



1. Why is GM making these changes to the Salaried Retirement Program (SRP)?

GM's announced changes to the Salaried Retirement Program (SRP) underscore the company's commitment to retirees and to our business. These changes maintain the value of SRP benefits and provide many retirees with more flexibility and choice in how they manage their pension, while significantly reducing GM's ongoing pension liabilities.

2. What changes are being made to the GM Salaried Retirement Program (SRP)?

GM is offering approximately 42,000 salaried retirees, surviving beneficiaries and former employees in pay status, a one-time opportunity to elect a lump-sum distribution of their pension plan benefit (excluding the portion of their Part B Primary benefit attributable to their employee contributions made prior to 1985.) In addition, GM has signed an agreement with Prudential to purchase an annuity contract to take over the administration and payment of benefits for salaried retirees, surviving beneficiaries and former employees in pay status who began payment of their benefit before December 1, 2011.

3. Who is eligible to receive a lump-sum distribution?

Salaried retirees and surviving beneficiaries – and former employees who separated from GM -- and began receiving their monthly pension benefit from the SRP on or after October 1, 1997, but before December 1, 2011, will be given a one-time opportunity to voluntarily take a lump-sum distribution of their pension benefit. There are a few exceptions – for example, those whose monthly benefit is subject to a QDRO (divorce decree), tax lien or other encumbrance.

4. How was the October 1, 1997, date selected? Why not offer a lump-sum distribution to all salaried retirees?

Several factors were considered in determining which salaried retirees would receive a lump-sum distribution offer, including GM's ability to purchase a group annuity contract at plan termination.

5. How many salaried retirees does GM have in the U.S. and how many of them qualify for the lump-sum distribution offer?

GM has approximately 118,000 salaried retirees, surviving beneficiaries and former employees in-pay, in the U.S. About 36 percent of them (approximately 42,000) will have the opportunity to elect a lump-sum distribution of their pension plan benefit.

6. How does the lump-sum distribution offer and subsequent annuity purchase benefit GM?

Offering lump-sum distributions to retirees and purchasing an annuity contract from Prudential will reduce GM's pension obligations and will help strengthen its balance sheet.

7. How does the lump-sum distribution offer and subsequent annuity purchase benefit salaried retirees?

Offering lump-sum distributions gives eligible salaried retirees choices, which may allow them more flexibility in how they manage their pension. The purchase of an annuity contract through Prudential provides a stable and secure source of guaranteed income through an insurance company that provides retirement security to millions of Americans.

8. After the lump-sum distribution election offer closes on July 20, 2012, will additional changes be made to the SRP in the future that will affect retirees?

After completion of the lump-sum distribution election offer, GM intends to terminate the SRP and provide sufficient funding for the SRP to purchase an annuity contract from Prudential to pay all obligations for monthly benefits as set forth in the annuity contract. To facilitate this transaction, GM will transfer the remaining population into a newly created salaried retirement program.

9. When will eligible retirees who elect to receive a lump-sum distribution receive payment?

Lump-sum distribution checks are scheduled to be mailed on or around August 24, 2012 and electronic payments will be made on or around August 27, 2012.

10. What funds will be used to pay lump-sum distributions to retirees?

The lump-sum distributions will be paid from the assets of the SRP.

11. Why was Prudential chosen for the annuity purchase?

Prudential was selected following a rigorous evaluation process by an independent third party fiduciary, acting on behalf of the SRP. The independent third party determined that the group annuity contract with Prudential satisfied the federal requirement that the SRP purchase the safest available annuity.

Prudential has a long history of managing pension obligations for companies and provides millions of Americans with the retirement security of guaranteed lifetime income.

12. Has Prudential ever completed an annuity contract of this magnitude?

Although this is the largest pension obligation transfer to date, Prudential currently has a long history of managing pension obligations for companies. Prudential currently provides lifetime income security to millions of Americans and has approximately \$240 billion of retirement accounts as of March 31, 2012.

13. Is GM's agreement with Prudential final?

The agreement is subject to a number of closing conditions including review by the Pension Benefit Guaranty Corporation (PBGC), which is expected to be completed by year-end 2012.

14. In the event that GM does not complete the annuity agreement with Prudential, who would have responsibility for paying retiree benefits?

Retirees would continue to receive monthly benefits from the SRP as they do today.

15. When would Prudential begin paying monthly pension benefits?

If the transaction is completed, Prudential will begin paying and administering monthly pension benefits covered in the annuity transaction in early 2013.

16. How will the standard plan termination and subsequent purchase of an annuity contract from Prudential impact the funding of the SRP?

As required under a standard plan termination, GM will fully fund the SRP and provide any additional funds required to fund the purchase of an annuity contract from Prudential.

17. What other actions have been taken or are being considered to de-risk GM's pension plans?

GM recently announced changes to the SRP for active employees effective October 1, 2012. There will no longer be future pension accruals in a defined benefit pension plan. Future retirement benefits will be provided by employer contributions made to a defined contribution 401(k) plan, the GM Retirement Savings Plan. In addition, effective October 1, 2011, hourly new hires participate in a defined contribution plan rather than a defined benefit pension plan. We will continue to explore all available alternatives to de-risk our remaining pension obligations.

18. I did not receive a lump-sum offer election package but I believe I am part of the eligible group. What should I do?

If you did not receive an election package, but believe you should have, please contact the GM Voluntary SRP Lump Sum Offer Service Center at 1-866-612-4570. If you are eligible for the lump-sum payment offer, an election package will be mailed to you as soon as possible.

19. What guidelines should those eligible for the lump-sum distribution offer use to make a decision?

There are no specific guidelines that those who are eligible for the lump-sum distribution offer should use to make a decision. It's important that each individual evaluate his or her own needs and decide what's right for them. As with all important financial decisions, all those who are eligible for the lump-sum distribution offer are encouraged to seek the assistance of a trusted and qualified advisor to help them evaluate their options and decide what's best for their personal situation. In addition, GM is providing free access to independent financial counseling through the *Ayco AnswerLine*® at 1-866-340-5118.

20. Will there be another opportunity to take the lump-sum distribution in the future if I do not make an election now?

No, this is a one-time offer.

21. How do I know if I have to self-pay for health care and life insurance?

If you are currently having health care and life insurance premiums deducted from your monthly pension payment, you will receive information on how you will be able to pay for them in the future.

22. What happens if both my spouse and I worked at GM? Will we both get our own package?

If both you and your spouse are participants in your own right, and are eligible for the lump-sum distribution offer, you will receive individual packages.

23. Where will informational meetings be held for those who are eligible for the lump-sum distribution offer?

Meetings will be held in various cities throughout the U.S. where GM has a large population of retirees and beneficiaries who are eligible for a lump-sum distribution of their SRP benefit. Invitations were mailed on June 4 to all those eligible for the lump-sum distribution offer, listing the dates, times and locations of all meetings. A schedule of these meetings is also posted online at www.gmpensiontools.com. Those not able to attend a group meeting can watch a recording of the meeting online beginning June 11, 2012 at www.gmpensiontools.com.

24. What's an annuity contract?

An annuity contract is a financial product sold by insurance companies and other financial institutions that provides a specific stream of income at stated intervals (in this case monthly) for the recipient's lifetime and, if applicable, for the lifetime of a beneficiary.

25. How can I get more information on Prudential? Is there a number I can call to discuss what will happen to my benefit when the annuity contract is purchased?

Until the annuity contract agreement is completed, Prudential will not be able to answer any questions about the annuity contract. Once the agreement is completed, eligible retirees and surviving beneficiaries who are covered by the annuity contract will receive a Welcome Package from Prudential with more information about what to expect and how to get your questions answered about your annuity contract coverage.