc D. Ashley
599 Lexington Avenue
New York, New York 10022-6069
Telephone: (212) 848-4000
Facsimile: (212) 848-7179

**Counsel for Delphi Corporation, ASEC
Manufacturing General Partnership (sued as
“ASEC Manufacturing”), Delphi Mechatronic
Systems, Inc. (sued as “Delphi Mechatronic
Systems”), the Investment Policy Committee,
Robert H. Brust, Susan A. McLaughlin,
and John D. Opie**

BAKER BOTTS L.L.P.



William H. Jeffress, Jr.

Bridget M. Moore

Michael G. Pattillo, Jr.

Joe R. Caldwell, Jr.

1299 Pennsylvania Avenue, N.W.

Washington, DC 20004-2400

Telephone: (202) 639-7788

Facsimile: (202) 639 7980

Counsel for J.T. Battenberg III

O'MELVENY & MYERS LLP

Robert N. Eccles

Robert M. Stern

1625 Eye Street, N.W.

Washington, DC 20006-4001

Telephone: (202) 383-5315

Facsimile: (202) 383-5414

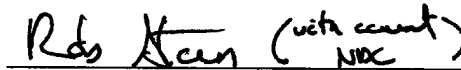
Counsel for Alan S. Dawes

BAKER BOTTS L.L.P.

William H. Jeffress, Jr.
Bridget M. Moore
Michael G. Pattillo, Jr.
Joe R. Caldwell, Jr.
1299 Pennsylvania Avenue, N.W.
Washington, DC 20004-2400
Telephone: (202) 639-7788
Facsimile: (202) 639 7980

Counsel for J.T. Battenberg III

O'MELVENY & MYERS LLP



Robert N. Eccles
Robert M. Stern
1625 Eye Street, N.W.
Washington, DC 20006-4001
Telephone: (202) 383-5315
Facsimile: (202) 383-5414

Counsel for Alan S. Dawes