

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549-1004

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2019

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 001-34960

GENERAL MOTORS COMPANY

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

27-0756180

(I.R.S. Employer
Identification No.)

300 Renaissance Center, Detroit, Michigan

(Address of principal executive offices)

48265 -3000

(Zip Code)

(313) 667-1500

(Registrant's telephone number, including area code)

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value	GM	New York Stock Exchange

Securities registered pursuant to Section 12 (g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting stock held by non-affiliates of the registrant (assuming only for purposes of this computation that directors and executive officers may be affiliates) was approximately \$54.7 billion as of June 30, 2019.

As of January 24, 2020 there were 1,429,002,063 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement related to the Annual Stockholders Meeting to be filed subsequently are incorporated by reference into Part III of this Form 10-K.

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GENERAL MOTORS COMPANY AND SUBSIDIARIES

PART I

Item 1. Business

General Motors Company (sometimes referred to as we, our, us, ourselves, the Company, General Motors, or GM) was incorporated as a Delaware corporation in 2009. We design, build and sell trucks, crossovers, cars and automobile parts worldwide. Cruise, formerly GM Cruise, is our global segment responsible for the development and commercialization of autonomous vehicle technology. We also provide automotive financing services through General Motors Financial Company, Inc. (GM Financial). Except for per share amounts or as otherwise specified, amounts presented within tables are stated in millions.

On July 31, 2017 we closed the sale of the Opel and Vauxhall businesses and certain other assets in Europe (the Opel/Vauxhall Business) to Peugeot, S.A. (PSA Group). On October 31, 2017 we closed the sale of the European financing subsidiaries and branches (the Fincos, and together with the Opel/Vauxhall Business, the European Business) to Banque PSA Finance S.A. and BNP Paribas Personal Finance S.A. The European Business is presented as discontinued operations in our consolidated financial statements for all periods presented. Unless otherwise indicated, information in this report relates to our continuing operations.

Automotive Our automotive operations meet the demands of our customers through our automotive segments: GM North America (GMNA) and GM International (GMI). GMNA meets the demands of customers in North America with vehicles developed, manufactured and/or marketed under the Buick, Cadillac, Chevrolet and GMC brands. GMI primarily meets the demands of customers outside North America with vehicles developed, manufactured and/or marketed under the Buick, Cadillac, Chevrolet, GMC and Holden brands. We also have equity ownership stakes in entities that meet the demands of customers in other countries, primarily in China, with vehicles developed, manufactured and/or marketed under the Baojun, Buick, Cadillac, Chevrolet and Wuling brands.

In addition to the vehicles we sell through our dealer network to retail customers, we also sell vehicles directly or through our dealer network to fleet customers, including daily rental car companies, commercial fleet customers, leasing companies and governments. Our customers can obtain a wide range of aftersale vehicle services and products through our dealer network, such as maintenance, light repairs, collision repairs, vehicle accessories and extended service warranties.

Competitive Position and Vehicle Sales The principal factors that determine consumer vehicle preferences in the markets in which we operate include overall vehicle design, price, quality, available options, safety, reliability, fuel economy and functionality. Market leadership in individual countries in which we compete varies widely.

We present both wholesale and total vehicle sales data to assist in the analysis of our revenue and our market share. Wholesale vehicle sales data consists of sales to GM's dealers and distributors as well as sales to the U.S. Government and excludes vehicles sold by our joint ventures. Wholesale vehicle sales data correlates to our revenue recognized from the sale of vehicles, which is the largest component of Automotive net sales and revenue. In the year ended December 31, 2019, 34% of our wholesale vehicle sales volume was generated outside the U.S. The following table summarizes wholesale vehicle sales by automotive segment (vehicles in thousands):

	Years Ended December 31,					
	2019		2018		2017	
GMNA	3,214	76.4%	3,555	75.5%	3,511	73.5%
GMI	995	23.6%	1,152	24.5%	1,267	26.5%
Total	4,209	100.0%	4,707	100.0%	4,778	100.0%
Discontinued operations	—		—		696	

Total vehicle sales data represents: (1) retail sales (i.e., sales to consumers who purchase new vehicles from dealers or distributors); (2) fleet sales, such as sales to large and small businesses, governments, and daily rental car companies; and (3) vehicles used by dealers in their businesses, including courtesy transportation vehicles. Total vehicle sales data includes all sales by joint ventures on a total vehicle basis, not based on our percentage ownership interest in the joint venture. Certain joint venture agreements in China allow for the contractual right to report vehicle sales of non-GM trademarked vehicles by those joint ventures, which are included in the total vehicle sales we report for China. While total vehicle sales data does not correlate directly to the revenue we recognize during a particular period, we believe it is indicative of the underlying demand for our vehicles. Total vehicle sales data represents management's good faith estimate based on sales reported by GM's dealers, distributors, and joint ventures, commercially available data sources such as registration and insurance data, and internal estimates and forecasts when other data is not available.

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The following table summarizes total industry vehicle sales and our related competitive position by geographic region (vehicles in thousands):

	Years Ended December 31,								
	2019			2018			2017		
	Industry	GM	Market Share	Industry	GM	Market Share	Industry	GM	Market Share
North America									
United States	17,533	2,887	16.5%	17,721	2,954	16.7%	17,570	3,002	17.1%
Other	3,642	480	13.2%	3,839	536	14.0%	3,980	574	14.4%
Total North America	21,175	3,367	15.9%	21,560	3,490	16.2%	21,550	3,576	16.6%
Asia/Pacific, Middle East and Africa									
China(a)	25,398	3,094	12.2%	26,519	3,645	13.7%	28,231	4,041	14.3%
Other(b)	21,503	584	2.7%	22,258	557	2.5%	21,288	629	3.0%
Total Asia/Pacific, Middle East and Africa	46,901	3,678	7.8%	48,777	4,202	8.6%	49,519	4,670	9.4%
South America									
Brazil	2,787	476	17.1%	2,566	434	16.9%	2,239	394	17.6%
Other	1,531	193	12.6%	1,925	256	13.3%	1,928	275	14.3%
Total South America	4,318	669	15.5%	4,491	690	15.4%	4,167	669	16.1%
Total in GM markets	72,394	7,714	10.7%	74,828	8,382	11.2%	75,236	8,915	11.8%
Total Europe	18,876	4	—%	18,928	4	—%	19,190	685	3.6%
Total Worldwide(c)	91,270	7,718	8.5%	93,756	8,386	8.9%	94,426	9,600	10.2%
United States									
Cars	4,842	389	8.0%	5,389	560	10.4%	6,145	709	11.5%
Trucks(d)	4,496	1,332	29.6%	4,215	1,360	32.3%	4,004	1,328	33.2%
Crossovers(d)	8,195	1,166	14.2%	8,117	1,034	12.7%	7,421	965	13.0%
Total United States	17,533	2,887	16.5%	17,721	2,954	16.7%	17,570	3,002	17.1%
China(a)									
SGMS		1,482			1,749			1,906	
SGMW		1,612			1,896			2,135	
Total China	25,398	3,094	12.2%	26,519	3,645	13.7%	28,231	4,041	14.3%

(a) Includes sales by our Automotive China Joint Ventures (Automotive China JVs): SAIC General Motors Sales Co., Ltd. (SGMS) and SAIC GM Wuling Automobile Co., Ltd. (SGMW).

(b) Includes Industry and GM sales in India and South Africa where we ceased vehicle sales for those domestic markets as of December 31, 2017.

(c) Cuba, Iran, North Korea, Sudan and Syria are subject to broad economic sanctions. Accordingly these countries are excluded from industry sales data and corresponding calculation of market share.

(d) Certain industry vehicles have been reclassified between these vehicle segments. GM vehicles were not impacted by this change. The prior period has been recast to reflect the changes.

In the year ended December 31, 2019, we estimate we were the market share leader in each of North America and South America, and had the number four market share in the Asia/Pacific, Middle East and Africa region, which included the number two market share in China. Refer to the Overview in Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) for discussion on changes in market share by region.

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As discussed above, total vehicle sales and market share data provided in the table above includes fleet vehicles. Certain fleet transactions, particularly sales to daily rental car companies, are generally less profitable than retail sales to end customers. The following table summarizes estimated fleet sales and those sales as a percentage of total vehicle sales (vehicles in thousands):

	Years Ended December 31,		
	2019	2018	2017
GMNA	741	740	691
GMI	498	478	541
Total fleet sales	1,239	1,218	1,232
Fleet sales as a percentage of total vehicle sales	16.1%	14.5%	13.8%

Product Pricing Several methods are used to promote our products, including the use of dealer, retail and fleet incentives such as customer rebates and finance rate support. The level of incentives is dependent upon the level of competition in the markets in which we operate and the level of demand for our products.

Cyclical and Seasonal Nature of Business The market for vehicles is cyclical and depends in part on general economic conditions, credit availability and consumer spending. Vehicle markets are also seasonal. Production varies from month to month. Vehicle model changeovers occur throughout the year as a result of new market entries.

Relationship with Dealers We market vehicles and automotive parts worldwide primarily through a network of independent authorized retail dealers. These outlets include distributors, dealers and authorized sales, service and parts outlets. The number of authorized dealerships were 4,743 in GMNA and 7,907 in GMI at December 31, 2019.

We and our joint ventures enter into a contract with each authorized dealer agreeing to sell to the dealer one or more specified product lines at wholesale prices and granting the dealer the right to sell those vehicles to retail customers from an approved location. Our dealers often offer more than one GM brand at a single dealership in a number of our markets. Authorized dealers offer parts, accessories, service and repairs for GM vehicles in the product lines that they sell using GM parts and accessories. Our dealers are authorized to service GM vehicles under our limited warranty program, and those repairs are made only with GM parts. Our dealers generally provide their customers with access to credit or lease financing, vehicle insurance and extended service contracts provided by GM Financial and other financial institutions.

The quality of GM dealerships and our relationship with our dealers and distributors are critical to our success given that dealers maintain the primary sales and service interface with the end consumer of our products. In addition to the terms of our contracts with our dealers, we are regulated by various country and state franchise laws and regulations that may supersede those contractual terms and impose specific regulatory requirements and standards for initiating dealer network changes, pursuing terminations for cause and other contractual matters.

Research, Product and Business Development and Intellectual Property Costs for research, manufacturing engineering, product engineering and design and development activities primarily relate to developing new products or services or improving existing products or services, including activities related to vehicle and greenhouse gas (GHG) emissions control, improved fuel economy, electrification, autonomous vehicles, the safety of drivers and passengers, and urban mobility. Research and development expenses were \$6.8 billion, \$7.8 billion and \$7.3 billion in the years ended December 31, 2019, 2018 and 2017.

Product Development The Product Development organization is responsible for designing and integrating vehicle and propulsion components to maximize part sharing across multiple vehicle segments. Global teams in Design, Program Management, Component & Subsystem Engineering, Product Integrity, Safety, Propulsion Systems and Purchasing & Supply Chain collaborate to meet customer requirements and maximize global economies of scale.

Our global vehicle architecture development is headquartered at our Global Technical Center in Warren, Michigan. Cross-segment part sharing is an essential enabler to optimize our current vehicle portfolio, as we expect that more than 75% of our global sales volume will come from five vehicle architectures by mid-decade. We will continue to leverage our current architecture portfolio to accommodate our customers around the world while achieving our financial goals.

Battery Electric Vehicles We have committed to an all-electric future and are investing in multiple technologies offering increasing levels of vehicle electrification with a core focus on zero emission battery electric vehicles as part of our long-term strategy to reduce petroleum consumption and GHG emissions. We currently offer the Chevrolet Bolt EV, which recently improved to 259

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miles of range with the 2020 model year. We have also announced our all-new battery electric architecture that will launch on an upcoming Cadillac model. The new platform will be flexible, allowing quick response to customer preferences with a relatively short design and development lead time. It will be leveraged across multiple brands and vehicle sizes, styles and drive configurations. We confirmed the GMC Hummer EV, an upcoming battery electric truck, will be built at Detroit-Hamtramck Assembly, which is being re-tooled into a fully-dedicated electric vehicle facility. In addition, we have announced plans to mass-produce battery cells for future battery electric vehicles through an equally owned joint venture with LG Chem, Ltd.

To support mass market adoption of electric vehicles, we are working to ensure that our customers will have access to a robust, ubiquitous and seamless charging infrastructure. For personal vehicles, this means strategically addressing charging needs at home, the workplace and in public locations. We have announced collaborative work with several charge network operators to provide real-time data on their respective networks and charge station health to filter into our Energy Assist feature within the myChevrolet app, currently available to Chevrolet Bolt EV drivers. This collaboration will enable access to the largest collective electric vehicle charging network in the U.S.

Car- and Ride-Sharing Maven is a shared vehicle marketplace that leverages a versatile software and operational platform to provide members with on-demand access to vehicles through two primary services, Maven Gig and Maven Car Sharing. Maven Gig allows members to access vehicles that can be used in ride-sharing and delivery with companies such as Uber Technologies Inc. and GrubHub Inc. Maven Car Sharing is a consumer service that provides on-demand access to Maven-owned and peer-owned vehicles. Maven is available in 15 cities in the U.S., Canada and Australia at December 31, 2019.

Autonomous Technology We expect autonomous technology to lead to a future of zero crashes, zero emissions and zero congestion. We are among the leaders in the industry with significant global real-world experience in delivering connectivity and advanced safety features that are the building blocks to more advanced automation features that are driving our leadership position in the development of autonomous technology. An example of our advanced technology is Super Cruise, a driver assistance feature that enables hands-free driving on the highway, which will be expanded to all Cadillac models. We are actively testing autonomous vehicles in the U.S. Gated by safety and regulation, we continue to make significant progress toward commercialization of a network of on-demand autonomous vehicles in the U.S. The Cruise AV is our production-intent self-driving vehicle that was engineered from the start to operate safely on its own, with no driver.

Alternative Fuel Vehicles We believe alternative fuels offer significant potential to reduce petroleum consumption and resulting GHG emissions in the transportation sector. By leveraging experience and capability developed around these technologies in our global operations, we continue to develop FlexFuel vehicles that can run on ethanol-gasoline blend fuels as well as technologies that support compressed natural gas and liquefied petroleum gas. We offer several 2020 model year FlexFuel vehicles in the U.S. and Canada to retail and fleet customers capable of operating on gasoline, E85 ethanol or any combination of the two. We also support the development of biodiesel blend fuels, which are alternative diesel fuels produced from renewable sources.

Hydrogen Fuel Cell Technology Another part of our long-term strategy to reduce petroleum consumption and GHG emissions is our commitment to the development of our hydrogen fuel cell technology. Our Chevrolet Equinox fuel cell electric vehicle demonstration programs, such as Project Driveway, have accumulated more than three million miles of real-world driving. These programs are helping us identify consumer and infrastructure needs to understand the business case for potential production of vehicles with this technology. We are exploring non-traditional automotive uses for fuel cells in several areas, including demonstrations with the U.S. Army and U.S. Navy. In addition, we signed a co-development agreement and established a nonconsolidated joint venture with Honda Motor Co., Ltd. (Honda) for a next-generation fuel cell system and hydrogen storage technologies, aiming for commercialization in the early 2020s.

OnStar and Vehicle Connectivity We offer OnStar and connected services to more than 22 million connected vehicles globally through subscription-based and complimentary services. OnStar provides safety and security services for retail and fleet customers, including automatic crash response, emergency services, roadside assistance, crisis assist, stolen vehicle assistance and turn-by-turn navigation. We also offer a variety of connected services, including mobile applications for owners to remotely control their vehicles and electric vehicle owners to locate charging stations, on-demand vehicle diagnostics, GM Smart Driver, GM Marketplace in-vehicle commerce, connected navigation, SiriusXM with 360L and 4G LTE wireless connectivity. Additionally, we have announced plans to integrate an in-vehicle Alexa experience through Amazon.com to millions of eligible model year 2018 and newer vehicles in 2020, and integrate Google Voice Assistant, navigation and app ecosystem into GM infotainment systems beginning in 2021.

Intellectual Property We are constantly innovating and hold a significant number of patents, copyrights, trade secrets and other intellectual property that protect those innovations in numerous countries. While no single piece of intellectual property is

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individually material to our business as a whole, our intellectual property is important to our operations and continued technological development. Additionally, we hold a number of trademarks and service marks that are very important to our identity and recognition in the marketplace.

Raw Materials, Services and Supplies We purchase a wide variety of raw materials, parts, supplies, energy, freight, transportation and other services from numerous suppliers to manufacture our products. The raw materials primarily include steel, aluminum, resins, copper, lead and platinum group metals. We have not experienced any significant shortages of raw materials and normally do not carry substantial inventories of such raw materials in excess of levels reasonably required to meet our production requirements. Costs are expected to remain elevated due to the price of commodities and the continuing existence of tariffs.

In some instances, we purchase systems, components, parts and supplies from a single source and may be at an increased risk for supply disruptions. The inability or unwillingness of these sources to supply us with parts and supplies could have a material adverse effect on our production capacity. Combined purchases from our two largest suppliers were 11% of our total purchases in the year ended December 31, 2019 and 12% of our total purchases in each of the years ended December 31, 2018 and 2017. Refer to Item 1A. Risk Factors for further discussion of these risks.

Environmental and Regulatory Matters

Automotive Criteria Emissions Control Our products are subject to laws and regulations globally that require us to control certain non-GHG automotive emissions, including vehicle and engine exhaust emission standards, vehicle evaporative emission standards and onboard diagnostic (OBD) system requirements. Emission requirements have become more stringent as a result of stricter standards and new diagnostic requirements that have come into force in many markets around the world, often with very little harmonization. While we believe all of our products are designed and manufactured in material compliance with substantially all vehicle emissions requirements, regulatory authorities may conduct ongoing evaluations of products from all manufacturers.

The U.S. federal government, through the Environmental Protection Agency (EPA), imposes stringent exhaust and evaporative emission control requirements on vehicles sold in the U.S. The California Air Resources Board (CARB) likewise imposes stringent exhaust and evaporative emission standards. These emission control standards will likely increase the time and mileage periods over which manufacturers are responsible for a vehicle's emission performance. The Clean Air Act permits states that have areas with air quality compliance issues to adopt California emission standards in lieu of federal requirements. Fourteen states and the District of Columbia have adopted California emission standards, and there is a possibility that additional U.S. jurisdictions could adopt California emission requirements in the future.

The Canadian federal government's current vehicle pollutant emission requirements are generally aligned with those of the U.S. federal requirements.

Each model year we must obtain certification that our vehicles and heavy-duty engines will meet emission requirements of the EPA before we can sell vehicles in the U.S. and Canada, and of CARB before we can sell vehicles in California and other states that have adopted the California emission requirements.

In 2019, certain areas within China began implementation of the China 6 emission standard (China 6) requirements. China 6 combines elements of both European Union (EU) and U.S. standards and increases the time and mileage periods over which manufacturers are responsible for a vehicle's emission performance. Nationwide implementation of China 6a for new registrations is expected in July 2020, and the more stringent China 6b is expected to be implemented in July 2023. Localities can implement China 6 requirements earlier than the nationwide deadlines if certain enabling criteria are met. For additional information, refer to Item 1A. Risk Factors.

Brazil has recently approved a new set of national emissions standards named L7, to be implemented in 2022, and L8, to be implemented in 2025. L7 standards include exhaust, durability, evaporative and noise limits, new OBD requirements and a phase-in for onboard refueling vapor recovery systems. L8 standards include emission targets for real driving emissions and reduce exhaust limits every two years until 2031. Many of the requirements are aligned with those of the EPA.

As a result of the sale of the Opel/Vauxhall Business, GM's vehicle presence in Europe is smaller, but GM may still be affected by actions taken by regulators related both to Opel/Vauxhall vehicles sold before the sale of the Opel/Vauxhall Business as well as to other vehicles GM continues to sell in Europe. In the EU, increased scrutiny of compliance with emissions standards may result in changes to these standards, including implementation of real driving emissions tests, as well as stricter interpretations or redefinition of these standards and more rigorous enforcement. For example, our former German subsidiary has participated in

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continuing discussions with German and European authorities concerning emissions control systems. For additional information, refer to Note 22 to our consolidated financial statements.

Automotive Fuel Economy and Greenhouse Gas Emissions In the U.S., the National Highway Traffic Safety Administration (NHTSA) promulgates and enforces Corporate Average Fuel Economy (CAFE) standards for three separate fleets: domestically produced cars, imported cars and light-duty trucks. Manufacturers are subject to substantial civil penalties if they fail to meet the applicable CAFE standard in any model year, after considering all available credits for the preceding five model years, expected credits for the three succeeding model years and credits obtained from other manufacturers. The amount of these civil penalties is the subject of litigation currently pending in the U.S. Court of Appeals for the Second Circuit. In addition to federal CAFE standards, the EPA promulgates and enforces GHG emission standards, which are effectively fuel economy standards because the majority of vehicle GHG emissions are carbon dioxide emissions that are emitted in direct proportion to the amount of fuel consumed by a vehicle. The EPA and NHTSA also regulate the fuel efficiency and GHG emissions of medium- and heavy-duty vehicles, imposing more stringent standards over time.

In addition, CARB has asserted the right to promulgate and enforce its own state GHG standards for motor vehicles, and other states have asserted the right to adopt CARB's standards. CARB regulations previously stated that compliance with the EPA light-duty program is deemed compliance with CARB standards. However, on December 12, 2018, CARB amended this regulation to state that, in the event the EPA alters federal GHG stringency, compliance with the EPA's GHG emissions standards will no longer be deemed compliance with CARB's separate requirements. Likewise, NHTSA and the EPA have recently issued a rule asserting that California is preempted from regulating GHG emissions, which is currently being challenged through litigation. As a result, depending on the outcome of the federal CAFE and GHG rulemaking and related litigation and the finality of CARB's regulatory amendment, in the future GM might be required to meet California GHG standards that are different than the EPA standards.

CARB has also imposed the requirement that increasing percentages of Zero Emission Vehicles (ZEVs) must be sold in California. The Clean Air Act permits states to adopt California emission standards, and 11 have adopted the ZEV requirements. The EPA has recently revoked the waiver it had granted to California that permitted its ZEV program. Depending on the finality of that revocation, there is a possibility that additional U.S. jurisdictions could adopt California ZEV requirements in the future.

In Canada, light- and heavy-duty GHG regulations are currently patterned after the EPA GHG emissions standards. However, the Canadian government will be conducting a mid-term review of its 2022 to 2025 model year light-duty GHG standards and there is an increased risk that future Canadian light-duty GHG regulations may not be aligned with the EPA regulations. In addition, the Canadian province of Quebec has adopted ZEV requirements for the 2018 to 2025 model years largely based on California program requirements. The province of British Columbia also passed legislation in May 2019 to enable similar ZEV regulations in the near term, and governments in Canada could adopt additional ZEV requirements in the future.

China has two fuel economy requirements for passenger vehicles: an individual vehicle pass-fail type approval requirement and a fleet average fuel consumption requirement. With a focus on the fleet average program, the current China Phase 4 fleet average fuel consumption requirement, which went into effect in 2016, is based on curb weight with full compliance required by 2020. China Phase 4 has continued subsidies for plug-in hybrid, battery electric and fuel cell vehicles, which are referred to as New Energy Vehicles (NEVs). China Phase 5 has been developed with a planned start in 2021 and full compliance is required by 2025. In addition, China has established an NEV Mandate that will require passenger car manufacturers to produce a certain volume of NEVs to generate credits in 2019 and beyond to offset internal combustion engine vehicle production volume. The number of credits per car is based on the level of electric range and energy efficiency, with the goal of increasing NEV volume penetrations. Uncommitted NEV credits may be used to assist compliance with the fleet average fuel consumption requirement. China has set forth NEV credit targets for 2019 and 2020 and is setting forth new NEV credit targets aiming at further increasing volumes of NEVs between 2021 and 2025.

In Brazil, the Secretary of Industry and Development promulgates and enforces CAFE standards and has recently enforced a new CAFE program for the period October 2020 to September 2026 and October 2026 to September 2032 for light-duty and mid-size trucks and sport utility vehicles (SUVs), including diesel vehicles, imposing more stringent standards for each period.

Regulators in other jurisdictions have already adopted or are developing fuel economy or carbon dioxide regulations. If regulators in these jurisdictions seek to impose and enforce standards that are misaligned with market conditions, we may be forced to take various actions to increase market support programs for certain vehicles and curtail production of others in order to achieve compliance. We regularly evaluate our current and future product plans and strategies for compliance with fuel economy and GHG regulations.

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Industrial Environmental Control Our operations are subject to a wide range of environmental protection laws including those regulating air emissions, water discharge, waste management and environmental cleanup. Certain environmental statutes require that responsible parties fund remediation actions regardless of fault, legality of original disposal or ownership of a disposal site. Under certain circumstances these laws impose joint and several liability as well as liability for related damages to natural resources.

To mitigate the effects of our worldwide operations on the environment, we are converting as many of our worldwide operations as practicable to landfill-free operations, which reduces GHG emissions associated with waste disposal. At December 31, 2019, 58 (or 45%) of our manufacturing operations and 36 (or 38%) of our non-manufacturing operations were landfill-free. At our landfill-free manufacturing operations, 90% of waste materials are composted, reused or recycled and 8% are converted to energy at waste-to-energy facilities. We estimate that our waste reduction program diverted 1.2 million metric tons of waste from landfills in 2019, resulting in 5.6 million metric tons of GHG emissions avoided in global manufacturing operations, including construction, demolition and remediation wastes.

In addition to minimizing our impact on the environment, our landfill-free program and total waste reduction commitments generate income from the sale of production by-products, reduce our use of material and help to reduce the risks and financial liabilities associated with waste disposal.

We continue our efforts to increase our use of renewable energy, improve our energy efficiency and work to drive growth and scale of renewables. We are committed to meeting the electricity needs of our operations worldwide with renewable energy by 2040, pulling forward our previous commitment by 10 years. Through December 31, 2019, we implemented projects and signed renewable energy contracts globally that brought our total renewable energy capacity to over 400 megawatts, which represents approximately 20% of our global electricity use. In 2019, we executed our largest green tariff to date with DTE Energy Company, sourcing 300,000 megawatt hours of renewable energy that will begin supplying us in early 2021. We continue to seek opportunities for a diversified renewable energy portfolio including wind, solar, and landfill gas. In 2019 Energy Star certified one assembly plant in Canada through Natural Resources Canada and eight buildings in the U.S. for superior energy management. We also met the EPA Energy Star Challenge for Industry (EPA Challenge) at two additional sites globally by reducing energy intensity an average of 11% at these sites within two years. To meet the EPA Challenge, industrial sites must reduce energy intensity by 10% within a five year period. In total, 73 GM-owned manufacturing sites have met the EPA Challenge, with many sites achieving the goal multiple times for a total of 131 recognitions. Additionally, we received recognition from the U.S. Department of Energy (DOE) of 50001 Ready status for 27 facilities. The U.S. DOE 50001 Ready program is a self-guided approach for facilities to establish an energy management system and self-attest to the structure of ISO 50001, a voluntary global standard for energy management systems in industrial, commercial and institutional facilities. These efforts minimize our utility expenses and are part of our approach to address climate change by setting a GHG emissions reduction target, collecting accurate data, following our business plan to operate more efficiently and publicly reporting progress against our target.

Chemical Regulations We continually monitor the implementation of chemical regulations to maintain compliance and evaluate their effect on our business, suppliers and the automotive industry.

Globally, governmental agencies continue to introduce new legislation and regulations related to the selection and use of chemicals by mandating broad prohibitions or restrictions and implementing green chemistry, life cycle analysis and product stewardship initiatives. These initiatives give broad regulatory authority to ban or restrict the use of certain chemical substances and potentially affect automobile manufacturers' responsibilities for vehicle components at the end of a vehicle's life, as well as chemical selection for product development and manufacturing. Global treaties and initiatives such as the Stockholm, Basel and Rotterdam Conventions on Chemicals and Waste and the Minamata Convention on Mercury, are driving chemical regulations across signatory countries. In addition, more global jurisdictions are establishing substance standards with regard to Vehicle Interior Air Quality.

Chemical regulations are increasing in North America. In the U.S. the EPA is moving forward with risk analysis and management of high priority chemicals under the authority of the 2016 Lautenberg Chemical Safety for the 21st Century Act, and several U.S. states have chemical management regulations that can affect vehicle design such as the California and Washington laws banning the use of copper in brake friction material. Chemical restrictions in Canada continue to steadily progress as a result of Environment and Climate Change Canada's Chemical Management Plan to assess existing substances and implement risk management controls on any chemical deemed toxic.

China prohibits the use of several chemical substances in vehicles. There are also various regulations in China stipulating the requirements for chemical management. Among other things, these regulations restrict the use, import and export of various chemical substances. The failure of our joint venture partners or our suppliers to comply with these regulations could disrupt production in China or prevent our joint venture partners from selling the affected products in the China market.

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These emerging laws and regulations will potentially lead to increases in costs and supply chain complexity. We believe that we are materially in compliance with substantially all of these requirements or expect to be materially in compliance by the required dates.

Safety In the U.S. the National Traffic and Motor Vehicle Safety Act of 1966 prohibits the sale of any new vehicle or equipment in the U.S. that does not conform to applicable vehicle safety standards established by NHTSA. If we or NHTSA determine that either a vehicle or vehicle equipment does not comply with a safety standard or if a vehicle defect creates an unreasonable safety risk, the manufacturer is required to notify owners and provide a remedy. We are required to report certain information relating to certain customer complaints, warranty claims, field reports and notices and claims involving property damage, injuries and fatalities in the U.S. and claims involving fatalities outside the U.S. We are also required to report certain information concerning safety recalls and other safety campaigns outside the U.S.

Outside the U.S. safety standards and recall regulations often have the same purpose as the U.S. standards but may differ in their requirements and test procedures, adding complexity to regulatory compliance.

Automotive Financing - GM Financial GM Financial is our global captive automotive finance company and our global provider of automobile finance solutions. GM Financial conducts its business in North America, South America and through joint ventures in Asia/Pacific.

GM Financial provides retail loan and lease lending across the credit spectrum. Additionally, GM Financial offers commercial lending products to dealers including new and used vehicle inventory floorplan financing and dealer loans, which are loans to finance improvements to dealership facilities, to provide working capital, and to purchase and/or finance dealership real estate. Other commercial lending products include financing for parts and accessories, dealer fleets and storage centers.

In North America, GM Financial offers a sub-prime lending program. The program is primarily offered to consumers with a FICO score or its equivalent of less than 620 who have limited access to automobile financing through banks and credit unions and is expected to sustain a higher level of credit losses than prime lending.

GM Financial generally seeks to fund its operations in each country through local sources to minimize currency and country risk. GM Financial primarily finances its loan, lease and commercial origination volume through the use of secured and unsecured credit facilities, through securitization transactions and through the issuance of unsecured debt in public markets.

Employees At December 31, 2019 we employed approximately 95,000 (58%) hourly employees and approximately 69,000 (42%) salaried employees. At December 31, 2019 approximately 48,000 (50%) of our U.S. employees were represented by unions, a majority of which were represented by the International Union, United Automobile, Aerospace and Agriculture Implement Workers of America (UAW). The following table summarizes worldwide employment (in thousands):

	December 31, 2019
GMNA(a)	117
GMI	37
GM Financial	10
Total Worldwide	164
U.S. - Salaried	48
U.S. - Hourly	48

(a) Includes Cruise.

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Information About our Executive Officers As of February 5, 2020 the names and ages of our executive officers and their positions with GM are as follows:

Name (Age)	Present GM Position (Effective Date)	Positions Held During the Past Five Years (Effective Date)
Mary T. Barra (58)	Chairman and Chief Executive Officer (2016)	Chief Executive Officer and Member of the Board of Directors (2014)
Barry L. Engle (56)	Executive Vice President and President, North America (2019)	Executive Vice President and President, The Americas (2019) Executive Vice President and President, GM International (2018) Executive Vice President and President, South America (2015) Agility Fuel Systems, Chief Executive Officer (2011)
Craig B. Glidden (62)	Executive Vice President and General Counsel (2015)	LyondellBasell, Executive Vice President and Chief Legal Officer (2009)
Christopher T. Hatto (49)	Vice President, Global Business Solutions and Chief Accounting Officer (2020)	Vice President, Controller and Chief Accounting Officer (2018) Chief Financial Officer, U.S. Sales Operations (2016) Chief Financial Officer, Customer Care and Aftersales (2013)
Gerald Johnson (57)	Executive Vice President, Global Manufacturing (2019)	Vice President, North America Manufacturing and Labor Relations (2017) Vice President of Operational Excellence (2014)
Randall D. Mott (63)	Executive Vice President, Global Information Technology and Chief Information Officer (2019)	Senior Vice President, Global Information Technology and Chief Information Officer (2013)
Douglas L. Parks (58)	Executive Vice President, Global Product Development, Purchasing and Supply Chain (2019)	Vice President, Autonomous and Electric Vehicles (2017) Vice President, Autonomous Technology and Vehicle Execution (2016) Vice President, Global Product Programs (2012)
Mark L. Reuss (56)	President (2019)	Executive Vice President and President, Global Product Development Group and Cadillac (2018) Executive Vice President, Global Product Development, Purchasing & Supply Chain (2014)
Dhivya Suryadevara (40)	Executive Vice President and Chief Financial Officer (2018)	Vice President, Corporate Finance (2017) Vice President, Finance and Treasurer (2015) Chief Executive Officer, GM Asset Management (2013)
Matthew Tsien (59)	Executive Vice President and President, GM China (2014)	

There are no family relationships between any of the officers named above and there is no arrangement or understanding between any of the officers named above and any other person pursuant to which he or she was selected as an officer. Each of the officers named above was elected by the Board of Directors to hold office until his or her successor is elected and qualified or until his or her earlier resignation or removal.

Website Access to Our Reports Our internet website address is www.gm.com. In addition to the information about us and our subsidiaries contained in this 2019 Form 10-K, information about us can be found on our website including information on our corporate governance principles and practices. Our Investor Relations website at <https://investor.gm.com> contains a significant amount of information about us, including financial and other information for investors. We encourage investors to visit our website, as we frequently update and post new information about our company on our website and it is possible that this information could be deemed to be material information. Our website and information included in or linked to our website are not part of this 2019 Form 10-K.

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (Exchange Act), are available free of charge through our website as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission (SEC).

* * * * *

Item 1A. Risk Factors

We have listed below the most significant risk factors applicable to us. These risk factors are not necessarily in the order of importance or probability of occurrence:

If we do not deliver new products, services and customer experiences in response to increased competition in the automotive industry, our business could suffer. We believe that the automotive industry will continue to experience significant change in the coming years. In addition to our traditional competitors, we must also be responsive to the entrance of non-traditional participants in the automotive industry. Industry participants are disrupting the historic business model of our industry through the introduction of new technologies, products, services and methods of travel and vehicle ownership. It is strategically significant that we succeed in leading the technological disruption occurring in our industry, including consumer adoption of electric vehicles and commercialization of autonomous vehicles in a rideshare environment. To successfully execute our long-term strategy, we must continue to develop new products and services, including products and services that are outside of our historically core business, such as autonomous and electric vehicles, digital services and transportation as a service. The process of designing and developing new technology, products and services is complex, costly and uncertain and requires extensive capital investment and the ability to retain and recruit talent. There can be no assurance that advances in technology will occur in a timely or feasible way, or that others will not acquire similar or superior technologies sooner than we do or that we will acquire technologies on an exclusive basis or at a significant price advantage. If we do not adequately prepare for and respond to new kinds of technological innovations, market developments and changing customer needs, our sales, profitability and long-term competitiveness may be harmed.

Our ability to maintain profitability is dependent upon our ability to timely fund and introduce new and improved vehicle models that are able to attract a sufficient number of consumers. We operate in a very competitive industry with market participants routinely introducing new and improved vehicle models and features designed to meet rapidly evolving consumer expectations. Producing new and improved vehicle models that preserve our reputation for designing, building and selling safe, high-quality cars and trucks is critical to our long-term profitability. Successful launches of our new vehicles are critical to our short-term profitability. It generally takes two years or more to design and develop a new vehicle, and a number of factors may lengthen that time period. Because of this product development cycle and the various elements that may contribute to consumers' acceptance of new vehicle designs, including competitors' product introductions, technological innovations, fuel prices, general economic conditions and changes in quality, safety, reliability and styling demands and preferences, an initial product concept or design may not result in a vehicle that generates sales in sufficient quantities and at high enough prices to be profitable. Our high proportion of fixed costs, both due to our significant investment in property, plant and equipment as well as other requirements of our collective bargaining agreements, which limit our flexibility to adjust personnel costs to changes in demands for our products, may further exacerbate the risks associated with incorrectly assessing demand for our vehicles.

Our profitability is dependent upon the success of SUVs and full-size pick-up trucks. While we offer a portfolio of cars, crossovers, SUVs and trucks, we generally recognize higher profit margins on our SUVs and trucks. Our success is dependent upon our ability to sell higher margin vehicles in sufficient volumes. Any shift in consumer preferences toward smaller, more fuel-efficient vehicles, whether as a result of increases in the price of oil or any sustained shortage of oil, including as a result of global political instability, or other reasons, could weaken the demand for our higher margin vehicles. More stringent fuel economy regulations could also impact our ability to sell these vehicles.

We may continue to restructure our operations in the U.S. and various other countries and initiate additional cost reduction actions, but we may not succeed in doing so. Since 2017, we have undertaken restructuring actions to lower our operating costs in response to difficult market and operating conditions in various parts of the world, including the U.S., Canada, Korea and Europe. As we continue to assess our performance throughout our regions, we may take additional restructuring actions to rationalize our operations, which may result in material asset write-downs or impairments and reduce our profitability in the periods incurred. In addition, we are continuing to implement a number of operating effectiveness initiatives to improve productivity and reduce costs. For example, we are continuing to execute on the transformation actions we announced in 2018 to drive significant cost efficiencies and realign our current manufacturing capacity with demand. While we have achieved significant cost savings, there is no guarantee that we will fully realize the anticipated savings or benefits from past or future restructuring and/or cost reduction actions within the time periods we expect or at all. In addition, these restructuring actions subject us to increased risks of labor unrest or strikes, supplier, dealer, or other third-party litigation, regulator claims or proceedings, negative publicity and business disruption. Failure to realize anticipated savings or benefits from our restructuring and/or cost reduction actions could have a material adverse effect on our business, prospects, financial condition, liquidity, results of operations and cash flows.

Our electric vehicle strategy is dependent upon our ability to reduce the cost of manufacturing electric vehicles, as well as increased consumer adoption. We anticipate that the production and profitable sale of electric vehicles will become increasingly

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important to our business. If we are unable to reduce the costs associated with the manufacture of battery-electric vehicles, it may negatively impact our earnings and financial condition. Our ability to benefit from certain government and economic incentives supporting the development and sale of electric vehicles has been reduced and, in some jurisdictions, eliminated or exhausted, which may negatively affect our ability to profitably sell electric vehicles. In addition, our sale of electric vehicles is dependent on consumer adoption, which could be impacted by numerous factors, including perceptions about electric vehicle features, quality, safety, performance and cost; perceptions about the range over which electric vehicles may be driven on a single battery charge; high fuel-economy internal combustion engine vehicles; volatility in the cost of fuel; government regulations and economic incentives; and access to charging facilities.

Our autonomous vehicle strategy is dependent upon our ability to successfully mitigate unique technological, operational, and regulatory risks. In recent years, we announced significant investments in autonomous vehicle technologies, including in GM Cruise Holdings LLC (Cruise Holdings), our majority-owned subsidiary that is responsible for the development and commercialization of autonomous vehicle technology. Our autonomous vehicle operations are capital intensive and subject to a variety of risks inherent with the development of new technologies, including our ability to continue to develop self-driving software and hardware, such as Light Detection and Ranging (LiDAR) sensors and other components; access to sufficient capital, including with respect to additional Softbank funding; risks related to the manufacture of purpose-built autonomous vehicles; and significant competition from both established automotive companies and technology companies, some of which may have more resources and capital to devote to autonomous vehicle technologies than we do. In addition, we face risks related to the commercial deployment of autonomous vehicles on our targeted timeline or at all, including consumer acceptance, achievement of adequate safety and other performance standards and compliance with uncertain, evolving and potentially conflicting federal and state or provincial regulations. To the extent accidents, cybersecurity breaches or other adverse events associated with our autonomous driving systems occur, we could be subject to liability, government scrutiny and further regulation. Any of the foregoing could materially and adversely affect our results of operations, financial condition and growth prospects.

Our business is highly dependent upon global automobile market sales volume, which can be volatile. Because we have a high proportion of relatively fixed structural costs, small changes in sales volume can have a disproportionately large effect on our profitability. A number of economic and market conditions drive changes in vehicle sales, including real estate values, the availability and prices of used vehicles, levels of unemployment, availability of affordable financing, fluctuations in the cost of fuel, consumer confidence, political unrest, the occurrence of a contagious disease or illness, such as the novel coronavirus, barriers to trade and other global economic conditions. While we cannot predict future economic and market conditions with certainty, we expect U.S. and China industry sales volumes to be lower in 2020 relative to 2019. For a discussion of economic and market trends, see the Overview section of the MD&A.

Our significant business in China subjects us to unique operational, competitive and regulatory risks. Maintaining a strong position in the Chinese market is a key component of our global growth strategy. Our business in China is subject to aggressive competition from many of the largest global manufacturers and numerous domestic manufacturers as well as non-traditional market participants, such as domestic technology companies. In addition, our success in China depends upon our ability to adequately address unique market and consumer preferences driven by advancements related to infotainment and other new technologies. Increased competition, increased U.S.-China trade restrictions and weakening economic conditions in China, among other things, may result in price reductions, reduced sales, profitability and margins, and challenges to gain or hold market share. Chinese regulators have implemented increasingly aggressive “green” policy initiatives and recommended quotas for the sale of electric vehicles, which have challenging lead times.

Certain risks and uncertainties of doing business in China are solely within the control of the Chinese government, and Chinese law regulates the scope of our investments and business conducted within China. In order to maintain access to the Chinese market, we may be required to comply with significant technical and other regulatory requirements that are unique to the Chinese market, at times with challenging lead times to implement such requirements. These actions may increase the cost of doing business in China and reduce our profitability.

A significant amount of our operations are conducted by joint ventures that we cannot operate solely for our benefit. Many of our operations, primarily in China and Korea, are carried out by joint ventures. In joint ventures we share ownership and management of a company with one or more parties who may not have the same goals, strategies, priorities or resources as we do and may compete with us outside the joint venture. Joint ventures are intended to be operated for the equal benefit of all co-owners, rather than for our exclusive benefit. Operating a business as a joint venture often requires additional organizational formalities as well as time-consuming procedures for sharing information and making decisions that must further take into consideration our partners' interests. In joint ventures we are required to foster our relationships with our co-owners as well as promote the overall success of the joint venture, and if a co-owner changes, relationships deteriorate or strategic objectives diverge, our success in the

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joint venture may be materially adversely affected. The benefits from a successful joint venture are shared among the co-owners, therefore we do not receive all the benefits from our successful joint ventures.

In addition, because we share ownership and management with one or more parties, we may have limited control over the actions of a joint venture, particularly when we own a minority interest. As a result, we may be unable to prevent violations of applicable laws or other misconduct by a joint venture or the failure to satisfy contractual obligations by one or more parties. Moreover, a joint venture may not follow the same requirements regarding compliance, internal controls and internal control over financial reporting that we follow. To the extent another party makes decisions that negatively impact the joint venture or internal control issues arise within the joint venture, we may have to take responsive or other actions or we may be subject to penalties, fines or other related actions for these activities.

The international scale and footprint of our operations expose us to additional risks. We manufacture, sell and service products globally and rely upon an integrated global supply chain to deliver the raw materials, components, systems and parts that we need to manufacture our products. Our global operations subject us to extensive domestic and foreign legal and regulatory requirements, and a variety of other political, economic and regulatory risks including: (1) changes in government leadership; (2) changes in labor, employment, tax, privacy, environmental and other laws, regulations or government policies impacting our overall business model or practices or restricting our ability to manufacture, purchase or sell products consistent with market demand and our business objectives; (3) political pressures to change any aspect of our business model or practices or that impair our ability to source raw materials, services, components, systems and parts, or manufacture products on competitive terms in a manner consistent with our business objectives; (4) political instability, civil unrest or government controls over certain sectors; (5) political and economic tensions between governments and changes in international trade policies, including restrictions on the repatriation of dividends, especially between China or Canada and the U.S.; (6) more detailed inspections or new or higher tariffs, for example, on products imported into or exported from the U.S., including under Section 232 of the Trade Expansion Act of 1962, Section 301 of the U.S. Trade Act of 1974, or other trade measures; (7) new barriers to entry or domestic preference procurement requirements, including changes to, withdrawals from or impediments to implementing free trade agreements (for example, the North American Free Trade Agreement or its successor, the United States-Mexico-Canada Agreement), or preferences of foreign nationals for domestically manufactured products; (8) changes in foreign currency exchange rates, particularly in Brazil and Argentina, and interest rates; (9) economic downturns in foreign countries or geographic regions where we have significant operations, or significant changes in conditions in the countries in which we operate; (10) differing local product preferences and product requirements, including government certification requirements related to, among other things, fuel economy, vehicle emissions and safety; (11) impact of compliance with U.S. and foreign countries' export controls and economic sanctions; (12) liabilities resulting from U.S. and foreign laws and regulations, including, but not limited to, those related to the Foreign Corrupt Practices Act and certain other anti-corruption laws; (13) differing labor regulations, requirements and union relationships; (14) differing dealer and franchise regulations and relationships; (15) difficulties in obtaining financing in foreign countries for local operations; and (16) natural disasters, public health crises, including the occurrence of a contagious disease or illness, such as the novel coronavirus, and other catastrophic events.

Any significant disruption at one of our manufacturing facilities could disrupt our production schedule. We assemble vehicles at various facilities around the world. Our facilities are typically designed to produce particular models for particular geographic markets. No single facility is designed to manufacture our full range of vehicles. In some cases, certain facilities produce products, systems, components and parts that disproportionately contribute a greater degree to our profitability than others and create significant interdependencies among manufacturing facilities around the world. Should these or other facilities become unavailable either temporarily or permanently for any number of reasons, including labor disruptions, the occurrence of a contagious disease or illness, such as the novel coronavirus, or catastrophic weather events, the inability to manufacture at the affected facility may result in harm to our reputation, increased costs, lower revenues and the loss of customers. In particular, substantially all of our hourly employees are represented by unions and covered by collective bargaining agreements that must be negotiated from time-to-time, often at the local facility level, which increases our risk of work stoppages. We may not be able to easily shift production to other facilities or to make up for lost production. Any new facility needed to replace an inoperable manufacturing facility would need to comply with the necessary regulatory requirements, need to satisfy our specialized manufacturing requirements and require specialized equipment.

Any disruption in our suppliers' operations could disrupt our production schedule. Our automotive operations are dependent upon the continued ability of our suppliers to deliver the systems, components, raw materials and parts that we need to manufacture our products. Our use of "just-in-time" manufacturing processes allows us to maintain minimal inventory. As a result, our ability to maintain production is dependent upon our suppliers delivering sufficient quantities of systems, components, raw materials and parts on time to meet our production schedules. In some instances, we purchase systems, components, raw materials and parts that are ultimately derived from a single source and may be at an increased risk for supply disruptions. Any number of factors, including

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labor disruptions, catastrophic weather events, the occurrence of a contagious disease or illness, such as the novel coronavirus, contractual or other disputes, unfavorable economic or industry conditions, delivery delays or other performance problems or financial difficulties or solvency problems, could disrupt our suppliers' operations and lead to uncertainty in our supply chain or cause supply disruptions for us, which could, in turn, disrupt our operations, including the production of certain higher margin vehicles. In particular, if the current novel coronavirus outbreak continues and results in a prolonged period of travel, commercial and other similar restrictions, we could experience global supply disruptions. If we experience supply disruptions, we may not be able to develop alternate sourcing quickly. Any disruption of our production schedule caused by an unexpected shortage of systems, components, raw materials or parts even for a relatively short period of time could cause us to alter production schedules or suspend production entirely, which could cause a loss of revenues, which would adversely affect our operations.

High prices of raw materials or other inputs used by us and our suppliers could negatively impact our profitability. Increases in prices for raw materials or other inputs that we and our suppliers use in manufacturing products, systems, components and parts, such as steel, precious metals, or non-ferrous metals, including aluminum, copper and plastic, may lead to higher production costs for parts, components and vehicles. Changes in trade policies and tariffs, fluctuations in supply and demand and other economic and political factors may continue to create pricing pressure for raw materials and other inputs. This could, in turn, negatively impact our future profitability because we may not be able to pass all of those costs on to our customers or require our suppliers to absorb such costs.

We operate in a highly competitive industry that has excess manufacturing capacity and attempts by our competitors to sell more vehicles could have a significant negative effect on our vehicle pricing, market share and operating results. The global automotive industry is highly competitive in terms of the quality, innovation, new technologies, pricing, fuel economy, reliability, safety, customer service and financial services offered. Additionally, overall manufacturing capacity in the industry far exceeds current demand. Many manufacturers, including GM, have relatively high fixed labor costs as well as limitations on their ability to close facilities and reduce fixed costs. In light of such excess capacity and high fixed costs, many of our competitors have attempted to sell more vehicles by providing subsidized financing or leasing programs, offering marketing incentives or reducing vehicle prices. As a result, we may be required to offer similar incentives, which may not necessarily allow us to set vehicle prices that offset cost increases or the impact of adverse currency fluctuations. Our competitors may also seek to benefit from economies of scale by consolidating or entering into other strategic agreements such as alliances or joint ventures intended to enhance their competitiveness.

Manufacturers in countries that have lower production costs, such as China and India, have become competitors in key emerging markets and announced their intention to export their products to established markets as a low-cost alternative to established entry-level automobiles. In addition, foreign governments may decide to implement tax and other policies that favor their domestic manufacturers at the expense of international manufacturers, including GM and its joint venture partners. These actions have had, and are expected to continue to have, a significant negative effect on our vehicle pricing, market share and operating results.

Competitors may independently develop products and services similar to ours, and there are no guarantees that GM's intellectual property rights would prevent competitors from independently developing or selling those products and services. There may be instances where, notwithstanding our intellectual property position, competitive products or services may impact the value of our brands and other intangible assets, and our business may be adversely affected. Moreover, although GM takes reasonable steps to maintain the confidentiality of GM proprietary information, there can be no assurance that such efforts will completely deter or prevent misappropriation or improper use of our technology. We sometimes face attempts to gain unauthorized access to our information technology networks and systems for the purpose of improperly acquiring our trade secrets or confidential business information. The theft or unauthorized use or publication of our trade secrets and other confidential business information as a result of such an incident could adversely affect our competitive position. In addition, we may be the target of patent enforcement actions by third parties, including aggressive and opportunistic enforcement claims by non-practicing entities. Regardless of the merit of such claims, responding to infringement claims can be expensive and time-consuming. Although we have taken steps to mitigate such risks, if we are found to have infringed any third-party rights, we could be required to pay substantial damages or we could be enjoined from offering some of our products and services.

Security breaches and other disruptions to information technology systems and networked products, including connected vehicles, owned or maintained by us, GM Financial, or third-party vendors or suppliers on our behalf, could interfere with our operations and could compromise the confidentiality of private customer data or our proprietary information. We rely upon information technology systems and manufacture networked products, some of which are managed by third parties, to process, transmit and store electronic information, and to manage or support a variety of our business processes, activities and products. Additionally, we and GM Financial collect and store sensitive data, including intellectual property and proprietary business information (including that of our dealers and suppliers), as well as personally identifiable information of our customers and

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employees, in data centers and on information technology networks (including networks that may be controlled or maintained by third parties). The secure operation of these systems and products, and the processing and maintenance of the information processed by these systems and products, is critical to our business operations and strategy. Further, customers using our systems rely on the security of our infrastructure, including hardware and other elements provided by third parties, to ensure the reliability of our products and the protection of their data. Despite security measures and business continuity plans, these systems and products may be vulnerable to damage, disruptions or shutdowns caused by attacks by hackers, computer viruses, malware (including “ransomware”), phishing attacks or breaches due to errors or malfeasance by employees, contractors and others who have access to these systems and products. The occurrence of any of these events could compromise the confidentiality, operational integrity and accessibility of these systems and products and the data that resides therein. Similarly, such an occurrence could result in the compromise or loss of the information processed by these systems and products. Such events could result in, among other things, the loss of proprietary data, interruptions or delays in our business operations and damage to our reputation. In addition, such events could cause us to be non-compliant with applicable laws or regulations, subject us to legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information; disrupt operations; or reduce the competitive advantage we hope to derive from our investment in advanced technologies. We have experienced such events in the past and, although past events were immaterial, future events may occur and may be material.

Portions of our information technology systems also may experience interruptions, delays or cessations of service or produce errors due to regular maintenance efforts, such as systems integration or migration work that takes place from time to time. We may not be successful in implementing new systems and transitioning data, which could cause business disruptions and be more expensive, time-consuming, disruptive and resource intensive. Such disruptions could adversely impact our ability to design, manufacture and sell products and services, and interrupt other business processes.

Security breaches and other disruptions of our in-vehicle systems could impact the safety of our customers and reduce confidence in GM and our products. Our vehicles contain complex information technology systems. These systems control various vehicle functions including engine, transmission, safety, steering, navigation, acceleration, braking, window and door lock functions. We have designed, implemented and tested security measures intended to prevent unauthorized access to these systems. However, hackers have reportedly attempted, and may attempt in the future, to gain unauthorized access to modify, alter and use such systems to gain control of, or to change, our vehicles’ functionality, user interface and performance characteristics, or to gain access to data stored in or generated by the vehicle. Any unauthorized access to or control of our vehicles or their system could adversely impact the safety of our customers or result in legal claims or proceedings, liability or regulatory penalties. In addition, regardless of their veracity, reports of unauthorized access to our vehicles or their systems could negatively affect our brand and harm our business, prospects, financial condition and operating results.

Our enterprise data practices, including the collection, use, sharing, and security of the Personal Identifiable Information of our customers, employees, or suppliers are subject to increasingly complex, restrictive, and punitive regulations in all key market regions. Under these regulations, the failure to maintain compliant data practices could result in consumer complaints and regulatory inquiry, resulting in civil or criminal penalties, as well as brand impact or other harm to our business. In addition, increased consumer sensitivity to real or perceived failures in maintaining acceptable data practices could damage our reputation and deter current and potential users or customers from using our products and services. Because many of these laws are new, there is little clarity as to their interpretation, as well as a lack of precedent for the scope of enforcement. The cost of compliance with these laws and regulations will be high and is likely to increase in the future. For example, in Europe, the General Data Protection Regulation came into effect on May 25, 2018, and applies to all of our ongoing operations in the EU as well as some of our operations outside of the EU that involve the processing of EU personal data. This regulation significantly increases the potential financial penalties for noncompliance, including fines of up to 4% of worldwide revenue. Similar regulations are coming into effect in Brazil and China, and in the U.S., California has adopted, and several states and provinces in Canada are considering adopting, laws and regulations imposing obligations regarding personal data. In some cases, these laws provide a private right of action that would allow customers to bring suit directly against us for mishandling their data.

Our operations and products are subject to extensive laws, regulations and policies, including those related to vehicle emissions, fuel economy standards, and greenhouse gas emissions, that can significantly increase our costs and affect how we do business. We are significantly affected by governmental regulations on a global basis that can increase costs related to the production of our vehicles and affect our product portfolio, particularly regulations relating to emissions, fuel economy standards, and greenhouse gas emissions. Meeting or exceeding many of these regulations is costly and often technologically challenging, especially because the standards are not harmonized across jurisdictions. We anticipate that the number and extent of these and other regulations, laws and policies, and the related costs and changes to our product portfolio, may increase significantly in the future, primarily out of concern for the environment (including concerns about global climate change and its impact). These government regulatory requirements, among others, could significantly affect our plans for global product development and given

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the uncertainty surrounding enforcement and regulatory definitions and interpretations, may result in substantial costs, including civil or criminal penalties. In addition, an evolving but un-harmonized emissions and fuel economy regulatory framework may limit or dictate the types of vehicles we sell and where we sell them, which can affect revenue. Refer to the “Environmental and Regulatory Matters” section of Item 1. Business for further information on regulatory and environmental requirements.

We expect that to comply with fuel economy and emission control requirements we will be required to sell a significant volume of electric vehicles, and potentially develop and implement new technologies for conventional internal combustion engines, all at increased costs. There are limits on our ability to achieve fuel economy improvements over a given time frame, however, primarily relating to the cost and effectiveness of available technologies, lack of sufficient consumer acceptance of new technologies and of changes in vehicle mix, lack of willingness of consumers to absorb the additional costs of new technologies, the appropriateness (or lack thereof) of certain technologies for use in particular vehicles, the widespread availability (or lack thereof) of supporting infrastructure for new technologies, and the human, engineering, and financial resources necessary to deploy new technologies across a wide range of products and powertrains in a short time. There is no assurance that we will be able to produce and sell vehicles that use such new technologies on a profitable basis or that our customers will purchase such vehicles in the quantities necessary for us to comply with these regulatory programs.

In the current uncertain regulatory framework, environmental liabilities for which we may be responsible and that are not reasonably estimable could be substantial. Alleged violations of safety, fuel economy or emissions standards could result in legal proceedings, the recall of one or more of our products, negotiated remedial actions, fines, restricted product offerings or a combination of any of those items. Any of these actions could have a material adverse effect on our operations including facility idling, reduced employment, increased costs and loss of revenue.

In addition, many of our advanced technologies, including autonomous vehicles, present novel issues with which domestic and foreign regulators have only limited experience and will be subject to evolving regulatory frameworks. Any current or future regulations in these areas could impact whether and how these technologies are designed and integrated into our products, and may ultimately subject us to increased costs and uncertainty.

We could be materially adversely affected by unusual or significant litigation, governmental investigations or other proceedings. We are subject to legal proceedings involving various issues, including product liability lawsuits, class action litigations alleging product defects, emissions litigation (both in the U.S. and elsewhere), stockholder litigation, labor and employment litigation in various countries (including U.S., Canada, Korea and Brazil), claims and actions arising from divestitures of operations and assets and proceedings related to the Ignition Switch Recall. In addition, we are subject to governmental proceedings and investigations. A negative outcome in one or more of these legal proceedings could result in the imposition of damages, including punitive damages, substantial fines, significant reputational harm, civil lawsuits and criminal penalties, interruptions of business, modification of business practices, equitable remedies and other sanctions against us or our personnel as well as significant legal and other costs. In addition, we may become obligated to issue additional shares (Adjustment Shares) of up to 30 million shares of our common stock (subject to adjustment to take into account stock dividends, stock splits and other transactions) to the Motors Liquidation Company (MLC) GUC Trust (GUC Trust) under a provision of the Amended and Restated Master Sale and Purchase Agreement between us and General Motors Corporation and certain of its subsidiaries in the event that allowed general unsecured claims against the GUC Trust, as estimated by the United States Bankruptcy Court for the Southern District of New York (Bankruptcy Court), exceed \$35.0 billion. The GUC Trust stated in public filings that allowed general unsecured claims were approximately \$32.1 billion as of September 30, 2019. For a further discussion of these matters refer to Note 16 to our consolidated financial statements.

The costs and effect on our reputation of product safety recalls and alleged defects in products and services could materially adversely affect our business. Government safety standards require manufacturers to remedy certain product safety defects through recall campaigns and vehicle repurchases. Under these standards, we could be subject to civil or criminal penalties or may incur various costs, including significant costs for repairs made at no cost to the consumer. At present, the costs we incur in connection with these recalls typically include the cost of the part being replaced and labor to remove and replace the defective part. The costs to complete a recall could be exacerbated to the extent that such action relates to a global platform. Concerns about the safety of our products, including advanced technologies like autonomous vehicles, whether raised internally or by regulators or consumer advocates, and whether or not based on scientific evidence or supported by data, can result in product delays, recalls, lost sales, governmental investigations, regulatory action, private claims, lawsuits and settlements, and reputational damage. These circumstances can also result in damage to brand image, brand equity and consumer trust in the Company’s products and ability to lead the disruption occurring in the automotive industry.

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We currently source a variety of systems, components, raw materials and parts from third parties. From time to time these items may have performance or quality issues that could harm our reputation and cause us to incur significant costs, particularly if the affected items relate to global platforms or involve defects that are identified years after production. Our ability to recover costs associated with recalls or other campaigns caused by parts or components purchased from suppliers may be limited by the suppliers' financial condition or a number of other reasons or defenses.

We may incur additional tax expense or become subject to additional tax exposure. We are subject to the tax laws and regulations of the U.S. and numerous other jurisdictions in which we do business. Many judgments are required in determining our worldwide provision for income taxes and other tax liabilities, and we are regularly under audit by the U.S. Internal Revenue Service and other tax authorities, which may not agree with our tax positions. In addition, our tax liabilities are subject to other significant risks and uncertainties, including those arising from potential changes in laws and/or regulations in the countries in which we do business, the possibility of adverse determinations with respect to the application of existing laws, changes in our business or structure and changes in the valuation of our deferred tax assets and liabilities. Any unfavorable resolution of these and other uncertainties may have a significant adverse impact on our tax rate and results of operations. If our tax expense were to increase, or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, our operating results, cash flows and financial condition could be adversely affected.

We rely on GM Financial to provide financial services to our customers and dealers in North America, South America and Asia/Pacific. GM Financial faces a number of business, economic and financial risks that could impair its access to capital and negatively affect its business and operations, which in turn could impede its ability to provide leasing and financing to customers and commercial lending to our dealers. Any reduction in GM Financial's ability to provide such financial services would negatively affect our efforts to support additional sales of our vehicles and expand our market penetration among customers and dealers.

The primary factors that could adversely affect GM Financial's business and operations and reduce its ability to provide financing services at competitive rates include the sufficiency, availability and cost of sources of financing, including credit facilities, securitization programs and secured and unsecured debt issuances; the performance of loans and leases in its portfolio, which could be materially affected by charge-offs, delinquencies and prepayments; wholesale auction values of used vehicles; higher than expected vehicle return rates and the residual value performance on vehicles GM Financial leases to customers; fluctuations in interest rates and currencies; competition for customers from commercial banks, credit unions and other financing and leasing companies; and changes to regulation, supervision, enforcement and licensing across various jurisdictions.

In addition, a substantial portion of GM Financial's indebtedness bears interest at variable interest rates, primarily based on USD-LIBOR. The U.K. Financial Conduct Authority, which regulates LIBOR, has announced that it will no longer persuade or compel banks to submit rates for the calculation of LIBOR after 2021. It is unknown whether any banks will continue to voluntarily submit rates for the calculation of LIBOR, or whether LIBOR will continue to be published by its administrator based on these submissions or on any other basis, after 2021. At this time, it is not possible to predict the effect that these developments or any discontinuance, modification or other reforms may have on LIBOR, other benchmarks or floating-rate debt instruments, including GM Financial's floating-rate debt. Any such discontinuance, modification, alternative reference rates or other reforms may materially adversely affect interest rates on GM Financial's current or future indebtedness. There is a risk that the discontinuation of LIBOR will impact GM Financial's ability to manage interest rate risk effectively without an adequate replacement.

Further, as an entity operating in the financial services sector, GM Financial is required to comply with a wide variety of laws and regulations that may be costly to adhere to and may affect our consolidated operating results. Compliance with these laws and regulations requires that GM Financial maintain forms, processes, procedures, controls and the infrastructure to support these requirements and these laws and regulations often create operational constraints both on GM Financial's ability to implement servicing procedures and on pricing. Laws in the financial services industry are designed primarily for the protection of consumers. The failure to comply with these laws could result in significant statutory civil and criminal penalties, monetary damages, attorneys' fees and costs, possible revocation of licenses and damage to reputation, brand and valued customer relationships.

Our defined benefit pension plans are currently underfunded and our pension funding requirements could increase significantly due to a reduction in funded status as a result of a variety of factors, including weak performance of financial markets, declining interest rates, changes in laws or regulations, changes in assumptions or investments that do not achieve adequate returns. Our employee benefit plans currently hold a significant amount of equity and fixed income securities. A detailed description of the investment funds and strategies and our potential funding requirements are disclosed in Note 15 to our consolidated financial statements, which also describes significant concentrations of risk to the plan investments.

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Our future funding requirements for our defined benefit pension plans depend upon the future performance of assets placed in trusts for these plans, the level of interest rates used to determine funding levels, the level of benefits provided for by the plans and any changes in laws and regulations. Future funding requirements generally increase if the discount rate decreases or if actual asset returns are lower than expected asset returns, assuming other factors are held constant. We estimate future contributions to these plans using assumptions with respect to these and other items. Changes to those assumptions could have a significant effect on future contributions.

There are additional risks due to the complexity and magnitude of our investments. Examples include implementation of significant changes in investment policy, insufficient market liquidity in particular asset classes and the inability to quickly rebalance illiquid and long-term investments.

Factors that affect future funding requirements for our U.S. defined benefit plans generally affect the required funding for non-U.S. plans. Certain plans outside the U.S. do not have assets and therefore the obligation is funded as benefits are paid. If local legal authorities increase the minimum funding requirements for our non-U.S. plans, we could be required to contribute more funds.

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Item 1B. Unresolved Staff Comments

None

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Item 2. Properties

At December 31, 2019 we had over 100 locations in the U.S. (excluding our automotive financing operations and dealerships), which are primarily for manufacturing, assembly, distribution, warehousing, engineering and testing. We, our subsidiaries or associated companies in which we own an equity interest own most of these properties and/or lease a portion of these properties. Leased properties are primarily composed of warehouses and administration, engineering and sales offices.

We have manufacturing, assembly, distribution, office or warehousing operations in 32 countries, including equity interests in associated companies, which perform manufacturing, assembly or distribution operations. The major facilities outside the U.S., which are principally vehicle manufacturing and assembly operations, are located in Argentina, Brazil, Canada, China, Colombia, Ecuador, Mexico, and South Korea.

GM Financial owns or leases facilities for administration and regional credit centers. GM Financial has 43 facilities, of which 28 are located in the U.S. The major facilities outside the U.S. are located in Brazil, Canada and Mexico.

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Item 3. Legal Proceedings

The discussion under "Litigation-Related Liability and Tax Administrative Matters" in Note 16 to our consolidated financial statements is incorporated by reference into this Part II - Item 3.

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Item 4. Mine Safety Disclosures

Not applicable

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GENERAL MOTORS COMPANY AND SUBSIDIARIES

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information Shares of our common stock are publicly traded on the New York Stock Exchange under the symbol "GM".

Holders At January 24, 2020 we had 1.4 billion issued and outstanding shares of common stock held by 488 holders of record.

Purchases of Equity Securities The following table summarizes our purchases of common stock in the three months ended December 31, 2019:

	Total Number of Shares Purchased(a)	Weighted Average Price Paid per Share	Total Number of Shares Purchased Under Announced Programs(b)	Approximate Dollar Value of Shares That May Yet be Purchased Under Announced Programs
October 1, 2019 through October 31, 2019	23,723	\$ 36.08	—	\$3.4 billion
November 1, 2019 through November 30, 2019	3,480	\$ 37.16	—	\$3.4 billion
December 1, 2019 through December 31, 2019	29,090	\$ 36.28	—	\$3.4 billion
Total	<u>56,293</u>	<u>\$ 36.25</u>	<u>—</u>	

(a) Shares purchased consist of shares delivered by employees or directors to us for the payment of taxes resulting from issuance of common stock upon the vesting of Restricted Stock Units (RSUs), Performance Stock Units (PSUs) and Restricted Stock Awards (RSAs) relating to compensation plans. In June 2017 our shareholders approved the 2017 Long Term Incentive Plan, which authorizes awards of stock options, stock appreciation rights, RSAs, RSUs, PSUs or other stock-based awards to selected employees, consultants, advisors, and non-employee Directors of the Company. Refer to Note 23 to our consolidated financial statements for additional details on employee stock incentive plans.

(b) In January 2017 we announced that our Board of Directors had authorized the purchase of up to an additional \$5.0 billion of our common stock with no expiration date.

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GENERAL MOTORS COMPANY AND SUBSIDIARIES

Item 6. Selected Financial Data

	At and for the Years Ended December 31,				
	2019	2018	2017	2016	2015
Income Statement Data:					
Total net sales and revenue	\$ 137,237	\$ 147,049	\$ 145,588	\$ 149,184	\$ 135,725
Income from continuing operations(a)	\$ 6,667	\$ 8,075	\$ 330	\$ 9,269	\$ 9,590
Basic earnings per common share – continuing operations(a)	\$ 4.62	\$ 5.66	\$ 0.23	\$ 6.12	\$ 6.09
Diluted earnings per common share – continuing operations(a)	\$ 4.57	\$ 5.58	\$ 0.22	\$ 6.00	\$ 5.89
Dividends declared per common share	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.38
Balance Sheet Data:					
Total assets(b)	\$ 228,037	\$ 227,339	\$ 212,482	\$ 221,690	\$ 194,338
Automotive notes and loans payable	\$ 14,386	\$ 13,963	\$ 13,502	\$ 10,560	\$ 8,535
GM Financial notes and loans payable	\$ 88,938	\$ 90,988	\$ 80,717	\$ 64,563	\$ 45,479
Total equity	\$ 45,957	\$ 42,777	\$ 36,200	\$ 44,075	\$ 40,323

- (a) We estimate that the lost vehicle production volumes and parts sales due to the UAW strike had an unfavorable pre-tax impact of approximately \$3.6 billion on our Income from continuing operations in the year ended December 31, 2019. In the year ended December 31, 2019 we recorded: (1) pre-tax charges of \$1.8 billion related to transformation activities including accelerated depreciation, supplier-related charges and other charges; and (2) a pre-tax benefit of \$1.4 billion related to the retrospective recoveries of indirect taxes in Brazil. In the year ended December 31, 2018 we recorded: (1) pre-tax charges of \$1.3 billion related to transformation activities including employee separation, accelerated depreciation and other charges; (2) pre-tax charges of \$1.1 billion related to the closure of a facility and other restructuring actions in Korea; (3) pre-tax charges of \$0.4 billion for ignition switch related legal matters; and (4) a non-recurring tax benefit of \$1.0 billion related to foreign earnings. In the year ended December 31, 2017 we recorded: (1) tax expense of \$7.3 billion related to U.S. tax reform legislation; (2) \$2.3 billion related to the establishment of a valuation allowance against deferred tax assets that will no longer be realizable as a result of the sale of the Opel/Vauxhall Business; and (3) pre-tax charges of \$0.5 billion related to restructuring actions in India and South Africa. In the year ended December 31, 2015 we recorded: (1) the reversal of deferred tax asset valuation allowances of \$3.9 billion in Europe; and (2) pre-tax charges related to the Ignition Switch Recall Compensation Program and for various legal matters of approximately \$1.6 billion.
- (b) Total assets included assets held for sale of \$20.6 billion and \$20.0 billion at December 31, 2016 and 2015.

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Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

This MD&A should be read in conjunction with the accompanying audited consolidated financial statements and notes. Forward-looking statements in this MD&A are not guarantees of future performance and may involve risks and uncertainties that could cause actual results to differ materially from those projected. Refer to the "Forward-Looking Statements" section of this MD&A and Item 1A. Risk Factors for a discussion of these risks and uncertainties. The discussion of our financial condition and results of operations for the year ended December 31, 2017 included in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our [Annual Report on Form 10-K for the year ended December 31, 2018](#) is incorporated by reference into this MD&A.

Non-GAAP Measures Unless otherwise indicated, our non-GAAP measures discussed in this MD&A are related to our continuing operations and not our discontinued operations. Our non-GAAP measures include: earnings before interest and taxes (EBIT)-adjusted, presented net of noncontrolling interests; earnings before income taxes (EBT)-adjusted for our GM Financial segment; earnings per share (EPS)-diluted-adjusted; effective tax rate-adjusted (ETR-adjusted); return on invested capital-adjusted (ROIC-adjusted) and adjusted automotive free cash flow. Our calculation of these non-GAAP measures may not be comparable to similarly titled measures of other companies due to potential differences between companies in the method of calculation. As a result, the use of these non-GAAP measures has limitations and should not be considered superior to, in isolation from, or as a substitute for, related U.S. GAAP measures.

These non-GAAP measures allow management and investors to view operating trends, perform analytical comparisons and benchmark performance between periods and among geographic regions to understand operating performance without regard to items we do not consider a component of our core operating performance. Furthermore, these non-GAAP measures allow investors the opportunity to measure and monitor our performance against our externally communicated targets and evaluate the investment

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decisions being made by management to improve ROIC-adjusted. Management uses these measures in its financial, investment and operational decision-making processes, for internal reporting and as part of its forecasting and budgeting processes. Further, our Board of Directors uses certain of these and other measures as key metrics to determine management performance under our performance-based compensation plans. For these reasons we believe these non-GAAP measures are useful for our investors.

EBIT-adjusted EBIT-adjusted is presented net of noncontrolling interests and is used by management and can be used by investors to review our consolidated operating results because it excludes automotive interest income, automotive interest expense and income taxes as well as certain additional adjustments that are not considered part of our core operations. Examples of adjustments to EBIT include but are not limited to impairment charges on long-lived assets and other exit costs resulting from strategic shifts in our operations or discrete market and business conditions; costs arising from the ignition switch recall and related legal matters; and certain currency devaluations associated with hyperinflationary economies. For EBIT-adjusted and our other non-GAAP measures, once we have made an adjustment in the current period for an item, we will also adjust the related non-GAAP measure in any future periods in which there is an impact from the item. Our corresponding measure for our GM Financial segment is EBT-adjusted.

EPS-diluted-adjusted EPS-diluted-adjusted is used by management and can be used by investors to review our consolidated diluted EPS results on a consistent basis. EPS-diluted-adjusted is calculated as net income attributable to common stockholders-diluted less income (loss) from discontinued operations on an after-tax basis, adjustments noted above for EBIT-adjusted and certain income tax adjustments divided by weighted-average common shares outstanding-diluted. Examples of income tax adjustments include the establishment or reversal of significant deferred tax asset valuation allowances.

ETR-adjusted ETR-adjusted is used by management and can be used by investors to review the consolidated effective tax rate for our core operations on a consistent basis. ETR-adjusted is calculated as Income tax expense less the income tax related to the adjustments noted above for EBIT-adjusted and the income tax adjustments noted above for EPS-diluted-adjusted divided by Income before income taxes less adjustments. When we provide an expected adjusted effective tax rate, we do not provide an expected effective tax rate because the U.S. GAAP measure may include significant adjustments that are difficult to predict.

ROIC-adjusted ROIC-adjusted is used by management and can be used by investors to review our investment and capital allocation decisions. We define ROIC-adjusted as EBIT-adjusted for the trailing four quarters divided by ROIC-adjusted average net assets, which is considered to be the average equity balances adjusted for average automotive debt and interest liabilities, exclusive of finance leases; average automotive net pension and other postretirement benefits (OPEB) liabilities; and average automotive net income tax assets during the same period. Adjustments to the average equity balances exclude assets and liabilities classified as either assets held for sale or liabilities held for sale.

Adjusted automotive free cash flow Adjusted automotive free cash flow is used by management and can be used by investors to review the liquidity of our automotive operations and to measure and monitor our performance against our capital allocation program and evaluate our automotive liquidity against the substantial cash requirements of our automotive operations. We measure adjusted automotive free cash flow as automotive operating cash flow from continuing operations less capital expenditures adjusted for management actions. Management actions can include voluntary events such as discretionary contributions to employee benefit plans or nonrecurring specific events such as a closure of a facility that are considered special for EBIT-adjusted purposes. Refer to the "Liquidity and Capital Resources" section of this MD&A for additional information.

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The following table reconciles Net income (loss) attributable to stockholders under U.S. GAAP to EBIT-adjusted:

	Years Ended December 31,		
	2019	2018	2017
Net income (loss) attributable to stockholders	\$ 6,732	\$ 8,014	\$ (3,864)
Loss from discontinued operations, net of tax	—	70	4,212
Income tax expense	769	474	11,533
Automotive interest expense	782	655	575
Automotive interest income	(429)	(335)	(266)
Adjustments			
Transformation activities(a)	1,735	1,327	—
GM Brazil indirect tax recoveries(b)	(1,360)	—	—
FAW-GM divestiture(c)	164	—	—
GMI restructuring(d)	—	1,138	540
Ignition switch recall and related legal matters(e)	—	440	114
Total adjustments	539	2,905	654
EBIT-adjusted	\$ 8,393	\$ 11,783	\$ 12,844

- (a) These adjustments were excluded because of a strategic decision to accelerate our transformation for the future to strengthen our core business, capitalize on the future of personal mobility, and drive significant cost efficiencies. The adjustments primarily consist of accelerated depreciation, supplier-related charges, pension and other curtailment charges and employee-related separation charges in the year ended December 31, 2019 and primarily employee separation charges and accelerated depreciation in the year ended December 31, 2018.
- (b) This adjustment was excluded because of the unique events associated with decisions rendered by the Superior Judicial Court of Brazil resulting in retrospective recoveries of indirect taxes.
- (c) This adjustment was excluded because we divested our joint venture FAW-GM Light Duty Commercial Vehicle Co., Ltd. (FAW-GM), as a result of a strategic decision by both shareholders, allowing us to focus our resources on opportunities expected to deliver higher returns.
- (d) These adjustments were excluded because of a strategic decision to rationalize our core operations by exiting or significantly reducing our presence in various international markets to focus resources on opportunities expected to deliver higher returns. The adjustments primarily consist of employee separation charges, asset impairments and supplier claims in the year ended December 31, 2018, all in Korea. The adjustment in the year ended December 31, 2017 primarily consists of asset impairments and other restructuring actions in India, South Africa and Venezuela.
- (e) These adjustments were excluded because of the unique events associated with the ignition switch recall, which included various investigations, inquiries and complaints from constituents.

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The following table reconciles diluted earnings (loss) per common share under U.S. GAAP to EPS-diluted-adjusted:

	Years Ended December 31,					
	2019		2018		2017	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
Diluted earnings (loss) per common share	\$ 6,581	\$ 4.57	\$ 7,916	\$ 5.53	\$ (3,880)	\$ (2.60)
Diluted loss per common share – discontinued operations	—	—	70	0.05	4,212	2.82
Adjustments(a)	539	0.38	2,905	2.03	654	0.44
Tax effect on adjustments(b)	(188)	(0.13)	(416)	(0.29)	(208)	(0.14)
Tax adjustments(c)	—	—	(1,111)	(0.78)	9,099	6.10
EPS-diluted-adjusted	\$ 6,932	\$ 4.82	\$ 9,364	\$ 6.54	\$ 9,877	\$ 6.62

- (a) Refer to the reconciliation of Net income (loss) attributable to stockholders under U.S. GAAP to EBIT-adjusted within this section of the MD&A for adjustment details.
- (b) The tax effect of each adjustment is determined based on the tax laws and valuation allowance status of the jurisdiction to which the adjustment relates.
- (c) In the year ended December 31, 2018, the adjustment consists of: (1) a non-recurring tax benefit related to foreign earnings; and (2) tax effects related to U.S. tax reform legislation. In the year ended December 31, 2017, the adjustment consisted of the tax expense of \$7.3 billion related to U.S. tax reform legislation and the establishment of a valuation allowance against deferred tax assets of \$2.3 billion that are no longer realizable as a result of the sale of the Opel/Vauxhall Business, partially offset by tax benefits related to tax settlements. These adjustments were excluded because impacts of tax legislation and valuation allowances are not considered part of our core operations.

The following table reconciles our effective tax rate under U.S. GAAP to ETR-adjusted:

	Years Ended December 31,								
	2019			2018			2017		
	Income before income taxes	Income tax expense	Effective tax rate	Income before income taxes	Income tax expense	Effective tax rate	Income before income taxes	Income tax expense	Effective tax rate
Effective tax rate	\$ 7,436	\$ 769	10.3%	\$ 8,549	\$ 474	5.5%	\$ 11,863	\$ 11,533	97.2%
Adjustments(a)	545	188		2,946	416		654	208	
Tax adjustments(b)		—			1,111			(9,099)	
ETR-adjusted	\$ 7,981	\$ 957	12.0%	\$ 11,495	\$ 2,001	17.4%	\$ 12,517	\$ 2,642	21.1%

- (a) Refer to the reconciliation of Net income (loss) attributable to stockholders under U.S. GAAP to EBIT-adjusted within this section of the MD&A for adjustment details. Net income attributable to noncontrolling interests for these adjustments is included in the years ended December 31, 2019 and 2018. The tax effect of each adjustment is determined based on the tax laws and valuation allowance status of the jurisdiction to which the adjustment relates.
- (b) Refer to the reconciliation of diluted earnings (loss) per common share under U.S. GAAP to EPS-diluted-adjusted within this section of the MD&A for adjustment details.

We define return on equity (ROE) as Net income (loss) attributable to stockholders for the trailing four quarters divided by average equity for the same period. Management uses average equity to provide comparable amounts in the calculation of ROE. The following table summarizes the calculation of ROE (dollars in billions):

	Years Ended December 31,		
	2019	2018	2017
Net income (loss) attributable to stockholders	\$ 6.7	\$ 8.0	\$ (3.9)
Average equity(a)	\$ 43.7	\$ 37.4	\$ 42.2
ROE	15.4%	21.4%	(9.2)%

- (a) Includes equity of noncontrolling interests where the corresponding earnings (loss) are included in Net income (loss) attributable to stockholders.

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The following table summarizes the calculation of ROIC-adjusted (dollars in billions):

	Years Ended December 31,		
	2019	2018	2017
EBIT-adjusted(a)	\$ 8.4	\$ 11.8	\$ 12.8
Average equity(b)	\$ 43.7	\$ 37.4	\$ 42.2
Add: Average automotive debt and interest liabilities (excluding finance leases)	14.9	14.4	11.6
Add: Average automotive net pension & OPEB liability	16.7	18.3	21.0
Less: Average automotive net income tax asset	(23.5)	(22.7)	(29.3)
ROIC-adjusted average net assets	\$ 51.8	\$ 47.4	\$ 45.5
ROIC-adjusted	16.2%	24.9%	28.2%

(a) Refer to the reconciliation of Net income (loss) attributable to stockholders under U.S. GAAP to EBIT-adjusted within this section of the MD&A.

(b) Includes equity of noncontrolling interests where the corresponding earnings (loss) are included in EBIT-adjusted.

Overview Our management team has adopted a strategic plan to transform GM into the world's most valued automotive company. Our plan includes several major initiatives that we anticipate will redefine the future of personal mobility and advance our vision of zero crashes, zero emissions, zero congestion while also strengthening the core of our business: earning customers for life by delivering winning vehicles, leading the industry in quality and safety and improving the customer ownership experience; leading in technology and innovation, including electrification, autonomous vehicles and data connectivity; growing our brands; making tough, strategic decisions about the markets and products in which we will invest and compete; building profitable adjacent businesses; and targeting 10% core margins on an EBIT-adjusted basis.

Our collective bargaining agreement with the UAW, which was ratified in November 2015, expired on September 14, 2019. The UAW went on strike on September 16, 2019, causing subsequent stoppages to most vehicle production and parts distribution across our North America facilities. On October 25, 2019, the UAW ratified a new collectively bargained labor agreement (Labor Agreement). The Labor Agreement, which has a term of four years, covers the wages, hours, benefits and other terms and conditions of employment for our UAW-represented employees. The key terms and provisions of the Labor Agreement are:

- Lump sum ratification bonus payments to eligible employees of \$11,000 and eligible temporary employees of \$4,500 in November 2019 totaling \$0.5 billion;
- Lump sum payments, equivalent to 4% of qualified earnings, to eligible employees in November 2019 and October 2021, totaling approximately \$0.2 billion;
- Lump sum payments of \$1,000 to be made annually to eligible employees in June 2020 through June 2023, totaling approximately \$0.2 billion;
- Gross wage increases of 3% in 2020 and 2022 for eligible employees, totaling approximately \$0.4 billion during the four-year agreement;
- Detroit Hamtramck Assembly facility will remain open and receive a new product allocation. Lordstown Assembly, Baltimore Transmission and Warren Transmission facilities will close;
- Cash severance incentive programs to qualified employees based on employee interest, eligibility and management approval; and
- Additional manufacturing investments of approximately \$7.7 billion to create or retain more than 9,000 UAW jobs during the period of the Labor Agreement.

Lump sum payments are amortized over the term of the Labor Agreement. Restructuring charges for cash severance incentive programs were recorded in the three months ended December 31, 2019 upon receipt of both employee acceptance and management approval. We expect to offset the Labor Agreement's economics with productivity over the four-year contract period.

We estimate that the lost vehicle production volumes and parts sales due to the UAW strike had an unfavorable impact of approximately \$3.6 billion on our GMNA EBIT-adjusted in the year ended December 31, 2019. In addition, we estimate an unfavorable pre-tax impact to Net cash provided by operating activities in our consolidated statement of cash flows of approximately \$5.4 billion in the year ended December 31, 2019.

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For the year ending December 31, 2020 we expect EPS-diluted and EPS-diluted-adjusted of between \$5.75 and \$6.25. We do not consider the potential future impact of adjustments on our expected financial results.

We face continuing market, operating and regulatory challenges in a number of countries across the globe due to, among other factors, weak economic conditions, competitive pressures, our product portfolio offerings, heightened emissions standards, labor disruptions, foreign exchange volatility, rising material prices, evolving trade policy and political uncertainty. As a result of these conditions, we continue to strategically assess our performance and ability to achieve acceptable returns on our invested capital, as well as our cost structure in order to maintain a low breakeven point. Refer to Item 1A. Risk Factors for a discussion on these challenges.

In November 2018, we announced plans to accelerate steps to improve our overall business performance, including the reorganization of global product development staffs, the realignment of manufacturing capacity in response to market-related volume declines in passenger cars and a reduction of our salaried workforce. We expect these transformation activities to drive between \$5.5 billion and \$6.0 billion of annual cash savings by the end of 2020, consisting of \$4.0 billion to \$4.5 billion in cost savings resulting from reductions primarily in Automotive and other cost of sales in our consolidated financial statements, with the remainder in reduced capital expenditures. We have achieved \$3.3 billion in cost savings since inception through staffing, manufacturing and product initiatives. We are on track to reduce capital expenditures from approximately \$8.5 billion to approximately \$7.0 billion and expect to meet our revised cost savings target by the end of 2020. As we continue to assess our performance and the needs of our evolving business, additional restructuring and rationalization actions could be required. These additional actions could give rise to future asset impairments or other charges, which may have a material impact on our results of operations. We have recorded charges of \$1.8 billion in 2019 and \$3.1 billion cumulatively related to our 2018 transformation plans, which were complete at December 31, 2019. These charges are primarily considered special for EBIT-adjusted, EPS diluted-adjusted and adjusted automotive free cash flow purposes.

GMNA Industry sales in North America were 21.2 million units in the year ended December 31, 2019, representing a decrease of 1.8% compared to the corresponding period in 2018. U.S. industry sales were 17.5 million units in the year ended December 31, 2019, representing a decrease of 1.1% compared to the corresponding period in 2018.

Our total vehicle sales in the U.S., our largest market in North America, totaled 2.9 million units for a market share of 16.5% in the year ended December 31, 2019, representing a decrease of 0.2 percentage points compared to the corresponding period in 2018, primarily related to the UAW strike. We continue to lead the U.S. industry in market share.

We estimate GMNA's breakeven point at the U.S. industry level to be in the range of 10.0 to 11.0 million units. We expect to sustain a strong EBIT-adjusted margin in 2020 on the relative strength of U.S. industry light vehicle sales and our recent and upcoming product launches, including our new full-size SUVs.

GMI Industry sales in China were 25.4 million units in the year ended December 31, 2019, representing a decrease of 4.2% compared to the corresponding period in 2018. Our total vehicle sales in China were 3.1 million units for a market share of 12.2% in the year ended December 31, 2019, representing a decrease of 1.6 percentage points compared to the corresponding period in 2018. Cadillac achieved 3.9% growth in vehicle sales in the year ended December 31, 2019 compared to the corresponding period in 2018. Buick, Chevrolet, Baojun and Wuling sales were softer amid a continued weak automotive industry since the second half of 2018. Additionally, Baojun and Wuling sales were impacted by unfavorable market shifts in vehicle segments. Our Automotive China JVs generated equity income of \$1.1 billion in the year ended December 31, 2019. In 2020 we expect to see continued weakness in the industry with a continuation of pricing pressures, a more challenging regulatory environment related to emissions, fuel consumption and new energy vehicles, and continued weakness in the Chinese Yuan against the U.S. Dollar, which will continue to put pressure on our operations in China. We will continue to build upon our strong brands, network, and partnerships in China as well as continue to drive improvements in vehicle mix and cost.

Outside of China, industry sales were 25.8 million units in the year ended December 31, 2019, representing a decrease of 3.5% compared to the corresponding period in 2018, primarily due to decreased sales in India and Argentina. Our total vehicle sales were 1.3 million units for a market share of 4.9% in the year ended December 31, 2019, representing an increase of 0.2 percentage points compared to the corresponding period in 2018.

Cruise We are actively testing our autonomous vehicles in the U.S. Gated by safety and regulation, we continue to make significant progress towards commercialization of a network of on-demand autonomous vehicles in the U.S.

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In 2019 Cruise Holdings entered into a purchase agreement with existing shareholders and new third-party investors, pursuant to which Cruise Holdings received \$1.2 billion in exchange for issuing Cruise Class F Preferred Shares, including \$0.7 billion from General Motors Holdings LLC. All proceeds are designated exclusively for working capital and general corporate purposes of Cruise. Refer to Note 20 to our consolidated financial statements for further details.

Corporate The ignition switch recall has led to various inquiries, investigations, subpoenas, requests for information and complaints from agencies or other representatives of U.S., federal, state and Canadian governments. In addition these and other recalls have resulted in a number of claims and lawsuits. Such lawsuits and investigations could result in the imposition of material damages, fines, civil consent orders, civil and criminal penalties or other remedies. Refer to Note 16 to our consolidated financial statements for additional information.

Contingently Issuable Shares Under the Amended and Restated Master Sale and Purchase Agreement between GM and MLC, GM may be obligated to issue Adjustment Shares of our common stock if allowed general unsecured claims against the GUC Trust, as estimated by the Bankruptcy Court, exceed \$35.0 billion. Refer to Note 16 to our consolidated financial statements for a description of the contingently issuable Adjustment Shares.

Automotive Financing - GM Financial Summary and Outlook We believe that offering a comprehensive suite of financing products will generate incremental sales of our vehicles, drive incremental GM Financial earnings and help support our sales throughout various economic cycles. GM Financial's leasing program is exposed to residual values, which are heavily dependent on used vehicle prices. Used vehicle prices decreased 3% in 2019 compared to 2018. We expect a decrease of 3% to 4% in 2020 compared to 2019, primarily due to the elevated supply of used vehicles in the industry. The following table summarizes the residual value as well as the number of units included in GM Financial equipment on operating leases, net by vehicle type (units in thousands):

	December 31, 2019			December 31, 2018		
	Residual Value	Units	Percentage	Residual Value	Units	Percentage
Crossovers	\$ 15,950	972	60.5%	\$ 15,057	917	53.8%
Trucks	7,256	288	18.0%	7,299	296	17.4%
SUVs	3,917	108	6.7%	4,160	111	6.5%
Cars	3,276	238	14.8%	4,884	379	22.3%
Total	\$ 30,399	1,606	100.0%	\$ 31,400	1,703	100.0%

GM Financial's penetration of our retail sales in the U.S. decreased to 43% in the year ended December 31, 2019 from 49% in 2018. Penetration levels vary depending on incentive financing programs available and competing third-party financing products in the market. GM Financial's prime loan originations as a percentage of total loan originations in North America decreased to 68% in 2019 from 72% in 2018. In the year ended December 31, 2019, GM Financial's revenue consisted of leased vehicle income of 69%, retail finance charge income of 23%, and commercial finance charge income of 5%.

Consolidated Results We review changes in our results of operations under five categories: volume, mix, price, cost and other. Volume measures the impact of changes in wholesale vehicle volumes driven by industry volume, market share and changes in dealer stock levels. Mix measures the impact of changes to the regional portfolio due to product, model, trim, country and option penetration in current year wholesale vehicle volumes. Price measures the impact of changes related to Manufacturer's Suggested Retail Price and various sales allowances. Cost primarily includes: (1) material and freight; (2) manufacturing, engineering, advertising, administrative and selling and warranty expense; and (3) non-vehicle related activity. Other primarily includes foreign exchange and non-vehicle related automotive revenues as well as equity income or loss from our nonconsolidated affiliates. Refer to the regional sections of this MD&A for additional information.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
Total Net Sales and Revenue

	Years Ended December 31,		Favorable/ (Unfavorable)	%	Variance Due To			
	2019	2018			Volume	Mix	Price	Other
	(Dollars in billions)							
GMNA	\$ 106,366	\$ 113,792	\$ (7,426)	(6.5)%	\$ (10.0)	\$ 1.7	\$ 1.3	\$ (0.5)
GMI	16,111	19,148	(3,037)	(15.9)%	\$ (2.2)	\$ (0.3)	\$ 0.5	\$ (1.1)
Corporate	220	203	17	8.4 %				\$ —
Automotive	122,697	133,143	(10,446)	(7.8)%	\$ (12.2)	\$ 1.5	\$ 1.9	\$ (1.6)
Cruise	100	—	100	n.m.				\$ 0.1
GM Financial	14,554	14,016	538	3.8 %				\$ 0.5
Eliminations/Reclassifications	(114)	(110)	(4)	(3.6)%		\$ 0.1		\$ (0.1)
Total net sales and revenue	\$ 137,237	\$ 147,049	\$ (9,812)	(6.7)%	\$ (12.2)	\$ 1.5	\$ 1.9	\$ (1.0)

n.m. = not meaningful

Automotive and Other Cost of Sales

	Years Ended December 31,		Favorable/ (Unfavorable)	%	Variance Due To			
	2019	2018			Volume	Mix	Cost	Other
	(Dollars in billions)							
GMNA	\$ 94,582	\$ 99,445	\$ 4,863	4.9 %	\$ 7.2	\$ (1.7)	\$ (1.0)	\$ 0.3
GMI	14,967	20,418	5,451	26.7 %	\$ 1.9	\$ —	\$ 2.9	\$ 0.6
Corporate	81	178	97	54.5 %		\$ —	\$ —	\$ 0.1
Cruise	1,026	715	(311)	(43.5)%			\$ (0.3)	
Eliminations	(5)	(100)	(95)	(95.0)%		\$ —	\$ —	
Total automotive and other cost of sales	\$ 110,651	\$ 120,656	\$ 10,005	8.3 %	\$ 9.1	\$ (1.8)	\$ 1.6	\$ 1.1

The most significant element of our Automotive and other cost of sales is material cost, which makes up approximately two-thirds of the total amount. The remaining portion includes labor costs, depreciation and amortization, engineering, freight and product warranty and recall campaigns.

Factors that most significantly influence a region's profitability are industry volume, market share, and the relative mix of vehicles (trucks, crossovers, cars) sold. Variable profit is a key indicator of product profitability. Variable profit is defined as revenue less material cost, freight, the variable component of manufacturing expense and warranty and recall-related costs. Vehicles with higher selling prices generally have higher variable profit. Refer to the regional sections of this MD&A for additional information on volume and mix.

In the year ended December 31, 2019, favorable Cost was primarily due to: (1) decreased engineering, manufacturing and other costs of \$1.5 billion, primarily related to cost savings associated with transformation activities; (2) a benefit of \$1.4 billion related to the retrospective recoveries of indirect taxes in Brazil; (3) charges of \$1.1 billion primarily in employee separation charges and asset impairments in Korea in 2018; and (4) favorable material performance of \$0.8 billion related to carryover vehicles; partially offset by (5) increased material cost of \$1.2 billion related to vehicles launched within the last twelve months incorporating significant exterior and/or interior changes (Majors); (6) increase in large campaigns and other warranty-related costs of \$1.0 billion; (7) increased raw material and freight costs related to carryover vehicles of \$0.5 billion; and (8) a net increase in charges of \$0.4 billion primarily in accelerated depreciation and supplier-related charges resulting from transformation activities. In the year ended December 31, 2019 favorable Other was due to the foreign currency effect resulting from the weakening of the Brazilian Real, Korean Won, Argentine Peso and other currencies against the U.S. Dollar.

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Automotive and Other Selling, General and Administrative Expense

	Years Ended December 31,			Year Ended 2019 vs. 2018 Change	
	2019	2018	2017	Favorable/ (Unfavorable)	%
Automotive and other selling, general and administrative expense	\$ 8,491	\$ 9,650	\$ 9,570	\$ 1,159	12.0%

In the year ended December 31, 2019, Automotive and other selling, general and administrative expense decreased primarily due to charges of \$0.4 billion for ignition switch related legal matters in 2018 and decreased other costs of \$0.5 billion primarily related to cost savings associated with transformation activities.

Interest Income and Other Non-operating Income, net

	Years Ended December 31,			Year Ended 2019 vs. 2018 Change	
	2019	2018	2017	Favorable/ (Unfavorable)	%
Interest income and other non-operating income, net	\$ 1,469	\$ 2,596	\$ 1,645	\$ (1,127)	(43.4)%

In the year ended December 31, 2019, Interest income and other non-operating income, net decreased primarily due to decreased non-service pension income of \$0.9 billion, losses related to our investment in Lyft, Inc. (Lyft) of \$0.2 billion and losses related to the FAW-GM divestiture of \$0.2 billion.

The following table summarizes gains (losses) related to our investment in Lyft and PSA warrants:

	Years Ended December 31,			Year Ended 2019 vs. 2018 Change	
	2019	2018	2017	Favorable/ (Unfavorable)	%
Gains (losses) related to Lyft	\$ (74)	\$ 142	\$ —	\$ (216)	n.m.
Gains (losses) related to PSA warrants	154	116	(56)	38	32.8 %
Total gains (losses) on investments	\$ 80	\$ 258	\$ (56)	\$ (178)	(69.0)%

n.m. = not meaningful

Income Tax Expense

	Years Ended December 31,			Year Ended 2019 vs. 2018 Change	
	2019	2018	2017	Favorable/ (Unfavorable)	%
Income tax expense	\$ 769	\$ 474	\$ 11,533	\$ (295)	(62.2)%

In the year ended December 31, 2019, Income tax expense increased primarily due to the absence of certain tax benefits related to foreign dividends which occurred in 2018, partially offset by a decrease in 2019 pre-tax income, U.S. tax benefits from foreign activity and tax benefits related to the release of valuation allowances.

In the year ended December 31, 2018, Income tax expense decreased primarily due to the absence of certain expense items which occurred in 2017, including \$7.3 billion of tax expense related to U.S. tax reform and \$2.3 billion of tax expense related to the recording of a valuation allowance on the sale of the Opel/Vauxhall Business, combined with the impact of a lower U.S. statutory tax rate and pre-tax income in 2018.

For the year ended December 31, 2019 our ETR-adjusted was 12.0%. We expect our adjusted effective tax rate to be approximately 20% for the year ending December 31, 2020, primarily due to certain 2019 tax items that will not reoccur.

Refer to Note 17 to our consolidated financial statements for additional information related to Income tax expense.

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GM North America

	Years Ended December 31,		Favorable/ (Unfavorable)	%	Variance Due To				
	2019	2018			Volume	Mix	Price	Cost	Other
	(Dollars in billions)								
Total net sales and revenue	\$ 106,366	\$ 113,792	\$ (7,426)	(6.5)%	\$ (10.0)	\$ 1.7	\$ 1.3		\$ (0.5)
EBIT-adjusted	\$ 8,204	\$ 10,769	\$ (2,565)	(23.8)%	\$ (2.8)	\$ —	\$ 1.3	\$ (1.2)	\$ —
EBIT-adjusted margin	7.7%	9.5%	(1.8)%						
	(Vehicles in thousands)								
Wholesale vehicle sales	3,214	3,555	(341)	(9.6)%					

GMNA Total Net Sales and Revenue In the year ended December 31, 2019, Total net sales and revenue decreased primarily due to: (1) decreased net wholesale volumes due to lost production resulting from the UAW strike, a decrease in sales of passenger cars, full-size SUVs and fleet vehicles, partially offset by an increase in sales of crossover vehicles and higher planned downtime in 2018 in preparation for the launch of full-size pickup trucks; and (2) unfavorable Other primarily due to the foreign currency effect resulting from the weakening of the Canadian Dollar against the U.S. Dollar; partially offset by (3) favorable mix associated with a decrease in sales of passenger cars partially offset by a decrease in sales of full-size SUVs; and (4) favorable pricing for Majors of \$1.3 billion associated with the launch of our new full-size pickup trucks.

GMNA EBIT-Adjusted The most significant factors that influence profitability are industry volume and market share. While not as significant as industry volume and market share, another factor affecting profitability is the relative mix of vehicles sold. Trucks, crossovers and cars sold currently have a variable profit of approximately 170%, 60% and 30% of our GMNA portfolio on a weighted-average basis.

In the year ended December 31, 2019, EBIT-adjusted decreased primarily due to: (1) decreased net wholesale volumes; and (2) unfavorable Cost due to increased vehicle content for Majors of \$1.1 billion, an increase in large campaigns and other warranty-related cost of \$1.1 billion, decreased non-service pension income of \$0.7 billion, increased raw material and freight costs of \$0.4 billion related to carryover vehicles, increased depreciation and amortization expense of \$0.3 billion; partially offset by engineering, manufacturing and administrative cost savings of \$1.8 billion primarily related to transformation activities and favorable materials performance of \$0.7 billion related to carryover vehicles; partially offset by (3) favorable pricing.

GM International

	Years Ended December 31,		Favorable/ (Unfavorable)	%	Variance Due To				
	2019	2018			Volume	Mix	Price	Cost	Other
	(Dollars in billions)								
Total net sales and revenue	\$ 16,111	\$ 19,148	\$ (3,037)	(15.9)%	\$ (2.2)	\$ (0.3)	\$ 0.5		\$ (1.1)
EBIT (loss)-adjusted	\$ (202)	\$ 423	\$ (625)	n.m.	\$ (0.3)	\$ (0.3)	\$ 0.5	\$ 0.5	\$ (1.1)
EBIT (loss)-adjusted margin	(1.3)%	2.2%	(3.5)%						
Equity income — Automotive China	\$ 1,132	\$ 1,981	\$ (849)	(42.9)%					
EBIT (loss)-adjusted — excluding Equity income	\$ (1,334)	\$ (1,558)	\$ 224	14.4 %					
	(Vehicles in thousands)								
Wholesale vehicle sales	995	1,152	(157)	(13.6)%					

n.m. = not meaningful

The vehicle sales of our Automotive China JVs are not recorded in Total net sales and revenue. The results of our joint ventures are recorded in Equity income, which is included in EBIT-adjusted above.

GMI Total Net Sales and Revenue In the year ended December 31, 2019, Total net sales and revenue decreased primarily due to: (1) decreased wholesale volumes in Asia/Pacific and Argentina primarily driven by lower industry volumes, partially offset by increased volumes in Brazil primarily due to increased sales of the Chevrolet Onix; (2) unfavorable mix in Asia/Pacific and in Brazil, primarily due to increased sales of the Chevrolet Onix; and (3) unfavorable Other primarily due to the foreign currency

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effect resulting from the weakening of the Argentine Peso and Brazilian Real against the U.S. Dollar; partially offset by (4) favorable pricing related to carryover vehicles in Argentina and Brazil.

GMI EBIT (loss)-Adjusted In the year ended December 31, 2019, EBIT (loss)-adjusted increased primarily due to: (1) unfavorable mix in Asia/Pacific and the Middle East; (2) unfavorable volume; and (3) unfavorable Other primarily due to decreased equity income and the foreign currency effect resulting from the weakening of the Argentine Peso against the U.S. Dollar; partially offset by (4) favorable fixed cost in Australia, Korea and Argentina; and (5) favorable pricing.

We view the Chinese market as important to our global growth strategy and are employing a multi-brand strategy led by our Buick, Chevrolet and Cadillac brands. In the coming years we plan to leverage our global architectures to increase the number of product offerings under the Buick, Chevrolet and Cadillac brands in China and continue to grow our business under the local Baojun and Wuling brands, with Baojun focusing its expansion in less developed cities and markets. We operate in the Chinese market through a number of joint ventures and maintaining strong relationships with our joint venture partners is an important part of our China growth strategy.

The following table summarizes certain key operational and financial data for the Automotive China JVs (vehicles in thousands):

	Years Ended December 31,		
	2019	2018	2017
Wholesale vehicle sales including vehicles exported to markets outside of China	3,244	4,030	4,140
Total net sales and revenue	\$ 39,123	\$ 50,316	\$ 50,065
Net income	\$ 2,258	\$ 3,992	\$ 3,984
	December 31, 2019		December 31, 2018
Cash and cash equivalents	\$ 6,257		\$ 8,609
Debt	\$ 109		\$ 496

Cruise

	Years Ended December 31,			2019 vs. 2018 Change	
	2019	2018	2017	Favorable/ (Unfavorable)	%
Total net sales and revenue(a)	\$ 100	\$ —	\$ —	\$ 100	n.m.
EBIT (loss)-adjusted	\$ (1,004)	\$ (728)	\$ (613)	\$ (276)	(37.9)%

n.m. = not meaningful

(a) Reclassified to Interest income and other non-operating income, net in our consolidated income statement in the year ended December 31, 2019.

Cruise EBIT (Loss)-Adjusted In the year ended December 31, 2019, EBIT (loss)-adjusted increased primarily due to increased engineering costs as we progress towards the commercialization of autonomous vehicles.

GM Financial

	Years Ended December 31,			2019 vs. 2018 Change	
	2019	2018	2017	Amount	%
Total revenue	\$ 14,554	\$ 14,016	\$ 12,151	\$ 538	3.8%
Provision for loan losses	\$ 726	\$ 642	\$ 757	\$ 84	13.1%
EBT-adjusted	\$ 2,104	\$ 1,893	\$ 1,196	\$ 211	11.1%
Average debt outstanding (dollars in billions)	\$ 91.2	\$ 85.1	\$ 74.9	\$ 6.1	7.2%
Effective rate of interest paid	4.0%	3.8%	3.4%	0.2%	

GM Financial Revenue In the year ended December 31, 2019, Total revenue increased primarily due to increased finance charge income of \$0.4 billion due to growth in the retail and commercial finance receivables portfolios and increased leased vehicle income of \$0.1 billion.

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GM Financial EBT-Adjusted In the year ended December 31, 2019, EBT-adjusted increased primarily due to: (1) increased finance charge income of \$0.4 billion due to growth in the retail and commercial finance receivables portfolios; (2) increased leased vehicle income net of leased vehicle expenses of \$0.3 billion primarily due to gains on a higher volume of lease terminations; partially offset by (3) increased interest expense of \$0.4 billion due to an increase in average debt outstanding resulting from growth in earning assets and an increase in the effective rate of interest on debt.

Liquidity and Capital Resources We believe that our current level of cash and cash equivalents, marketable debt securities and availability under our revolving credit facilities will be sufficient to meet our liquidity needs. We expect to have substantial cash requirements going forward, which we plan to fund through total available liquidity and cash flows generated from operations and future debt issuances. We also maintain access to the capital markets and may issue debt or equity securities from time to time, which may provide an additional source of liquidity. Our future uses of cash, which may vary from time to time based on market conditions and other factors, are focused on the three objectives of our capital allocation program: (1) reinvest in our business at an average target ROIC-adjusted rate of 20% or greater; (2) maintain a strong investment-grade balance sheet, including a target average automotive cash balance of \$18 billion; and (3) return available cash to shareholders. Our senior management evaluates our capital allocation program on an ongoing basis and recommends any modifications to the program to our Board of Directors, not less than once annually.

Our known current and future material uses of cash include, among other possible demands: (1) capital expenditures of approximately \$7.0 billion in 2020 in addition to payments for engineering and product development activities; (2) payments associated with previously announced vehicle recalls, the settlements of the multi-district litigation and any other recall-related contingencies; (3) payments to service debt and other long-term obligations, including discretionary and mandatory contributions to our pension plans; (4) dividend payments on our common stock that are declared by our Board of Directors; and (5) payments to purchase shares of our common stock authorized by our Board of Directors.

Our liquidity plans are subject to a number of risks and uncertainties, including those described in the "Forward-Looking Statements" section of this MD&A and Item 1A. Risk Factors, some of which are outside of our control.

We continue to monitor and evaluate opportunities to strengthen our competitive position over the long term while maintaining a strong investment-grade balance sheet. These actions may include opportunistic payments to reduce our long-term obligations, as well as the possibility of acquisitions, dispositions, investments with joint venture partners and strategic alliances that we believe would generate significant advantages and substantially strengthen our business.

In January 2017 we announced that our Board of Directors had authorized the purchase of up to \$5.0 billion of our common stock with no expiration date, as part of our common stock repurchase program. We have completed \$1.6 billion of the \$5.0 billion program through December 31, 2019.

Cash flows occur amongst our Automotive, Cruise and GM Financial operations that are eliminated when we consolidate our cash flows. Such eliminations include, among other things, collections by Automotive on wholesale accounts receivables financed by dealers through GM Financial, payments between Automotive and GM Financial for accounts receivables transferred by Automotive to GM Financial, dividends issued by GM Financial to Automotive and Automotive cash injections in Cruise. The presentation of Automotive liquidity, Cruise liquidity and GM Financial liquidity presented below includes the impact of cash transactions amongst the sectors that are ultimately eliminated in consolidation.

Automotive Liquidity Total available liquidity includes cash, cash equivalents, marketable debt securities and funds available under credit facilities. The amount of available liquidity is subject to seasonal fluctuations and includes balances held by various business units and subsidiaries worldwide that are needed to fund their operations.

We manage our liquidity primarily at our treasury centers as well as at certain of our significant consolidated overseas subsidiaries. Approximately 90% of our cash and marketable debt securities were managed within North America and at our regional treasury centers at December 31, 2019. We have used and will continue to use other methods including intercompany loans to utilize these funds across our global operations as needed.

Our cash equivalents and marketable debt securities balances are primarily denominated in U.S. Dollars and include investments in U.S. government and agency obligations, foreign government securities, time deposits, corporate debt securities and mortgage and asset-backed securities. Our investment guidelines, which we may change from time to time, prescribe certain minimum credit worthiness thresholds and limit our exposures to any particular sector, asset class, issuance or security type. The majority of our current investments in debt securities are with A/A2 or better rated issuers.

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We use credit facilities as a mechanism to provide additional flexibility in managing our global liquidity. At December 31, 2018 the total size of our credit facilities was \$16.5 billion, which consisted principally of three primary revolving credit facilities. In January 2019, we entered into a fourth facility, increasing our aggregate borrowing capacity from \$16.5 billion to \$19.5 billion. These facilities consist of a three-year, \$4.0 billion facility, a five-year, \$10.5 billion facility, a 364-day, \$2.0 billion facility and a three-year, \$3.0 billion facility. The three-year, \$4.0 billion facility allows for borrowings in U.S. Dollars and other currencies and includes a letter of credit sub-facility of \$1.1 billion. The five-year, \$10.5 billion facility allows for borrowings in U.S. Dollars and other currencies. GM Financial has exclusive use of our 364-day, \$2.0 billion credit facility, which allows for borrowing in U.S. Dollars only and was renewed in April 2019 for an additional 364-day term. The new three-year unsecured revolving credit facility has an initial borrowing capacity of \$3.0 billion, reducing to \$2.0 billion in July 2020. The facility provides additional financial flexibility and was used in 2019 to fund transformation activities announced in November 2018 for \$0.7 billion, which we repaid in full in 2019. Total automotive borrowing capacity under the credit facility was \$17.5 billion and \$14.5 billion at December 31, 2019 and 2018. We did not have any borrowings against our other primary facilities at December 31, 2019 and 2018. We had letters of credit outstanding under our sub-facility of \$0.2 billion and \$0.3 billion at December 31, 2019 and 2018.

GM Financial had access to our revolving credit facilities, except for the \$3.0 billion facility executed in January 2019, but did not have borrowings outstanding against them at December 31, 2019. Refer to Note 13 to our consolidated financial statements for additional information on credit facilities. We had intercompany loans from GM Financial of \$0.5 billion and \$0.6 billion at December 31, 2019 and 2018, which primarily consisted of commercial loans to dealers we consolidate, and we had no intercompany loans to GM Financial. Refer to Note 5 of our consolidated financial statements for additional information.

GM Financial's Board of Directors declared and paid dividends of \$0.4 billion on its common stock in October 2019 and 2018. Future dividends from GM Financial will depend on a number of factors including business and economic conditions, its financial condition, earnings, liquidity requirements and leverage ratio.

The following table summarizes our available liquidity (dollars in billions):

	December 31, 2019	December 31, 2018
Automotive cash and cash equivalents	\$ 13.4	\$ 13.7
Marketable debt securities	3.9	6.0
Automotive cash, cash equivalents and marketable debt securities(a)(b)	17.3	19.6
Cruise cash and cash equivalents(c)	2.3	2.3
Cruise marketable debt securities(c)	0.3	—
Available liquidity	19.9	21.9
Available under credit facilities	17.3	14.2
Total available liquidity(a)(d)	<u>\$ 37.2</u>	<u>\$ 36.1</u>

(a) Amounts may not sum due to rounding.

(b) Includes \$0.2 billion and \$0.6 billion that is designated exclusively to fund capital expenditures in GM Korea Company (GM Korea) at December 31, 2019 and 2018. Refer to Note 20 to our consolidated financial statements for further details.

(c) Amounts are designated exclusively for the use of Cruise. Refer to Note 20 to our consolidated financial statements for further details.

(d) Excludes our remaining investment in Lyft, which had a fair value of \$0.5 billion at December 31, 2019.

In the year ended December 31, 2019, we estimate that lost production volumes and parts sales due to the UAW strike had an unfavorable pre-tax impact to Net cash provided by operating activities of approximately \$5.4 billion, which materially impacted our available liquidity at December 31, 2019.

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The following table summarizes the changes in our Automotive available liquidity (excluding Cruise, dollars in billions):

	Year Ended December 31, 2019
Operating cash flow	\$ 7.4
Capital expenditures	(7.5)
Dividends paid	(2.2)
GM investment in Cruise	(0.7)
Other non-operating(a)	0.7
Increase in available credit facilities	3.1
Total change in automotive available liquidity	\$ 0.8

(a) Amount includes \$0.3 billion of proceeds from the sale of a portion of our Lyft shares.

Automotive Cash Flow (Dollars in billions)

	Years Ended December 31,			2019 vs. 2018 Change
	2019	2018	2017	
Operating Activities				
Income (loss) from continuing operations	\$ 5.8	\$ 7.1	\$ (0.2)	\$ (1.3)
Depreciation, amortization and impairment charges	6.7	6.1	5.7	0.6
Pension and OPEB activities	(1.5)	(3.4)	(2.6)	1.9
Working capital	(2.2)	0.7	1.8	(2.9)
Accrued and other liabilities and income taxes	(1.5)	1.9	8.5	(3.4)
Other	0.1	(0.7)	1.2	0.8
Net automotive cash provided by operating activities	\$ 7.4	\$ 11.7	\$ 14.4	\$ (4.3)

In the year ended December 31, 2019, the decrease in Net automotive cash provided by operating activities was primarily due to the unfavorable pre-tax impact of lost production volumes and parts sales due to the UAW strike of approximately \$5.4 billion, partially offset by favorable pension contributions of \$1.1 billion primarily made to our U.K., Canada and Korea pension plans in 2018.

	Years Ended December 31,			2019 vs. 2018 Change
	2019	2018	2017	
Investing Activities				
Capital expenditures	\$ (7.5)	\$ (8.7)	\$ (8.3)	\$ 1.2
Acquisitions and liquidations of marketable securities, net(a)	2.4	2.3	3.5	0.1
GM investment in Cruise	(0.7)	(1.1)	—	0.4
Other	0.2	(0.2)	(0.4)	0.4
Net automotive cash used in investing activities	\$ (5.6)	\$ (7.7)	\$ (5.2)	\$ 2.1

(a) Amount includes \$0.3 billion of proceeds from the sale of a portion of our Lyft shares in the year ended December 31, 2019.

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	Years Ended December 31,			2019 vs. 2018 Change
	2019	2018	2017	
Financing Activities				
Issuance of senior unsecured notes	\$ —	\$ 2.1	\$ 3.0	\$ (2.1)
Net proceeds (payments) on short-term debt	0.5	(1.4)	(0.1)	1.9
Payments to purchase common stock	—	(0.1)	(4.5)	0.1
Dividends paid	(2.2)	(2.2)	(2.2)	—
Proceeds from KDB investment in GM Korea	—	0.7	—	(0.7)
Other	(0.4)	(0.6)	(0.4)	0.2
Net automotive cash used in financing activities	<u>\$ (2.1)</u>	<u>\$ (1.5)</u>	<u>\$ (4.2)</u>	<u>\$ (0.6)</u>

Adjusted Automotive Free Cash Flow We measure adjusted automotive free cash flow as automotive operating cash flow from continuing operations less capital expenditures adjusted for management actions. For the year ended December 31, 2019, net automotive cash provided by operating activities under U.S. GAAP was \$7.4 billion, capital expenditures were \$7.5 billion and adjustments for management actions, primarily related to transformation activities, were \$1.2 billion. For the year ended December 31, 2018, net automotive cash provided by operating activities under U.S. GAAP was \$11.7 billion, capital expenditures were \$8.7 billion and an adjustment for management actions related to restructuring in Korea was \$0.8 billion.

Status of Credit Ratings We receive ratings from four independent credit rating agencies: DBRS Limited, Fitch Ratings (Fitch), Moody's Investor Service (Moody's) and Standard & Poor's (S&P). All four credit rating agencies currently rate our corporate credit at investment grade. The following table summarizes our credit ratings at January 24, 2020:

	Corporate	Revolving Credit Facilities	Senior Unsecured	Outlook
DBRS Limited	BBB (high)	BBB (high)	N/A	Stable
Fitch	BBB	BBB	BBB	Stable
Moody's	Investment Grade	Baa2	Baa3	Stable
S&P	BBB	BBB	BBB	Stable

In April 2019 DBRS Limited upgraded our corporate rating and revolving credit facilities rating to BBB (high) from BBB and revised their outlook to Stable from Positive. All other credit ratings remained unchanged from January 1, 2019 through January 24, 2020.

Cruise Liquidity

The following table summarizes the changes in our Cruise available liquidity (dollars in billions):

	Year Ended December 31, 2019
Operating cash flow	\$ (0.8)
Issuance of Cruise Preferred Shares	0.5
GM investment in Cruise	0.7
Other non-operating	(0.1)
Total change in Cruise available liquidity	<u>\$ 0.3</u>

When Cruise's autonomous vehicles are ready for commercial deployment, Softbank Vision Fund (AIV M2), L.P. (The Vision Fund) is obligated to purchase additional Cruise Preferred Shares for \$1.35 billion.

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Cruise Cash Flow (Dollars in billions)

	Years Ended December 31,			2019 vs. 2018 Change
	2019	2018	2017	
Net cash used in operating activities	\$ (0.8)	\$ (0.6)	\$ (0.5)	\$ (0.2)
Net cash used in investing activities	\$ (0.3)	\$ (0.1)	\$ (0.1)	\$ (0.2)
Net cash provided by financing activities	\$ 1.1	\$ 3.0	\$ 0.6	\$ (1.9)

In the year ended December 31, 2019 Net cash provided by financing activities decreased primarily due to a reduction in the issuance of preferred and common shares.

Automotive Financing – GM Financial Liquidity GM Financial's primary sources of cash are finance charge income, leasing income and proceeds from the sale of terminated leased vehicles, net distributions from credit facilities, securitizations, secured and unsecured borrowings and collections and recoveries on finance receivables. GM Financial's primary uses of cash are purchases of retail finance receivables and leased vehicles, the funding of commercial finance receivables, repayment of secured and unsecured debt, funding credit enhancement requirements in connection with securitizations and secured credit facilities, interest costs, and operating expenses. In 2018 GM Financial issued \$0.5 billion of Fixed-to-Floating Rate Cumulative Perpetual Preferred Stock, Series B, \$0.01 par value, with a liquidation preference of \$1,000 per share. The following table summarizes GM Financial's available liquidity (dollars in billions):

	December 31, 2019	December 31, 2018
Cash and cash equivalents	\$ 3.3	\$ 4.9
Borrowing capacity on unpledged eligible assets	17.5	18.0
Borrowing capacity on committed unsecured lines of credit	0.3	0.3
Borrowing capacity on revolving credit facility, exclusive to GM Financial	2.0	2.0
Total GM Financial available liquidity	\$ 23.1	\$ 25.2

In the year ended December 31, 2019, available liquidity decreased primarily due to a decrease in cash and cash equivalents and increased credit facility utilization, resulting from a decrease in issuances of securitizations and unsecured debt. At December 31, 2019, available liquidity was in line with our liquidity targets.

GM Financial has access to \$16.5 billion of our revolving credit facilities with exclusive access to the 364-day, \$2.0 billion facility. Refer to the Automotive Liquidity section of this MD&A for additional details. We have a support agreement with GM Financial which, among other things, establishes commitments of funding from us to GM Financial. This agreement also provides that we will continue to own all of GM Financial's outstanding voting shares so long as any unsecured debt securities remain outstanding at GM Financial. In addition we are required to use our commercially reasonable efforts to ensure GM Financial remains a subsidiary borrower under our corporate revolving credit facilities.

Credit Facilities In the normal course of business, in addition to using its available cash, GM Financial utilizes borrowings under its credit facilities, which may be secured or unsecured, and GM Financial repays these borrowings as appropriate under its cash management strategy. At December 31, 2019 secured, committed unsecured and uncommitted unsecured credit facilities totaled \$26.7 billion, \$0.4 billion and \$1.8 billion with advances outstanding of \$6.2 billion, an insignificant amount and \$1.8 billion.

GM Financial Cash Flow (Dollars in billions)

	Years Ended December 31,			2019 vs. 2018 Change
	2019	2018	2017	
Net cash provided by operating activities	\$ 8.1	\$ 7.4	\$ 6.5	\$ 0.7
Net cash used in investing activities	\$ (5.0)	\$ (17.5)	\$ (21.9)	\$ 12.5
Net cash provided by (used in) financing activities	\$ (3.5)	\$ 11.1	\$ 16.1	\$ (14.6)

In the year ended December 31, 2019, Net cash provided by operating activities increased primarily due to a decrease in net collateral posted for derivative positions of \$0.8 billion as a result of favorable changes in interest rates on GM Financial's collateralized derivative portfolio.

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In the year ended December 31, 2019, Net cash used in investing activities decreased primarily due to: (1) increased collections and recoveries on finance receivables of \$6.2 billion; (2) decreased purchases of finance receivables of \$3.6 billion; (3) increased proceeds from the termination of leased vehicles of \$2.4 billion; and (4) decreased purchases of leased vehicles of \$0.3 billion.

In the year ended December 31, 2019, Net cash used in financing activities increased primarily due to an increase in debt repayments of \$9.2 billion, a decrease in borrowings of \$4.8 billion and a decrease in proceeds from issuance of preferred stock of \$0.5 billion.

Off-Balance Sheet Arrangements We do not currently utilize off-balance sheet securitization arrangements. All trade or finance receivables and related obligations subject to securitization programs are recorded on our consolidated balance sheets at December 31, 2019 and 2018.

Contractual Obligations and Other Long-Term Liabilities We have minimum commitments under contractual obligations, including purchase obligations. A purchase obligation is defined as an agreement to purchase goods or services that is enforceable and legally binding on us and that specifies all significant terms, including fixed or minimum quantities to be purchased or fixed minimum price provisions and the approximate timing of the transaction. Based on these definitions, the following table includes only those contracts that include fixed or minimum obligations. The majority of our purchases are not included in the table as they are made under purchase orders that are requirements-based and accordingly do not specify minimum quantities. The following table summarizes aggregated information about our outstanding contractual obligations and other long-term liabilities at December 31, 2019:

	Payments Due by Period				
	2020	2021-2022	2023-2024	2025 and after	Total
Automotive debt	\$ 1,803	\$ 519	\$ 1,570	\$ 10,659	\$ 14,551
Automotive Financing debt	35,587	32,453	12,833	8,160	89,033
Finance lease obligations	109	80	19	102	310
Automotive interest payments(a)	774	1,375	1,258	9,065	12,472
Automotive Financing interest payments(b)	2,485	2,555	1,138	477	6,655
Postretirement benefits(c)	252	464	231	—	947
Operating lease obligations	272	433	303	468	1,476
Other contractual commitments:					
Material	1,751	497	100	21	2,369
Marketing	664	209	15	3	891
Other	956	1,325	654	239	3,174
Total contractual commitments(d)	\$ 44,653	\$ 39,910	\$ 18,121	\$ 29,194	\$ 131,878
Non-contractual benefits(e)	\$ 295	\$ 529	\$ 708	\$ 9,945	\$ 11,477

(a) Amounts include automotive interest payments based on contractual terms and current interest rates on our debt and finance lease obligations. Automotive interest payments based on variable interest rates were determined using the interest rate in effect at December 31, 2019.

(b) GM Financial interest payments were determined using the interest rate in effect at December 31, 2019 for floating rate debt and the contractual rates for fixed rate debt. GM Financial interest payments on floating rate tranches of the securitization notes payable were converted to a fixed rate based on the floating rate plus any expected hedge payments.

(c) Amounts include OPEB payments under the current U.S. contractual labor agreements through 2023 and Canada labor agreements through 2021. These agreements are generally renegotiated in the year of expiration. Amounts do not include pension funding obligations, which are discussed in Note 15 to our consolidated financial statements.

(d) Amounts do not include future cash payments for purchase obligations and certain other accrued expenditures (unless specifically listed in the table above), which were recorded in Accounts payable, Accrued liabilities and Other liabilities at December 31, 2019.

(e) Amounts include all expected future payments for both current and expected future service at December 31, 2019 for OPEB obligations for salaried and hourly employees extending beyond the current North American union contract agreements, workers' compensation and extended disability benefits. Amounts do not include pension funding obligations, which are discussed in Note 15 to our consolidated financial statements.

The table above does not reflect product warranty and related liabilities, certified pre-owned, extended warranty and free maintenance of \$8.6 billion and unrecognized tax benefits of \$0.8 billion due to the uncertainty regarding the future cash outflows

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potentially associated with these amounts. In addition, future cash outflows related to transformation activities announced in November 2018 are not included in the table above. Refer to Note 18 of our consolidated financial statements for additional information.

Critical Accounting Estimates The consolidated financial statements are prepared in conformity with U.S. GAAP, which requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses in the periods presented. We believe the accounting estimates employed are appropriate and the resulting balances are reasonable; however, due to the inherent uncertainties in developing estimates, actual results could differ from the original estimates, requiring adjustments to these balances in future periods. Refer to Note 2 to our consolidated financial statements for our significant accounting policies related to our critical accounting estimates.

Product Warranty and Recall Campaigns The estimates related to product warranties are established using historical information on the nature, frequency and average cost of claims of each vehicle line or each model year of the vehicle line and assumptions about future activity and events. When little or no claims experience exists for a model year or a vehicle line, the estimate is based on comparable models.

We accrue the costs related to product warranty at the time of vehicle sale and we accrue the estimated cost of recall campaigns when they are probable and estimable, which is generally at the time of sale.

The estimates related to recall campaigns accrued at the time of vehicle sale are established by applying a paid loss approach that considers the number of historical recall campaigns and the estimated cost for each recall campaign. These estimates consider the nature, frequency and magnitude of historical recall campaigns, and use key assumptions including the number of historical periods and the weighting of historical data in the reserve studies. Costs associated with recall campaigns not accrued at the time of vehicle sale are estimated based on the estimated cost of repairs and the estimated vehicles to be repaired. Depending on part availability and time to complete repairs we may, from time to time, offer courtesy transportation at no cost to our customers. These estimates are re-evaluated on an ongoing basis and based on the best available information. Revisions are made when necessary based on changes in these factors.

The estimated amount accrued for recall campaigns at the time of vehicle sale is most sensitive to the estimated number of recall events, the number of vehicles per recall event, the assumed number of vehicles that will be brought in by customers for repair (take rate), and the cost per vehicle for each recall event. The estimated cost of a recall campaign that is accrued on an individual basis is most sensitive to our estimated assumed take rate that is primarily developed based on our historical take rate experience. A 10% increase in the estimated take rate for all recall campaigns would increase the estimated cost by approximately \$0.3 billion.

Actual experience could differ from the amounts estimated requiring adjustments to these liabilities in future periods. Due to the uncertainty and potential volatility of the factors contributing to developing estimates, changes in our assumptions could materially affect our results of operations.

Sales Incentives The estimated effect of sales incentives offered to dealers and end customers is recorded as a reduction of Automotive net sales and revenue at the time of sale. There may be numerous types of incentives available at any particular time. Incentive programs are generally specific to brand, model or sales region and are for specified time periods, which may be extended. Significant factors used in estimating the cost of incentives include forecasted sales volume, product mix, and the rate of customer acceptance of incentive programs, all of which are estimated based on historical experience and assumptions concerning future customer behavior and market conditions. A change in any of these factors affecting the estimate could have a significant effect on recorded sales incentives. Subsequent adjustments to incentive estimates are possible as facts and circumstances change over time, which could affect the revenue previously recognized in Automotive net sales and revenue.

Valuation of GM Financial Equipment on Operating Leases Assets and Residuals GM Financial has investments in leased vehicles recorded as operating leases, which relate to vehicle leases to retail customers with lease terms that typically range from two to five years. At the beginning of the lease an estimate is made of the expected residual value at the end of the lease term. The expected residual value is based on third-party data that considers various data points and assumptions, including, but not limited to, recent auction values, the expected future volume of returning leased vehicles, used vehicle prices, manufacturer incentive programs and fuel prices. Realization of the residual values is dependent on the future ability to market the vehicles under prevailing market conditions. The customer is obligated to make payments during the term of the lease for the difference between the purchase price and the contract residual value plus a money factor. Since the customer is not obligated to purchase the vehicle at the end of

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the contract, we are exposed to a risk of loss to the extent the customer returns the vehicle prior to or at the end of the lease term and the value of the vehicle is below the expected residual value estimated at the inception of the lease.

The following table summarizes vehicles included in GM Financial equipment on operating leases, net (vehicles in thousands):

	December 31, 2019	December 31, 2018
Crossovers	972	917
Trucks	288	296
SUVs	108	111
Cars	238	379
Total	<u>1,606</u>	<u>1,703</u>

At December 31, 2019, the estimated residual value of our leased assets at the end of the lease term was \$30.4 billion. We periodically review the adequacy of the depreciation rates. If we believe that the expected residual values of the leased assets have changed, we revise the depreciation rate to ensure the net investment in the operating leases reflects the revised estimate of expected residual value at the end of the lease term. Such adjustments to the depreciation rate would result in a change in depreciation expense on leased assets which is recorded prospectively on a straight-line basis. The following table illustrates the effect of a 1% change in the estimated residual values at December 31, 2019, which would increase or decrease depreciation expense over the remaining term of our operating lease portfolio, holding all other assumptions constant (dollars in millions):

	Impact to Depreciation Expense
Crossovers	\$ 159
Trucks	73
SUVs	39
Cars	33
Total	<u>\$ 304</u>

We also evaluate the carrying value of the operating leases aggregated by vehicle make, year and model into leased asset groups, check for indicators of impairment and test for impairment to the extent necessary in accordance with applicable accounting standards. We believe no impairment indicators existed during 2019, 2018 or 2017.

Pension and OPEB Plans Our defined benefit pension plans are accounted for on an actuarial basis, which requires the selection of various assumptions, including an expected long-term rate of return on plan assets, a discount rate, mortality rates of participants and expectation of mortality improvement. Our pension obligations include Korean statutory pension payments that are valued on a walk away basis. The expected long-term rate of return on U.S. plan assets that is utilized in determining pension expense is derived from periodic studies, which include a review of asset allocation strategies, anticipated future long-term performance of individual asset classes, risks using standard deviations and correlations of returns among the asset classes that comprise the plans' asset mix. While the studies give appropriate consideration to recent plan performance and historical returns, the assumptions are primarily long-term, prospective rates of return.

In December 2019 an investment policy study was completed for the U.S. pension plans. As a result of changes to our capital market assumptions the weighted-average long-term rate of return on assets decreased from 6.4% at December 31, 2018 to 5.9% at December 31, 2019. The expected long-term rate of return on plan assets used in determining pension expense for non-U.S. plans is determined in a similar manner to the U.S. plans.

Another key assumption in determining net pension and OPEB expense is the assumed discount rate used to discount plan obligations. We estimate the assumed discount rate for U.S. plans using a cash flow matching approach, which uses projected cash flows matched to spot rates along a high quality corporate bond yield curve to determine the weighted-average discount rate for the calculation of the present value of cash flows. We apply the individual annual yield curve rates instead of the assumed discount rate to determine the service cost and interest cost, which more specifically links the cash flows related to service cost and interest cost to bonds maturing in their year of payment.

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The Society of Actuaries (SOA) issued mortality improvement tables in the three months ended December 31, 2019. We reviewed our recent mortality experience and we determined our current mortality assumptions are appropriate to measure our December 31, 2019 U.S. pension and OPEB plans obligations.

Significant differences in actual experience or significant changes in assumptions may materially affect the pension obligations. The effects of actual results differing from assumptions and the changing of assumptions are included in unamortized net actuarial gains and losses that are subject to amortization to pension expense over future periods. The unamortized pre-tax actuarial loss on our pension plans was \$6.7 billion and \$4.7 billion at December 31, 2019 and 2018. The year-over-year change is primarily due to a decrease in discount rates partially offset by higher than expected asset returns. At December 31, 2019, \$3.0 billion of the unamortized pre-tax actuarial loss is outside the corridor (primarily 10% of the projected benefit obligation (PBO) and subject to amortization. The weighted-average amortization period for the pension obligation is approximately 16 years resulting in amortization expense of \$0.2 billion in 2020.

The underfunded status of the U.S. pension plans increased by \$0.4 billion in the year ended December 31, 2019 to \$5.4 billion primarily due to: (1) the unfavorable effect of a decrease in discount rates of \$6.4 billion; and (2) service and interest costs of \$2.4 billion; partially offset by (3) a favorable effect of actual returns on plan assets of \$8.5 billion.

The following table illustrates the sensitivity to a change in certain assumptions for the pension plans, holding all other assumptions constant:

	U.S. Plans(a)		Non-U.S. Plans(a)	
	Effect on 2020 Pension Expense	Effect on December 31, 2019 PBO	Effect on 2020 Pension Expense	Effect on December 31, 2019 PBO
25 basis point decrease in discount rate	-\$99	+\$1,637	+\$2	+\$664
25 basis point increase in discount rate	+\$93	-\$1,567	+\$4	-\$629
25 basis point decrease in expected rate of return on assets	+\$139	N/A	+\$35	N/A
25 basis point increase in expected rate of return on assets	-\$139	N/A	-\$35	N/A

(a) The sensitivity does not include the effects of the individual annual yield curve rates applied for the calculation of the service and interest cost.

Refer to Note 15 to our consolidated financial statements for additional information on pension contributions, investment strategies, assumptions, the change in benefit obligations and related plan assets, pension funding requirements and future net benefit payments. Refer to Note 2 to our consolidated financial statements for a discussion of the inputs used to determine fair value for each significant asset class or category.

Valuation of Deferred Tax Assets The ability to realize deferred tax assets depends on the ability to generate sufficient taxable income within the carryback or carryforward periods provided for in the tax law for each applicable tax jurisdiction. The assessment regarding whether a valuation allowance is required or should be adjusted is based on an evaluation of possible sources of taxable income and also considers all available positive and negative evidence factors. Our accounting for the valuation of deferred tax assets represents our best estimate of future events. Changes in our current estimates, due to unanticipated market conditions, governmental legislative actions or events, could have a material effect on our ability to utilize deferred tax assets. Refer to Note 17 to our consolidated financial statements for additional information on the composition of these valuation allowances.

Forward-Looking Statements This report and the other reports filed by us with the SEC from time to time, as well as statements incorporated by reference herein and related comments by our management, may include "forward-looking statements" within the meaning of the U.S. federal securities laws. Forward-looking statements are any statements other than statements of historical fact. Forward-looking statements represent our current judgment about possible future events and are often identified by words like "aim," "anticipate," "appears," "approximately," "believe," "continue," "could," "designed," "effect," "estimate," "evaluate," "expect," "forecast," "goal," "initiative," "intend," "may," "objective," "outlook," "plan," "potential," "priorities," "project," "pursue," "seek," "should," "target," "when," "will," "would," or the negative of any of those words or similar expressions. In making these statements, we rely on assumptions and analysis based on our experience and perception of historical trends, current conditions and expected future developments as well as other factors we consider appropriate under the circumstances. We believe these judgments are reasonable, but these statements are not guarantees of any events or financial results, and our actual results may differ materially due to a variety of important factors, both positive and negative. These factors, which may be revised or supplemented in subsequent reports we file with the SEC, include, among others, the following: (1) our ability to deliver new

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products, services and customer experiences in response to increased competition in the automotive industry; (2) our ability to timely fund and introduce new and improved vehicle models that are able to attract a sufficient number of consumers; (3) the success of our crossovers, SUVs and full-size pickup trucks; (4) our ability to successfully and cost-effectively restructure our operations in the U.S. and various other countries and initiate additional cost reduction actions with minimal disruption; (5) our ability to reduce the cost of manufacturing electric vehicles and drive increased consumer adoption; (6) the unique technological, operational, regulatory and competitive risks related to the timing and commercialization of autonomous vehicles; (7) global automobile market sales volume, which can be volatile; (8) our significant business in China, which is subject to unique operational, competitive, regulatory and economic risks; (9) our joint ventures, which we cannot operate solely for our benefit and over which we may have limited control; (10) the international scale and footprint of our operations, which exposes us to a variety of unique political, economic, competitive and regulatory risks, including the risk of changes in government leadership and laws (including labor, tax and other laws), political instability and economic tensions between governments and changes in international trade policies, new barriers to entry and changes to or withdrawals from free trade agreements, public health crises, including the occurrence of a contagious disease or illness, such as the novel coronavirus, changes in foreign exchange rates and interest rates, economic downturns in foreign countries, differing local product preferences and product requirements, compliance with U.S. and foreign countries' export controls and economic sanctions, differing labor regulations, requirements and union relationships, differing dealer and franchise regulations and relationships, and difficulties in obtaining financing in foreign countries; (11) any significant disruption, including any work stoppages, at any of our manufacturing facilities; (12) the ability of our suppliers to deliver parts, systems and components without disruption and at such times to allow us to meet production schedules; (13) prices of raw materials used by us and our suppliers; (14) our highly competitive industry, which is characterized by excess manufacturing capacity and the use of incentives, and the introduction of new and improved vehicle models by our competitors; (15) the possibility that competitors may independently develop products and services similar to ours, or that our intellectual property rights are not sufficient to prevent competitors from developing or selling those products or services; (16) our ability to manage risks related to security breaches and other disruptions to our information technology systems and networked products, including connected vehicles and in-vehicle systems; (17) our ability to comply with increasingly complex, restrictive and punitive regulations relating to our enterprise data practices, including the collection, use, sharing and security of the Personal Identifiable Information of our customers, employees, or suppliers; (18) our ability to comply with extensive laws, regulations and policies applicable to our operations and products, including those relating to fuel economy and emissions and autonomous vehicles; (19) costs and risks associated with litigation and government investigations; (20) the costs and effect on our reputation of product safety recalls and alleged defects in products and services; (21) any additional tax expense or exposure; (22) our continued ability to develop captive financing capability through GM Financial; and (23) any significant increase in our pension funding requirements. For a further discussion of these and other risks and uncertainties, refer to Item 1A. Risk Factors.

We caution readers not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events or other factors, except where we are expressly required to do so by law.

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Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The overall financial risk management program is under the responsibility of the Chief Financial Officer with support from the Financial Risk Council, which reviews and, where appropriate, approves strategies to be pursued to mitigate these risks. The Financial Risk Council comprises members of our management and functions under the oversight of the Audit Committee and Finance Committee of the Board of Directors. The Audit Committee and Finance Committee assist and guide the Board of Directors in its oversight of our financial and risk management strategies. A risk management control framework is utilized to monitor the strategies, risks and related hedge positions in accordance with the policies and procedures approved by the Financial Risk Council. Our financial risk management policy is designed to protect against risk arising from extreme adverse market movements on our key exposures.

Automotive The following analyses provide quantitative information regarding exposure to foreign currency exchange rate risk, interest rate risk and equity price risk. Sensitivity analysis is used to measure the potential loss in the fair value of financial instruments with exposure to market risk. The models used assume instantaneous, parallel shifts in exchange rates and interest rate yield curves. For options and other instruments with nonlinear returns, models appropriate to these types of instruments are utilized to determine the effect of market shifts. There are certain shortcomings inherent in the sensitivity analyses presented, primarily due to the assumption that interest rates change in a parallel fashion and that spot exchange rates change instantaneously. In addition, the analyses are unable to reflect the complex market reactions that normally would arise from the market shifts

GENERAL MOTORS COMPANY AND SUBSIDIARIES

modeled and do not contemplate the effects of correlations between foreign currency exposures and offsetting long-short positions in currency or other exposures, such as interest rates, which may significantly reduce the potential loss in value.

Foreign Currency Exchange Rate Risk We have foreign currency exposures related to buying, selling and financing in currencies other than the functional currencies of our operations. At December 31, 2019 our most significant foreign currency exposures were between the U.S. Dollar and the Canadian Dollar, Korean Won, Euro, Brazilian Real, Australian Dollar, Mexican Peso and Chinese Yuan. Derivative instruments such as foreign currency forwards, swaps and options are primarily used to hedge exposures with respect to forecasted revenues, costs and commitments denominated in foreign currencies. Such contracts had remaining maturities of up to 12 months at December 31, 2019.

The net fair value liability of financial instruments with exposure to foreign currency risk was \$1.4 billion and \$0.9 billion at December 31, 2019 and 2018. These amounts are calculated utilizing a population of foreign currency exchange derivatives and foreign currency denominated debt and exclude the offsetting effect of foreign currency cash, cash equivalents and other assets. The potential loss in fair value for such financial instruments from a 10% adverse change in all quoted foreign currency exchange rates would have been \$0.2 billion and \$0.1 billion at December 31, 2019 and 2018.

We are exposed to foreign currency risk due to the translation and remeasurement of the results of certain international operations into U.S. Dollars as part of the consolidation process. We had foreign currency derivatives with notional amounts of \$5.1 billion and \$2.7 billion at December 31, 2019 and 2018. The fair value of these derivative financial instruments was insignificant. Fluctuations in foreign currency exchange rates can therefore create volatility in the results of operations and may adversely affect our financial condition.

The following table summarizes the amounts of automotive foreign currency translation and transaction and remeasurement (gains) losses:

	Years Ended December 31,	
	2019	2018
Translation losses recorded in Accumulated other comprehensive loss	\$ 32	\$ 353
Transaction and remeasurement (gains) losses recorded in earnings	\$ (77)	\$ 156

Interest Rate Risk We are subject to market risk from exposure to changes in interest rates related to certain financial instruments, primarily debt, finance lease obligations and certain marketable debt securities. We did not have any interest rate swap positions to manage interest rate exposures in our automotive operations at December 31, 2019 and 2018. The fair value liability of debt and finance leases was \$15.9 billion and \$13.5 billion at December 31, 2019 and 2018. The potential increase in fair value resulting from a 10% decrease in quoted interest rates would have been \$0.6 billion and \$0.8 billion at December 31, 2019 and 2018.

We had marketable debt securities of \$4.2 billion and \$6.0 billion classified as available-for-sale at December 31, 2019 and 2018. The potential decrease in fair value from a 50 basis point increase in interest rates would have had an insignificant effect at December 31, 2019 and 2018.

Equity Price Risk We are subject to equity price risk due to market price volatility related to our investment in Lyft and PSA warrants. The fair value of investments with exposure to equity price risk was \$1.5 billion at December 31, 2019. In March 2019 Lyft filed for an initial public offering, which significantly increased the volatility in the fair value of our investment in Lyft. Our investment in Lyft is valued based on the quoted market price, and our investment in PSA warrants is valued based on a Black-Scholes formula. We estimate that a 10% adverse change in quoted security prices in Lyft and PSA Group would impact our investments by \$0.1 billion.

Automotive Financing - GM Financial

Interest Rate Risk Fluctuations in market interest rates can affect GM Financial's gross interest rate spread, which is the difference between interest earned on finance receivables and interest paid on debt. GM Financial is exposed to interest rate risks as financial assets and liabilities have different characteristics that may impact financial performance. These differences may include tenor, yield, re-pricing timing, and prepayment expectations. Typically retail finance receivables and leases purchased by GM Financial earn fixed interest and commercial finance receivables originated by GM Financial earn variable interest. GM Financial funds its business with variable or fixed rate debt. The variable rate debt is subject to adjustments to reflect prevailing market interest rates. To help mitigate interest rate risk or mismatched funding, GM Financial may employ hedging.

GENERAL MOTORS COMPANY AND SUBSIDIARIES

Quantitative Disclosure GM Financial measures the sensitivity of its net interest income to changes in interest rates by using interest rate scenarios that assume a hypothetical, instantaneous parallel shift of one hundred basis points in all interest rates across all maturities, as well as a base case that assumes that rates perform at the current market forward curve. However, interest rate changes are rarely instantaneous or parallel and rates could move more or less than the one percentage point assumed in our analysis. Therefore, the actual impact to net interest income could be higher or lower than the results detailed in the table below. These interest rate scenarios are purely hypothetical and do not represent our view of future interest rate movements.

At December 31, 2019, GM Financial was liability-sensitive, meaning that more liabilities than assets were expected to re-price within the next twelve months. During a period of rising interest rates, the interest paid on liabilities would increase more than the interest earned on assets, which would initially decrease net interest income. During a period of falling interest rates, net interest income would be expected to initially increase. At December 31, 2018, GM Financial was asset-sensitive, meaning that more assets than liabilities were expected to re-price within the next twelve months. During a period of rising interest rates, the interest earned on assets would increase more than the interest paid on debt, which would initially increase net interest income. During a period of falling interest rates, net interest income would be expected to initially decrease.

GM Financial's net interest income sensitivity continued to decrease in 2019 from 2018 primarily due to GM Financial's strategy of hedging fixed-rate asset originations with pay-fixed interest rate swaps. The following table presents GM Financial's net interest income sensitivity to interest rate movement:

	Years Ended December 31,			
	2019		2018	
One hundred basis points instantaneous increase in interest rates	\$	(4.6)	\$	10.7
One hundred basis points instantaneous decrease in interest rates(a)	\$	4.6	\$	(10.7)

(a) Net interest income sensitivity given a one hundred basis point decrease in interest rates requires an assumption of negative interest rates in markets where existing interest rates are below one percent.

Additional Model Assumptions The sensitivity analysis presented is GM Financial's best estimate of the effect of the hypothetical interest rate scenarios; however, actual results could differ. The estimates are also based on assumptions including the amortization and prepayment of the finance receivable portfolio, originations of finance receivables and leases, refinancing of maturing debt, replacement of maturing derivatives and exercise of options embedded in debt and derivatives. The prepayment projections are based on historical experience. If interest rates or other factors change, actual prepayment experience could be different than projected.

Foreign Currency Exchange Rate Risk GM Financial is exposed to foreign currency risk due to the translation and remeasurement of the results of certain international operations into U.S. Dollars as part of the consolidation process. Fluctuations in foreign currency exchange rates can therefore create volatility in the results of operations and may adversely affect GM Financial's financial condition.

GM Financial primarily finances its receivables and leased assets with debt in the same currency. When a different currency is used GM Financial may use foreign currency swaps to convert substantially all of its foreign currency debt obligations to the local currency of the receivables and lease assets to minimize any impact to earnings.

GM Financial had foreign currency swaps with notional amounts of \$6.2 billion and \$3.9 billion at December 31, 2019 and 2018. The fair value of these derivative financial instruments was insignificant at December 31, 2019 and 2018.

The following table summarizes GM Financial's foreign currency translation and transaction and remeasurement (gains) losses:

	Years Ended December 31,			
	2019		2018	
Translation (gains) losses recorded in Accumulated other comprehensive loss	\$	(5)	\$	291
Transaction and remeasurement (gains) losses, net recorded in earnings	\$	(8)	\$	12

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of General Motors Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of General Motors Company and subsidiaries (the Company) as of December 31, 2019 and 2018, the related consolidated statements of income, comprehensive income, cash flows, and equity for the two years in the period ended December 31, 2019, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2019, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 5, 2020 expressed an unqualified opinion thereon.

Adoption of Accounting Standards Update (ASU) No. 2014-09

As discussed in Note 2 to the financial statements, the Company changed its method of accounting for revenue from contracts with customers in 2018 due to the adoption of ASU No. 2014-09, "Revenue from Contracts with Customers," as amended.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Product warranty and recall campaigns

Description of the matter

As discussed in Note 12 to the financial statements, the liabilities for product warranty and recall campaigns amount to \$7.8 billion at December 31, 2019. The Company accrues for costs related to product warranty at the time of vehicle sale and accrues the estimated cost of recall campaigns when they are probable and estimable, which is generally at the time of sale.

Auditing these liabilities is complex and involves a high degree of subjectivity in evaluating management's estimates, due to the size, uncertainties, and potential volatility related to the estimated liabilities. Management's estimates consider historical claims experience, including the nature, frequency, and average cost of claims of each vehicle line or each model year of the vehicle line, and the key assumptions of historical data being predictive of future activity and events, in particular, the number of historical periods used and the weighing of historical data in the reserve studies.

How we addressed the matter in our audit We evaluated the design and tested the operating effectiveness of internal controls over the Company's product warranty and recall campaign processes. We tested internal controls over management's review of the valuation models and significant assumptions for product warranty and recall including the warranty claims forecasted based on the frequency and average cost per warranty claim for product warranty, and the cost estimates related to recall campaigns. Our audit also included the evaluation of controls that address the completeness and accuracy of the data utilized in the valuation models.

Our audit procedures related to product warranty and recall campaigns also included, among others, evaluating the Company's estimation methodology, the related significant assumptions and underlying data, and performing analytical procedures to corroborate cost per vehicle based on historical claims data. Furthermore, we performed sensitivity analyses to evaluate the significant judgments made by management, including cost estimates to evaluate the impact on reserves from changes in assumptions. We performed analysis over the vehicle lines and model years that had little or no claims experience to ensure the vehicle and model substitutions are comparable. We also involved actuarial specialists to evaluate the methodologies and assumptions, and to test the actuarial calculations used by the Company.

Sales incentives

Description of the matter Automotive sales and revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or providing services, which is net of dealer and customer sales incentives the Company expects to pay. As discussed in Note 2 to the financial statements, provisions for dealer and customer incentives are recorded as a reduction to Automotive net sales and revenue at the time of vehicle sale. The liabilities for dealer and customer allowances, claims and discounts amount to \$10.4 billion at December 31, 2019.

Auditing the estimate of sales incentives involved a high degree of judgment. Significant factors used by the Company in estimating its liability for retail incentives include forecasted sales volumes, product mix, and the rate of customer acceptance of incentive programs, all of which are estimated based on historical experience and assumptions concerning future customer behavior and market conditions. The Company's estimation model reflects the best estimate of the total incentive amount that the Company reasonably expects to pay at the time of sale. The estimated cost of incentives is forward-looking, and could be materially affected by future economic and market conditions.

How we addressed the matter in our audit We evaluated the design and tested the operating effectiveness of internal controls over the Company's sales incentive process, including management's review of the estimation model, the significant assumptions (e.g., incentive cost per unit, customer take rate, and market conditions), and the data inputs used in the model.

Our audit procedures included, among others, the performance of analytical procedures to develop an independent range of the liability for retail incentives as of the balance sheet date. Our independent range was developed for comparison to the Company's recorded accrual, and is based on historical claims, forecasted spend, and the specific vehicle mix of current dealer stock. In addition, we performed sensitivity analyses over the cost per unit assumption developed by management to evaluate the impact on the liability resulting from a change in the assumption. Lastly, we assessed management's forecasting process by performing quarterly hindsight analyses to assess the adequacy of prior forecasts.

Valuation of GM Financial Equipment on Operating Leases

Description of the matter

GM Financial has recorded investments in vehicles leased to retail customers under operating leases. As discussed in Note 2 to the financial statements, at the beginning of the lease, management establishes an expected residual value for each vehicle at the end of the lease term. The Company's estimated residual value of leased vehicles at the end of lease term was \$30.4 billion as of December 31, 2019.

Auditing management's estimate of the residual value of leased vehicles involved a high degree of judgment. Management's estimate is based, in part, on third-party data which considers inputs including recent auction values and significant assumptions regarding the expected future volume of leased vehicles that will be returned to the Company, used car prices, manufacturer incentive programs and fuel prices. Realization of the residual values is dependent on the future ability to market the vehicles under future prevailing market conditions.

How we addressed the matter in our audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of the Company's controls over the lease residual estimation process, including controls over management's review of residual value estimates obtained from the Company's third-party provider and other significant assumptions.

Our procedures also included, among others, independently recalculating depreciation related to equipment on operating lease and performing sensitivity analyses related to significant assumptions. We also performed hindsight analyses to assess the propriety of management's estimate of residual values, as well as tested the completeness and accuracy of data from underlying systems and data warehouses that are used in the estimation models.

/s/ ERNST & YOUNG LLP

We have served as the Company's auditor since 2017.

Detroit, Michigan

February 5, 2020

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of General Motors Company

Opinion on Internal Control over Financial Reporting

We have audited General Motors Company and subsidiaries' internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, General Motors Company and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2019 and 2018, the related consolidated statements of income, comprehensive income, cash flows and equity for the two years in the period ended December 31, 2019, and the related notes and our report dated February 5, 2020 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ ERNST & YOUNG LLP

Detroit, Michigan

February 5, 2020

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of General Motors Company:

Opinion on the Financial Statements

We have audited the accompanying Consolidated Statements of Income, Comprehensive Income, Cash Flows, and Equity of General Motors Company and subsidiaries (the "Company") for the year ended December 31, 2017, and the related notes (collectively referred to as the "financial statements"). In our opinion, the 2017 financial statements present fairly, in all material respects, the results of the Company's operations and its cash flows for the year ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP

Detroit, Michigan

February 6, 2018 (July 25, 2018 as to Note 25, *Segment Reporting*)

We began serving as the Company's auditor in 1918. In 2018 we became the predecessor auditor.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
Item 8. Financial Statements and Supplementary Data
CONSOLIDATED INCOME STATEMENTS
(In millions, except per share amounts)

	Years Ended December 31,		
	2019	2018	2017
Net sales and revenue			
Automotive	\$ 122,697	\$ 133,045	\$ 133,449
GM Financial	14,540	14,004	12,139
Total net sales and revenue (Note 3)	<u>137,237</u>	<u>147,049</u>	<u>145,588</u>
Costs and expenses			
Automotive and other cost of sales	110,651	120,656	116,229
GM Financial interest, operating and other expenses	12,614	12,298	11,128
Automotive and other selling, general and administrative expense	8,491	9,650	9,570
Total costs and expenses	<u>131,756</u>	<u>142,604</u>	<u>136,927</u>
Operating income	5,481	4,445	8,661
Automotive interest expense	782	655	575
Interest income and other non-operating income, net (Note 19)	1,469	2,596	1,645
Equity income (Note 8)	1,268	2,163	2,132
Income before income taxes	7,436	8,549	11,863
Income tax expense (Note 17)	769	474	11,533
Income from continuing operations	6,667	8,075	330
Loss from discontinued operations, net of tax (Note 22)	—	70	4,212
Net income (loss)	<u>6,667</u>	<u>8,005</u>	<u>(3,882)</u>
Net loss attributable to noncontrolling interests	65	9	18
Net income (loss) attributable to stockholders	<u>\$ 6,732</u>	<u>\$ 8,014</u>	<u>\$ (3,864)</u>
Net income (loss) attributable to common stockholders	<u>\$ 6,581</u>	<u>\$ 7,916</u>	<u>\$ (3,880)</u>
Earnings per share (Note 21)			
Basic earnings per common share – continuing operations	\$ 4.62	\$ 5.66	\$ 0.23
Basic loss per common share – discontinued operations	\$ —	\$ 0.05	\$ 2.88
Basic earnings (loss) per common share	\$ 4.62	\$ 5.61	\$ (2.65)
Weighted-average common shares outstanding – basic	1,424	1,411	1,465
Diluted earnings per common share – continuing operations	\$ 4.57	\$ 5.58	\$ 0.22
Diluted loss per common share – discontinued operations	\$ —	\$ 0.05	\$ 2.82
Diluted earnings (loss) per common share	\$ 4.57	\$ 5.53	\$ (2.60)
Weighted-average common shares outstanding – diluted	1,439	1,431	1,492

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

	Years Ended December 31,		
	2019	2018	2017
Net income (loss)	\$ 6,667	\$ 8,005	\$ (3,882)
Other comprehensive income (loss), net of tax (Note 20)			
Foreign currency translation adjustments and other	(6)	(715)	747
Defined benefit plans	(2,122)	(221)	570
Other comprehensive income (loss), net of tax	<u>(2,128)</u>	<u>(936)</u>	<u>1,317</u>
Comprehensive income (loss)	4,539	7,069	(2,565)
Comprehensive loss attributable to noncontrolling interests	76	15	20
Comprehensive income (loss) attributable to stockholders	<u>\$ 4,615</u>	<u>\$ 7,084</u>	<u>\$ (2,545)</u>

Reference should be made to the notes to consolidated financial statements.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions, except per share amounts)

ASSETS	December 31, 2019	December 31, 2018
Current Assets		
Cash and cash equivalents	\$ 19,069	\$ 20,844
Marketable debt securities (Note 4)	4,174	5,966
Accounts and notes receivable (net of allowance of \$201 and \$211)	6,797	6,549
GM Financial receivables, net (Note 5; Note 11 at VIEs)	26,601	26,850
Inventories (Note 6)	10,398	9,816
Other current assets (Note 4; Note 11 at VIEs)	7,953	5,268
Total current assets	74,992	75,293
Non-current Assets		
GM Financial receivables, net (Note 5; Note 11 at VIEs)	26,355	25,083
Equity in net assets of nonconsolidated affiliates (Note 8)	8,562	9,215
Property, net (Note 9)	38,750	38,758
Goodwill and intangible assets, net (Note 10)	5,337	5,579
Equipment on operating leases, net (Note 7; Note 11 at VIEs)	42,055	43,559
Deferred income taxes (Note 17)	24,640	24,082
Other assets (Note 4; Note 11 at VIEs)	7,346	5,770
Total non-current assets	153,045	152,046
Total Assets	\$ 228,037	\$ 227,339
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable (principally trade)	\$ 21,018	\$ 22,297
Short-term debt and current portion of long-term debt (Note 13)		
Automotive	1,897	935
GM Financial (Note 11 at VIEs)	35,503	30,956
Accrued liabilities (Note 12)	26,487	28,049
Total current liabilities	84,905	82,237
Non-current Liabilities		
Long-term debt (Note 13)		
Automotive	12,489	13,028
GM Financial (Note 11 at VIEs)	53,435	60,032
Postretirement benefits other than pensions (Note 15)	5,935	5,370
Pensions (Note 15)	12,170	11,538
Other liabilities (Note 12)	13,146	12,357
Total non-current liabilities	97,175	102,325
Total Liabilities	182,080	184,562
Commitments and contingencies (Note 16)		
Equity (Note 20)		
Common stock, \$0.01 par value	14	14
Additional paid-in capital	26,074	25,563
Retained earnings	26,860	22,322
Accumulated other comprehensive loss	(11,156)	(9,039)
Total stockholders' equity	41,792	38,860
Noncontrolling interests	4,165	3,917
Total Equity	45,957	42,777
Total Liabilities and Equity	\$ 228,037	\$ 227,339

Reference should be made to the notes to consolidated financial statements.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Years Ended December 31,		
	2019	2018	2017
Cash flows from operating activities			
Income from continuing operations	\$ 6,667	\$ 8,075	\$ 330
Depreciation and impairment of Equipment on operating leases, net	7,332	7,604	6,805
Depreciation, amortization and impairment charges on Property, net	6,786	6,065	5,456
Foreign currency remeasurement and transaction (gains) losses	(85)	168	52
Undistributed earnings of nonconsolidated affiliates, net	585	(141)	(132)
Pension contributions and OPEB payments	(985)	(2,069)	(1,636)
Pension and OPEB income, net	(484)	(1,280)	(934)
Provision (benefit) for deferred taxes	(133)	(112)	10,880
Change in other operating assets and liabilities (Note 26)	(3,789)	(1,376)	(3,015)
Other operating activities	(873)	(1,678)	(468)
Net cash provided by operating activities – continuing operations	15,021	15,256	17,338
Net cash used in operating activities – discontinued operations	—	—	(10)
Net cash provided by operating activities	15,021	15,256	17,328
Cash flows from investing activities			
Expenditures for property	(7,592)	(8,761)	(8,453)
Available-for-sale marketable securities, acquisitions	(4,075)	(2,820)	(5,503)
Available-for-sale marketable securities, liquidations	6,265	5,108	9,007
Purchases of finance receivables, net	(24,538)	(25,671)	(19,325)
Principal collections and recoveries on finance receivables	22,005	17,048	12,578
Purchases of leased vehicles, net	(16,404)	(16,736)	(19,180)
Proceeds from termination of leased vehicles	13,302	10,864	6,667
Other investing activities	138	39	137
Net cash used in investing activities – continuing operations	(10,899)	(20,929)	(24,072)
Net cash provided by (used in) investing activities – discontinued operations (Note 22)	—	166	(3,500)
Net cash used in investing activities	(10,899)	(20,763)	(27,572)
Cash flows from financing activities			
Net increase (decrease) in short-term debt	(312)	1,186	(140)
Proceeds from issuance of debt (original maturities greater than three months)	36,937	43,801	52,187
Payments on debt (original maturities greater than three months)	(39,156)	(33,323)	(33,592)
Payments to purchase common stock	—	(190)	(4,492)
Proceeds from issuance of subsidiary preferred and common stock (Note 20)	457	2,862	985
Dividends paid	(2,350)	(2,242)	(2,233)
Other financing activities	(253)	(640)	(305)
Net cash provided by financing activities – continuing operations	(4,677)	11,454	12,410
Net cash provided by financing activities – discontinued operations	—	—	174
Net cash provided by (used in) financing activities	(4,677)	11,454	12,584
Effect of exchange rate changes on cash, cash equivalents and restricted cash	2	(299)	348
Net increase (decrease) in cash, cash equivalents and restricted cash	(553)	5,648	2,688
Cash, cash equivalents and restricted cash at beginning of period	23,496	17,848	15,160
Cash, cash equivalents and restricted cash at end of period	\$ 22,943	\$ 23,496	\$ 17,848
Cash, cash equivalents and restricted cash – continuing operations at end of period (Note 4)	\$ 22,943	\$ 23,496	\$ 17,848
Significant Non-cash Investing and Financing Activity			
Non-cash property additions – continuing operations	\$ 2,837	\$ 3,813	\$ 3,996
Non-cash proceeds on sale of discontinued operations (Note 22)	\$ —	\$ —	\$ 808

Reference should be made to the notes to consolidated financial statements.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In millions)

	Common Stockholders'				Noncontrolling Interests	Total Equity
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss		
Balance at January 1, 2017	\$ 15	\$ 26,983	\$ 26,168	\$ (9,330)	\$ 239	\$ 44,075
Net loss	—	—	(3,864)	—	(18)	(3,882)
Other comprehensive income	—	—	—	1,319	(2)	1,317
Purchase of common stock	(1)	(2,063)	(2,428)	—	—	(4,492)
Exercise of common stock warrants	—	43	—	—	—	43
Issuance of subsidiary preferred stock (Note 20)	—	—	—	—	985	985
Stock based compensation	—	468	(34)	—	—	434
Cash dividends paid on common stock	—	—	(2,215)	—	—	(2,215)
Dividends to noncontrolling interests	—	—	—	—	(18)	(18)
Other	—	(60)	—	—	13	(47)
Balance at December 31, 2017	14	25,371	17,627	(8,011)	1,199	36,200
Adoption of accounting standards	—	—	(1,046)	(98)	—	(1,144)
Net income	—	—	8,014	—	(9)	8,005
Other comprehensive loss	—	—	—	(930)	(6)	(936)
Purchase of common stock	—	(91)	(99)	—	—	(190)
Issuance of subsidiary preferred and common stock (Note 20)	—	—	—	—	2,862	2,862
Stock based compensation	—	287	—	—	—	287
Cash dividends paid on common stock	—	—	(2,144)	—	—	(2,144)
Dividends to noncontrolling interests	—	—	—	—	(169)	(169)
Other	—	(4)	(30)	—	40	6
Balance at December 31, 2018	14	25,563	22,322	(9,039)	3,917	42,777
Net income	—	—	6,732	—	(65)	6,667
Other comprehensive loss	—	—	—	(2,117)	(11)	(2,128)
Issuance of subsidiary preferred stock (Note 20)	—	—	—	—	457	457
Stock based compensation	—	409	(34)	—	—	375
Cash dividends paid on common stock	—	—	(2,165)	—	—	(2,165)
Dividends to noncontrolling interests	—	—	—	—	(166)	(166)
Other	—	102	5	—	33	140
Balance at December 31, 2019	\$ 14	\$ 26,074	\$ 26,860	\$ (11,156)	\$ 4,165	\$ 45,957

Reference should be made to the notes to consolidated financial statements.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Operations and Basis of Presentation

General Motors Company was incorporated as a Delaware corporation in 2009. We design, build and sell trucks, crossovers, cars and automobile parts worldwide and are investing in and growing an autonomous vehicle business. We also provide automotive financing services through GM Financial. We analyze the results of our continuing operations through the following operating segments: GMNA, GM International Operations (GMIO), GM South America (GMSA), Cruise and GM Financial. Our GMSA and GMIO operating segments are reported as one, combined international segment, GMI. Cruise, formerly GM Cruise, is our global segment responsible for the development and commercialization of autonomous vehicle technology. Nonsegment operations and Maven, our ride- and car-sharing business, are classified as Corporate. Corporate includes certain centrally recorded income and costs such as interest, income taxes, corporate expenditures and certain nonsegment-specific revenues and expenses.

On July 31, 2017 we closed the sale of the Opel/Vauxhall Business to PSA Group. On October 31, 2017 we closed the sale of the Fincos to Banque PSA Finance S.A. and BNP Paribas Personal Finance S.A. The European Business is presented as discontinued operations in our consolidated financial statements for all periods presented. Unless otherwise indicated, information in this report relates to our continuing operations. Refer to Note 22 for additional information on our discontinued operations.

In 2019 we changed the presentation of our consolidated balance sheets to reclassify the current portion of Equipment on operating leases, net to Other current assets. We have made corresponding reclassifications to the comparable information for all periods presented.

Principles of Consolidation The consolidated financial statements are prepared in conformity with U.S. GAAP. All intercompany balances and transactions have been eliminated in consolidation. Except for per share amounts or as otherwise specified, amounts presented within tables are stated in millions.

We consolidate entities that we control due to ownership of a majority voting interest and we consolidate variable interest entities (VIEs) when we are the primary beneficiary. Our share of earnings or losses of nonconsolidated affiliates is included in our consolidated operating results using the equity method of accounting when we are able to exercise significant influence over the operating and financial decisions of the affiliate.

Use of Estimates in the Preparation of the Financial Statements Accounting estimates are an integral part of the consolidated financial statements. These estimates require the use of judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses in the periods presented. We believe that the accounting estimates employed are appropriate and the resulting balances are reasonable; however, due to the inherent uncertainties in making estimates, actual results could differ from the original estimates, requiring adjustments to these balances in future periods.

GM Financial The amounts presented for GM Financial have been adjusted to include the effect of our tax attributes on GM Financial's deferred tax positions and provision for income taxes, which are not applicable to GM Financial on a stand-alone basis, and to eliminate the effect of transactions between GM Financial and the other members of the consolidated group. Accordingly, the amounts presented will differ from those presented by GM Financial on a stand-alone basis.

Note 2. Significant Accounting Policies

The accounting policies that follow are utilized by our automotive, automotive financing and Cruise operations, unless otherwise indicated.

Revenue Recognition We adopted Accounting Standards Update (ASU) 2014-09 "Revenue from Contracts with Customers" on January 1, 2018, which requires us to recognize revenue when a customer obtains control rather than when we have transferred substantially all risks and rewards of a good or service, by applying the modified retrospective method to all noncompleted contracts as of the date of adoption. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The following accounting policies became effective on January 1, 2018:

Automotive Automotive net sales and revenue represents the amount of consideration to which we expect to be entitled in exchange for vehicle, parts and accessories and services and other sales. The consideration recognized represents the amount received, typically shortly after the sale to a customer, net of estimated dealer and customer sales incentives we reasonably expect to pay. Significant factors in determining our estimates of incentives include forecasted sales volume, product mix, and the rate of customer acceptance of incentive programs, all of which are estimated based on historical experience and assumptions concerning

GENERAL MOTORS COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

future customer behavior and market conditions. Subsequent adjustments to incentive estimates are possible as facts and circumstances change over time. A portion of the consideration received is deferred for separate performance obligations, such as maintenance and vehicle connectivity, that will be provided to our customers at a future date. Taxes assessed by various government entities, such as sales, use and value-added taxes, collected at the time of the vehicle sale are excluded from Automotive net sales and revenue. Costs for shipping and handling activities that occur after control of the vehicle transfers to the dealer are recognized at the time of sale and presented in Automotive and other cost of sales.

Vehicle, Parts and Accessories For the majority of vehicle and accessories sales our customers obtain control and we recognize revenue when the vehicle transfers to the dealer, which generally occurs when the vehicle is released to the carrier responsible for transporting it to a dealer. Revenue, net of estimated returns, is recognized on the sale of parts upon delivery to the customer. When our customers have a right to return eligible parts and accessories, we consider the returns in our estimation of the transaction price.

Certain transfers to daily rental companies are accounted for as sales, with revenue recognized at the time of transfer. At the time of transfer, we defer revenue for remarketing obligations, record a residual value guarantee and reflect a deposit liability for amounts expected to be returned once the remarketing services are complete. Deferred revenue is recognized in earnings upon completion of the remarketing service. Transfers that occurred prior to January 1, 2018 and future transfers containing a substantive repurchase obligation are accounted for as operating leases and rental income is recognized over the estimated term of the lease. Our total exposure to vehicle repurchase obligations would be reduced to the extent vehicles are able to be resold to a third party.

Used Vehicles Proceeds from the auction of vehicles returned from daily rental car companies and vehicles utilized by our employees are recognized in Automotive net sales and revenue upon transfer of control of the vehicle to the customer and the related vehicle carrying value is recognized in Automotive and other cost of sales.

Services and Other Services and other revenue primarily consists of revenue from vehicle-related service arrangements and after-sale services such as maintenance, vehicle connectivity and extended service warranties. For those service arrangements that are bundled with a vehicle sale, a portion of the revenue from the sale is allocated to the service component and recognized as deferred revenue within Accrued liabilities or Other liabilities. We recognize revenue for bundled services and services sold separately as services are performed, typically over a period of less than three years.

Automotive Financing - GM Financial Finance charge income earned on receivables is recognized using the effective interest method. Fees and commissions (including incentive payments) received and direct costs of originating loans are deferred and amortized over the term of the related finance receivables using the effective interest method and are removed from the consolidated balance sheets when the related finance receivables are fully charged off or paid in full. Accrual of finance charge income on retail finance receivables is generally suspended on accounts that are more than 60 days delinquent, accounts in bankruptcy and accounts in repossession. Payments received on nonaccrual loans are first applied to any fees due, then to any interest due and then any remaining amounts are applied to principal. Interest accrual generally resumes once an account has received payments bringing the delinquency to less than 60 days past due. Accrual of finance charge income on commercial finance receivables is generally suspended on accounts that are more than 90 days delinquent, upon receipt of a bankruptcy notice from a borrower, or where reasonable doubt exists about the full collectability of contractually agreed upon principal and interest. Payments received on nonaccrual loans are first applied to principal. Interest accrual resumes once an account has received payments bringing the account fully current and collection of contractual principal and interest is reasonably assured (including amounts previously charged off).

Income from operating lease assets, which includes lease origination fees, net of lease origination costs, is recorded as operating lease revenue on a straight-line basis over the term of the lease agreement.

Advertising and Promotion Expenditures Advertising and promotion expenditures, which are expensed as incurred in Automotive and other selling, general and administrative expense, were \$3.7 billion, \$4.0 billion and \$4.3 billion in the years ended December 31, 2019, 2018 and 2017.

Research and Development Expenditures Research and development expenditures, which are expensed as incurred in Automotive and other cost of sales, were \$6.8 billion, \$7.8 billion and \$7.3 billion in the years ended December 31, 2019, 2018 and 2017. We enter into cost sharing arrangements with third parties or nonconsolidated affiliates for product-related research, engineering, design and development activities. Cost sharing payments and fees related to these arrangements are presented in Automotive and other cost of sales.

GENERAL MOTORS COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Cash Equivalents and Restricted Cash Cash equivalents are defined as short-term, highly-liquid investments with original maturities of 90 days or less. We are required to post cash as collateral as part of certain agreements that we enter into as part of our operations. Cash and cash equivalents subject to contractual restrictions and not readily available are classified as restricted cash. Restricted cash is invested in accordance with the terms of the underlying agreements and include amounts related to various deposits, escrows and other cash collateral. Restricted cash is included in Other current assets and Other assets in the consolidated balance sheets.

Fair Value Measurements A three-level valuation hierarchy, based upon observable and unobservable inputs, is used for fair value measurements. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions based on the best evidence available. These two types of inputs create the following fair value hierarchy: Level 1 – Quoted prices for identical instruments in active markets; Level 2 – Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations whose significant inputs are observable; and Level 3 – Instruments whose significant inputs are unobservable.

Marketable Debt Securities We classify marketable debt securities as either available-for-sale or trading. Various factors, including turnover of holdings and investment guidelines, are considered in determining the classification of securities. Available-for-sale debt securities are recorded at fair value with unrealized gains and losses recorded net of related income taxes in Accumulated other comprehensive loss until realized. Trading debt securities are recorded at fair value with changes in fair value recorded in Interest income and other non-operating income, net. We determine realized gains and losses for all debt securities using the specific identification method.

We measure the fair value of our marketable debt securities using a market approach where identical or comparable prices are available and an income approach in other cases. If quoted market prices are not available, fair values of securities are determined using prices from a pricing service, pricing models, quoted prices of securities with similar characteristics or discounted cash flow models. These prices represent non-binding quotes. Our pricing service utilizes industry-standard pricing models that consider various inputs. We conduct an annual review of our pricing service and believe the prices received from our pricing service are a reliable representation of exit prices.

An evaluation is made quarterly to determine if unrealized losses related to non-trading investments in debt securities are other-than-temporary. Factors considered include the length of time and extent to which the fair value has been below cost, the financial condition and near-term prospects of the issuer and the intent to sell or likelihood to be forced to sell the debt security before any anticipated recovery.

Accounts and Notes Receivable Accounts and notes receivable primarily consists of amounts that are due and payable from our customers for the sale of vehicles, parts, and accessories. We evaluate the collectability of receivables each reporting period and record an allowance for doubtful accounts representing our estimate of probable losses. Additions to the allowance are charged to bad debt expense reported in Automotive and other selling, general and administrative expense and were insignificant in the years ended December 31, 2019, 2018 and 2017.

GM Financial Receivables Finance receivables are carried at amortized cost, net of allowance for loan losses. GM Financial uses forecasting models to determine the collective allowance for loan losses based on factors including historical delinquency migration to loss, probability of default and loss given default. The loss confirmation period is a key assumption within the models and represents the average amount of time from when a loss event first occurs to when the receivable is charged off. GM Financial also considers an evaluation of overall portfolio credit quality based on various indicators.

Retail finance receivables that become classified as troubled debt restructurings (TDRs) are separately assessed for impairment. A specific allowance is estimated based on the present value of the expected future cash flows of the receivables discounted at the original weighted average effective interest rate. Finance charge income from loans classified as TDRs is accounted for in the same manner as other accruing loans. Cash collections on these loans are allocated according to the same payment hierarchy methodology applied to loans that are not classified as TDRs.

Retail finance receivables are generally charged off in the month in which the account becomes 120 days contractually delinquent if GM Financial has not yet recorded a repossession charge-off. A repossession charge-off generally represents the difference between the estimated net sales proceeds and the unpaid balance of the contract, including accrued interest.

GENERAL MOTORS COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Inventories Inventories are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less cost to sell, and considers general market and economic conditions, periodic reviews of current profitability of vehicles, product warranty costs and the effect of estimated sales incentives. Net realizable value for off-lease and other vehicles is current auction sales proceeds less disposal and warranty costs. Productive material, supplies, work in process and service parts are reviewed to determine if inventory quantities are in excess of forecasted usage or if they have become obsolete.

Equipment on Operating Leases Equipment on operating leases, net consists of vehicle leases to retail customers with lease terms of two to five years and vehicle sales to rental car companies that are expected to be repurchased in an average of seven months. We are exposed to changes in the residual values of these assets. The residual values represent estimates of the values of the leased vehicles at the end of the lease contracts and are determined based on forecasted auction proceeds when there is a reliable basis to make such a determination. Realization of the residual values is dependent on the future ability to market the vehicles under prevailing market conditions. The estimate of the residual value is evaluated over the life of the arrangement and adjustments may be made to the extent the expected value of the vehicle changes. Adjustments may be in the form of revisions to the depreciation rate or recognition of an impairment charge. A lease vehicle asset group is determined to be impaired if an impairment indicator exists and the expected future cash flows, which include estimated residual values, are lower than the carrying amount of the vehicle asset group. If the carrying amount is considered impaired an impairment charge is recorded for the amount by which the carrying amount exceeds fair value of the vehicle asset group. Fair value is determined primarily using the anticipated cash flows, including estimated residual values. In our automotive operations when a vehicle that is accounted for as a lease is returned the asset is reclassified from Equipment on operating leases, net to Inventories at the lower of cost or net realizable value. Upon disposition, proceeds are recorded in Automotive net sales and revenue and costs are recorded in Automotive and other cost of sales. In our automotive finance operations when a leased vehicle is returned or repossessed the asset is recorded in Other assets at the lower of amortized cost or net realizable value. Upon disposition a gain or loss is recorded in GM Financial interest, operating and other expenses for any difference between the net book value of the leased asset and the proceeds from the disposition of the asset.

Equity Investments When events and circumstances warrant, equity investments accounted for under the equity method of accounting are evaluated for impairment. An impairment charge is recorded whenever a decline in value of an equity investment below its carrying amount is determined to be other-than-temporary. Impairment charges related to equity method investments are recorded in Equity income. Equity investments that are not accounted for under the equity method of accounting are measured at fair value with changes in fair value recorded in Interest income and other non-operating income, net.

Property, net Property, plant and equipment, including internal use software, is recorded at cost. Major improvements that extend the useful life or add functionality are capitalized. The gross amount of assets under finance leases, prior to 2019, capital leases, is included in property, plant and equipment. Expenditures for repairs and maintenance are charged to expense as incurred. We depreciate depreciable property using the straight-line method. Leasehold improvements are amortized over the period of lease or the life of the asset, whichever is shorter. The amortization of the assets under finance leases, prior to 2019, capital leases, is included in depreciation expense. Upon retirement or disposition of property, plant and equipment, the cost and related accumulated depreciation are eliminated and any resulting gain or loss is recorded in earnings. Impairment charges related to property are recorded in Automotive and other cost of sales, Automotive and other selling, general and administrative expense or GM Financial interest, operating and other expenses.

Special Tools Special tools represent product-specific propulsion and non-propulsion related tools, dies, molds and other items used in the vehicle manufacturing process. Expenditures for special tools are recorded at cost and are capitalized. We amortize special tools over their estimated useful lives using the straight-line method or an accelerated amortization method based on their historical and estimated production volume. Impairment charges related to special tools are recorded in Automotive and other cost of sales.

Goodwill Goodwill is not amortized but rather tested for impairment annually on October 1 or when events occur or circumstances change that would trigger such a review. The impairment test entails an assessment of qualitative factors to determine whether it is more likely than not that an impairment exists. If it is more likely than not that an impairment exists, then a quantitative impairment test is performed. Impairment exists when the carrying amount of a reporting unit exceeds its fair value.

Intangible Assets, net Intangible assets, excluding goodwill, primarily include brand names, technology and intellectual property, customer relationships and dealer networks. Intangible assets are amortized on a straight-line or an accelerated method of amortization over their estimated useful lives. An accelerated amortization method reflecting the pattern in which the asset will

GENERAL MOTORS COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

be consumed is utilized if that pattern can be reliably determined. We consider the period of expected cash flows and underlying data used to measure the fair value of the intangible assets when selecting a useful life. Amortization of developed technology and intellectual property is recorded in Automotive and other cost of sales. Amortization of brand names, customer relationships and our dealer networks is recorded in Automotive and other selling, general and administrative expense or GM Financial interest, operating and other expenses. Impairment charges, if any, related to intangible assets are recorded in Automotive and other selling, general and administrative expense or Automotive and other cost of sales.

Valuation of Long-Lived Assets The carrying amount of long-lived assets and finite-lived intangible assets to be held and used in the business is evaluated for impairment when events and circumstances warrant. If the carrying amount of a long-lived asset group is considered impaired, a loss is recorded based on the amount by which the carrying amount exceeds fair value. Product-specific long-lived asset groups and non-product specific long-lived assets are separately tested for impairment on an asset group basis. Fair value is determined using either the market or sales comparison approach, cost approach or anticipated cash flows discounted at a rate commensurate with the risk involved. Long-lived assets to be disposed of other than by sale are considered held for use until disposition.

Pension and OPEB Plans

Attribution, Methods and Assumptions The cost of benefits provided by defined benefit pension plans is recorded in the period employees provide service. The cost of pension plan amendments that provide for benefits already earned by plan participants is amortized over the expected period of benefit which may be the duration of the applicable collective bargaining agreement specific to the plan, the expected future working lifetime or the life expectancy of the plan participants.

The cost of medical, dental, legal service and life insurance benefits provided through postretirement benefit plans is recorded in the period employees provide service. The cost of postretirement plan amendments that provide for benefits already earned by plan participants is amortized over the expected period of benefit which may be the average period to full eligibility or the average life expectancy of the plan participants.

An expected return on plan asset methodology is utilized to calculate future pension expense for certain significant funded benefit plans. A market-related value of plan assets methodology is also utilized that averages gains and losses on the plan assets over a period of years to determine future pension expense. The methodology recognizes 60% of the difference between the fair value of assets and the expected calculated value in the first year and 10% of that difference over each of the next four years.

The discount rate assumption is established for each of the retirement-related benefit plans at their respective measurement dates. In the U.S. we use a cash flow matching approach that uses projected cash flows matched to spot rates along a high-quality corporate bond yield curve to determine the present value of cash flows to calculate a single equivalent discount rate. We apply individual annual yield curve rates to determine the service cost and interest cost for our pension and OPEB plans to more specifically link the cash flows related to service cost and interest cost to bonds maturing in their year of payment.

The benefit obligation for pension plans in Canada, the U.K. and Germany represents 93% of the non-U.S. pension benefit obligation at December 31, 2019. The discount rates for plans in Canada, the U.K. and Germany are determined using a cash flow matching approach like the U.S.

Plan Asset Valuation Due to the lack of timely available market information for certain investments in the asset classes described below as well as the inherent uncertainty of valuation, reported fair values may differ from fair values that would have been used had timely available market information been available.

Common and Preferred Stock Common and preferred stock for which market prices are readily available at the measurement date are valued at the last reported sale price or official closing price on the primary market or exchange on which they are actively traded and are classified in Level 1. Such equity securities for which the market is not considered to be active are valued via the use of observable inputs, which may include the use of adjusted market prices last available, bids or last available sales prices and/or other observable inputs and are classified in Level 2. Common and preferred stock classified in Level 3 are privately issued securities or other issues that are valued via the use of valuation models using significant unobservable inputs that generally consider aged (stale) pricing, earnings multiples, discounted cash flows and/or other qualitative and quantitative factors.

Debt Securities Valuations for debt securities are based on quotations received from independent pricing services or from dealers who make markets in such securities. Debt securities priced via pricing services that utilize matrix pricing which considers readily

GENERAL MOTORS COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

observable inputs such as the yield or price of bonds of comparable quality, coupon, maturity and type as well as dealer supplied prices, are classified in Level 2. Debt securities that are typically priced by dealers and pricing services via the use of proprietary pricing models which incorporate significant unobservable inputs are classified in Level 3. These inputs primarily consist of yield and credit spread assumptions, discount rates, prepayment curves, default assumptions and recovery rates.

Investment Funds, Private Equity and Debt Investments and Real Estate Investments Investment funds, private equity and debt investments and real estate investments are valued based on the Net Asset Value (NAV) per Share (or its equivalent) as a practical expedient to estimate fair value due to the absence of readily available market prices.

NAV's are provided by the respective investment sponsors or investment advisers and are subsequently reviewed and approved by management. In the event management concludes a reported NAV does not reflect fair value or is not determined as of the financial reporting measurement date, we will consider whether and when deemed necessary to make an adjustment at the balance sheet date. In determining whether an adjustment to the external valuation is required, we will review material factors that could affect the valuation, such as changes in the composition or performance of the underlying investments or comparable investments, overall market conditions, expected sale prices for private investments which are probable of being sold in the short-term and other economic factors that may possibly have a favorable or unfavorable effect on the reported external valuation.

Stock Incentive Plans Our stock incentive plans include RSUs, RSAs, PSUs, stock options and awards that may be settled in our stock, the stock of our subsidiaries or in cash. We measure and record compensation expense based on the fair value of GM or Cruise's common stock on the date of grant for RSUs, RSAs and PSUs and the grant date fair value, determined utilizing a lattice model or the Black-Scholes formula, for stock options and PSUs. RSUs granted in stock of Cruise vest upon satisfaction of both a service condition and a liquidity condition, defined as a change in control transaction or the consummation of an initial public offering. Compensation cost for awards that do not have an established accounting grant date, but for which the service inception date has been established, or are settled in cash is based on the fair value of GM or Cruise's common stock at the end of each reporting period. We record compensation cost for service-based RSUs, RSAs, PSUs and service-based stock options on a straight-line basis over the entire vesting period, or for retirement eligible employees over the requisite service period. Compensation costs for RSUs granted in stock of Cruise will be recorded when the liquidity condition described above is met. We use the graded vesting method to record compensation cost for stock options with market conditions over the lesser of the vesting period or the time period an employee becomes eligible to retain the award at retirement.

Product Warranty and Recall Campaigns The estimated costs related to product warranties are accrued at the time products are sold and are charged to Automotive and other cost of sales. These estimates are established using historical information on the nature, frequency and average cost of claims of each vehicle line or each model year of the vehicle line and assumptions about future activity and events. Revisions are made when necessary and are based on changes in these factors.

The estimated costs related to recall campaigns are accrued when probable and estimable, which is generally at the time of vehicle sale. In GMNA, we estimate the costs related to recall campaigns by applying a paid loss approach that considers the number of historical recall campaigns and the estimated cost for each recall campaign. The estimated costs associated with recall campaigns in other geographical regions are determined using the estimated costs of repairs and the estimated number of vehicles to be repaired. Costs associated with recall campaigns are charged to Automotive and other cost of sales. Revisions are made when necessary based on changes in these factors.

Income Taxes The liability method is used in accounting for income taxes. Deferred tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements using the statutory tax rates in effect for the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax laws or rates is recorded in the results of operations in the period that includes the enactment date under the law.

Deferred income tax assets are evaluated quarterly to determine if valuation allowances are required or should be adjusted. We establish valuation allowances for deferred tax assets based on a more likely than not standard. The ability to realize deferred tax assets depends on the ability to generate sufficient taxable income within the carryback or carryforward periods provided for in the tax law for each applicable tax jurisdiction. The assessment regarding whether a valuation allowance is required or should be adjusted also considers all available positive and negative evidence factors. It is difficult to conclude a valuation allowance is not required when there is significant objective and verifiable negative evidence, such as cumulative losses in recent years. We utilize a rolling three years of actual and current year results as the primary measure of cumulative losses in recent years.

GENERAL MOTORS COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Income tax expense (benefit) for the year is allocated between continuing operations and other categories of income such as Other comprehensive income (loss). In periods in which there is a pre-tax loss from continuing operations and pre-tax income in another income category, the tax benefit allocated to continuing operations is determined by taking into account the pre-tax income of other categories. We record Global Intangible Low Tax Income (GILTI) as a current period expense when incurred.

We record uncertain tax positions on the basis of a two-step process whereby we determine whether it is more likely than not that the tax positions will be sustained based on the technical merits of the position, and for those tax positions that meet the more likely than not criteria, we recognize the largest amount of tax benefit that is greater than 50% likely to be realized upon ultimate settlement with the related tax authority. We record interest and penalties on uncertain tax positions in Income tax expense (benefit).

Foreign Currency Transactions and Translation The assets and liabilities of foreign subsidiaries that use the local currency as their functional currency are translated to U.S. Dollars based on the current exchange rate prevailing at each balance sheet date and any resulting translation adjustments are included in Accumulated other comprehensive loss. The assets and liabilities of foreign subsidiaries whose local currency is not their functional currency are remeasured from their local currency to their functional currency and then translated to U.S. Dollars. Revenues and expenses are translated into U.S. Dollars using the average exchange rates prevailing for each period presented. The financial statements of any foreign subsidiary that has been identified as having a highly inflationary economy are remeasured as if the functional currency were the U.S. Dollar.

Gains and losses arising from foreign currency transactions and the effects of remeasurements discussed in the preceding paragraph are recorded in Automotive and other cost of sales and GM Financial interest, operating and other expenses unless related to Automotive debt, which are recorded in Interest income and other non-operating income, net. Foreign currency transaction and remeasurement gains were \$85 million and losses were \$168 million and \$52 million in the years ended December 31, 2019, 2018 and 2017.

Derivative Financial Instruments Derivative financial instruments are recognized as either assets or liabilities at fair value. The accounting for changes in the fair value of each derivative financial instrument depends on whether it has been designated and qualifies as an accounting hedge, as well as the type of hedging relationship identified. Derivative instruments are not used for trading or speculative purposes.

Automotive We utilize options, swaps and forward contracts to manage foreign currency and commodity price risk. The change in fair value of option and forward contracts not designated as hedges is recorded in Interest income and other non-operating income, net. Cash flows for all derivative financial instruments are classified in cash flows from operating activities.

We estimate the fair value of the PSA warrants using a Black-Scholes formula. The significant inputs to the model include the PSA stock price and the estimated dividend yield. We are entitled to receive any dividends declared by PSA through the conversion date upon exercise of the warrants. Gains or losses as a result of the change in the fair value of the PSA warrants are recorded in Interest income and other non-operating income, net.

Automotive Financing - GM Financial GM Financial utilizes interest rate derivative instruments to manage interest rate risk and foreign currency derivative instruments to manage foreign currency risk. The change in fair value of the derivative instruments not designated as hedges is recorded in GM Financial interest, operating and other expenses. Cash flows for all derivative financial instruments are classified in cash flows from operating activities.

Certain interest rate and foreign currency swap agreements have been designated as fair value hedges. The risk being hedged is the risk of changes in the fair value of the hedged debt attributable to changes in the benchmark interest rate or the risk of changes in fair value attributable to changes in foreign currency exchange rates. If the swap has been designated as a fair value hedge, the changes in the fair value of the hedged item are recorded in GM Financial interest, operating and other expenses. The change in fair value of the related hedge is also recorded in GM Financial interest, operating and other expenses.

Certain interest rate swap and foreign currency swap agreements have been designated as cash flow hedges. The risk being hedged is the interest rate and foreign currency risk related to forecasted transactions. If the contract has been designated as a cash flow hedge, the change in the fair value of the cash flow hedge is deferred in Accumulated other comprehensive loss and is recognized in GM Financial interest, operating and other expenses along with the earnings effect of the hedged item when the hedged item affects earnings. Changes in the fair value of amounts excluded from the assessment of effectiveness are recorded currently in earnings and are presented in the same income statement line as the earnings effect of the hedged item.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Recently Adopted Accounting Standards Effective January 1, 2019, we adopted ASU 2016-02, "Leases" (ASU 2016-02) using the modified retrospective method, resulting in a cumulative-effect adjustment to the opening balance of Retained earnings for an insignificant amount. We recognized \$1.0 billion of right of use assets and lease obligations included in Other assets, Accrued liabilities and Other liabilities on our consolidated balance sheet for our existing operating lease portfolio at January 1, 2019. We elected to apply the practical expedient related to land easements, as well as the package of practical expedients permitted under the transition guidance in the new standard, which allowed us to carry forward our historical lease classification. The accounting for our finance leases and leases where we are the lessor remained substantially unchanged. The application of ASU 2016-02 had no impact on our consolidated income statement or consolidated statement of cash flows.

The following table summarizes our minimum commitments under noncancelable operating leases having initial terms in excess of one year, primarily for property, at December 31, 2018 as disclosed in our 2018 Form 10-K:

	Years Ending December 31,						Total
	2019	2020	2021	2022	2023	Thereafter	
Minimum commitments(a)	\$ 296	\$ 286	\$ 247	\$ 180	\$ 146	\$ 582	\$ 1,737
Sublease income	(61)	(51)	(44)	(38)	(33)	(129)	(356)
Net minimum commitments	\$ 235	\$ 235	\$ 203	\$ 142	\$ 113	\$ 453	\$ 1,381

(a) Certain leases contain escalation clauses and renewal or purchase options.

Refer to Note 16 for information on our operating leases at December 31, 2019.

Accounting Standards Not Yet Adopted In June 2016 the Financial Accounting Standards Board issued ASU 2016-13, "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" (ASU 2016-13), which requires entities to use a new impairment model based on Current Expected Credit Losses (CECL) rather than incurred losses. We adopted ASU 2016-13 on January 1, 2020 on a modified retrospective basis. Upon adoption, estimated credit losses under CECL consider relevant information about past events, current conditions and reasonable and supportable forecasts that affect the collectibility of the reported amount, resulting in recognition of lifetime expected credit losses upon loan origination. The adoption impact of ASU 2016-13 will increase our allowance for credit losses by approximately \$800 million, with an after-tax reduction to Retained earnings of approximately \$600 million.

Note 3. Revenue

The following table disaggregates our revenue by major source for revenue generating segments:

	Year Ended December 31, 2019							
	GMNA	GMI	Corporate	Total Automotive	Cruise	GM Financial	Eliminations/ Reclassifications	Total
Vehicle, parts and accessories	\$ 101,346	\$ 14,931	\$ —	\$ 116,277	\$ —	\$ —	\$ —	\$ 116,277
Used vehicles	1,896	123	—	2,019	—	—	—	2,019
Services and other	3,124	1,057	220	4,401	100	—	(100)	4,401
Automotive net sales and revenue	106,366	16,111	220	122,697	100	—	(100)	122,697
Leased vehicle income	—	—	—	—	—	10,032	—	10,032
Finance charge income	—	—	—	—	—	4,071	(7)	4,064
Other income	—	—	—	—	—	451	(7)	444
GM Financial net sales and revenue	—	—	—	—	—	14,554	(14)	14,540
Net sales and revenue	\$ 106,366	\$ 16,111	\$ 220	\$ 122,697	\$ 100	\$ 14,554	\$ (114)	\$ 137,237

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

	Year Ended December 31, 2018						
	GMNA	GMI	Corporate	Total Automotive	GM Financial	Eliminations	Total
Vehicle, parts and accessories	\$ 107,217	\$ 17,980	\$ 20	\$ 125,217	\$ —	\$ (62)	\$ 125,155
Used vehicles	3,215	175	—	3,390	—	(36)	3,354
Services and other	3,360	993	183	4,536	—	—	4,536
Automotive net sales and revenue	113,792	19,148	203	133,143	—	(98)	133,045
Leased vehicle income	—	—	—	—	9,963	—	9,963
Finance charge income	—	—	—	—	3,629	(8)	3,621
Other income	—	—	—	—	424	(4)	420
GM Financial net sales and revenue	—	—	—	—	14,016	(12)	14,004
Net sales and revenue	<u>\$ 113,792</u>	<u>\$ 19,148</u>	<u>\$ 203</u>	<u>\$ 133,143</u>	<u>\$ 14,016</u>	<u>\$ (110)</u>	<u>\$ 147,049</u>

Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods or providing services. Adjustments to sales incentives for previously recognized sales were insignificant during the years ended December 31, 2019 and 2018.

Contract liabilities in our Automotive segments primarily consist of maintenance, extended warranty and other service contracts. We recognized revenue of \$1.5 billion and \$1.4 billion related to contract liabilities during the years ended December 31, 2019 and 2018. We expect to recognize revenue of \$1.1 billion, \$487 million and \$658 million in the years ending December 31, 2020, 2021 and thereafter related to contract liabilities as of December 31, 2019.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Note 4. Marketable and Other Securities

The following table summarizes the fair value of cash equivalents and marketable debt and equity securities, which approximates cost:

	Fair Value Level	December 31, 2019	December 31, 2018
Cash and cash equivalents			
Cash and time deposits(a)		\$ 6,828	\$ 7,254
Available-for-sale debt securities			
U.S. government and agencies	2	1,484	4,656
Corporate debt	2	5,863	3,791
Sovereign debt	2	2,123	1,976
Total available-for-sale debt securities – cash equivalents		9,470	10,423
Money market funds	1	2,771	3,167
Total cash and cash equivalents(b)		\$ 19,069	\$ 20,844
Marketable debt securities			
U.S. government and agencies	2	\$ 226	\$ 1,230
Corporate debt	2	2,932	3,478
Mortgage and asset-backed	2	681	695
Sovereign debt	2	335	563
Total available-for-sale debt securities – marketable securities(c)		\$ 4,174	\$ 5,966
Restricted cash			
Cash and cash equivalents		\$ 292	\$ 260
Money market funds	1	3,582	2,392
Total restricted cash		\$ 3,874	\$ 2,652
Available-for-sale debt securities included above with contractual maturities(d)			
Due in one year or less		\$ 10,213	
Due between one and five years		2,750	
Total available-for-sale debt securities with contractual maturities		\$ 12,963	

(a) Includes \$248 million and \$616 million that is designated exclusively to fund capital expenditures in GM Korea at December 31, 2019 and 2018. Refer to Note 20 for additional information.

(b) Includes \$2.3 billion in Cruise at December 31, 2019 and 2018. Refer to Note 20 for additional information.

(c) Includes \$266 million in Cruise at December 31, 2019.

(d) Excludes mortgage- and asset-backed securities of \$681 million at December 31, 2019 as these securities are not due at a single maturity date.

Proceeds from the sale of available-for-sale debt investments sold prior to maturity were \$4.5 billion, \$4.3 billion and \$5.6 billion in the years ended December 31, 2019, 2018 and 2017. Net unrealized gains and losses on available-for-sale debt securities were insignificant in the years ended December 31, 2019, 2018 and 2017. Cumulative unrealized gains and losses on available-for-sale debt securities were insignificant at December 31, 2019 and 2018.

Our remaining investment in Lyft was measured at fair value at December 31, 2019 using Lyft's quoted market price, a Level 1 input. Prior to Lyft's initial public offering, our investment in Lyft was measured at fair value using Level 3 inputs at December 31, 2018. The fair value of this investment was \$535 million included in Other current assets and \$884 million included in Other assets at December 31, 2019 and 2018. We recorded an insignificant unrealized loss and an unrealized gain of \$142 million in Interest income and other non-operating income, net in the years ended December 31, 2019 and 2018.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same amounts shown in the consolidated statements of cash flows:

	December 31, 2019	December 31, 2018
Cash and cash equivalents	\$ 19,069	\$ 20,844
Restricted cash included in Other current assets	3,352	2,083
Restricted cash included in Other assets	522	569
Total	<u>\$ 22,943</u>	<u>\$ 23,496</u>

Note 5. GM Financial Receivables and Transactions

	December 31, 2019			December 31, 2018		
	Retail	Commercial(a)	Total	Retail	Commercial(a)	Total
Finance receivables, collectively evaluated for impairment, net of fees	\$ 39,851	\$ 11,595	\$ 51,446	\$ 38,220	\$ 12,235	\$ 50,455
Finance receivables, individually evaluated for impairment, net of fees(b)	2,378	76	2,454	2,348	41	2,389
GM Financial receivables	42,229	11,671	53,900	40,568	12,276	52,844
Less: allowance for loan losses	(866)	(78)	(944)	(844)	(67)	(911)
GM Financial receivables, net	<u>\$ 41,363</u>	<u>\$ 11,593</u>	<u>\$ 52,956</u>	<u>\$ 39,724</u>	<u>\$ 12,209</u>	<u>\$ 51,933</u>
Fair value of GM Financial receivables utilizing Level 2 inputs			\$ 11,593			\$ 12,209
Fair value of GM Financial receivables utilizing Level 3 inputs			\$ 41,973			\$ 39,430

(a) Net of dealer cash management balances of \$1.2 billion and \$922 million at December 31, 2019 and 2018. Under the cash management program, subject to certain conditions, a dealer may choose to reduce the amount of interest on their floorplan line by making principal payments to GM Financial in advance.

(b) The allowance for loan losses included \$330 million and \$321 million of specific allowances on retail receivables at December 31, 2019 and 2018.

	Years Ended December 31,		
	2019	2018	2017
Allowance for loan losses at beginning of period	\$ 911	\$ 942	\$ 805
Provision for loan losses	726	642	757
Charge-offs	(1,246)	(1,199)	(1,173)
Recoveries	551	536	552
Effect of foreign currency	2	(10)	1
Allowance for loan losses at end of period	<u>\$ 944</u>	<u>\$ 911</u>	<u>\$ 942</u>

The allowance for loan losses on retail and commercial finance receivables included a collective allowance of \$596 million, \$586 million and \$611 million and a specific allowance of \$348 million, \$325 million and \$331 million at December 31, 2019, 2018 and 2017. Refer to Note 2 for expected impact of adoption of ASU 2016-13.

Retail Finance Receivables We use proprietary scoring systems in the underwriting process that measure the credit quality of retail finance receivables using several factors, such as credit bureau information, consumer credit risk scores (e.g. FICO score or its equivalent) and contract characteristics. We also consider other factors such as employment history, financial stability and capacity to pay. Subsequent to origination we review the credit quality of retail finance receivables based on customer payment activity. At December 31, 2019 and 2018 24% and 25% of retail finance receivables were from consumers with sub-prime credit scores, which are defined as a FICO score or its equivalent of less than 620 at the time of loan origination.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

We purchase retail finance contracts from automobile dealers without recourse, and accordingly, the dealer has no liability to GM Financial if the consumer defaults on the contract. Finance receivables are collateralized by vehicle titles and GM Financial has the right to repossess the vehicle in the event the consumer defaults on the payment terms of the contract.

An account is considered delinquent if a substantial portion of a scheduled payment has not been received by the date the payment was contractually due. The accrual of finance charge income had been suspended on delinquent retail finance receivables with contractual amounts due of \$875 million and \$888 million at December 31, 2019 and 2018. The following table summarizes the contractual amount of delinquent retail finance receivables, which is not significantly different than the recorded investment of the retail finance receivables:

	December 31, 2019		December 31, 2018	
	Amount	Percent of Contractual Amount Due	Amount	Percent of Contractual Amount Due
31-to-60 days delinquent	\$ 1,354	3.2%	\$ 1,349	3.3%
Greater-than-60 days delinquent	542	1.3%	547	1.4%
Total finance receivables more than 30 days delinquent	1,896	4.5%	1,896	4.7%
In repossession	44	0.1%	44	0.1%
Total finance receivables more than 30 days delinquent or in repossession	\$ 1,940	4.6%	\$ 1,940	4.8%

Commercial Finance Receivables Our commercial finance receivables consist of dealer financings, primarily for inventory purchases. Proprietary models are used to assign a risk rating to each dealer. We perform periodic credit reviews of each dealership and adjust the dealership's risk rating, if necessary. Dealers in Group VI are subject to additional restrictions on funding, including suspension of lines of credit and liquidation of assets. The commercial finance receivables on nonaccrual status were insignificant at December 31, 2019 and 2018. The following table summarizes the credit risk profile by dealer risk rating of the commercial finance receivables:

	December 31, 2019	December 31, 2018
Group I – Dealers with superior financial metrics	\$ 1,942	\$ 2,192
Group II – Dealers with strong financial metrics	4,552	4,399
Group III – Dealers with fair financial metrics	3,711	4,064
Group IV – Dealers with weak financial metrics	968	1,116
Group V – Dealers warranting special mention due to elevated risks	370	422
Group VI – Dealers with loans classified as substandard, doubtful or impaired	128	83
	\$ 11,671	\$ 12,276

Transactions with GM Financial The following table shows transactions between our Automotive segments and GM Financial. These amounts are presented in GM Financial's consolidated balance sheets and statements of income. All balance sheet amounts in the table below are eliminated.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

	December 31, 2019		December 31, 2018	
Consolidated Balance Sheets(a)				
Commercial finance receivables, net due from GM consolidated dealers	\$	478	\$	445
Direct-financing lease receivables from GM subsidiaries	\$	39	\$	134
Subvention receivable(b)	\$	676	\$	727
Commercial loan funding payable	\$	74	\$	61

	Years Ended December 31,		
	2019	2018	2017
Consolidated Statements of Income			
Interest subvention earned on finance receivables	\$ 588	\$ 554	\$ 492
Leased vehicle subvention earned	\$ 3,273	\$ 3,274	\$ 3,046

(a) All balance sheet amounts are eliminated upon consolidation.

(b) Our Automotive segments made cash payments to GM Financial for subvention of \$4.1 billion, \$3.8 billion, and \$4.3 billion in the years ended December 31, 2019, 2018 and 2017.

GM Financial's Board of Directors declared and paid dividends of \$400 million and \$375 million on its common stock in October 2019 and 2018.

Note 6. Inventories

	December 31, 2019		December 31, 2018	
Total productive material, supplies and work in process	\$	4,713	\$	4,274
Finished product, including service parts		5,685		5,542
Total inventories	\$	10,398	\$	9,816

Note 7. Equipment on Operating Leases

Equipment on operating leases primarily consists of leases to retail customers of GM Financial. The current portion of net equipment on operating leases is included in Other current assets.

	December 31, 2019		December 31, 2018	
Equipment on operating leases	\$	53,081	\$	55,282
Less: accumulated depreciation		(10,989)		(11,476)
Equipment on operating leases, net	\$	42,092	\$	43,806

At December 31, 2019, the estimated residual value of our leased assets at the end of the lease term was \$30.4 billion.

Depreciation expense related to Equipment on operating leases, net was \$7.3 billion, \$7.5 billion and \$6.7 billion in the years ended December 31, 2019, 2018 and 2017.

The following table summarizes lease payments due to GM Financial on leases to retail customers:

	Years Ending December 31,					
	2020	2021	2022	2023	2024	Total
Lease receipts under operating leases	\$ 6,517	\$ 4,080	\$ 1,607	\$ 137	\$ 4	\$ 12,345

Note 8. Equity in Net Assets of Nonconsolidated Affiliates

Nonconsolidated affiliates are entities in which we maintain an equity ownership interest and for which we use the equity method of accounting due to our ability to exert significant influence over decisions relating to their operating and financial affairs. Revenue

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

and expenses of our joint ventures are not consolidated into our financial statements; rather, our proportionate share of the earnings of each joint venture is reflected as Equity income.

	Years Ended December 31,		
	2019	2018	2017
Automotive China equity income	\$ 1,132	\$ 1,981	\$ 1,976
Other joint ventures equity income	136	182	156
Total Equity income	\$ 1,268	\$ 2,163	\$ 2,132

Investments in Nonconsolidated Affiliates

	December 31, 2019	December 31, 2018
Automotive China carrying amount	\$ 7,044	\$ 7,779
Other investments carrying amount	1,518	1,436
Total equity in net assets of nonconsolidated affiliates	\$ 8,562	\$ 9,215

The carrying amount of our investments in certain joint ventures exceeded our share of the underlying net assets by \$4.2 billion and \$4.4 billion at December 31, 2019 and 2018 primarily due to goodwill from the application of fresh-start reporting and the purchase of additional interests in nonconsolidated affiliates.

The following table summarizes our direct ownership interests in our China JVs:

	December 31, 2019	December 31, 2018
Automotive China JVs		
SAIC General Motors Corp., Ltd. (SGM)	50%	50%
Pan Asia Technical Automotive Center Co., Ltd.	50%	50%
SAIC General Motors Sales Co., Ltd.	49%	49%
SAIC GM Wuling Automobile Co., Ltd. (SGMW)	44%	44%
Shanghai OnStar Telematics Co., Ltd. (Shanghai OnStar)	40%	40%
SAIC GM (Shenyang) Norsom Motors Co., Ltd. (SGM Norsom)	25%	25%
SAIC GM Dong Yue Motors Co., Ltd. (SGM DY)	25%	25%
SAIC GM Dong Yue Powertrain Co., Ltd. (SGM DYPT)	25%	25%
FAW-GM Light Duty Commercial Vehicle Co., Ltd. (FAW-GM)(a)	—%	50%
Other joint ventures		
SAIC-GMAC Automotive Finance Company Limited (SAIC-GMAC)	35%	35%
SAIC-GMF Leasing Co., Ltd.	35%	35%

(a) In 2019, we divested our joint venture FAW-GM.

SGM is a joint venture we established with Shanghai Automotive Industry Corporation (SAIC) (50%). SGM has interests in three other joint ventures in China: SGM Norsom, SGM DY and SGM DYPT. These three joint ventures are jointly held by SGM (50%), SAIC (25%) and ourselves. These four joint ventures are engaged in the production, import and sale of a range of products under the Buick, Chevrolet and Cadillac brands. SGM also has interests in Shanghai OnStar (20%), SAIC-GMAC (20%) and SAIC-GMF Leasing Co., Ltd. (20%). Shanghai Automotive Group Finance Company Ltd., a subsidiary of SAIC, owns 45% of SAIC-GMAC. SAIC Financial Holdings Company, a subsidiary of SAIC, owns 45% of SAIC-GMF Leasing Co., Ltd.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Summarized Financial Data of Nonconsolidated Affiliates

	December 31, 2019			December 31, 2018		
	Automotive China JVs	Others	Total	Automotive China JVs	Others	Total
Summarized Balance Sheet Data						
Current assets	\$ 14,035	\$ 13,319	\$ 27,354	\$ 16,506	\$ 16,234	\$ 32,740
Non-current assets	14,484	6,680	21,164	14,012	3,870	17,882
Total assets	<u>\$ 28,519</u>	<u>\$ 19,999</u>	<u>\$ 48,518</u>	<u>\$ 30,518</u>	<u>\$ 20,104</u>	<u>\$ 50,622</u>
Current liabilities	\$ 21,256	\$ 11,588	\$ 32,844	\$ 21,574	\$ 13,985	\$ 35,559
Non-current liabilities	968	5,017	5,985	1,689	2,826	4,515
Total liabilities	<u>\$ 22,224</u>	<u>\$ 16,605</u>	<u>\$ 38,829</u>	<u>\$ 23,263</u>	<u>\$ 16,811</u>	<u>\$ 40,074</u>
Noncontrolling interests	\$ 847	\$ 1	\$ 848	\$ 865	\$ 1	\$ 866

	Years Ended December 31,		
	2019	2018	2017
Summarized Operating Data			
Automotive China JVs' net sales	\$ 39,123	\$ 50,316	\$ 50,065
Others' net sales	1,815	1,721	2,542
Total net sales	<u>\$ 40,938</u>	<u>\$ 52,037</u>	<u>\$ 52,607</u>
Automotive China JVs' net income	\$ 2,258	\$ 3,992	\$ 3,984
Others' net income	477	536	648
Total net income	<u>\$ 2,735</u>	<u>\$ 4,528</u>	<u>\$ 4,632</u>

Transactions with Nonconsolidated Affiliates Our nonconsolidated affiliates are involved in various aspects of the development, production and marketing of trucks, crossovers, cars and automobile parts. We enter into transactions with certain nonconsolidated affiliates to purchase and sell component parts and vehicles. The following tables summarize transactions with and balances related to our nonconsolidated affiliates:

	Years Ended December 31,		
	2019	2018	2017
Automotive sales and revenue	\$ 199	\$ 406	\$ 923
Automotive purchases, net	\$ 1,065	\$ 1,155	\$ 674
Dividends received	\$ 1,852	\$ 2,022	\$ 2,000
Operating cash flows	\$ 913	\$ 657	\$ 2,321

	December 31, 2019	December 31, 2018
Accounts and notes receivable, net	\$ 1,007	\$ 979
Accounts payable	\$ 369	\$ 163
Undistributed earnings	\$ 2,118	\$ 2,331

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Note 9. Property

	Estimated Useful Lives in Years	December 31, 2019	December 31, 2018
Land		\$ 1,302	\$ 1,349
Buildings and improvements	5-40	9,705	9,173
Machinery and equipment	3-27	29,814	26,453
Special tools	1-13	23,586	23,828
Construction in progress		3,042	4,680
Total property		67,449	65,483
Less: accumulated depreciation		(28,699)	(26,725)
Total property, net		<u>\$ 38,750</u>	<u>\$ 38,758</u>

The amount of capitalized software included in Property, net was \$1.3 billion and \$1.1 billion at December 31, 2019 and 2018. The amount of interest capitalized and excluded from Automotive interest expense related to Property, net was insignificant in the years ended December 31, 2019, 2018 and 2017.

	Years Ended December 31,		
	2019	2018	2017
Depreciation and amortization expense	\$ 6,541	\$ 5,347	\$ 4,966
Impairment charges	\$ 7	\$ 466	\$ 199
Capitalized software amortization expense(a)	\$ 452	\$ 424	\$ 459

(a) Included in depreciation and amortization expense.

Note 10. Goodwill and Intangible Assets

Goodwill of \$1.9 billion consisted of \$1.4 billion recorded in GM Financial and \$504 million included in Cruise at December 31, 2019 and 2018.

	December 31, 2019			December 31, 2018		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Technology and intellectual property	\$ 734	\$ 533	\$ 201	\$ 734	\$ 457	\$ 277
Brands	4,298	1,285	3,013	4,299	1,165	3,134
Dealer network, customer relationships and other	966	702	264	968	661	307
Total intangible assets	<u>\$ 5,998</u>	<u>\$ 2,520</u>	<u>\$ 3,478</u>	<u>\$ 6,001</u>	<u>\$ 2,283</u>	<u>\$ 3,718</u>

Our amortization expense related to intangible assets was \$202 million, \$247 million, and \$278 million in the years ended December 31, 2019, 2018 and 2017.

Amortization expense related to intangible assets is estimated to be approximately \$160 million in each of the next five years.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Note 11. Variable Interest Entities

GM Financial uses special purpose entities (SPEs) that are considered VIEs to issue variable funding notes to third party bank-sponsored warehouse facilities or asset-backed securities to investors in securitization transactions. The debt issued by these VIEs is backed by finance receivables and leasing related assets transferred to the VIEs (Securitized Assets). GM Financial determined that it is the primary beneficiary of the SPEs because the servicing responsibilities for the Securitized Assets give GM Financial the power to direct the activities that most significantly impact the performance of the VIEs and the variable interests in the VIEs give GM Financial the obligation to absorb losses and the right to receive residual returns that could potentially be significant. The assets serve as the sole source of repayment for the debt issued by these entities. Investors in the notes issued by the VIEs do not have recourse to GM Financial or its other assets, with the exception of customary representation and warranty repurchase provisions and indemnities that GM Financial provides as the servicer. GM Financial is not required and does not currently intend to provide additional financial support to these SPEs. While these subsidiaries are included in GM Financial's consolidated financial statements, they are separate legal entities and their assets are legally owned by them and are not available to GM Financial's creditors.

The following table summarizes the assets and liabilities related to GM Financial's consolidated VIEs:

	December 31, 2019	December 31, 2018
Restricted cash – current	\$ 2,202	\$ 1,876
Restricted cash – non-current	\$ 441	\$ 504
GM Financial receivables, net of fees – current	\$ 19,081	\$ 18,304
GM Financial receivables, net of fees – non-current	\$ 15,921	\$ 14,008
GM Financial equipment on operating leases, net	\$ 14,464	\$ 21,781
GM Financial short-term debt and current portion of long-term debt	\$ 23,952	\$ 21,087
GM Financial long-term debt	\$ 15,819	\$ 21,417

GM Financial recognizes finance charge, leased vehicle and fee income on the Securitized Assets and interest expense on the secured debt issued in a securitization transaction and records a provision for loan losses to recognize probable loan losses inherent in the finance receivables.

Note 12. Accrued and Other Liabilities

	December 31, 2019	December 31, 2018
Accrued liabilities		
Dealer and customer allowances, claims and discounts	\$ 10,402	\$ 11,611
Deferred revenue	3,234	3,504
Product warranty and related liabilities	2,987	2,788
Payrolls and employee benefits excluding postemployment benefits	1,969	2,233
Other	7,895	7,913
Total accrued liabilities	\$ 26,487	\$ 28,049
Other liabilities		
Deferred revenue	\$ 2,962	\$ 2,959
Product warranty and related liabilities	4,811	4,802
Operating lease liabilities	1,010	—
Employee benefits excluding postemployment benefits	704	658
Postemployment benefits including facility idling reserves	633	875
Other	3,026	3,063
Total other liabilities	\$ 13,146	\$ 12,357

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

	Years Ended December 31,		
	2019	2018	2017
Product Warranty and Related Liabilities			
Warranty balance at beginning of period	\$ 7,590	\$ 8,332	\$ 9,069
Warranties issued and assumed in period – recall campaigns	745	665	678
Warranties issued and assumed in period – product warranty	2,001	2,143	2,123
Payments	(3,012)	(2,903)	(3,129)
Adjustments to pre-existing warranties	455	(464)	(495)
Effect of foreign currency and other	19	(183)	86
Warranty balance at end of period	<u>\$ 7,798</u>	<u>\$ 7,590</u>	<u>\$ 8,332</u>

We estimate our reasonably possible loss in excess of amounts accrued for recall campaigns to be insignificant at December 31, 2019. Refer to Note 16 for reasonably possible losses on Takata matters.

Note 13. Debt

Automotive The following table presents debt in our automotive operations:

	December 31, 2019	December 31, 2018
Secured debt	\$ 167	\$ 143
Unsecured debt	13,909	13,292
Finance lease liabilities	310	528
Total automotive debt(a)	<u>\$ 14,386</u>	<u>\$ 13,963</u>
Fair value utilizing Level 1 inputs	\$ 13,628	\$ 11,693
Fair value utilizing Level 2 inputs	2,300	1,838
Fair value of automotive debt	<u>\$ 15,928</u>	<u>\$ 13,531</u>
Available under credit facility agreements	\$ 17,285	\$ 14,167
Weighted-average interest rate on outstanding short-term debt(b)	4.9%	6.6%
Weighted-average interest rate on outstanding long-term debt(b)	5.4%	5.2%

(a) Includes net discount and debt issuance costs of \$540 million and \$499 million at December 31, 2019 and 2018.

(b) Includes coupon rates on debt denominated in various foreign currencies and interest free loans.

Finance lease assets in Property, net were \$327 million at December 31, 2019. Finance lease costs were \$170 million in the year ended December 31, 2019. Finance lease right of use assets obtained in exchange for lease obligations were \$196 million in the year ended December 31, 2019. Undiscounted future lease obligations related to finance leases are \$129 million for the year 2020, \$156 million in aggregate for the years 2021 to 2024 and \$354 million thereafter, with imputed interest of \$329 million at December 31, 2019. The weighted-average discount rate on finance leases was 10.9% and the weighted-average remaining lease term was 13.7 years at December 31, 2019. Payments for finance leases included in Net cash provided by (used in) financing activities were \$183 million at December 31, 2019.

In January 2019 we executed a new three-year committed unsecured revolving credit facility with an initial borrowing capacity of \$3.0 billion, reducing to \$2.0 billion in July 2020. The facility provides additional financial flexibility and was used in 2019 to fund transformation activities announced in November 2018 for \$700 million, which we repaid in full in 2019. In April 2019 we renewed our 364-day \$2.0 billion credit facility for an additional 364-day term. This facility has been allocated for exclusive use by GM Financial since April 2018.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

GM Financial The following table presents debt of GM Financial:

	December 31, 2019		December 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Secured debt	\$ 39,959	\$ 40,160	\$ 42,835	\$ 42,835
Unsecured debt	48,979	50,239	48,153	47,556
Total GM Financial debt	\$ 88,938	\$ 90,399	\$ 90,988	\$ 90,391
Fair value utilizing Level 2 inputs		\$ 88,481		\$ 88,305
Fair value utilizing Level 3 inputs		\$ 1,918		\$ 2,086

Secured debt consists of revolving credit facilities and securitization notes payable. Most of the secured debt was issued by VIEs and is repayable only from proceeds related to the underlying pledged Securitized Assets. Refer to Note 11 for additional information on GM Financial's involvement with VIEs. GM Financial is required to hold certain funds in restricted cash accounts to provide additional collateral for borrowings under certain secured credit facilities. The weighted-average interest rate on secured debt was 2.95% at December 31, 2019. The revolving credit facilities have maturity dates ranging from 2020 to 2025 and securitization notes payable have maturity dates ranging from 2020 to 2027. At the end of the revolving period, if not renewed, the debt of revolving credit facilities will amortize over a defined period. In the year ended December 31, 2019 GM Financial entered into new or renewed credit facilities with a total net additional borrowing capacity of \$225 million, which had substantially the same terms as existing debt and GM Financial issued \$16.2 billion in aggregate principal amount of securitization notes payable with an initial weighted average interest rate of 2.75% and maturity dates ranging from 2022 to 2027.

Unsecured debt consists of senior notes, credit facilities and other unsecured debt. Senior notes outstanding at December 31, 2019 are due beginning in 2020 through 2029 and have a weighted-average interest rate of 3.42%. In the year ended December 31, 2019 GM Financial issued \$6.9 billion in aggregate principal amount of senior notes with an initial weighted average interest rate of 3.63% and maturity dates ranging from 2021 to 2029.

In January 2020 GM Financial issued \$1.25 billion in senior notes with an interest rate of 2.90% due in 2025.

Each of the revolving credit facilities and the indentures governing GM Financial's notes contain terms and covenants including limitations on GM Financial's ability to incur certain liens.

Unsecured credit facilities and other unsecured debt have original maturities of up to four years. The weighted-average interest rate on these credit facilities and other unsecured debt was 4.73% at December 31, 2019.

	Years Ended December 31,		
	2019	2018	2017
Automotive interest expense	\$ 782	\$ 655	\$ 575
Automotive Financing - GM Financial interest expense	3,641	3,225	2,566
Total interest expense	\$ 4,423	\$ 3,880	\$ 3,141

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The following table summarizes contractual maturities including finance leases at December 31, 2019:

	Automotive	Automotive Financing(a)	Total
2020	\$ 1,912	\$ 35,587	\$ 37,499
2021	535	20,690	21,225
2022	70	11,763	11,833
2023	1,546	7,038	8,584
2024	48	5,795	5,843
Thereafter	10,807	8,160	18,967
	<u>\$ 14,918</u>	<u>\$ 89,033</u>	<u>\$ 103,951</u>

(a) Secured debt, credit facilities and other unsecured debt are based on expected payoff date. Senior notes principal amounts are based on maturity.

Compliance with Debt Covenants Several of our loan facilities, including our revolving credit facilities, require compliance with certain financial and operational covenants as well as regular reporting to lenders, including providing certain subsidiary financial statements. Certain of GM Financial's secured debt agreements also contain various covenants, including maintaining portfolio performance ratios as well as limits on deferment levels. GM Financial's unsecured debt obligations contain covenants including limitations on GM Financial's ability to incur certain liens. Failure to meet certain of these requirements may result in a covenant violation or an event of default depending on the terms of the agreement. An event of default may allow lenders to declare amounts outstanding under these agreements immediately due and payable, to enforce their interests against collateral pledged under these agreements or restrict our ability or GM Financial's ability to obtain additional borrowings. No technical defaults or covenant violations existed at December 31, 2019.

Note 14. Derivative Financial Instruments

Automotive The following table presents the notional amounts of derivative financial instruments in our automotive operations:

	Fair Value Level	December 31, 2019	December 31, 2018
Derivatives not designated as hedges(a)			
Foreign currency	2	\$ 5,075	\$ 2,710
Commodity	2	806	658
PSA Warrants(b)	2	45	45
Total derivative financial instruments		<u>\$ 5,926</u>	<u>\$ 3,413</u>

(a) The fair value of these derivative instruments at December 31, 2019 and 2018 and the gains/losses included in our consolidated income statements for the years ended December 31, 2019, 2018 and 2017 were insignificant, unless otherwise noted.

(b) The fair value of the PSA warrants located in Other assets was \$964 million and \$827 million at December 31, 2019 and 2018. We recorded gains in Interest income and other non-operating income, net of \$154 million and \$116 million for the years ended December 31, 2019 and 2018, and an insignificant amount for the year ended December 31, 2017.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

GM Financial The following table presents the notional amounts of GM Financial's derivative financial instruments:

	Fair Value Level	December 31, 2019			December 31, 2018		
		Notional	Fair Value of Assets	Fair Value of Liabilities	Notional	Fair Value of Assets	Fair Value of Liabilities
Derivatives designated as hedges(a)							
Fair value hedges							
Interest rate swaps(b)	2	\$ 9,458	\$ 234	\$ 23	\$ 9,533	\$ 42	\$ 231
Foreign currency swaps	2	1,796	22	71	1,829	37	60
Cash flow hedges							
Interest rate swaps	2	590	—	6	768	8	—
Foreign currency swaps	2	4,429	40	119	2,075	43	58
Derivatives not designated as hedges(a)							
Interest rate contracts	2	92,400	340	300	99,666	372	520
Total derivative financial instruments(c)		<u>\$ 108,673</u>	<u>\$ 636</u>	<u>\$ 519</u>	<u>\$ 113,871</u>	<u>\$ 502</u>	<u>\$ 869</u>

- (a) The gains/losses included in our consolidated income statements and statements of comprehensive income for the years ended December 31, 2019, 2018 and 2017 were insignificant, unless otherwise noted. Amounts accrued for interest payments in a net receivable position are included in Other assets. Amounts accrued for interest payments in a net payable position are included in Other liabilities.
- (b) The gains included in GM Financial interest, operating, and other expenses were \$355 million and an insignificant amount for the years ended December 31, 2019 and 2018.
- (c) GM Financial held \$210 million and an insignificant amount of collateral from counterparties available for netting against GM Financial's asset positions, and posted an insignificant amount and \$451 million of collateral to counterparties available for netting against GM Financial's liability positions at December 31, 2019 and 2018.

The fair value for Level 2 instruments was derived using the market approach based on observable market inputs including quoted prices of similar instruments and foreign exchange and interest rate forward curves.

The following amounts were recorded in the consolidated balance sheets related to items designated and qualifying as hedged items in fair value hedging relationships:

	December 31, 2019		December 31, 2018	
	Carrying Amount of Hedged Items	Cumulative Amount of Fair Value Hedging Adjustments(a)	Carrying Amount of Hedged Items	Cumulative Amount of Fair Value Hedging Adjustments(a)
GM Financial long-term debt(b)	\$ 20,397	\$ (77)	\$ 17,923	\$ 459

- (a) Includes an insignificant amount and \$247 million of amortization remaining on hedged items for which hedge accounting has been discontinued at December 31, 2019 and 2018.
- (b) The gains/losses for hedged items – interest rate swaps included in GM Financial interest, operating, and other expenses were a loss of \$569 million and an insignificant amount for the years ended December 31, 2019 and 2018.

Note 15. Pensions and Other Postretirement Benefits

Employee Pension and Other Postretirement Benefit Plans

Defined Benefit Pension Plans Defined benefit pension plans covering eligible U.S. hourly employees (hired prior to October 2007) and Canadian hourly employees (hired prior to October 2016) generally provide benefits of negotiated, stated amounts for each year of service and supplemental benefits for employees who retire with 30 years of service before normal retirement age. The benefits provided by the defined benefit pension plans covering eligible U.S. (hired prior to January 1, 2001) and Canadian salaried employees and employees in certain other non-U.S. locations are generally based on years of service and compensation history. Accrual of defined pension benefits ceased in 2012 for U.S. and Canadian salaried employees. There is also an unfunded nonqualified pension plan primarily covering U.S. executives for service prior to January 1, 2007 and it is based on an “excess plan” for service after that date.

GENERAL MOTORS COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The funding policy for qualified defined benefit pension plans is to contribute annually not less than the minimum required by applicable laws and regulations or to directly pay benefit payments where appropriate. In the year ended December 31, 2019 all legal funding requirements were met. The following table summarizes contributions made to the defined benefit pension plans:

	Years Ended December 31,		
	2019	2018	2017
U.S. hourly and salaried	\$ 83	\$ 76	\$ 77
Non-U.S.	532	1,624	1,153
Total	\$ 615	\$ 1,700	\$ 1,230

We expect to contribute approximately \$70 million to our U.S. non-qualified plans and approximately \$500 million to our non-U.S. pension plans in 2020.

Based on our current assumptions, over the next five years we expect no significant mandatory contributions to our U.S. qualified pension plans and mandatory contributions totaling \$368 million to our U.K. and Canada pension plans.

Other Postretirement Benefit Plans Certain hourly and salaried defined benefit plans provide postretirement medical, dental, legal service and life insurance to eligible U.S. and Canadian retirees and their eligible dependents. Certain other non-U.S. subsidiaries have postretirement benefit plans, although most non-U.S. employees are covered by government sponsored or administered programs. We made contributions to the U.S. OPEB plans of \$326 million, \$325 million and \$323 million in the years ended December 31, 2019, 2018 and 2017. Plan participants' contributions were insignificant in the years ended December 31, 2019, 2018 and 2017.

Defined Contribution Plans We have defined contribution plans for eligible U.S. salaried and hourly employees that provide discretionary matching contributions. Contributions are also made to certain non-U.S. defined contribution plans. We made contributions to our defined contribution plans of \$537 million, \$617 million and \$650 million in the years ended December 31, 2019, 2018 and 2017.

Significant Plan Amendments, Benefit Modifications and Related Events

Other Remeasurements The SOA issued mortality improvement tables in the three months ended December 31, 2019. We determined our current mortality improvement assumptions are appropriate to measure our December 31, 2019 U.S. pension and OPEB plans obligations. In 2018 we reviewed our mortality experience and updated our base mortality assumptions in the U.S. This change in assumption decreased the December 31, 2018 U.S. pension and OPEB plans' obligations by \$264 million.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Pension and OPEB Obligations and Plan Assets

	Year Ended December 31, 2019			Year Ended December 31, 2018		
	Pension Benefits		Global OPEB Plans	Pension Benefits		Global OPEB Plans
	U.S.	Non-U.S.		U.S.	Non-U.S.	
Change in benefit obligations						
Beginning benefit obligation	\$ 61,190	\$ 19,904	\$ 5,744	\$ 68,450	\$ 22,789	\$ 6,374
Service cost	179	120	17	209	149	20
Interest cost	2,264	456	220	2,050	464	195
Actuarial (gains) losses	6,444	1,653	641	(4,449)	(272)	(389)
Benefits paid	(4,753)	(1,234)	(395)	(4,898)	(1,595)	(388)
Foreign currency translation adjustments	—	561	54	—	(1,452)	(106)
Curtailments, settlements and other	(640)	(62)	23	(172)	(179)	38
Ending benefit obligation	64,684	21,398	6,304	61,190	19,904	5,744
Change in plan assets						
Beginning fair value of plan assets	56,102	13,528	—	62,639	14,495	—
Actual return on plan assets	8,454	1,669	—	(1,419)	301	—
Employer contributions	83	532	370	76	1,624	369
Benefits paid	(4,753)	(1,234)	(395)	(4,898)	(1,595)	(388)
Foreign currency translation adjustments	—	668	—	—	(1,106)	—
Settlements and other	(647)	(202)	25	(296)	(191)	19
Ending fair value of plan assets	59,239	14,961	—	56,102	13,528	—
Ending funded status	\$ (5,445)	\$ (6,437)	\$ (6,304)	\$ (5,088)	\$ (6,376)	\$ (5,744)
Amounts recorded in the consolidated balance sheets						
Non-current assets	\$ —	\$ 698	\$ —	\$ —	\$ 496	\$ —
Current liabilities	(68)	(342)	(369)	(73)	(349)	(374)
Non-current liabilities	(5,377)	(6,793)	(5,935)	(5,015)	(6,523)	(5,370)
Net amount recorded	\$ (5,445)	\$ (6,437)	\$ (6,304)	\$ (5,088)	\$ (6,376)	\$ (5,744)
Amounts recorded in Accumulated other comprehensive loss						
Net actuarial loss	\$ (1,980)	\$ (4,688)	\$ (1,364)	\$ (752)	\$ (3,983)	\$ (752)
Net prior service (cost) credit	14	(78)	27	19	(64)	34
Total recorded in Accumulated other comprehensive loss	\$ (1,966)	\$ (4,766)	\$ (1,337)	\$ (733)	\$ (4,047)	\$ (718)

The following table summarizes the total accumulated benefit obligations (ABO), the ABO and fair value of plan assets for defined benefit pension plans with ABO in excess of plan assets, and the PBO and fair value of plan assets for defined benefit pension plans with PBO in excess of plan assets:

	December 31, 2019		December 31, 2018	
	U.S.	Non-U.S.	U.S.	Non-U.S.
ABO	\$ 64,669	\$ 21,319	\$ 61,177	\$ 19,822
Plans with ABO in excess of plan assets				
ABO	\$ 64,669	\$ 10,996	\$ 61,177	\$ 10,289
Fair value of plan assets	\$ 59,239	\$ 3,940	\$ 56,102	\$ 3,485
Plans with PBO in excess of plan assets				
PBO	\$ 64,684	\$ 11,079	\$ 61,190	\$ 10,356
Fair value of plan assets	\$ 59,239	\$ 3,940	\$ 56,102	\$ 3,485

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The following table summarizes the components of net periodic pension and OPEB expense along with the assumptions used to determine benefit obligations:

	Year Ended December 31, 2019			Year Ended December 31, 2018			Year Ended December 31, 2017		
	Pension Benefits		Global OPEB Plans	Pension Benefits		Global OPEB Plans	Pension Benefits		Global OPEB Plans
	U.S.	Non-U.S.		U.S.	Non-U.S.		U.S.	Non-U.S.	
Components of expense									
Service cost	\$ 393	\$ 132	\$ 17	\$ 330	\$ 163	\$ 20	\$ 315	\$ 199	\$ 19
Interest cost	2,264	456	220	2,050	464	195	2,145	473	202
Expected return on plan assets	(3,483)	(786)	—	(3,890)	(825)	—	(3,677)	(750)	—
Amortization of net actuarial (gains) losses	11	122	30	10	144	54	(6)	157	23
Curtailments, settlements and other	21	142	(23)	(19)	43	(19)	(37)	8	(5)
Net periodic pension and OPEB (income) expense	\$ (794)	\$ 66	\$ 244	\$ (1,519)	\$ (11)	\$ 250	\$ (1,260)	\$ 87	\$ 239
Weighted-average assumptions used to determine benefit obligations(a)									
Discount rate	3.20%	2.16%	3.24%	4.22%	2.86%	4.19%	3.53%	2.66%	3.52%
Weighted-average assumptions used to determine net expense(a)									
Discount rate	3.92%	3.36%	4.07%	3.19%	2.99%	3.29%	3.35%	2.94%	3.39%
Expected rate of return on plan assets	6.37%	5.76%	N/A	6.61%	6.09%	N/A	6.23%	5.82%	N/A

(a) The rate of compensation increase does not have a significant effect on our U.S. pension and OPEB plans.

The non-service cost components of the net periodic pension and OPEB income are presented in Interest income and other non-operating income, net. Refer to Note 19 for additional information.

U.S. pension plan service cost includes administrative expenses and Pension Benefit Guarantee Corporation premiums of \$214 million and \$121 million for the years ended December 31, 2019 and 2018. Weighted-average assumptions used to determine net expense are determined at the beginning of the period and updated for remeasurements. Non-U.S. pension plan administrative expenses included in service cost were insignificant in the years ended December 31, 2019 and 2018.

Estimated amounts to be amortized from Accumulated other comprehensive loss into net periodic benefit cost in the year ending December 31, 2020 based on December 31, 2019 plan measurements are \$258 million, primarily consisting of amortization of the net actuarial loss in the non-U.S. pension plans.

Assumptions

Investment Strategies and Long-Term Rate of Return Detailed periodic studies are conducted by our internal asset management group as well as outside actuaries and are used to determine the long-term strategic mix among asset classes, risk mitigation strategies and the expected long-term return on asset assumptions for the U.S. pension plans. The U.S. study includes a review of alternative asset allocation and risk mitigation strategies, anticipated future long-term performance and risk of the individual asset classes that comprise the plans' asset mix. Similar studies are performed for the significant non-U.S. pension plans with the assistance of outside actuaries and asset managers. While the studies incorporate data from recent plan performance and historical returns, the expected rate of return on plan assets represents our estimate of long-term prospective rates of return.

We continue to pursue various options to fund and de-risk our pension plans, including continued changes to the pension asset portfolio mix to reduce funded status volatility. The strategic asset mix and risk mitigation strategies for the plans are tailored specifically for each plan. Individual plans have distinct liabilities, liquidity needs and regulatory requirements. Consequently there are different investment policies set by individual plan fiduciaries. Although investment policies and risk mitigation strategies may differ among plans, each investment strategy is considered to be appropriate in the context of the specific factors affecting each plan.

In setting new strategic asset mixes, consideration is given to the likelihood that the selected asset mixes will effectively fund the projected pension plan liabilities, while aligning with the risk tolerance of the plans' fiduciaries. The strategic asset mixes for U.S. defined benefit pension plans are increasingly designed to satisfy the competing objectives of improving funded positions

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(market value of assets equal to or greater than the present value of the liabilities) and mitigating the possibility of a deterioration in funded status.

Derivatives may be used to provide cost effective solutions for rebalancing investment portfolios, increasing or decreasing exposure to various asset classes and for mitigating risks, primarily interest rate, equity and currency risks. Equity and fixed income managers are permitted to utilize derivatives as efficient substitutes for traditional securities. Interest rate derivatives may be used to adjust portfolio duration to align with a plan's targeted investment policy and equity derivatives may be used to protect equity positions from downside market losses. Alternative investment managers are permitted to employ leverage, including through the use of derivatives, which may alter economic exposure.

In December 2019, an investment policy study was completed for the U.S. pension plans. As a result of changes to our capital market assumptions, the weighted-average long-term rate of return on assets decreased from 6.4% at December 31, 2018 to 5.9% at December 31, 2019. The expected long-term rate of return on plan assets used in determining pension expense for non-U.S. plans is determined in a similar manner to the U.S. plans.

Target Allocation Percentages The following table summarizes the target allocations by asset category for U.S. and non-U.S. defined benefit pension plans:

	December 31, 2019		December 31, 2018	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Equity	12%	14%	12%	14%
Debt	64%	67%	64%	66%
Other(a)	24%	19%	24%	20%
Total	100%	100%	100%	100%

(a) Primarily includes private equity, real estate and absolute return strategies which mainly consist of hedge funds.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Assets and Fair Value Measurements The following tables summarize the fair value of U.S. and non-U.S. defined benefit pension plan assets by asset class:

	December 31, 2019				December 31, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
U.S. Pension Plan Assets								
Common and preferred stocks	\$ 6,232	\$ 19	\$ 1	\$ 6,252	\$ 4,914	\$ 18	\$ 2	\$ 4,934
Government and agency debt securities(a)	—	13,843	—	13,843	—	12,077	—	12,077
Corporate and other debt securities	—	24,809	—	24,809	—	24,645	—	24,645
Other investments, net(b)	(47)	25	401	379	350	80	371	801
Net plan assets subject to leveling	<u>\$ 6,185</u>	<u>\$ 38,696</u>	<u>\$ 402</u>	<u>45,283</u>	<u>\$ 5,264</u>	<u>\$ 36,820</u>	<u>\$ 373</u>	<u>42,457</u>
Plan assets measured at net asset value								
Investment funds				7,031				6,465
Private equity and debt investments				2,951				3,021
Real estate investments				3,484				3,504
Total plan assets measured at net asset value				13,466				12,990
Other plan assets, net(c)				490				655
Net plan assets				<u>\$ 59,239</u>				<u>\$ 56,102</u>

	December 31, 2019				December 31, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Non-U.S. Pension Plan Assets								
Common and preferred stocks	\$ 489	\$ 1	\$ —	\$ 490	\$ 441	\$ 1	\$ 5	\$ 447
Government and agency debt securities(a)	—	3,927	—	3,927	—	3,640	—	3,640
Corporate and other debt securities	—	3,230	—	3,230	—	2,589	1	2,590
Other investments, net(b)(d)	(5)	(107)	248	136	59	128	242	429
Net plan assets subject to leveling	<u>\$ 484</u>	<u>\$ 7,051</u>	<u>\$ 248</u>	<u>7,783</u>	<u>\$ 500</u>	<u>\$ 6,358</u>	<u>\$ 248</u>	<u>7,106</u>
Plan assets measured at net asset value								
Investment funds				5,608				5,081
Private equity and debt investments				511				526
Real estate investments				982				980
Total plan assets measured at net asset value				7,101				6,587
Other plan assets (liabilities), net(c)				77				(165)
Net plan assets				<u>\$ 14,961</u>				<u>\$ 13,528</u>

(a) Includes U.S. and sovereign government and agency issues.

(b) Includes net derivative assets (liabilities).

(c) Cash held by the plans, net of amounts receivable/payable for unsettled security transactions and payables for investment manager fees, custody fees and other expenses.

(d) Level 2 Other investments, net includes Canadian reverse repurchase agreements.

The activity attributable to U.S. and non-U.S. Level 3 defined benefit pension plan investments was insignificant in the years ended December 31, 2019 and 2018.

Investment Fund Strategies Investment funds include hedge funds, funds of hedge funds, equity funds and fixed income funds. Hedge funds and funds of hedge funds managers typically seek to achieve their objectives by allocating capital across a broad array of funds and/or investment managers. Equity funds invest in U.S. common and preferred stocks as well as similar equity securities issued by companies incorporated, listed or domiciled in developed and/or emerging market countries. Fixed income funds include investments in high quality funds and, to a lesser extent, high yield funds. High quality fixed income funds invest in government securities, investment-grade corporate bonds and mortgage and asset-backed securities. High yield fixed income funds invest in high yield fixed income securities issued by corporations which are rated below investment grade. Other investment funds also included in this category primarily represent multi-strategy funds that invest in broadly diversified portfolios of equity, fixed income and derivative instruments.

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Private equity and debt investments primarily consist of investments in private equity and debt funds. These investments provide exposure to and benefit from long-term equity investments in private companies, including leveraged buy-outs, venture capital and distressed debt strategies.

Real estate investments include funds that invest in entities which are primarily engaged in the ownership, acquisition, development, financing, sale and/or management of income-producing real estate properties, both commercial and residential. These funds typically seek long-term growth of capital and current income that is above average relative to public equity funds.

Significant Concentrations of Risk The assets of the pension plans include certain investment funds, private equity and debt investments and real estate investments. Investment managers may be unable to quickly sell or redeem some or all of these investments at an amount close or equal to fair value in order to meet a plan's liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty.

Illiquid investments held by the plans are generally long-term investments that complement the long-term nature of pension obligations and are not used to fund benefit payments when currently due. Plan management monitors liquidity risk on an ongoing basis and has procedures in place that are designed to maintain flexibility in addressing plan-specific, broader industry and market liquidity events.

The pension plans may invest in financial instruments denominated in foreign currencies and may be exposed to risks that the foreign currency exchange rates might change in a manner that has an adverse effect on the value of the foreign currency denominated assets or liabilities. Forward currency contracts may be used to manage and mitigate foreign currency risk.

The pension plans may invest in debt securities for which any change in the relevant interest rates for particular securities might result in an investment manager being unable to secure similar returns upon the maturity or the sale of securities. In addition changes to prevailing interest rates or changes in expectations of future interest rates might result in an increase or decrease in the fair value of the securities held. Interest rate swaps and other financial derivative instruments may be used to manage interest rate risk.

Benefit Payments Benefits for most U.S. pension plans and certain non-U.S. pension plans are paid out of plan assets rather than our Cash and cash equivalents. The following table summarizes net benefit payments expected to be paid in the future, which include assumptions related to estimated future employee service:

	Pension Benefits		
	U.S. Plans	Non-U.S. Plans	Global OPEB Plans
2020	\$ 4,942	\$ 1,529	\$ 372
2021	\$ 4,755	\$ 1,201	\$ 369
2022	\$ 4,631	\$ 1,164	\$ 365
2023	\$ 4,515	\$ 1,130	\$ 360
2024	\$ 4,407	\$ 1,104	\$ 357
2025 - 2029	\$ 20,257	\$ 5,166	\$ 1,755

Note 16. Commitments and Contingencies

Litigation-Related Liability and Tax Administrative Matters In the normal course of our business, we are named from time to time as a defendant in various legal actions, including arbitrations, class actions and other litigation. We identify below the material individual proceedings and investigations where we believe a material loss is reasonably possible or probable. We accrue for matters when we believe that losses are probable and can be reasonably estimated. At December 31, 2019 and 2018, we had accruals of \$1.3 billion in Accrued liabilities and Other liabilities. In many matters, it is inherently difficult to determine whether loss is probable or reasonably possible or to estimate the size or range of the possible loss. Accordingly adverse outcomes from such proceedings could exceed the amounts accrued by an amount that could be material to our results of operations or cash flows in any particular reporting period.

Proceedings Related to Ignition Switch Recall and Other Recalls In 2014 we announced various recalls relating to safety and other matters. Those recalls included recalls to repair ignition switches that could under certain circumstances unintentionally

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

move from the “run” position to the “accessory” or “off” position with a corresponding loss of power, which could in turn prevent airbags from deploying in the event of a crash.

Appellate Litigation Regarding Successor Liability Ignition Switch Claims In 2016, the U.S. Court of Appeals for the Second Circuit held that the 2009 order of the Bankruptcy Court approving the sale of substantially all of the assets of MLC to GM free and clear of, among other things, claims asserting successor liability for obligations owed by MLC could not be enforced to bar claims against GM asserted by either plaintiffs who purchased used vehicles after the sale or against purchasers who asserted claims relating to the ignition switch defect, including pre-sale personal injury claims and economic-loss claims.

Economic-Loss Claims We are aware of over 100 putative class actions pending against GM in U.S. and Canadian courts alleging that consumers who purchased or leased vehicles manufactured by GM or MLC, formerly known as General Motors Corporation, had been economically harmed by one or more of the 2014 recalls and/or the underlying vehicle conditions associated with those recalls (economic-loss cases). In general, these economic-loss cases seek recovery for purported compensatory damages, such as alleged benefit-of-the-bargain damages or damages related to alleged diminution in value of the vehicles, as well as punitive damages, injunctive relief and other relief.

Many of the pending U.S. economic-loss claims have been transferred to, and consolidated in, a single federal court, the U.S. District Court for the Southern District of New York (Southern District). These plaintiffs have asserted economic-loss claims under federal and state laws, including claims relating to recalled vehicles manufactured by GM and claims asserting successor liability relating to certain recalled vehicles manufactured by MLC.

In August 2017, the Southern District granted our motion to dismiss the successor liability claims of plaintiffs in seven of the sixteen states at issue on the motion and called for additional briefing to decide whether plaintiffs' claims can proceed in the other nine states. In December 2017, the Southern District granted GM's motion and dismissed the plaintiffs' successor liability claims in an additional state, but found that there are genuine issues of material fact that prevent summary judgment for GM in eight other states. In January 2018, GM moved for reconsideration of certain portions of the Southern District's December 2017 summary judgment ruling. That motion was granted in April 2018, dismissing plaintiffs' successor liability claims in any state where New York law applies.

In September 2018, the Southern District granted our motion to dismiss claims for lost personal time (in 41 out of 47 jurisdictions) and certain unjust enrichment claims, but denied our motion to dismiss plaintiffs' economic loss claims in 27 jurisdictions under the "manifest defect" rule. Significant summary judgment, class certification, and expert evidentiary motions remain at issue.

In August 2019, the Southern District granted our motion for summary judgment on plaintiffs' economic loss “benefit of the bargain” damage claims (the August 2019 Opinion). The Southern District held that plaintiffs' conjoint analysis-based damages model failed to establish that plaintiffs suffered difference-in-value damages and without such evidence, plaintiffs' difference-in-value damage claims fail under the laws of all three bellwether states: California, Missouri and Texas. Later in August 2019, the bellwether plaintiffs filed a motion requesting that the Southern District reconsider its summary judgment decision or allow an interlocutory appeal if reconsideration is denied. In December 2019, the Southern District denied plaintiffs' motion for reconsideration of the August 2019 Opinion, but granted the plaintiffs' motion for certification of an interlocutory appeal. Plaintiffs filed their petition requesting interlocutory review with the Second Circuit Court of Appeals, and GM filed its opposition in January 2020.

In September 2019, GM filed an updated motion for summary judgment on plaintiffs' remaining economic loss claims that were not addressed in the Southern District's August 2019 Opinion and renewed its evidentiary motion seeking to strike the opinions of plaintiff's expert on plaintiffs' alleged “lost time” damages associated with having the recall repairs performed.

Personal Injury Claims We also are aware of several hundred actions pending in various courts in the U.S. and Canada alleging injury or death as a result of defects that may be the subject of the 2014 recalls (personal injury cases). In general, these cases seek recovery for purported compensatory damages, punitive damages and/or other relief. Since 2016, several bellwether trials of personal injury cases have taken place in the Southern District and in a Texas state court, which is administering a Texas state multi-district litigation. None of these trials resulted in a finding of liability against GM.

Contingently Issuable Shares Under the Amended and Restated Master Sale and Purchase Agreement between GM and MLC,

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GM may be obligated to issue Adjustment Shares of our common stock if allowed general unsecured claims against the GUC Trust, as estimated by the Bankruptcy Court, exceed \$35.0 billion. The maximum number of Adjustment Shares issuable is 30 million shares (subject to adjustment to take into account stock dividends, stock splits and other transactions), which amounts to approximately \$1.0 billion based on the GM share price as of January 24, 2020. The GUC Trust stated in public filings that allowed general unsecured claims were approximately \$32.1 billion as of September 30, 2019.

In February 2019, the GUC Trust and certain personal injury and economic-loss plaintiffs filed a motion with the Bankruptcy Court requesting approval of a settlement to obtain the maximum number of Adjustment Shares. In September 2019, the GUC Trust advised the Bankruptcy Court that it was formally terminating the February 2019 proposed class settlement with plaintiffs because it was no longer viable given the August 2019 Opinion and further briefing was moot.

Government Matters In connection with the 2014 recalls, we have from time to time received subpoenas and other requests for information related to investigations by agencies or other representatives of U.S. federal, state and the Canadian governments. GM is cooperating with all reasonable pending requests for information. Any existing governmental matters or investigations could in the future result in the imposition of damages, fines, civil consent orders, civil and criminal penalties or other remedies.

The total amount accrued for the 2014 recalls at December 31, 2019, reflects amounts for a combination of settled but unpaid matters, and for the remaining unsettled investigations, claims and/or lawsuits relating to the ignition switch recalls and other related recalls to the extent that such matters are probable and can be reasonably estimated. The amounts accrued for those unsettled investigations, claims, and/or lawsuits represent a combination of our best single point estimates where determinable and, where no such single point estimate is determinable, our estimate of the low end of the range of probable loss with regard to such matters, if that is determinable. We will continue to consider resolution of pending matters involving ignition switch recalls and other recalls where it makes sense to do so.

GM Korea Wage Litigation GM Korea is party to litigation with current and former hourly employees in the appellate court and Incheon District Court in Incheon, Korea. The group actions, which in the aggregate involve more than 10,000 employees, allege that GM Korea failed to include bonuses and certain allowances in its calculation of Ordinary Wages due under Korean regulations. In 2012 the Seoul High Court (an intermediate-level appellate court) affirmed a decision in one of these group actions involving five GM Korea employees which was contrary to GM Korea's position. GM Korea appealed to the Supreme Court of the Republic of Korea (Korean Supreme Court). In 2014 the Korean Supreme Court largely agreed with GM's legal arguments and remanded the case to the Seoul High Court for consideration consistent with earlier Korean Supreme Court precedent holding that while fixed bonuses should be included in the calculation of Ordinary Wages, claims for retroactive application of this rule would be barred under certain circumstances. In 2015, on reconsideration, the Seoul High Court held in GM Korea's favor, after which the plaintiffs appealed to the Korean Supreme Court. The Korean Supreme Court has not yet rendered a decision. We estimate our reasonably possible loss in excess of amounts accrued to be approximately \$600 million at December 31, 2019. Both the scope of claims asserted and GM Korea's assessment of any or all of the individual claim elements may change if new information becomes available or the legal or regulatory frameworks change.

GM Korea is also party to litigation with current and former salaried employees over allegations relating to Ordinary Wages regulation and whether to include fixed bonuses in the calculation of Ordinary Wages. In 2017, the Seoul High Court held that certain workers are not barred from filing retroactive wage claims. GM Korea appealed this ruling to the Korean Supreme Court. The Korean Supreme Court has not yet rendered a decision. We estimate our reasonably possible loss in excess of amounts accrued to be approximately \$170 million at December 31, 2019. Both the scope of claims asserted and GM Korea's assessment of any or all of the individual claim elements may change if new information becomes available or the legal or regulatory frameworks change.

GM Korea is also party to litigation with current and former subcontract workers over allegations that they are entitled to the same wages and benefits provided to full-time employees, and to be hired as full-time employees. In May 2018, the Korean labor authorities issued an adverse administrative order finding that GM Korea must hire certain current subcontract workers as full-time employees. GM Korea appealed that order. At December 31, 2019, our accrual covering certain asserted claims and claims that we believe are probable of assertion and for which liability is probable was approximately \$180 million. We estimate the reasonably possible loss in excess of amounts accrued for other current subcontract workers who may assert similar claims to be approximately \$110 million at December 31, 2019. We are currently unable to estimate any possible loss or range of loss that may result from additional claims that may be asserted by former subcontract workers.

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GM Brazil Indirect Tax Claim During the year ended December 31, 2019, the Superior Judicial Court of Brazil rendered favorable decisions on three cases brought by GM Brazil, each challenging whether a certain state value-added tax should be included in the calculation of federal gross receipts taxes. The decisions will allow the Company the right to recover, through offset of federal tax liabilities, amounts collected by the government from August 2001 to February 2017. As a result of the favorable decisions, we recorded pre-tax recoveries of \$1.4 billion in Automotive and other cost of sales in the year ended December 31, 2019. Timing on realization of these recoveries is dependent upon the timing of administrative approvals and generation of federal tax liabilities eligible for offset. The Brazilian IRS has filed a Motion of Clarification on this matter with the Brazilian Supreme Court, which could be decided as early as April 2020. In addition, we expect third parties to make claims on some or all of the pre-tax recoveries, which GM intends to defend against.

Other Litigation-Related Liability and Tax Administrative Matters Various other legal actions, including class actions, governmental investigations, claims and proceedings are pending against us or our related companies or joint ventures, including matters arising out of alleged product defects; employment-related matters; product and workplace safety, vehicle emissions and fuel economy regulations; product warranties; financial services; dealer, supplier and other contractual relationships; government regulations relating to competition issues; tax-related matters not subject to the provision of Accounting Standards Codification 740, Income Taxes (indirect tax-related matters); product design, manufacture and performance; consumer protection laws; and environmental protection laws, including laws regulating air emissions, water discharges, waste management and environmental remediation from stationary sources.

There are several putative class actions pending against GM in federal courts in the U.S., in the Provincial Courts in Canada and in Israel alleging that various vehicles sold including model year 2011-2016 Duramax Diesel Chevrolet Silverado and GMC Sierra vehicles, violate federal, state and foreign emission standards. GM has also faced a series of additional lawsuits based primarily on allegations in the Duramax suit, including putative shareholder class actions claiming violations of federal securities law and a shareholder demand lawsuit. The securities lawsuits have been voluntarily dismissed by the plaintiffs in those actions. We are unable to estimate any reasonably possible loss or range of loss that may result from these actions.

We believe that appropriate accruals have been established for losses that are probable and can be reasonably estimated. It is possible that the resolution of one or more of these matters could exceed the amounts accrued in an amount that could be material to our results of operations. We also from time to time receive subpoenas and other inquiries or requests for information from agencies or other representatives of U.S. federal, state and foreign governments on a variety of issues.

Indirect tax-related matters are being litigated globally pertaining to value added taxes, customs, duties, sales, property taxes and other non-income tax related tax exposures. The various non-U.S. labor-related matters include claims from current and former employees related to alleged unpaid wage, benefit, severance and other compensation matters. Certain administrative proceedings are indirect tax-related and may require that we deposit funds in escrow or provide an alternative form of security. Some of the matters may involve compensatory, punitive or other treble damage claims, environmental remediation programs or sanctions that, if granted, could require us to pay damages or make other expenditures in amounts that could not be reasonably estimated at December 31, 2019. We believe that appropriate accruals have been established for losses that are probable and can be reasonably estimated. For indirect tax-related matters we estimate our reasonably possible loss in excess of amounts accrued to be up to approximately \$800 million at December 31, 2019.

Takata Matters In May 2016, NHTSA issued an amended consent order requiring Takata to file DIRs for previously unrecalled front airbag inflators that contain phased-stabilized ammonium nitrate-based propellant without a moisture absorbing desiccant on a multi-year, risk-based schedule through 2019 impacting tens of millions of vehicles produced by numerous automotive manufacturers. NHTSA concluded that the likely root cause of the rupturing of the airbag inflators is a function of time, temperature cycling and environmental moisture.

Although we do not believe there is a safety defect at this time in any unrecalled GM vehicles within scope of the Takata DIRs, in cooperation with NHTSA we have filed Preliminary DIRs covering certain of our GMT900 vehicles, which are full-size pickup trucks and SUVs. We have also filed petitions for inconsequentiality with respect to the vehicles subject to those Preliminary DIRs. NHTSA has consolidated our petitions and will rule on them at the same time.

While these petitions have been pending, we have provided NHTSA with the results of our long-term studies and the studies performed by third-party experts, all of which form the basis for our determination that the inflators in these vehicles do not present an unreasonable risk to safety and that no repair should ultimately be required.

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We believe these vehicles are currently performing as designed and our inflator aging studies and field data support the belief that the vehicles' unique design and integration mitigates against inflator propellant degradation and rupture risk. For example, the airbag inflators used in the vehicles are a variant engineered specifically for our vehicles, and include features such as greater venting, unique propellant wafer configurations, and machined steel end caps. The inflators are packaged in the instrument panel in such a way as to minimize exposure to moisture from the climate control system. Also, these vehicles have features that minimize the maximum temperature to which the inflator will be exposed, such as larger interior volumes and standard solar absorbing windshields and side glass.

Accordingly, no warranty provision has been made for any repair associated with our vehicles subject to the Preliminary DIRs and amended consent order. However, in the event we are ultimately obligated to repair the vehicles subject to current or future Takata DIRs under the amended consent order in the U.S., we estimate a reasonably possible impact to GM of approximately \$1.2 billion.

GM has recalled certain vehicles sold outside of the U.S. to replace Takata inflators in those vehicles. There are significant differences in vehicle and inflator design between the relevant vehicles sold internationally and those sold in the U.S. We continue to gather and analyze evidence about these inflators and to share our findings with regulators. Additional recalls, if any, could be material to our results of operations and cash flows. We continue to monitor the international situation.

There are several putative class actions that have been filed against GM in federal courts in the U.S., in the Provincial Courts in Canada, Mexico and Israel arising out of allegations that airbag inflators manufactured by Takata are defective. At this early stage of these proceedings, we are unable to provide an evaluation of the likelihood that a loss will be incurred or an estimate of the amounts or range of possible loss.

Product Liability We recorded liabilities of \$544 million and \$531 million in Accrued liabilities and Other liabilities at December 31, 2019 and 2018, for the expected cost of all known product liability claims, plus an estimate of the expected cost for product liability claims that have already been incurred and are expected to be filed in the future for which we are self-insured. It is reasonably possible that our accruals for product liability claims may increase in future periods in material amounts, although we cannot estimate a reasonable range of incremental loss based on currently available information. Other than claims relating to the ignition switch recalls discussed above, we believe that any judgment against us involving our and General Motors Corporation products for actual damages will be adequately covered by our recorded accruals and, where applicable, excess liability insurance coverage.

Guarantees We enter into indemnification agreements for liability claims involving products manufactured primarily by certain joint ventures. These guarantees terminate in years ranging from 2020 to 2024 or upon the occurrence of specific events or are ongoing. We believe that the related potential costs incurred are adequately covered by our recorded accruals, which are insignificant. The maximum future undiscounted payments mainly based on vehicles sold to date were \$2.6 billion and \$2.4 billion for these guarantees at December 31, 2019 and 2018, the majority of which relates to the indemnification agreements.

We provide payment guarantees on commercial loans outstanding with third parties such as dealers. In some instances certain assets of the party or our payables to the party whose debt or performance we have guaranteed may offset, to some degree, the amount of any potential future payments. We are also exposed to residual value guarantees associated with certain sales to rental car companies.

We periodically enter into agreements that incorporate indemnification provisions in the normal course of business. It is not possible to estimate our maximum exposure under these indemnifications or guarantees due to the conditional nature of these obligations. Insignificant amounts have been recorded for such obligations as the majority of them are not probable or estimable at this time and the fair value of the guarantees at issuance was insignificant. Refer to Note 22 for additional information on our indemnification obligations to PSA Group under the Master Agreement (the Agreement).

Credit Cards Credit card programs offer rebates that can be applied primarily against the purchase or lease of our vehicles. At December 31, 2019 and 2018, our redemption liability was insignificant, our deferred revenue was \$253 million and \$247 million, and qualified cardholders had rebates available, net of deferred program revenue, of \$1.4 billion. Our redemption liability and deferred revenue are recorded in Accrued liabilities and Other liabilities.

Operating Leases Our portfolio of leases primarily consists of real estate office space, manufacturing and warehousing facilities, land and equipment. Certain leases contain escalation clauses and renewal or purchase options, and generally our leases have no

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residual value guarantees or material covenants. We exclude leases with a term of one year or less from our balance sheet, and do not separate non-lease components from our real estate leases.

Rent expense under operating leases was \$354 million in the year ended December 31, 2019. Prior to adoption of ASU 2016-02, rent expense under operating leases was \$300 million and \$284 million in the years ended December 31, 2018 and 2017. Variable lease costs were insignificant in the year ended December 31, 2019. At December 31, 2019, operating lease right of use assets in Other assets were \$1.1 billion, operating lease liabilities in Accrued liabilities were \$239 million and non-current operating lease liabilities in Other liabilities were \$1.0 billion. Operating lease right of use assets obtained in exchange for lease obligations were \$497 million in the year ended December 31, 2019. Our undiscounted future lease obligations related to operating leases having initial terms in excess of one year are \$269 million, \$247 million, \$179 million, \$167 million, \$130 million and \$464 million for the years 2020, 2021, 2022, 2023, 2024 and thereafter, with imputed interest of \$207 million as of December 31, 2019. The weighted average discount rate was 4.2% and the weighted-average remaining lease term was 7.2 years at December 31, 2019. Payments for operating leases included in Net cash provided by (used in) operating activities were \$337 million in the year ended December 31, 2019. Lease agreements that have not yet commenced were insignificant at December 31, 2019.

Note 17. Income Taxes

	Years Ended December 31,		
	2019	2018	2017
U.S. income	\$ 3,826	\$ 4,433	\$ 8,399
Non-U.S. income	2,342	1,953	1,332
Income before income taxes and equity income	<u>\$ 6,168</u>	<u>\$ 6,386</u>	<u>\$ 9,731</u>
	Years Ended December 31,		
	2019	2018	2017
Current income tax expense (benefit)			
U.S. federal	\$ 42	\$ (104)	\$ 18
U.S. state and local	102	113	83
Non-U.S.	758	577	552
Total current income tax expense	<u>902</u>	<u>586</u>	<u>653</u>
Deferred income tax expense (benefit)			
U.S. federal	(145)	(578)	7,831
U.S. state and local	3	250	(187)
Non-U.S.	9	216	3,236
Total deferred income tax expense (benefit)	<u>(133)</u>	<u>(112)</u>	<u>10,880</u>
Total income tax expense	<u>\$ 769</u>	<u>\$ 474</u>	<u>\$ 11,533</u>

Provisions are made for estimated U.S. and non-U.S. income taxes which may be incurred on the reversal of our basis differences in investments in foreign subsidiaries and corporate joint ventures not deemed to be indefinitely reinvested. Taxes have not been provided on basis differences in investments primarily as a result of earnings in foreign subsidiaries which are deemed indefinitely reinvested of \$3.2 billion and \$2.9 billion at December 31, 2019 and 2018. Additional basis differences related to investments in nonconsolidated China JVs exist of \$4.1 billion at December 31, 2019 and 2018 as a result of fresh-start reporting. Quantification of the deferred tax liability, if any, associated with indefinitely reinvested basis differences is not practicable.

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	Years Ended December 31,		
	2019	2018	2017
Income tax expense at U.S. federal statutory income tax rate	\$ 1,295	\$ 1,341	\$ 3,406
State and local tax expense (benefit)	117	282	(76)
Non-U.S. income taxed at other than the U.S. federal statutory tax rate	166	90	(145)
U.S. tax impact on Non-U.S. income and activities	(197)	(822)	(941)
Change in valuation allowances	(233)	1,695	2,712
Change in tax laws	(122)	(134)	7,194
General business credits and manufacturing incentives	(420)	(695)	(428)
Capital loss expiration	—	107	—
Settlements of prior year tax matters	—	(188)	(256)
Realization of basis differences in affiliates	—	(59)	—
German statutory approval of net operating losses	—	(990)	—
Foreign currency remeasurement	74	19	23
Other adjustments	89	(172)	44
Total income tax expense	<u>\$ 769</u>	<u>\$ 474</u>	<u>\$ 11,533</u>

Deferred Income Tax Assets and Liabilities Deferred income tax assets and liabilities at December 31, 2019 and 2018 reflect the effect of temporary differences between amounts of assets, liabilities and equity for financial reporting purposes and the bases of such assets, liabilities and equity as measured based on tax laws, as well as tax loss and tax credit carryforwards. The following table summarizes the components of temporary differences and carryforwards that give rise to deferred tax assets and liabilities:

	December 31, 2019	December 31, 2018
Deferred tax assets		
Postretirement benefits other than pensions	\$ 1,695	\$ 1,584
Pension and other employee benefit plans	2,968	3,020
Warranties, dealer and customer allowances, claims and discounts	6,299	6,307
U.S. capitalized research expenditures	6,035	5,176
U.S. operating loss and tax credit carryforwards(a)	8,686	8,591
Non-U.S. operating loss and tax credit carryforwards(b)	6,731	6,393
Miscellaneous	1,965	2,034
Total deferred tax assets before valuation allowances	34,379	33,105
Less: valuation allowances	(8,135)	(7,976)
Total deferred tax assets	26,244	25,129
Deferred tax liabilities		
Property, plant and equipment	1,565	1,098
Intangible assets	763	729
Total deferred tax liabilities	2,328	1,827
Net deferred tax assets	<u>\$ 23,916</u>	<u>\$ 23,302</u>

(a) At December 31, 2019 U.S. operating loss and tax credit carryforwards of \$8.7 billion expire by 2039 if not utilized.

(b) At December 31, 2019 Non-U.S. operating loss and tax credit carryforwards of \$1.3 billion expire by 2039 if not utilized and the remaining balance of \$5.4 billion may be carried forward indefinitely.

Valuation Allowances During the years ended December 31, 2019 and 2018, valuation allowances against deferred tax assets of \$8.1 billion and \$8.0 billion were comprised of cumulative losses, credits and other timing differences, primarily in Germany, Spain and South Korea.

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We have \$3.3 billion of net operating loss carryforwards in Germany that, as a result of reorganizations that took place in 2008 and 2009 and then existing German Law, were not previously recorded as deferred tax assets. In 2018 a favorable European court decision was statutorily approved in Germany enabling use of those loss carryforwards, and deferred tax assets totaling \$1.0 billion were established for the loss carryforwards. Offsetting valuation allowances were also established as the deferred tax assets are not more likely than not to be realized.

Uncertain Tax Positions The following table summarizes activity of the total amounts of unrecognized tax benefits:

	Years Ended December 31,		
	2019	2018	2017
Balance at beginning of period	\$ 1,341	\$ 1,557	\$ 1,182
Additions to current year tax positions	18	292	160
Additions to prior years' tax positions	13	264	448
Reductions to prior years' tax positions	(501)	(244)	(195)
Reductions in tax positions due to lapse of statutory limitations	(8)	(38)	(44)
Settlements	(93)	(450)	(11)
Other	5	(40)	17
Balance at end of period	\$ 775	\$ 1,341	\$ 1,557

At December 31, 2019 and 2018 there were \$539 million and \$991 million of unrecognized tax benefits that if recognized would favorably affect our effective tax rate in the future. In the years ended December 31, 2019, 2018 and 2017 income tax related interest and penalties were insignificant. At December 31, 2019 and 2018 we had liabilities of \$117 million and \$116 million for income tax related interest and penalties.

At December 31, 2019 it is not possible to reasonably estimate the expected change to the total amount of unrecognized tax benefits in the next twelve months.

Other Matters Income tax returns are filed in multiple jurisdictions and are subject to examination by taxing authorities throughout the world. We have open tax years from 2009 to 2019 with various significant tax jurisdictions. Tax authorities may have the ability to review and adjust net operating loss or tax credit carryforwards that were generated prior to these periods if utilized in an open tax year. These open years contain matters that could be subject to differing interpretations of applicable tax laws and regulations as they relate to the amount, character, timing or inclusion of revenue and expenses or the sustainability of income tax credits for a given audit cycle.

The U.S. Tax Cuts and Jobs Act of 2017 (the Tax Act) was signed into law on December 22, 2017. The Tax Act changed many aspects of U.S. corporate income taxation and included reduction of the corporate income tax rate from 35% to 21%, implementation of a territorial tax system and imposition of a tax on deemed repatriated earnings of foreign subsidiaries. We recognized the tax effects of the Tax Act in the year ended December 31, 2017 and recorded \$7.3 billion in tax expense. The tax expense primarily relates to the remeasurement of deferred tax assets to the 21% tax rate. We applied the guidance in SAB 118 when accounting for the enactment-date effects of the Tax Act in 2017 and 2018. During the year ended December 31, 2018 we reduced our year ended December 31, 2017 estimated tax expense of \$7.3 billion to \$7.1 billion, primarily related to the remeasurement of deferred tax assets to the 21% tax rate.

Note 18. Restructuring and Other Initiatives

We have executed various restructuring and other initiatives and we may execute additional initiatives in the future, if necessary, to streamline manufacturing capacity and reduce other costs to improve the utilization of remaining facilities. To the extent these programs involve voluntary separations, a liability is generally recorded at the time offers to employees are accepted. To the extent these programs provide separation benefits in accordance with pre-existing agreements, a liability is recorded once the amount is probable and reasonably estimable. If employees are involuntarily terminated, a liability is generally recorded at the communication date. Related charges are recorded in Automotive and other cost of sales and Automotive and other selling, general and administrative expense.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The following table summarizes the reserves and charges related to restructuring and other initiatives, including postemployment benefit reserves and charges:

	Years Ended December 31,		
	2019	2018	2017
Balance at beginning of period	\$ 1,122	\$ 227	\$ 268
Additions, interest accretion and other	629	1,637	330
Payments	(1,101)	(600)	(315)
Revisions to estimates and effect of foreign currency	(86)	(142)	(56)
Balance at end of period	<u>\$ 564</u>	<u>\$ 1,122</u>	<u>\$ 227</u>

In the year ended December 31, 2019, restructuring and other initiatives primarily included actions related to our announced transformation activities, which include unallocation of products to certain manufacturing facilities and other employee separation programs. We recorded charges of \$1.8 billion, primarily in GMNA, in the year ended December 31, 2019 consisting of \$1.3 billion primarily in non-cash accelerated depreciation and pension curtailment and other charges, not reflected in the table above, and \$535 million primarily in supplier-related charges and employee-related separation charges, which are reflected in the table above. We recorded charges of \$1.3 billion, primarily in GMNA, in the year ended December 31, 2018 consisting of \$1.0 billion in employee separations and other charges, which are reflected in the table above, and \$301 million primarily in non-cash accelerated depreciation, not reflected in the table above. These programs have a total cost since inception of \$3.1 billion and were complete at December 31, 2019. We incurred \$1.1 billion in cash outflows resulting from these restructuring actions, primarily for employee separation payments and supplier-related payments in the year ended December 31, 2019. We expect additional cash outflows related to these activities of approximately \$400 million to be substantially complete by the end of 2020.

In the year ended December 31, 2018, restructuring and other initiatives in GMI primarily included the closure of a facility and other restructuring actions in Korea and employee separation programs. We recorded charges of \$1.0 billion related to Korea, net of noncontrolling interests. These charges consisted of \$537 million in non-cash asset impairments and other charges, not reflected in the table above, and \$495 million in employee separation charges, which are reflected in the table above. We incurred \$775 million in cash outflows resulting from these Korea restructuring actions, primarily for employee separations and statutory pension payments in the year ended December 31, 2018. These programs were substantially complete at December 31, 2018.

In the year ended December 31, 2017, restructuring and other initiatives primarily included restructuring actions announced in the three months ended June 30, 2017 in GMI. These actions primarily related to the withdrawal of Chevrolet from the Indian and South African markets at the end of 2017 and the transition of our South Africa manufacturing operations to Isuzu Motors. We continue to manufacture vehicles in India for sale to certain export markets. We recorded charges of \$460 million in GMI primarily consisting of \$297 million of asset impairments, sales incentives, inventory provisions and other charges, not reflected in the table above, and \$163 million of dealer restructurings, employee separations and other contract cancellation costs, which are reflected in the table above. We completed these programs in GMI in 2017. Other GMI restructuring programs reflected in the table above include separation and other programs in Australia, Korea and India and the withdrawal of the Chevrolet brand from Europe. Collectively, these programs had a total cost of \$892 million since inception in 2013 through the completion of the programs in the year ended December 31, 2017.

Note 19. Interest Income and Other Non-Operating Income

	Years Ended December 31,		
	2019	2018	2017
Non-service pension and OPEB income	\$ 797	\$ 1,665	\$ 1,316
Interest income	429	335	266
Licensing agreements income	165	296	74
Revaluation of investments	80	258	(56)
Other	(2)	42	45
Total interest income and other non-operating income, net	<u>\$ 1,469</u>	<u>\$ 2,596</u>	<u>\$ 1,645</u>

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Note 20. Stockholders' Equity and Noncontrolling Interests

Preferred and Common Stock We have 2.0 billion shares of preferred stock and 5.0 billion shares of common stock authorized for issuance. At December 31, 2019 and 2018 we had no shares of preferred stock and 1.4 billion shares of common stock issued and outstanding.

Common Stock Holders of our common stock are entitled to dividends at the sole discretion of our Board of Directors. Our dividends declared per common share were \$1.52 and our total dividends paid on common stock were \$2.2 billion, \$2.1 billion and \$2.2 billion for the years ended December 31, 2019, 2018 and 2017. Holders of common stock are entitled to one vote per share on all matters submitted to our stockholders for a vote. The liquidation rights of holders of our common stock are secondary to the payment or provision for payment of all our debts and liabilities and to holders of our preferred stock, if any such shares are then outstanding.

In the year ended December 31, 2019, we did not purchase shares of our outstanding common stock. In the years ended December 31, 2018 and 2017, we purchased three million and 120 million shares of our outstanding common stock for \$100 million and \$4.5 billion as part of the common stock repurchase program announced in March 2015, which our Board of Directors increased and extended in January 2016 and January 2017.

Warrants At December 31, 2018 we had 15 million warrants outstanding that we issued in July 2009. The warrants have expired but were exercisable at any time prior to July 10, 2019 at an exercise price of \$18.33 per share.

GM Financial Preferred Stock In September 2018 GM Financial issued \$500 million of Fixed-to-Floating Rate Cumulative Perpetual Preferred Stock, Series B, \$0.01 par value, with a liquidation preference of \$1,000 per share. The preferred stock is classified as noncontrolling interests in our consolidated financial statements. Dividends are paid semi-annually when declared, which started March 30, 2019 at a fixed rate of 6.50%.

In September 2017 GM Financial issued \$1.0 billion of Fixed-to-Floating Rate Cumulative Perpetual Preferred Stock, Series A, \$0.01 par value, with a liquidation preference of \$1,000 per share. The preferred stock is classified as noncontrolling interests in our consolidated financial statements. Dividends are paid semi-annually when declared, which started March 30, 2018 at a fixed rate of 5.75%.

Cruise Preferred Shares In 2019 Cruise Holdings entered into a Purchase Agreement with The Vision Fund, General Motors Holdings LLC, Honda and certain other investors pursuant to which Cruise Holdings received \$1.2 billion, including \$687 million from General Motors Holdings LLC, in exchange for issuing Cruise Class F Preferred Shares, representing approximately 6.6% of the fully diluted equity in Cruise Holdings. All proceeds related to the Cruise Class F Preferred Shares are designated exclusively for working capital and general corporate purposes of Cruise. The Cruise Class F Preferred Shares participate pari passu with holders of Cruise Holdings common stock in any dividends declared. The Cruise Class F Preferred Shares have the right to vote on the election of one director, who is elected by the vote of a majority of the Cruise Holdings common stock and the Cruise Class F Preferred Shares. Prior to an initial public offering, the holders of Cruise Class F Preferred Shares are restricted from transferring the Cruise Class F Preferred Shares until May 7, 2023. The Cruise Class F Preferred Shares only convert into common stock of Cruise Holdings, at specified exchange ratios, upon occurrence of an initial public offering. No covenants or other events of default that can trigger redemption of the Class F Preferred Shares exist. The Cruise Class F Preferred Shares are entitled to receive the greater of their carrying value or a pro-rata share of any proceeds or distributions upon the occurrence of a merger, sale, liquidation, or dissolution of Cruise Holdings. The Cruise Class F Preferred Shares are classified as noncontrolling interests in our consolidated financial statements. At December 31, 2019, external investors held 17.3% of the fully diluted equity in Cruise Holdings.

In June 2018, Cruise Holdings issued \$900 million of convertible preferred shares (Cruise Preferred Shares) to an affiliate of The Vision Fund which subsequently assigned such shares to The Vision Fund. Immediately prior to the issuance of the Cruise Preferred Shares, we invested \$1.1 billion in Cruise Holdings. When Cruise's autonomous vehicles are ready for commercial deployment, The Vision Fund is obligated to purchase additional Cruise Preferred Shares for \$1.35 billion. All proceeds are designated exclusively for working capital and general corporate purposes of Cruise. Dividends are cumulative and accrue at an annual rate of 7.0% and are payable quarterly in cash or in-kind, at Cruise's discretion. The Cruise Preferred Shares are also entitled to participate in Cruise dividends above a defined threshold. Prior to an initial public offering, The Vision Fund is restricted from transferring the Cruise Preferred Shares until June 28, 2025. The Cruise Preferred Shares are classified as noncontrolling interests in our consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Cruise Common Shares In October 2018, Cruise Holdings entered into a Purchase Agreement with Honda, pursuant to which Honda invested \$750 million in Cruise Holdings in exchange for Class E Common Shares, representing 5.7% of the fully diluted equity of Cruise Holdings at closing. In addition, Honda agreed to contribute approximately \$2.0 billion primarily in the form of a long-term annual fee to Cruise Holdings for certain rights to use Cruise Holdings' trade names and trademarks and the exclusive right to partner with Cruise Holdings to develop, deploy, and maintain a foreign market. The remaining contribution or funding will come in the form of shared development costs for a shared autonomous vehicle that Honda, General Motors Holdings LLC and Cruise Holdings will jointly develop for deployment onto Cruise's autonomous vehicle network. All proceeds are designated exclusively for working capital and general corporate purposes of Cruise. At the later of October 3, 2025 or the termination of the commercial agreements between Cruise Holdings and Honda, Cruise Holdings can call all, but not less than all of the Class E Common Shares at an amount equal to the then fair value of Cruise Holdings. The Class E Common Shares are classified as noncontrolling interests in our consolidated financial statements.

GM Korea Preferred Shares In the year ended December 31, 2018, the Korea Development Bank (KDB) purchased \$720 million of GM Korea's Class B Preferred Shares (GM Korea Preferred Shares). Dividends on the GM Korea Preferred Shares are cumulative and accrue at an annual rate of 1.0%. GM Korea can call the preferred shares at their original issue price six years from the date of issuance and once called, the preferred shares can be converted into common shares of GM Korea at the option of the holder. The GM Korea Preferred Shares are classified as noncontrolling interests in our consolidated financial statements. The KDB investment proceeds can only be used for purposes of funding capital expenditures in GM Korea. In conjunction with the GM Korea Preferred Share issuance we agreed to provide GM Korea future funding, if needed, not to exceed \$2.8 billion through December 31, 2027, inclusive of \$2.0 billion of planned capital expenditures through 2027.

The following table summarizes the significant components of Accumulated other comprehensive loss:

	Years Ended December 31,		
	2019	2018	2017
Foreign Currency Translation Adjustments			
Balance at beginning of period	\$ (2,250)	\$ (1,606)	\$ (2,355)
Other comprehensive income (loss) and noncontrolling interests before reclassification adjustment, net of tax and impact of adoption of accounting standards(a)(b)	(56)	(664)	560
Reclassification adjustment, net of tax(a)	28	20	189
Other comprehensive income (loss), net of tax(a)	(28)	(644)	749
Balance at end of period	<u>\$ (2,278)</u>	<u>\$ (2,250)</u>	<u>\$ (1,606)</u>
Defined Benefit Plans			
Balance at beginning of period	\$ (6,737)	\$ (6,398)	\$ (6,968)
Other comprehensive loss and noncontrolling interests before reclassification adjustment, net of impact of adoption of accounting standards(b)	(2,769)	(580)	(798)
Tax benefit	463	100	98
Other comprehensive loss and noncontrolling interests before reclassification adjustment, net of tax and impact of adoption of accounting standards(b)	(2,306)	(480)	(700)
Reclassification adjustment, net of tax(a)(c)	184	141	1,270
Other comprehensive income (loss), net of tax	(2,122)	(339)	570
Balance at end of period(d)	<u>\$ (8,859)</u>	<u>\$ (6,737)</u>	<u>\$ (6,398)</u>

(a) The income tax effect was insignificant in the years ended December 31, 2019, 2018 and 2017.

(b) The noncontrolling interests are insignificant in the years ended December 31, 2019, 2018 and 2017.

(c) \$1.2 billion is included in the loss on sale of the Opel/Vauxhall Business in the year ended December 31, 2017. An insignificant amount is included in the computation of periodic pension and OPEB (income) expense in the year ended December 31, 2017.

(d) Primarily consists of unamortized actuarial loss on our defined benefit plans. Refer to the critical accounting estimates section of our MD&A for additional information.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Note 21. Earnings Per Share

Basic and diluted earnings (loss) per share are computed by dividing Net income (loss) attributable to common stockholders by the weighted-average common shares outstanding in the period. Diluted earnings (loss) per share is computed by giving effect to all potentially dilutive securities that are outstanding.

	Years Ended December 31,		
	2019	2018	2017
Basic earnings per share			
Income from continuing operations(a)	\$ 6,732	\$ 8,084	\$ 348
Less: cumulative dividends on subsidiary preferred stock	(151)	(98)	(16)
Income from continuing operations attributable to common stockholders	6,581	7,986	332
Loss from discontinued operations, net of tax	—	70	4,212
Net income (loss) attributable to common stockholders	<u>\$ 6,581</u>	<u>\$ 7,916</u>	<u>\$ (3,880)</u>
Weighted-average common shares outstanding	1,424	1,411	1,465
Basic earnings per common share – continuing operations	\$ 4.62	\$ 5.66	\$ 0.23
Basic loss per common share – discontinued operations	\$ —	\$ 0.05	\$ 2.88
Basic earnings (loss) per common share	\$ 4.62	\$ 5.61	\$ (2.65)
Diluted earnings per share			
Income from continuing operations attributable to common stockholders – diluted(a)	\$ 6,581	\$ 7,986	\$ 332
Loss from discontinued operations, net of tax – diluted	\$ —	\$ 70	\$ 4,212
Net income (loss) attributable to common stockholders – diluted	\$ 6,581	\$ 7,916	\$ (3,880)
Weighted-average common shares outstanding – basic	1,424	1,411	1,465
Dilutive effect of warrants and awards under stock incentive plans	15	20	27
Weighted-average common shares outstanding – diluted	<u>1,439</u>	<u>1,431</u>	<u>1,492</u>
Diluted earnings per common share – continuing operations	\$ 4.57	\$ 5.58	\$ 0.22
Diluted loss per common share – discontinued operations	\$ —	\$ 0.05	\$ 2.82
Diluted earnings (loss) per common share	\$ 4.57	\$ 5.53	\$ (2.60)
Potentially dilutive securities(b)	7	9	—

(a) Net of Net loss attributable to noncontrolling interests.

(b) Potentially dilutive securities attributable to outstanding stock options were excluded from the computation of diluted EPS because the securities would have had an antidilutive effect.

Note 22. Discontinued Operations

On July 31, 2017, we closed the sale of our Opel/Vauxhall Business to PSA Group. On October 31, 2017, we closed the sale of the Fincos to Banque PSA Finance S.A. and BNP Paribas Personal Finance S.A.

The net consideration paid at closing for the European Business was \$2.5 billion, inclusive of \$808 million in warrants in PSA Group. The total charge from the sale of the European Business during the year ended December 31, 2017 was \$6.2 billion, net of tax, of which \$3.9 billion was recorded in Loss from discontinued operations, net of tax, and \$2.3 billion was recorded in Income tax expense. PSA Group assumed approximately \$3.1 billion of net underfunded pension liabilities primarily with respect to active employees of the Opel/Vauxhall Business, and during the year ended December 31, 2017 our wholly-owned subsidiary (the Seller) made payments to PSA Group, or one or more pension funding vehicles, of \$3.4 billion in respect of these assumed liabilities.

The Seller agreed to indemnify PSA Group for certain losses resulting from any inaccuracy of the representations and warranties or breaches of our covenants included in the Agreement and for certain other liabilities including certain emissions and product liabilities. The Company entered into a guarantee for the benefit of PSA Group and pursuant to which the Company agreed to

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guarantee the Seller's obligation to indemnify PSA Group. Certain of these indemnification obligations are subject to time limitations, thresholds and/or caps as to the amount of required payments.

Although the sale reduced our new vehicle presence in Europe, we may still be impacted by actions taken by regulators related to vehicles sold before the sale. In Germany, the Kraftfahrt-Bundesamt (KBA) issued an order in November 2019, which converted a voluntary recall initiated by Opel in 2017 and 2018 into a mandatory recall for allegedly failing to comply with certain emissions regulations. However, because the overwhelming majority of vehicles have already received KBA-approved software calibration updates pursuant to the voluntary recall, the number of vehicles subject to the mandatory recall is insignificant. The Seller may also be obligated to indemnify PSA Group or otherwise absorb costs and expenses resulting from the foregoing as well as certain related potential litigation costs, settlements, judgments and potential fines. In addition, at the KBA's request, the German authorities re-opened a separate criminal investigation related to this matter that had previously been closed with no action. We are unable to estimate any reasonably possible loss or range of loss that may result from this matter.

We continue to purchase from and supply to PSA Group certain vehicles, parts and engineering services for a period of time following closing. The following table summarizes transactions with the Opel/Vauxhall Business:

	Years Ended December 31,		
	2019	2018	2017
Net sales and revenue(a)	\$ 1,129	\$ 1,939	\$ 853
Purchases and expenses(a)	\$ 825	\$ 1,422	\$ 218
Cash payments(b)	\$ 975	\$ 1,849	\$ 242
Cash receipts(b)	\$ 1,408	\$ 2,310	\$ 1,161

(a) Included in Income from continuing operations.

(b) Included in Net cash provided by operating activities – continuing operations.

The following table summarizes the results of the European Business operations:

	Years Ended December 31,		
	2019	2018	2017
Automotive net sales and revenue	\$ —	\$ —	\$ 11,257
GM Financial net sales and revenue	—	—	466
Total net sales and revenue	—	—	11,723
Automotive and other cost of sales	—	—	11,049
GM Financial interest, operating and other expenses	—	—	342
Automotive and other selling, general, and administrative expense	—	—	813
Other expense items	—	—	(72)
Loss from discontinued operations before taxes	—	—	553
Loss on sale of discontinued operations before taxes(a)(b)	—	70	2,176
Total loss from discontinued operations before taxes	—	70	2,729
Income tax expense(b)(c)	—	—	1,483
Loss from discontinued operations, net of tax	\$ —	\$ 70	\$ 4,212

(a) Includes contract cancellation charges associated with the disposal for the year ended December 31, 2017.

(b) Total loss on sale of discontinued operations, net of tax was \$3.9 billion for the year ended December 31, 2017.

(c) Includes \$2.0 billion of deferred tax assets that transferred to PSA Group in the year ended December 31, 2017.

Note 23. Stock Incentive Plans

GM Stock Incentive Awards We grant to certain employees RSUs, RSAs, PSUs and stock options (collectively, stock incentive awards) under our 2016 Equity Incentive Plan and 2017 Long-Term Incentive Plan (LTIP) and prior to the 2017 LTIP, under our 2014 LTIP. The 2017 LTIP was approved by stockholders in June 2017 and replaced the 2014 LTIP. Shares awarded under the plans are subject to forfeiture if the participant leaves the company for reasons other than those permitted under the plans such as retirement, death or disability.

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RSU awards granted either cliff vest or ratably vest generally over a three-year service period, as defined in the terms of each award. PSU awards vest at the end of a three-year performance period, based on performance criteria determined by the Executive Compensation Committee of the Board of Directors at the time of award. The number of shares earned may equal, exceed or be less than the targeted number of shares depending on whether the performance criteria are met, surpassed or not met. Stock options expire 10 years from the grant date. Our performance-based stock options vest ratably over 55 months based on the performance of our common stock relative to that of a specified peer group. Our service-based stock options vest ratably over 19 months to three years.

In connection with our acquisition of Cruise Automation, Inc. in May 2016, RSAs and PSUs in common shares of GM were granted to employees of Cruise Holdings. The RSAs vest ratably, generally over a three-year service period. The PSUs are contingent upon achievement of specific technology and commercialization milestones.

	Shares (in millions)	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Term in Years
Units outstanding at January 1, 2019	48.1	\$ 19.81	1.3
Granted	8.9	\$ 27.89	
Settled	(11.6)	\$ 28.78	
Forfeited or expired	(3.9)	\$ 30.87	
Units outstanding at December 31, 2019(a)	<u>41.5</u>	<u>\$ 19.17</u>	0.9

(a) Includes the target amount of PSUs.

Our weighted-average assumptions used to value our stock options are a dividend yield of 3.90%, 3.69% and 4.43%, expected volatility of 28.0%, 28.0% and 25.0%, a risk-free interest rate of 2.62%, 2.73% and 1.97%, and an expected option life of 6.00, 5.98 and 5.84 years for options issued during the years ended December 31, 2019, 2018 and 2017.

Total compensation expense related to the above awards was \$456 million, \$316 million and \$585 million in the years ended December 31, 2019, 2018 and 2017.

At December 31, 2019, the total unrecognized compensation expense for nonvested equity awards granted was \$182 million. This expense is expected to be recorded over a weighted-average period of 1.1 years. The total fair value of stock incentive awards vested was \$287 million, \$317 million and \$421 million in the years ended December 31, 2019, 2018 and 2017.

Cruise Stock Incentive Awards In addition to the awards noted above, stock options and RSUs were granted to Cruise employees in common shares of Cruise Holdings in the years ended December 31, 2019 and 2018. These awards were granted under the 2018 Employee Incentive Plan approved by Cruise Holdings' Board of Directors in August 2018. Shares awarded under the plan are subject to forfeiture if the participant leaves the company for reasons other than those permitted under the plan. There were no awards granted in Cruise common shares for the year ended December 31, 2017. Stock options vest ratably over four to 10 years, as defined in the terms of each award. Stock options expire 10 years from the grant date. RSU awards granted vest upon the satisfaction of both a service condition and a liquidity condition. The service condition for the majority of these awards is satisfied over four years. The liquidity condition is satisfied upon the earlier of the date of a change in control transaction or the consummation of an initial public offering.

Total compensation expense related to Cruise Holdings' share-based awards was insignificant for the years ended December 31, 2019 and 2018. No share-based compensation expense had been recognized for the RSUs because the liquidity condition described above was not met at December 31, 2019 and 2018. Total unrecognized compensation expense for Cruise Holdings' nonvested equity awards granted was \$680 million at December 31, 2019, which was primarily comprised of the RSUs for which the liquidity condition had not been met. Total units outstanding were 70.1 million at December 31, 2019. The expense related to stock options is expected to be recorded over a weighted-average period of 7.9 years. The timing of the expense related to RSUs will depend upon the date of the satisfaction of the liquidity condition.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Note 24. Supplementary Quarterly Financial Information (Unaudited)

The following tables summarize supplementary quarterly financial information:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2019				
Total net sales and revenue	\$ 34,878	\$ 36,060	\$ 35,473	\$ 30,826
Automotive and other gross margin(a)	\$ 3,032	\$ 4,098	\$ 3,643	\$ 1,273
Income (loss) from continuing operations	\$ 2,145	\$ 2,403	\$ 2,311	\$ (192)
Net income (loss) attributable to stockholders	\$ 2,157	\$ 2,418	\$ 2,351	\$ (194)
Basic earnings (loss) per common share – continuing operations	\$ 1.50	\$ 1.68	\$ 1.62	\$ (0.16)
Diluted earnings (loss) per common share – continuing operations	\$ 1.48	\$ 1.66	\$ 1.60	\$ (0.16)

(a) Includes our Cruise segment.

In the three months ended March 31, 2019, June 30, 2019, September 30, 2019 and December 31, 2019 we recorded pre-tax charges of \$790 million, \$361 million, \$390 million and \$267 million related to transformation activities including accelerated depreciation, supplier-related charges and other charges. In the three months ended March 31, 2019, June 30, 2019 and September 30, 2019, we recorded pre-tax benefits of \$857 million, \$380 million and \$123 million related to the retrospective recoveries of indirect taxes in Brazil. In the three months ended September 30, 2019 and December 31, 2019, we estimate that the lost vehicle production volumes and parts sales due to the UAW strike had an unfavorable pre-tax impact on our Income from continuing operations. In the three months ended December 31, 2019 we recorded a pre-tax charge of \$164 million related to the divestiture in our joint venture FAW-GM.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2018				
Total net sales and revenue	\$ 36,099	\$ 36,760	\$ 35,791	\$ 38,399
Automotive and other gross margin(a)	\$ 2,507	\$ 3,204	\$ 3,743	\$ 2,935
Income from continuing operations	\$ 1,110	\$ 2,366	\$ 2,530	\$ 2,069
Loss from discontinued operations, net of tax	\$ 70	\$ —	\$ —	\$ —
Net income attributable to stockholders	\$ 1,046	\$ 2,390	\$ 2,534	\$ 2,044
Basic earnings per common share – continuing operations	\$ 0.78	\$ 1.68	\$ 1.77	\$ 1.42
Basic loss per common share – discontinued operations	\$ 0.05	\$ —	\$ —	\$ —
Diluted earnings per common share – continuing operations	\$ 0.77	\$ 1.66	\$ 1.75	\$ 1.40
Diluted loss per common share – discontinued operations	\$ 0.05	\$ —	\$ —	\$ —

(a) Includes our Cruise segment.

In the three months ended March 31, 2018 and June 30, 2018, we collectively recorded pre-tax charges of \$1.1 billion related to the closure of a facility and other restructuring actions in Korea. In the three months ended September 30, 2018 we recorded pre-tax charges of \$440 million for ignition switch related legal matters. In the three months ended December 31, 2018 we recorded pre-tax charges of \$1.3 billion related to transformation activities including employee separation, accelerated depreciation and other charges; and a non-recurring tax benefit of \$1.0 billion related to foreign earnings.

Note 25. Segment Reporting

We analyze the results of our business through the following reportable segments: GMNA, GMI, Cruise and GM Financial. As discussed in Note 1, the European Business is presented as discontinued operations and is excluded from our segment results for all periods presented. The European Business was previously reported as our GM Europe segment and part of GM Financial. The chief operating decision maker evaluates the operating results and performance of our automotive segments and Cruise through EBIT-adjusted, which is presented net of noncontrolling interests. The chief operating decision maker evaluates GM Financial through EBT-adjusted because interest income and interest expense are part of operating results when assessing and measuring

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the operational and financial performance of the segment. Each segment has a manager responsible for executing our strategic initiatives. While not all vehicles within a segment are individually profitable on a fully allocated cost basis, those vehicles attract customers to dealer showrooms and help maintain sales volumes for other, more profitable vehicles and contribute towards meeting required fuel efficiency standards. As a result of these and other factors, we do not manage our business on an individual brand or vehicle basis.

Substantially all of the trucks, crossovers, cars and automobile parts produced are marketed through retail dealers in North America and through distributors and dealers outside of North America, the substantial majority of which are independently owned. In addition to the products sold to dealers for consumer retail sales, trucks, crossovers and cars are also sold to fleet customers, including daily rental car companies, commercial fleet customers, leasing companies and governments. Fleet sales are completed through the dealer network and in some cases directly with fleet customers. Retail and fleet customers can obtain a wide range of after-sale vehicle services and products through the dealer network, such as maintenance, light repairs, collision repairs, vehicle accessories and extended service warranties.

GMNA meets the demands of customers in North America with vehicles developed, manufactured and/or marketed under the Buick, Cadillac, Chevrolet and GMC brands. GMI primarily meets the demands of customers outside North America with vehicles developed, manufactured and/or marketed under the Buick, Cadillac, Chevrolet, GMC, and Holden brands. We also have equity ownership stakes in entities that meet the demands of customers in other countries, primarily China, with vehicles developed, manufactured and/or marketed under the Baojun, Buick, Cadillac, Chevrolet and Wuling brands. Cruise, formerly GM Cruise, is our global segment responsible for the development and commercialization of autonomous vehicle technology, and includes autonomous vehicle-related engineering and other costs.

Our automotive interest income and interest expense, Maven, legacy costs from the Opel/Vauxhall Business (primarily pension costs), corporate expenditures and certain nonsegment specific revenues and expenses are recorded centrally in Corporate. Corporate assets primarily consist of cash and cash equivalents, marketable debt securities, our investment in Lyft, PSA warrants, Maven vehicles and intercompany balances. Retained net underfunded pension liabilities related to the European Business are also recorded in Corporate. All intersegment balances and transactions have been eliminated in consolidation.

The following tables summarize key financial information by segment:

	At and For the Year Ended December 31, 2019								
	GMNA	GMI	Corporate	Eliminations	Total Automotive	Cruise	GM Financial	Eliminations/Reclassifications	Total
Net sales and revenue	\$ 106,366	\$ 16,111	\$ 220		\$ 122,697	\$ 100	\$ 14,554	\$ (114)	\$ 137,237
Earnings (loss) before interest and taxes-adjusted	\$ 8,204	\$ (202)	\$ (691)		\$ 7,311	\$ (1,004)	\$ 2,104	\$ (18)	\$ 8,393
Adjustments(a)	\$ (1,618)	\$ 1,081	\$ (2)		\$ (539)	\$ —	\$ —	\$ —	\$ (539)
Automotive interest income									429
Automotive interest expense									(782)
Net (loss) attributable to noncontrolling interests									(65)
Income before income taxes									7,436
Income tax expense									(769)
Income from continuing operations									6,667
Loss from discontinued operations, net of tax									—
Net loss attributable to noncontrolling interests									65
Net income attributable to stockholders									\$ 6,732
Equity in net assets of nonconsolidated affiliates	\$ 84	\$ 7,023	\$ —	\$ —	\$ 7,107	\$ —	\$ 1,455	\$ —	\$ 8,562
Goodwill and intangibles	\$ 2,459	\$ 888	\$ 1	\$ —	\$ 3,348	\$ 634	\$ 1,355	\$ —	\$ 5,337
Total assets	\$ 109,290	\$ 24,969	\$ 32,365	\$ (50,244)	\$ 116,380	\$ 4,230	\$ 108,881	\$ (1,454)	\$ 228,037
Expenditures for property	\$ 6,305	\$ 1,096	\$ 84	\$ —	\$ 7,485	\$ 60	\$ 47	\$ —	\$ 7,592
Depreciation and amortization	\$ 6,112	\$ 533	\$ 46	\$ (2)	\$ 6,689	\$ 21	\$ 7,350	\$ —	\$ 14,060
Impairment charges	\$ 15	\$ 7	\$ —	\$ —	\$ 22	\$ 36	\$ —	\$ —	\$ 58
Equity income	\$ 8	\$ 1,123	\$ (29)	\$ —	\$ 1,102	\$ —	\$ 166	\$ —	\$ 1,268

(a) Consists of restructuring and other charges related to transformation activities of \$1.6 billion in GMNA and \$115 million in GMI; a benefit of \$1.4 billion related to the retrospective recoveries of indirect taxes in Brazil, partially offset by losses of \$164 million related to the FAW-GM divestiture in GMI.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

At and For the Year Ended December 31, 2018

	GMNA	GMI	Corporate	Eliminations	Total Automotive	Cruise	GM Financial	Eliminations	Total
Net sales and revenue	\$ 113,792	\$ 19,148	\$ 203		\$ 133,143	\$ —	\$ 14,016	\$ (110)	\$ 147,049
Earnings (loss) before interest and taxes-adjusted	\$ 10,769	\$ 423	\$ (570)		\$ 10,622	\$ (728)	\$ 1,893	\$ (4)	\$ 11,783
Adjustments(a)	\$ (1,236)	\$ (1,212)	\$ (457)		\$ (2,905)	\$ —	\$ —	\$ —	\$ (2,905)
Automotive interest income									335
Automotive interest expense									(655)
Net (loss) attributable to noncontrolling interests									(9)
Income before income taxes									8,549
Income tax expense									(474)
Income from continuing operations									8,075
Loss from discontinued operations, net of tax									(70)
Net loss attributable to noncontrolling interests									9
Net income attributable to stockholders									\$ 8,014
Equity in net assets of nonconsolidated affiliates	\$ 75	\$ 7,761	\$ 24	\$ —	\$ 7,860	\$ —	\$ 1,355	\$ —	\$ 9,215
Goodwill and intangibles	\$ 2,623	\$ 928	\$ 1	\$ —	\$ 3,552	\$ 671	\$ 1,356	\$ —	\$ 5,579
Total assets	\$ 109,763	\$ 24,911	\$ 31,694	\$ (50,690)	\$ 115,678	\$ 3,195	\$ 109,953	\$ (1,487)	\$ 227,339
Expenditures for property	\$ 7,784	\$ 883	\$ 21	\$ (2)	\$ 8,686	\$ 15	\$ 60	\$ —	\$ 8,761
Depreciation and amortization	\$ 4,995	\$ 562	\$ 50	\$ (3)	\$ 5,604	\$ 7	\$ 7,531	\$ —	\$ 13,142
Impairment charges	\$ 55	\$ 466	\$ 6	\$ —	\$ 527	\$ —	\$ —	\$ —	\$ 527
Equity income	\$ 8	\$ 1,972	\$ —	\$ —	\$ 1,980	\$ —	\$ 183	\$ —	\$ 2,163

(a) Consists of restructuring and other charges related to transformation activities of \$1.2 billion in GMNA; charges of \$1.2 billion related to restructuring actions in Korea and other countries in GMI; and of \$440 million for ignition switch-related legal matters and other insignificant charges in Corporate.

At and For the Year Ended December 31, 2017

	GMNA	GMI	Corporate	Eliminations	Total Automotive	Cruise	GM Financial	Eliminations	Total
Net sales and revenue	\$ 111,345	\$ 21,920	\$ 342		\$ 133,607	\$ —	\$ 12,151	\$ (170)	\$ 145,588
Earnings (loss) before interest and taxes-adjusted	\$ 11,889	\$ 1,300	\$ (921)		\$ 12,268	\$ (613)	\$ 1,196	\$ (7)	\$ 12,844
Adjustments(a)	\$ —	\$ (540)	\$ (114)		\$ (654)	\$ —	\$ —	\$ —	\$ (654)
Automotive interest income									266
Automotive interest expense									(575)
Net (loss) attributable to noncontrolling interests									(18)
Income before income taxes									11,863
Income tax expense									(11,533)
Income from continuing operations									330
Loss from discontinued operations, net of tax									(4,212)
Net loss attributable to noncontrolling interests									18
Net loss attributable to stockholders									\$ (3,864)
Equity in net assets of nonconsolidated affiliates	\$ 68	\$ 7,818	\$ —	\$ —	\$ 7,886	\$ —	\$ 1,187	\$ —	\$ 9,073
Goodwill and intangibles	\$ 2,819	\$ 973	\$ 11	\$ —	\$ 3,803	\$ 679	\$ 1,367	\$ —	\$ 5,849
Total assets	\$ 99,874	\$ 27,712	\$ 30,573	\$ (42,750)	\$ 115,409	\$ 666	\$ 97,251	\$ (844)	\$ 212,482
Expenditures for property	\$ 7,704	\$ 607	\$ 14	\$ —	\$ 8,325	\$ 34	\$ 94	\$ —	\$ 8,453
Depreciation and amortization	\$ 4,654	\$ 708	\$ 32	\$ (1)	\$ 5,393	\$ 1	\$ 6,573	\$ —	\$ 11,967
Impairment charges	\$ 78	\$ 211	\$ 5	\$ —	\$ 294	\$ —	\$ —	\$ —	\$ 294
Equity income	\$ 8	\$ 1,951	\$ —	\$ —	\$ 1,959	\$ —	\$ 173	\$ —	\$ 2,132

(a) Consists of charges of \$460 million related to restructuring actions in India and South Africa in GMI; charges of \$80 million associated with the deconsolidation of Venezuela in GMI and charges of \$114 million for ignition switch-related legal matters in Corporate.

GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Automotive revenue is attributed to geographic areas based on the country of sale. GM Financial revenue is attributed to the geographic area where the financing is originated. The following table summarizes information concerning principal geographic areas:

	At and For the Years Ended December 31,					
	2019		2018		2017	
	Net Sales and Revenue	Long-Lived Assets	Net Sales and Revenue	Long-Lived Assets	Net Sales and Revenue	Long-Lived Assets
Automotive						
U.S.	\$ 97,887	\$ 25,401	\$ 104,413	\$ 25,625	\$ 100,674	\$ 24,473
Non-U.S.	24,810	13,190	28,632	13,263	32,775	12,715
GM Financial						
U.S.	12,727	39,509	12,169	41,334	10,489	40,674
Non-U.S.	1,813	2,772	1,835	2,476	1,650	2,467
Total consolidated	<u>\$ 137,237</u>	<u>\$ 80,872</u>	<u>\$ 147,049</u>	<u>\$ 82,698</u>	<u>\$ 145,588</u>	<u>\$ 80,329</u>

No individual country other than the U.S. represented more than 10% of our total net sales and revenue or long-lived assets.

Note 26. Supplemental Information for the Consolidated Statements of Cash Flows

The following table summarizes the sources (uses) of cash provided by Change in other operating assets and liabilities and Cash paid for income taxes and interest:

	Years Ended December 31,		
	2019	2018	2017
Change in other operating assets and liabilities			
Accounts receivable	\$ (563)	\$ 492	\$ 1,402
Wholesale receivables funded by GM Financial, net	663	(2,606)	(2,099)
Inventories	(761)	399	440
Automotive equipment on operating leases	274	748	(263)
Change in other assets	(1,550)	(529)	108
Accounts payable	(492)	(537)	(362)
Income taxes payable	213	(75)	(3)
Accrued and other liabilities	(1,573)	732	(2,238)
Total	<u>\$ (3,789)</u>	<u>\$ (1,376)</u>	<u>\$ (3,015)</u>
Cash paid for income taxes and interest			
Cash paid for income taxes, net	\$ 689	\$ 660	\$ 656
Cash paid for interest (net of amounts capitalized) – Automotive	\$ 739	\$ 656	\$ 501
Cash paid for interest (net of amounts capitalized) – GM Financial	3,475	2,941	2,571
Total cash paid for interest (net of amounts capitalized)	<u>\$ 4,214</u>	<u>\$ 3,597</u>	<u>\$ 3,072</u>

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GENERAL MOTORS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

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Item 9A. Controls and Procedures

Disclosure Controls and Procedures We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed under the Exchange Act is recorded, processed, summarized and reported within the specified time periods and accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Our management, with the participation of our CEO and CFO, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Exchange Act) at December 31, 2019. Based on this evaluation required by paragraph (b) of Rules 13a-15 or 15d-15, our CEO and CFO concluded that our disclosure controls and procedures were effective as of December 31, 2019.

Management's Report on Internal Control over Financial Reporting Our management is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. This system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with U.S. GAAP. Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, misstatements due to error or fraud may not be prevented or detected on a timely basis.

Our management performed an assessment of the effectiveness of our internal control over financial reporting at December 31, 2019, utilizing the criteria discussed in the "Internal Control – Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. The objective of this assessment was to determine whether our internal control over financial reporting was effective at December 31, 2019. Based on management's assessment, we have concluded that our internal control over financial reporting was effective at December 31, 2019.

The effectiveness of our internal control over financial reporting has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in its report included herein.

Changes in Internal Control over Financial Reporting There have not been any changes in our internal control over financial reporting during the three months ended December 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. In 2019, we initiated actions to enhance our close, consolidation, planning and reporting processes through the implementation of a suite of new systems and system architectures. On January 1, 2019, we updated our forecast and planning processes, inclusive of our year-over-year operating result changes discussed in the MD&A. On May 1 2019, we updated our close, consolidation, and financial reporting systems, processes and related internal controls. For additional information refer to Item 1A. Risk Factors.

/s/ MARY T. BARRA

Mary T. Barra
Chairman and Chief Executive Officer
February 5, 2020

/s/ DHIVYA SURYADEVARA

Dhivya Suryadevara
Executive Vice President and Chief Financial Officer
February 5, 2020

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GENERAL MOTORS COMPANY AND SUBSIDIARIES

Item 9B. Other Information

None

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PART III

Items 10, 11, 12, 13 and 14

Information required by Items 10, 11, 12, 13 and 14 of this Form 10-K is incorporated by reference from our definitive Proxy Statement for our 2020 Annual Meeting of Stockholders, which will be filed with the SEC, pursuant to Regulation 14A, not later than 120 days after the end of the 2019 fiscal year, all of which information is hereby incorporated by reference in, and made part of, this Form 10-K, except disclosure of our executive officers, which is included in Item 1 of this report.

* * * * *

GENERAL MOTORS COMPANY AND SUBSIDIARIES

PART IV

ITEM 15. Exhibits

- (a) 1. All Financial Statements and Supplemental Information
- 2. Financial Statement Schedules

All financial statement schedules are omitted as the required information is inapplicable or the information is presented in the consolidated financial statements and notes thereto in Item 8.

- 3. Exhibits
- (b) Exhibits

Exhibit Number	Exhibit Name	
2.1	Master Agreement, dated as of March 5, 2017, between General Motors Holdings, LLC and Peugeot S.A., incorporated herein by reference to Exhibit 2.1 to the Quarterly Report on Form 10-Q of General Motors Company filed April 28, 2017	Incorporated by Reference
2.2	Purchase Agreement by and among General Motors Holdings LLC, GM Cruise Holdings LLC, and Softbank Vision Fund (AIV M1), L.P. dated May 31, 2018, incorporated herein by reference to Exhibit 2.1 to the Quarterly Report on Form 10-Q of General Motors Company filed July 25, 2018	Incorporated by Reference
2.3	Purchase Agreement by and between GM Cruise Holdings LLC and Honda Motor Co., LTD., dated October 3, 2018, incorporated herein by reference to Exhibit 2.3 to the Annual Report on Form 10-K of General Motors Company filed February 6, 2019	Incorporated by Reference
3.1	Restated Certificate of Incorporation of General Motors Company dated December 7, 2010, incorporated herein by reference to Exhibit 3.2 to the Current Report on Form 8-K of General Motors Company filed December 13, 2010	Incorporated by Reference
3.2	General Motors Company Amended and Restated Bylaws, as amended August 14, 2018, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K of General Motors Company filed August 20, 2018	Incorporated by Reference
4.1	Description of Securities	Filed Herewith
4.2	Indenture dated as of September 27, 2013, between General Motors Company and the Bank of New York Mellon, as Trustee, incorporated herein by reference to Exhibit 4.2 to the Registration Statement on Form S-3 of General Motors Company filed April 30, 2014	Incorporated by Reference
4.3	First Supplemental Indenture dated as of September 27, 2013 to the Indenture dated as of September 27, 2013 between General Motors Company and the Bank of New York Mellon, as Trustee, incorporated herein by reference to Exhibit 4.3 to the Registration Statement on Form S-4 of General Motors Company filed May 22, 2014	Incorporated by Reference
4.4	Second Supplemental Indenture dated as of November 12, 2014 to the Indenture dated as of September 27, 2013 between General Motors Company and the Bank of New York Mellon, as Trustee, incorporated herein by reference to Exhibit 4.4 to the Current Report on Form 8-K of General Motors Company filed November 12, 2014	Incorporated by Reference
4.5	Third Supplemental Indenture, dated as of February 23, 2016, to the Indenture, dated as of September 27, 2013, between General Motors Company, as issuer, and The Bank of New York Mellon, as Trustee, incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K of General Motors Company filed February 23, 2016	Incorporated by Reference
4.6	Fourth Supplemental Indenture, dated as of August 7, 2017, to the Indenture, dated as of September 27, 2013, between General Motors Company, as issuer, and The Bank of New York Mellon, as Trustee, incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K of General Motors Company filed August 8, 2017	Incorporated by Reference
4.7	Fifth Supplemental Indenture, dated as of September 10, 2018, to the Indenture, dated as of September 27, 2013, between General Motors Company, as issuer, and The Bank of New York Mellon, as Trustee, incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K of General Motors Company filed September 10, 2018	Incorporated by Reference
4.8	Calculation Agency Agreement, dated as of August 7, 2017 between General Motors Company and the Bank of New York Mellon, as calculation agent, incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K of General Motors Company filed August 8, 2017	Incorporated by Reference
4.9	Calculation Agency Agreement, dated as of September 10, 2018 between General Motors Company and the Bank of New York Mellon, as calculation agent, incorporated herein by reference to Exhibit 4.3 to the Current Report on Form 8-K of General Motors Company filed September 10, 2018	Incorporated by Reference
10.1	Stockholders Agreement, dated as of October 15, 2009 between General Motors Company, the United States Department of the Treasury, Canada GEN Investment Corporation (fka 7176384 Canada Inc.), the UAW Retiree Medical Benefits Trust, and, for limited purposes, General Motors LLC, incorporated herein by reference to Exhibit 10.8 to the Current Report on Form 8-K of General Motors Company filed November 16, 2009	Incorporated by Reference

GENERAL MOTORS COMPANY AND SUBSIDIARIES

Exhibit Number	Exhibit Name	
10.2	Equity Registration Rights Agreement, dated as of October 15, 2009, between General Motors Company, the United States Department of Treasury, Canada GEN Investment Corporation (fka 7176384 Canada Inc.), the UAW Retiree Medical Benefits Trust, Motors Liquidation Company, and, for limited purposes, General Motors LLC, incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of Motors Liquidation Company filed October 21, 2009	Incorporated by Reference
10.3	Letter Agreement regarding Equity Registration Rights Agreement, dated October 21, 2010, among General Motors Company, the United States Department of Treasury, Canada GEN Investment Corporation, the UAW Retiree Medical Benefits Trust and Motors Liquidation Company, incorporated herein by reference to Exhibit 10.43 to Amendment No. 5 to the Registration Statement on Form S-1 (File No. 333-168919) of General Motors Company filed November 3, 2010	Incorporated by Reference
10.4*	Form of Compensation Statement, incorporated herein by reference to Exhibit 10.14 to the Annual Report on Form 10-K of General Motors Company filed April 7, 2010	Incorporated by Reference
10.5*	General Motors Company Executive Retirement Plan, with modifications through October 10, 2012, incorporated herein by reference to Exhibit 10.12 to the Annual Report on Form 10-K of General Motors Company filed February 15, 2013	Incorporated by Reference
10.6*	Amendment No. 1 to General Motors Company Executive Retirement Plan, with modifications through October 10, 2012, incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K of General Motors Company filed February 3, 2016	Incorporated by Reference
10.7*	General Motors Company 2014 Long-Term Incentive Plan, incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of General Motors Company filed June 12, 2014	Incorporated by Reference
10.8*	Form of Non-Qualified Stock Option Agreement under the 2014 Long-Term Incentive Plan, incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of General Motors Company filed July 30, 2015	Incorporated by Reference
10.9*	Form of General Motors Company Performance Share Unit Award Agreement under the 2014 Long-Term Incentive Plan, incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of General Motors Company filed April 28, 2017	Incorporated by Reference
10.10*	General Motors Company 2016 Equity Incentive Plan, incorporated herein by reference to Exhibit 99.1 to the Registration Statement on Form S-8 of General Motors Company filed May 13, 2016	Incorporated by Reference
10.11*	General Motors Company Vehicle Operations - Senior Management Vehicle Program (SMVP) Supplement, revised December 15, 2005, incorporated herein by reference to Exhibit 10(g) to the Annual Report on Form 10-K of Motors Liquidation Company filed March 28, 2006	Incorporated by Reference
10.12*	Form of Director and Officer Indemnification Agreement, incorporated herein by reference to Exhibit 10.6 to the Quarterly Report on Form 10-Q of General Motors Company filed April 21, 2016	Incorporated by Reference
10.13*	General Motors Company 2017 Short-Term Incentive Plan, incorporated herein by reference to Exhibit 10.25 to the Annual Report on Form 10-K of General Motors Company filed February 6, 2018	Incorporated by Reference
10.14*	General Motors Company 2017 Long-Term Incentive Plan, incorporated herein by reference to Exhibit 4.1 to the Registration Statement on Form S-8 of General Motors Company filed June 16, 2017	Incorporated by Reference
10.15*	Form of Performance Share Unit Award Agreement under the General Motors Company 2017 Long-Term Incentive Plan, incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of General Motors Company filed April 26, 2018	Incorporated by Reference
10.16*	Form of Non-Qualified Stock Option Award Agreement under the General Motors Company 2017 Long-Term Incentive Plan, incorporated herein by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of General Motors Company filed April 26, 2018	Incorporated by Reference
10.17*	Amended and Restated General Motors LLC U.S. Executive Severance Program, incorporated by reference to Exhibit 10.23 to the Annual Report on Form 10-K of General Motors Company filed February 6, 2019	Incorporated by Reference
10.18*	Form of Time Sharing Agreement, incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of General Motors Company filed October 29, 2019	Incorporated by Reference
10.19*	The General Motors Company Deferred Compensation Plan for Non-Employee Directors	Filed Herewith
10.20†	Amended and Restated Master Agreement, dated as of December 19, 2012, between General Motors Holdings LLC and Peugeot S.A., incorporated herein by reference to Exhibit 10.24 to the Annual Report on Form 10-K of General Motors Company filed February 6, 2014	Incorporated by Reference
10.21	Amendment, dated May 2, 2017 to the Master Agreement between General Motors Holdings, LLC and Peugeot S.A., incorporated herein by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q of General Motors Company filed July 25, 2017	Incorporated by Reference
10.22	Amendment Number 2, dated July 30, 2017, to the Master Agreement between General Motors Holdings, LLC and Peugeot S.A., incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of General Motors Company filed October 24, 2017	Incorporated by Reference
10.23	Amendment Number 3, dated October 30, 2017, to the Master Agreement between General Motors Holdings, LLC and Peugeot S.A., incorporated herein by reference to Exhibit 10.31 to the Annual Report on Form 10-K of General Motors Company filed February 6, 2018	Incorporated by Reference

GENERAL MOTORS COMPANY AND SUBSIDIARIES

Exhibit Number	Exhibit Name	
10.24†	Third Amended and Restated 3-Year Revolving Credit Agreement, dated as of April 18, 2018, among General Motors Company, General Motors Financial Company, Inc., GM Global Treasury Centre, General Motors do Brasil Ltda., the subsidiary borrowers from time to time parties thereto, the several lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and Citibank, N.A., as syndication agent, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of General Motors Company filed April 20, 2018	Incorporated by Reference
10.25†	Third Amended and Restated 5-Year Revolving Credit Agreement, dated as of April 18, 2018, among General Motors Company, General Motors Financial Company, Inc., GM Global Treasury Centre, General Motors do Brasil Ltda., the subsidiary borrowers from time to time parties thereto, the several lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and Citibank, N.A., as syndication agent, incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of General Motors Company filed April 20, 2018	Incorporated by Reference
10.26†	3-Year Revolving Credit Agreement among General Motors Company, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as administrative agent, and Citibank, N.A., as syndication agent, incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K of General Motors Company filed January 14, 2019	Incorporated by Reference
10.27†	Amended and Restated 364-Day Revolving Credit Agreement, dated as of April 16, 2019, among General Motors Company, General Motors Financial Company, Inc., GM Global Treasury Centre Limited, the subsidiary borrowers from time to time parties thereto, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as administrative agent, and Citibank, N.A., as syndication agent, incorporated by reference herein to Exhibit 10.1 to the Current Report on Form 8-K of General Motors Company filed April 16, 2019	Incorporated by Reference
10.28	Fifth Amended and Restated Limited Liability Company Agreement of GM Cruise Holdings LLC, dated December 18, 2019	Filed Herewith
21	Subsidiaries and Joint Ventures of the Registrant as of December 31, 2019	Filed Herewith
23.1	Consent of Ernst & Young LLP	Filed Herewith
23.2	Consent of Deloitte & Touche LLP	Filed Herewith
24	Power of Attorney for Directors of General Motors Company	Filed Herewith
31.1	Section 302 Certification of the Chief Executive Officer	Filed Herewith
31.2	Section 302 Certification of the Chief Financial Officer	Filed Herewith
32	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished with this Report
101	The following financial information from the Company's Annual Report on Form 10-K for the year ended December 31, 2019 formatted in Inline Extensible Business Reporting Language (iXBRL) includes: (i) the Consolidated Income Statements, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows, (v) the Consolidated Statements of Equity and (vi) Notes to the Consolidated Financial Statements	Filed Herewith
104	The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2019, formatted as Inline XBRL and contained in Exhibit 101	Filed Herewith

† Certain confidential portions have been omitted pursuant to a granted request for confidential treatment, which has been separately filed with the SEC.
 * Management contracts and compensatory plans and arrangements required to be filed as exhibits pursuant to Item 15(b) of this Report.

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Item 16. Form 10-K Summary

None

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GENERAL MOTORS COMPANY AND SUBSIDIARIES

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GENERAL MOTORS COMPANY (Registrant)

By: /s/ MARY T. BARRA

Mary T. Barra
Chairman and Chief Executive Officer

Date: February 5, 2020

GENERAL MOTORS COMPANY AND SUBSIDIARIES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on this 5th day of February 2020 by the following persons on behalf of the registrant and in the capacities indicated, including a majority of the directors.

<u>Signature</u>	<u>Title</u>
<u>/s/ MARY T. BARRA</u> Mary T. Barra	Chairman and Chief Executive Officer
<u>/s/ DHIVYA SURYADEVARA</u> Dhivya Suryadevara	Executive Vice President and Chief Financial Officer
<u>/s/ CHRISTOPHER T. HATTO</u> Christopher T. Hatto	Vice President, Global Business Solutions and Chief Accounting Officer
<u>/s/ THEODORE M. SOLSO*</u> Theodore M. Solso	Lead Director
<u>/s/ WESLEY G. BUSH*</u> Wesley G. Bush	Director
<u>/s/ LINDA R. GOODEN*</u> Linda R. Gooden	Director
<u>/s/ JOSEPH JIMENEZ*</u> Joseph Jimenez	Director
<u>/s/ JANE L. MENDILLO*</u> Jane L. Mendillo	Director
<u>/s/ JUDITH A. MISCIK*</u> Judith A. Miscik	Director
<u>/s/ PATRICIA F. RUSSO*</u> Patricia F. Russo	Director
<u>/s/ THOMAS M. SCHOEWE*</u> Thomas M. Schoewe	Director
<u>/s/ CAROL M. STEPHENSON*</u> Carol M. Stephenson	Director
<u>/s/ DEVIN N. WENIG*</u> Devin N. Wenig	Director

*By: /s/ RICK HANSEN

Rick Hansen

Attorney-in-Fact

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

As of January 24, 2020, General Motors Company had one class of common stock registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

The following description of our common stock is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to our restated certificate of incorporation (the "Certificate of Incorporation") and our amended and restated bylaws (the "Bylaws"), each of which is incorporated herein by reference as an exhibit to the Annual Report on Form 10-K filed with the Securities and Exchange Commission, of which this Exhibit 4.1 is a part. We encourage you to read our Certificate of Incorporation, our Bylaws and the applicable provisions of the General Corporation Law of the State of Delaware (the "DGCL") for additional information.

Authorized Capital Stock

Our Certificate of Incorporation currently authorizes our Board of Directors to issue 5,000,000,000 shares of common stock, par value \$0.01 per share. As of January 24, 2020, 1,429,002,063 shares of our common stock were issued and outstanding. There are no redemption or sinking fund provisions applicable to our common stock. All outstanding shares of our common stock are fully paid and non-assessable.

Dividend Rights

The DGCL and our Certificate of Incorporation do not require our Board of Directors to declare dividends on our common stock. The declaration of any dividend on our common stock is a matter to be acted upon by our Board of Directors in its sole discretion. Our payment of dividends on our common stock in the future will be determined by our Board of Directors in its sole discretion and will depend on business conditions, our financial condition, earnings and liquidity, and other factors.

The DGCL restricts the power of our Board of Directors to declare and pay dividends on our common stock. The amounts which may be declared and paid by our Board of Directors as dividends on our common stock are subject to the amount legally available for the payment of dividends on our common stock by us under the DGCL. In particular, under the DGCL, we can only pay dividends to the extent that we have surplus—the extent by which the fair market value of our net assets exceeds the amount of our capital—or to the extent of our net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. In addition, dividends on our common stock are subject to any preferential rights on any outstanding series of preferred stock authorized for issuance by our Board of Directors in accordance with our Certificate of Incorporation. As of January 24, 2020, there were no shares of preferred stock outstanding.

Voting Rights

Our Certificate of Incorporation provides that, except as may otherwise be provided in a certificate of designations relating to any outstanding series of preferred stock or by applicable law, the holders of shares of common stock shall be entitled to one vote for each such share upon each matter presented to the stockholders and the common stock shall have the exclusive right to vote for the election of directors and for all other purposes. Holders of our common stock do not possess cumulative voting rights.

Under our Bylaws, in uncontested elections of directors, those nominees receiving the affirmative vote of a majority of the votes cast with respect to that director's election at a meeting at which a quorum is present shall be elected. A majority of votes cast means that the number of votes for a nominee must exceed 50% of the votes cast with respect to the election of that nominee (excluding any abstentions). In certain contested elections, the nominees who receive a plurality of votes cast with respect to the election of directors at a meeting at which a quorum is present shall be elected. Under our Bylaws, any other corporate action put to a stockholder vote shall be decided by the vote of the holders of a majority of the voting power of the shares entitled to vote thereon present in person or by proxy at the meeting, unless otherwise provided by law, rule or regulation, including any stock exchange rule or regulation, applicable to the Company.

Liquidation Rights

In the event of any liquidation, dissolution or winding up of the Company, the holders of our common stock would be entitled to receive, after payment or provision for payment of all of our debts and liabilities, all of our assets available for distribution. Holders of our preferred stock, if any such shares are then outstanding, may have a priority over the holders of common stock in the event of any liquidation or dissolution.

Listing

The common stock is traded on the New York Stock Exchange under the trading symbol "GM."

Certain Provisions of Our Certificate of Incorporation, Bylaws and Delaware Law

Amendments to Our Certificate of Incorporation

Under the DGCL, the affirmative vote of a majority of the outstanding shares entitled to vote thereon and a majority of the outstanding stock of each class entitled to vote thereon is generally required to amend a corporation's certificate of incorporation. Under the DGCL, the holders of the outstanding shares of a class of our capital stock shall be entitled to vote as a class upon a proposed amendment, whether or not entitled to vote thereon by the certificate of incorporation, if the amendment would:

- increase or decrease the aggregate number of authorized shares of such class;
- increase or decrease the par value of the shares of such class; or
- alter or change the powers, preferences, or special rights of the shares of such class so as to affect them adversely.

If any proposed amendment would alter or change the powers, preferences or special rights of one or more series of any class of our capital stock so as to affect them adversely, but shall not so affect the entire class, then only the shares of the series so affected by the amendment shall be considered a separate class for the purposes of this provision.

Vacancies in our Board of Directors

Our Certificate of Incorporation and Bylaws provide that any vacancy occurring in our Board of Directors for any reason shall be filled exclusively pursuant to a resolution adopted by a majority of the remaining members of our Board of Directors then in office. Each director so elected shall hold office for a term expiring at the next annual meeting of stockholders. Each director shall hold office until his or her

successor is elected and qualified, unless the director dies, resigns or otherwise leaves the Board of Directors before then.

Special Meetings of Stockholders

Under our Bylaws, special meetings of stockholders may be called at any time by the chairman of the Board of Directors, by a majority of the members of the Board of Directors or as otherwise provided by Delaware law or the Certificate of Incorporation. Our Bylaws further provide that the Board of Directors shall call a special meeting upon the written request of the record holders of at least 25%, in the aggregate, of the voting power of the outstanding shares of all classes of shares entitled to vote at such a meeting, subject to requirements and limitations set forth in our Bylaws.

Under the DGCL, written notice of any special meeting must be given not less than 10 nor more than 60 days before the date of the special meeting to each stockholder entitled to vote at such meeting.

Requirements for Notice of Stockholder Director Nominations and Stockholder Business

Under our Bylaws, nominations for the election of directors may be made by the Board of Directors or by any stockholder entitled to vote for the election of directors who complies with the applicable notice and other requirements set forth in our Bylaws.

If a stockholder wishes to bring any business before an annual or special meeting or nominate a person for election to our Board of Directors, our Bylaws contain certain procedures that must be followed for the advance timing required for delivery of stockholder notice of such nomination or other business and the information that such notice must contain.

Proxy Access Nominations

Under our Bylaws, we must include in our proxy statement for an annual meeting the name, together with certain other required information, of any person nominated for the election of directors in compliance with specified provisions in our Bylaws by a single stockholder that satisfies (or by a group of no more than 20 stockholders that satisfy) various notice and other requirements specified in our Bylaws. Among other requirements in our Bylaws, such stockholder or group of stockholders would need to provide evidence verifying that the stockholder or group owns, and has owned continuously for the preceding three years, at least 3% of the issued and outstanding voting shares of the Company. Our Bylaws contain limitations on the maximum number of nominees submitted by stockholders that we would be required to include in our proxy statement for an annual meeting.

Stockholder Action by Written Consent without a Meeting

Our Certificate of Incorporation provides that no action that is required or permitted to be taken by our stockholders at any annual or special meeting of stockholders may be effected by written consent of stockholders in lieu of a meeting except where such consent is signed by the holders of all shares of stock of the Company then outstanding and entitled to vote thereon. Our Bylaws also contain notice and procedural requirements applicable to persons seeking to have the stockholders authorize or take corporate action by written consent without a meeting.

Certain Anti-Takeover Effects of Delaware Law

We are subject to Section 203 of the DGCL. In general, Section 203 of the DGCL prohibits a publicly held Delaware corporation from engaging in various business combination transactions with any interested stockholder for a period of three years following the time that such person became an interested stockholder, unless:

- the business combination or the transaction which resulted in the stockholder becoming an interested stockholder is approved by the Board of Directors prior to the time the interested stockholder obtained such status;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or
- at or subsequent to such time the business combination is approved by the Board of Directors and authorized at an annual or special meeting of stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

A “business combination” is defined to include mergers, asset sales, and other transactions resulting in financial benefit to an “interested stockholder.” In general, an “interested stockholder” is a person who owns (or is an affiliate or associate of the corporation and, within the prior three years, did own) 15% or more of the corporation’s voting stock.

However, the restrictions contained in Section 203 will not apply if the business combination is with an interested stockholder who became an interested stockholder before the time that we had a class of voting stock that is either listed on a national securities exchange or held of record by more than 2,000 stockholders.

**GENERAL MOTORS COMPANY
DEFERRED COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS**

AMENDED AND RESTATED, DECEMBER 9, 2019

**ARTICLE I
NAME AND PURPOSE; EFFECTIVE DATE**

- 1.1** The name of this Plan is the General Motors Company Deferred Compensation Plan for Non-Employee Directors. Its purpose is to provide Non-Employee Directors of General Motors Company with a means to defer compensation earned as a Director.
- 1.2** The Plan was first adopted on January 1, 2011 following approval by the Board on October 5, 2010. The Plan as amended and restated herein is effective December 9, 2019.

**ARTICLE II
DEFINITIONS**

Unless the context clearly indicates otherwise, the following terms, when used in the capitalized form in the Plan, shall have the meanings set forth below.

- 2.1** “**Account**” means an unfunded deferred compensation account established and maintained under the Plan for each Participant.
- 2.2** “**Additional Compensation**” means the amount payable to the Director for serving on Committees of the Board or as a Committee Chair, Lead Director, or Chairman of the Board, but does not include the Base Compensation or any amounts earned otherwise.
- 2.3** “**Average Market Price**” means the average of the highest and lowest sales prices of Common Stock on any valuation date under the Plan as reported in *The Wall Street Journal* (or, if such prices are not reported in *The Wall Street Journal*, in another reliable, widely available source of such prices as designated by the Committee).
- 2.4** “**Beneficiary**” means the person, persons or trust designated in writing by the Participant to receive any benefits from the Plan due to the death of the Participant pursuant to Article IX.
- 2.5** “**Base Compensation**” means the amount payable as an annual retainer to the Director for serving as a member of the Board, but does not include any Additional Compensation or amounts earned otherwise.
- 2.6** “**Board**” means the Board of Directors of General Motors Company.

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Amended and Restated December 9, 2019

- 2.7 “**Code**” means the Internal Revenue Code of 1986, as amended, or any successor statute thereto.
- 2.8 “**Committee**” means the Governance and Corporate Responsibility Committee of the Board.
- 2.9 “**Common Stock**” means the common stock, \$0.01 par value, of the Company as listed on the New York Stock Exchange.
- 2.10 “**Company**” means General Motors Company, a Delaware corporation.
- 2.11 “**Dividend Equivalent**” means an amount equal to such per share dividend amount multiplied by the number of Share Units credited to the Participant’s Account, upon the payment of a dividend by the Company on issued and outstanding shares of Common Stock. The Dividend Equivalent, if any, shall be deemed to be invested in additional Share Units.
- 2.12 “**Mandatory Deferral**” means the amount or percentage of each Director’s Base Compensation required to be deferred into Share Units as annually determined by the Board based upon the recommendation of the Committee.
- 2.13 “**Non-Employee Director**” or “**Director**” means any individual who is a member of the Board but who is not otherwise an employee of the Company or any of its subsidiaries.
- 2.14 “**Participant**” means any Non-Employee Director who elects to participate in the Plan or whose Base Compensation is or was subject to Mandatory Deferral pursuant to Article V.
- 2.15 “**Plan**” means the General Motors Company Deferred Compensation Plan for Non-Employee Directors as stated herein, as it may be amended from time to time.
- 2.16 “**Plan Year**” means the 12-month period coinciding with the calendar year.
- 2.17 “**Separation Date**” means the date on which a Director separates from service as a Director, within the meaning of Section 409A of the Code.
- 2.18 “**Share Unit**” means a hypothetical share of Common Stock of the Company that is credited to a Participant’s Account. Share Units shall not have any voting rights, shall not represent any actual shares of Common Stock, and shall not give any Participant any rights as a stockholder in the Company.
- 2.19 “**Unforeseeable Emergency**” means (a) a severe financial hardship to a Director resulting from an illness or accident of the Director, or the spouse or a dependent (as defined in Section 152(a) of the Code) of the Director, (b) the loss of a Director’s property due to casualty or (c) such other similar extraordinary and unforeseeable

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circumstances arising as a result of events beyond the control of the Director, within the meaning of Section 409A of the Code.

- 2.20 **“Voluntary Deferral”** means the amount of (a) Base Compensation that is not subject to Mandatory Deferral and (b) any Additional Compensation that a Director affirmatively elects to defer pursuant to Article VI.

**ARTICLE III
ADMINISTRATION**

- 3.1 The Plan shall be administered by the Committee. The Committee shall have full power and discretionary authority to interpret the Plan, prescribe, amend and rescind the rules relating to it from time to time as it deems proper and in the best interests of the Company, and to take any other action necessary for the administration of the Plan. Any decision or interpretation adopted by the Committee shall be final and conclusive and binding on all Participants, their legal representatives and Beneficiaries. The Committee may delegate administrative duties under the Plan to one or more employees or agents of the Company, as it shall deem necessary or advisable.

**ARTICLE IV
ELIGIBILITY**

- 4.1 Eligibility to participate in the Plan is limited to Non-Employee Directors.

**ARTICLE V
MANDATORY DEFERRAL**

- 5.1 Any determination by the Board to require the Mandatory Deferral of all or a portion of each Director’s Base Compensation shall be made no later than December 31 of the Plan Year immediately preceding the Plan Year in which the Base Compensation is to be earned.
- 5.2 Any Mandatory Deferral pursuant to this Section shall remain in effect, until terminated or modified by the Board, with respect to Base Compensation payable in future Plan Years. Such Mandatory Deferral election shall become irrevocable as of December 31 of the Plan Year immediately preceding the Plan Year in which such Base Compensation otherwise would have been payable for services on the Board.
- 5.3 Any Mandatory Deferrals pursuant to this Article V shall be credited to the Participant’s Account in the form of Share Units and shall be entitled to Dividend Equivalents, if any.

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- 5.4 The value of Share Units attributable to a Mandatory Deferral shall be payable in cash in a lump sum or in up to five annual installments, as elected by the Director pursuant to section 6.3(b), on or before March 15 of the Plan Year following the Plan Year in which the Participant's service as a Director terminates, or as soon as practicable, but in no event later than December 31 immediately following such date.

ARTICLE VI
ELECTION OF VOLUNTARY DEFERRAL

- 6.1 Any election of a Director to make a Voluntary Deferral pursuant to this Article VI shall apply to (a) the amount of Base Compensation which is not subject to Mandatory Deferral and (b) Additional Compensation (if any).
- 6.2 Any election to defer Base Compensation or Additional Compensation pursuant to this Article VI shall be credited annually in Share Units valued under Article VII below to each Participant's Account on December 31 of the Plan Year in which the compensation was earned.
- 6.3 A Director may elect to defer his or her Base Compensation or Additional Compensation by giving written notice to the Company on or before December 31 of the Plan Year immediately preceding the Plan Year in which the compensation is to be earned. Such notice will include:
- (a) The percentage of any Base Compensation or Additional Compensation to be deferred and credited to the Participant's Account in the form of Share Units. Each Participant may make an election to defer 50% or 100%; and
 - (b) The method of distribution, either a lump sum cash payment or a number of annual cash installments (not to exceed five), for the compensation deferred. The method of distribution elected by the Participant shall apply to both a Voluntary Deferral and a Mandatory Deferral. For purposes of Section 409A of the Code, each installment payment shall be treated as a separate and distinct payment.

Such election shall become irrevocable as of December 31 of the Plan Year of election.

A newly elected Director may elect to defer his or her Base Compensation or Additional Compensation for the remainder of the Plan Year in which he or she joins the Board. Any such election must be made within 30 days following the date of his or her election to the Board and shall be effective with respect to compensation earned on and after the first day of the month next following the date on which such election becomes irrevocable and ending on the next following December 31.

- 6.4** The elections made pursuant to Section 6.3 shall be given continuing effect for subsequent Plan Years until a new notice terminating such previous elections or specifying different elections shall be delivered to the Company. Any new notice shall apply only to Base Compensation or Additional Compensation earned in Plan Years subsequent to the Plan Year in which such new notice is delivered and shall become irrevocable as of December 31 of the Plan Year in which such new notice is delivered.

ARTICLE VII
VALUATION OF DEFERRED COMPENSATION ACCOUNTS

- 7.1** Amounts deferred (Mandatory and Voluntary Deferrals) will be converted into Share Units and credited to the Participant's account annually on December 31 in a number of share units determined by dividing the amount of compensation deferred each Plan Year by the average daily closing market price of Common Stock as reported in *The Wall Street Journal* for that Plan Year (and prorated as applicable for a Director who has joined, retired or otherwise left the Board during the Plan Year).
- 7.2** Dividend Equivalents, if any, will be converted into Share Units and credited to the Participant's Account annually on December 31 in an amount equal to the sum of the per share cash dividend of Common Stock multiplied by the number of Share Units in the Participant's Account on December 31 after giving effect to that Plan Year's annual credit pursuant to Article 5 and 6 above, and then divided by the Average Market Price of such stock on each dividend payment date.
- 7.3** Balances in Participant Accounts will continue to accrue Dividend Equivalents, if applicable, until distributed in accordance with provisions of the Plan.
- 7.4** The value of the Account for purposes of distribution to the Participant will be determined by multiplying the number of Share Units credited to the Account by the average daily closing market price of Common Stock as reported in *The Wall Street Journal* for the calendar quarter prior to payment.
- 7.5** As further described in Article X, a Participant will not have any interest in his or her Account until it is distributed in accordance with the Plan.

ARTICLE VIII
METHOD OF DISTRIBUTION OF DEFERRED COMPENSATION

- 8.1** No distribution of deferred compensation may be made except as provided in this Section.
- 8.2** Subject to Section 8.4, amounts deferred and credited under this Plan may not be distributed until after the Director's Separation Date. After the Director's Separation Date, payment under this Plan will be made in cash, based on the number of Share Units

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in his or her Account, valued at the market price as provided in section 7.4 above. The value of a Participant's Account is payable in accordance with his or her deferral election as provided in Sections 5.4 and 6.3(b) above.

- 8.3** If annual installments are elected, the amount of the first payment will be a fraction of the value of the Participant's Account as of December 31 of the Plan Year preceding payment, the numerator of which is one and the denominator of which is the total number of installments elected. The amount of each subsequent payment will be a fraction of the value as of December 31 of the Plan Year preceding each subsequent payment, the numerator of which is one and the denominator of which is the total number of installments elected minus the number of installments previously paid. The distribution of the Participant's Account will be made on or before March 15 of the Plan Year following the Plan Year of the Participant's Separation Date, or as soon as practicable, but in no event later than December 31 immediately following such date.
- 8.4** In the event of an Unforeseeable Emergency, a Director may file a written request with the Committee to receive all or any portion of the balance of such Director's Account in an immediate lump sum cash payment, regardless of prior deferral elections. A Director's written request for such a payment shall describe the circumstances which the Director believes justify the payment and an estimate of the amount necessary to eliminate the Unforeseeable Emergency. An immediate payment to satisfy an Unforeseeable Emergency will be made only to the extent necessary to satisfy the emergency need, plus an amount necessary to pay any taxes reasonably anticipated as a result of such payment, and will not be made to the extent the need is or may be relieved through reimbursement or compensation, by insurance or otherwise or by liquidation of the Director's assets (to the extent such liquidation itself would not cause severe financial hardship).

ARTICLE IX
DISTRIBUTION UPON DEATH

- 9.1** A Participant may designate a Beneficiary or Beneficiaries to receive amounts credited under the Plan in the event of the Participant's death. A designation of Beneficiary or Beneficiaries shall be on a form prescribed by and filed with the Secretary of the Committee. Each Beneficiary designation shall become effective only when filed with the Secretary of the Committee during the Participant's lifetime. The filing of a new Beneficiary designation shall cancel all previously filed Beneficiary designations. In the event of the Participant's death, the unpaid amount reflected in the Participant's Account will be paid to his or her Beneficiary(ies), or if none has been designated or if all designated Beneficiaries of a Participant predecease the Participant, to his or her estate. Such payment will be made in one lump sum, in cash, on or before March 15 of the Plan Year following the Plan Year of death, or as soon as practicable, but in no event later than December 31 immediately following such date. The value of the Account on the date of payment will be determined in accordance with the provisions of Article VII hereof.

Adopted October 5, 2010

Amended and Restated December 9, 2019

**ARTICLE X
PARTICIPANT'S RIGHTS UNSECURED**

- 10.1** A Participant shall not acquire any property interest in his or her Account or any other assets of the Company on account of participation in the Plan. A Participant's rights shall be limited to receiving from the Company the payments provided for and pursuant to the Plan. All amounts accumulated and deferred under the Plan shall remain the sole property of the Company, subject to the claims of its general creditors. The Plan is unfunded and a Participant's right shall be no greater than the right of a general unsecured creditor of the Company, to the extent such Participant acquires a right to receive payments from the Plan.

**ARTICLE XI
NON-ASSIGNABILITY**

- 11.1** The right of a Participant or Beneficiary to the payment of deferred compensation as provided in this Plan shall not be assigned, transferred, pledged or encumbered or be subject in any manner to alienation or anticipation. Any attempt to assign, transfer, pledge or otherwise encumber any such benefits, whether currently or thereafter payable, shall be void.

**ARTICLE XII
STATEMENT OF ACCOUNTS**

- 12.1** Account statements shall be sent to each Participant as soon as practicable following the close of each Plan Year.

**ARTICLE XIII
BUSINESS DAYS**

- 13.1** If any date specified herein falls on a Saturday, Sunday or legal holiday such date shall be deemed to refer to the next business day after that date unless such date is December 31, in which case such date shall be deemed to refer to the immediately prior business day.

**ARTICLE XIV
GENERAL PROVISIONS**

- 14.1** This Plan may at any time be amended, modified or terminated by the Committee to comport with applicable changes in the Code, or the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or the rules or regulations promulgated thereunder. In addition, the Committee may, in its sole discretion, modify the terms and conditions of the Plan in response to and consistent with any changes in other applicable law, rule or regulation. The Committee also reserves the right to modify the Plan from

time to time, or to terminate the Plan entirely; provided, however, that no modification of the Plan, except for such modifications as may be required by law, rule or regulation, will operate to annul an election already in effect for the current Plan Year or any preceding Plan Year.

- 14.2** It is the Company’s intent that the Plan complies in all respects with Rule 16b-3 of the Securities Exchange Act of 1934 (the “Exchange Act”), or its successor, and any regulations promulgated thereunder. If any provision of the Plan is found not to be in compliance with such Rule and such regulations, the provision will be deemed null and void, and the remaining provisions of the Plan will continue in full force and effect. All transactions under this Plan will be executed in accordance with the requirements of Section 16 of the Exchange Act and regulations promulgated thereunder.
- 14.3** In the event of any stock split, stock dividend, recapitalization, reorganization, merger, consolidation, combination, exchange of shares, liquidation, spin-off or other similar change in capitalization or event, or any distribution to holders of Common Stock other than a regular cash dividend, the number of Share Units credited to each Account under the Plan shall be appropriately adjusted by the Committee. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive.
- 14.4** The Plan is intended to comply with the applicable requirements of Section 409A of the Code and shall be limited, construed, administered, and interpreted in accordance with such intent. The Committee shall have the discretion and authority to amend the Plan at any time to satisfy any requirements of Section 409A of the Code or guidance provided by the U.S. Treasury Department to the extent applicable to the Plan. In no event shall the Company or any of its affiliates be liable for any additional tax, interest or penalties that may be imposed on a Participant by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code, other than any obligations applicable to the Company, if any, under Section 409A of the Code.
- 14.5** The laws of the State of Delaware shall control the interpretation and performance of the terms of the Plan. If any provision of the Plan is held to be illegal or invalid for any reason, such determination will not affect the remaining provisions of the Plan and the Plan will be construed and enforced as if such illegal or invalid provision had never been included. The Plan is not intended to qualify under Section 401(a) of the Code or ERISA. The Company makes no guarantee with respect to the tax treatment of payments and benefits under the Plan.
- 14.6** The establishment of this Plan shall not be construed to give a Director any right to be retained on the Board or to any benefits not specifically provided by the Plan.

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Adopted October 5, 2010
Amended and Restated December 9, 2019

**GM CRUISE HOLDINGS LLC
FIFTH AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT**

Dated December 18, 2019

THE SHARES REPRESENTED BY THIS FIFTH AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS. SUCH SHARES MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION UNDER SUCH ACT AND LAWS OR AN EXEMPTION THEREFROM, AND COMPLIANCE WITH THE OTHER RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN.

CERTAIN OF THE SHARES REPRESENTED BY THIS FIFTH AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS SET FORTH IN ANY SHARE GRANT, SHARE PURCHASE OR OTHER SIMILAR AGREEMENT BETWEEN THE COMPANY AND CERTAIN PURCHASERS OR HOLDERS OF SHARES.

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GM CRUISE HOLDINGS LLC
FIFTH AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

This FIFTH AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT for GM Cruise Holdings LLC (the “**Company**”), dated as of December 18, 2019, is entered into by and among the Company, General Motors Holdings LLC, a Delaware limited liability company (“**GM**”), SoftBank Vision Fund (AIV M2) L.P., a Delaware limited partnership (“**SoftBank**”), Honda Motor Co., Ltd., a Japanese company (“**Honda**”), The Growth Fund of America, T. Rowe Price Growth Stock Fund, Inc., Seasons Series Trust - SA T. Rowe Price Growth Stock Portfolio, Voya Partners, Inc. - VY T. Rowe Price Growth Equity Portfolio, Brighthouse Funds Trust II - T. Rowe Price Large Cap Growth Portfolio, Lincoln Variable Insurance Products Trust - LVIP T. Rowe Price Growth Stock Fund, Penn Series Funds, Inc. - Large Growth Stock Fund, T. Rowe Price Growth Stock Trust, Sony Master Trust, Prudential Retirement Insurance and Annuity Company, Aon Savings Plan Trust, Caleres, Inc. Retirement Plan, Colgate Palmolive Employees Savings and Investment Plan Trust, Brinker Capital Destinations Trust - Destinations Large Cap Equity Fund, Alight Solutions LLC 401K Plan Trust, MassMutual Select Funds - MassMutual Select T. Rowe Price Large Cap Blend Fund, Legacy Health Employees' Retirement Plan, Legacy Health, T. Rowe Price Science & Technology Fund, Inc., VALIC Company I - Science & Technology Fund and any and all Persons who are Members as of the date hereof or who hereafter become Members. Certain capitalized terms used herein are defined in Appendix I.

RECITALS

- A. The Company was formed as a Delaware limited liability company effective on May 23, 2018 by the filing of a Certificate of Formation with the Delaware Secretary of State.
- B. On May 23, 2018, GM, the initial and sole member of the Company, entered into a Limited Liability Company Agreement of the Company (the “**Original Agreement**”).
- C. On May 24, 2018, GM made an election under Treasury Regulations Section 301.7701-3 to treat the Company as a corporation for U.S. federal income tax purposes, effective as of May 23, 2018.
- D. On June 28, 2018 (the “**Original Closing Date**”), GM, SB Investment Holdings (UK) Limited (“**SoftBank UK**”) and the Company amended and restated the Original Agreement (as amended and restated, the “**First A&R Agreement**”).
- E. On October 3, 2018, the Company and Honda, entered into that certain Purchase Agreement (the “**Honda Purchase Agreement**”), pursuant to which the Company issued certain Shares to Honda in exchange for the Honda Commitment on and subject to the terms and conditions therein.

F. On October 3, 2018, concurrently with entering into the Honda Purchase Agreement, GM, Honda, SoftBank UK and the Company amended and restated the First A&R Agreement (as amended, the “**Second A&R Agreement**”).

G. On January 16, 2019, SoftBank UK Transferred all of its interests in the Company to SoftBank.

H. On May 7, 2019, the Company, The Growth Fund of America, T. Rowe Price Growth Stock Fund, Inc., Seasons Series Trust - SA T. Rowe Price Growth Stock Portfolio, Voya Partners, Inc. - VY T. Rowe Price Growth Equity Portfolio, Brighthouse Funds Trust II - T. Rowe Price Large Cap Growth Portfolio, Lincoln Variable Insurance Products Trust - LVIP T. Rowe Price Growth Stock Fund, Penn Series Funds, Inc. - Large Growth Stock Fund, T. Rowe Price Growth Stock Trust, Sony Master Trust, Prudential Retirement Insurance and Annuity Company, Aon Savings Plan Trust, Caleres, Inc. Retirement Plan, Colgate Palmolive Employees Savings and Investment Plan Trust, Brinker Capital Destinations Trust - Destinations Large Cap Equity Fund, Alight Solutions LLC 401K Plan Trust, MassMutual Select Funds - MassMutual Select T. Rowe Price Large Cap Blend Fund, Legacy Health Employees' Retirement Plan, Legacy Health, T. Rowe Price Science & Technology Fund, Inc. and VALIC Company I - Science & Technology Fund (each, together with any other person that the Board of Directors designates as such, a “**Class F New Member**” and collectively, the “**Class F New Members**”), SoftBank, Honda and GM entered into that certain Purchase Agreement (the “**Class F Purchase Agreement**”), pursuant to which the Company agreed to issue certain Class F Preferred Shares to such Class F New Members, SoftBank, Honda and GM on and subject to the terms and conditions therein.

I. On May 7, 2019, concurrently with entering into the Class F Purchase Agreement, GM, Honda, SoftBank, the Class F New Members and the Company amended and restated the Second A&R Agreement (as amended, the “**Third A&R Agreement**”).

J. On July 17, 2019, the Board of Directors approved a 100 for 1 split of all of the Company’s issued and outstanding Shares (the “**Share Split**”).

K. On July 22, 2019, the Company amended and restated the Third A&R Agreement (“**Fourth A&R Agreement**”) to reflect the Share Split.

L. For U.S. federal income tax purposes, the GM Commitment and the SoftBank Commitment, taken together, were intended to qualify as a contribution under Section 351(a) of the Code.

M. Immediately following the contributions of property and issuance of Shares contemplated by the GM Commitment, the SoftBank Commitment, the Honda Commitment, and the contributions of property and issuance of Shares contemplated by the Class F Commitment (together with the issuance of any additional Shares contemplated by the Class F Purchase Agreement), GM shall continue to own, an amount of Equity Securities that (i) constitutes “control”

within the meaning of Section 368(c) of the Code and the Treasury Regulations thereunder and (ii) allows the Company to be a member of the GM Affiliated Group under Section 1504 of the Code.

N. A Majority of the Members and the Board of Directors desire to amend and restate the Fourth A&R Agreement and to effect this Agreement to set forth, among other things, the rights and obligations of the Members.

AGREEMENTS

NOW THEREFORE, in consideration of the mutual promises contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Fourth A&R Agreement is hereby amended and restated in its entirety as follows:

Article I
ORGANIZATIONAL MATTERS AND CERTAIN DEFINITIONS

1.01 Organization of Company. The Company was formed as a limited liability company on May 23, 2018.

1.02 Legal Status. The Company is a limited liability company organized and existing under the Delaware Limited Liability Company Act (the “**Act**”). The Members shall take such steps as are necessary to permit the Company to conduct business, to maintain its status as a limited liability company formed under the laws of the State of Delaware and qualified to conduct business in any jurisdiction where the Company does so.

1.03 Name. The name of the Company shall be “GM Cruise Holdings LLC” or such other name as the Board of Directors shall, from time to time, hereafter designate.

1.04 Registered Office and Registered Agent; Principal Office.

(a) The address of the registered office of the Company in the State of Delaware shall be c/o Corporation Service Company, 251 Little Falls Drive, New Castle County, Wilmington, Delaware 19808, and the initial registered agent for service of process on the Company in the State of Delaware at such registered office shall be Corporation Service Company. The Board of Directors may, in its discretion, change the registered office and/or registered agent from time to time by filing the address of the new registered office and/or the name of the new registered agent with the Secretary of State of the State of Delaware pursuant to the Act.

(b) The principal office of the Company shall be located at such place (whether inside or outside the State of Delaware) as the Board of Directors may from time to time designate. The Company may have such other offices (whether inside or outside the State of Delaware) as the Board of Directors may from time to time designate.

1.05 Purpose. The Company is formed for the object and purpose of, and the nature of the business to be conducted and promoted by the Company is to, engage in any lawful act or activity for which limited liability companies may be formed under the Act, including carrying on the AVCo Business. The Company shall have the power and authority to take any and all actions that are necessary, appropriate, advisable, convenient or incidental to, or for the furtherance of, the purposes set forth in this Section 1.05.

1.06 Term. Unless terminated in accordance with Article X, the existence of the Company shall be perpetual.

1.07 Certain Definitions. Certain capitalized terms used in this Agreement are defined in Appendix I hereto.

1.08 No State-Law Partnership. The Members intend that the Company not be a partnership (including a limited partnership), and that no Member or Assignee be a partner of any other Member or Assignee by virtue of this Agreement for any purposes, and neither this Agreement nor any other document entered into by the Company or any Member or Assignee relating to the subject matter hereof shall be construed to suggest otherwise.

1.09 Limited Liability Company Agreement. The Members hereby are each a party to this Agreement to conduct the affairs and the business of the Company in accordance with the provisions of the Act. The Members hereby agree that, during the term of the Company set forth in Section 1.06, the rights, powers and obligations of the Members and Assignees with respect to the Company will be determined in accordance with the terms and conditions of this Agreement and the Act; provided, that to the fullest extent permitted by the Act, the terms of this Agreement shall control and, notwithstanding anything to the contrary, Section 18-210 of the Act (entitled “Contractual Appraisal Rights”) and Section 18-305(a) of the Act (entitled “Access to and Confidentiality of Information; Records”) shall not apply or be incorporated into this Agreement. This Agreement hereby supersedes and preempts the Fourth A&R Agreement in all respects, and the Fourth A&R Agreement shall hereafter be null and void.

ARTICLE II

CAPITAL CONTRIBUTIONS; ISSUANCES OF SHARES

2.01 Shares Generally.

(a) All interests of the Members in Distributions and other amounts specified in this Agreement, as well as the rights of the Members to vote on, consent to or approve any matter for which a vote of Members is required under this Agreement or the Act, shall be denominated in shares of membership interests in the Company (each a “**Share**” and collectively, the “**Shares**”), and the relative rights, privileges, preferences and obligations of the Members with respect to Shares shall be determined under this Agreement to the extent provided herein. As of the date of this Agreement, the classes of Shares that the Company is authorized to issue are as follows: “**Class A-1-A Preferred Shares**”, “**Class A-1-B Preferred Shares**” (collectively with the Class A-1-A Preferred Shares, the “**Class A-1 Preferred Shares**”), “**Class A-2 Preferred Shares**”, “**Class B Common Shares**”, “**Class C Common Shares**”, “**Class D Common Shares**”, “**Class E Common Shares**” and “**Class F Preferred Shares**”. Subject to the limitations (in each case to the extent applicable) set forth in Section 2.02, Section 2.07 and Section 6.13, the Company may, from time to time following the date of this Agreement, create and issue other classes and series of Shares or Equity Securities. Subject to approval by the Board of Directors, the Company is hereby authorized to issue an unlimited number of Class A-1-A Preferred Shares, Class A-1-B Preferred Shares, Class A-2 Preferred Shares, Class B Common Shares, Class C Common Shares, Class D Common Shares, Class E Common Shares, Class F Preferred Shares, and any new class or series of Shares or Equity Securities in the Company. The Company may issue fractional Shares, and all Shares shall be rounded to the nearest fourth decimal place. Ownership of a Share (or a fraction thereof)

shall not entitle a Member to call for a partition or division of any property of the Company or for any accounting.

(b) The Members, their respective Commitments and Capital Contributions and their respective classes and numbers of Shares issued, sold, granted or Transferred to them shall be set forth on a ledger maintained by the Company (the “**Members Schedule**”), as the same may be amended and restated from time to time in accordance with the provisions of this Agreement. Absent manifest error, the ownership interests recorded on the Members Schedule shall be a conclusive record of the Shares that are issued and outstanding.

(c) A partial copy of the Members Schedule as of the date of the First A&R Agreement showing only the aggregate number of each class of Shares held by the Members as at such time (but not any identifying information about the Persons holding any Shares) was provided to SoftBank prior to the execution of the SoftBank Purchase Agreement. A partial copy of the Members Schedule as of the date of the Second A&R Agreement showing only the aggregate number of each class of Shares held by the Members (but not any identifying information about the Persons holding any Shares) was provided to Honda prior to the execution of the Honda Purchase Agreement. A partial copy of the Members Schedule as of the date of the Third A&R Agreement showing only the aggregate number of each class of Shares held by the Members (but not any identifying information about the Persons holding any Shares (other than the Class F Preferred Shares)) was provided to the Class F Preferred Members prior to the execution of the Class F Purchase Agreement. Any amendment or revision to the Members Schedule made to reflect an action taken in accordance with this Agreement shall not be deemed an amendment to this Agreement. A current copy of the Members Schedule shall be held in confidence by the Company and maintained in a separate file conspicuously marked as confidential. A redacted version of the Members Schedule shall be made available to any Member at the request of such Member, which such redacted version will show only the Shares held by such Member and the aggregate number of issued and outstanding Shares held by other Members (and not, for clarity, any other identifying information about any other Person holding Shares). Notwithstanding the foregoing, each of the GM Investor, SoftBank, and Honda shall be entitled to request a full and complete unredacted copy of the Members Schedule from time to time.

2.02 Class A Preferred Shares; Class C Common Shares.

(a) Pursuant to the SoftBank Purchase Agreement, and subject to the terms and conditions thereof, SoftBank UK made Capital Contributions totaling \$900,000,000 in the aggregate (the “**SoftBank Commitment**”), pursuant to which the Company issued to SoftBank UK 900,000 Class A-1-A Preferred Shares, which Class A-1-A Preferred Shares were subsequently Transferred by Softbank UK to SoftBank.

(b)

(i) At any time that the Company determines, acting in good faith, that it is reasonably likely to be ready to commercially deploy vehicles in fully driverless operation (the date of readiness for such initial deployment, the “**Commercial Deployment**”) within the following one hundred twenty (120) day period, the Company shall be entitled to deliver written notice of such determination to SoftBank (it being understood that delivery of such written notice (or failure to deliver such written notice) shall not be binding in any respect and the failure of Commercial Deployment to occur on such timetable shall not constitute a breach of this Agreement by any Member or the Company). Following delivery of any such written notification, the Company and SoftBank (each acting reasonably and in good faith) will cooperate to identify and mutually agree upon, as promptly as reasonably practicable, whether any approvals, consents, registrations, permits or authorizations (or the expiration of any waiting periods) are required under the HSR Act or any comparable laws in any foreign jurisdiction (the “**A-1-B Antitrust Approvals**”) in connection with the issuance of Class A-1-B Preferred Shares pursuant to Section 2.02(c).

(ii) If any A-1-B Antitrust Approvals are identified and agreed pursuant to Section 2.02(b)(i) then each Class A-1 Preferred Member and each Class A-2 Preferred Member will (and will cause its Affiliates to) (A) make (as promptly as reasonably practicable) such notifications, registrations and filings necessary or advisable in connection with obtaining the A-1-B Antitrust Approvals and (B) without limiting the foregoing, use its reasonable best efforts to obtain (as promptly as reasonably practicable) the A-1-B Antitrust Approvals. If the A-1-B Antitrust Approvals are not obtained (or, as applicable, any waiting period has not expired or early termination of any waiting period has not been granted) prior to end of the Payment Period, then the Payment Period will be extended until such A-1-B Antitrust Approvals are obtained or until the waiting periods with respect to such A-1-B Antitrust Approvals have expired or been terminated (as applicable); provided that, in order to obtain such A-1-B Antitrust Approvals, (1) none of GM nor any of its Subsidiaries or other Affiliates shall be required to offer or commit to hold separate, sell, divest or dispose, or suffer any restriction on the operation, of any assets, properties or businesses of GM Parent or any of its Subsidiaries or other Affiliates (including the Company), and (2) none of SoftBank nor any of its Subsidiaries or other Affiliates shall be required to offer or commit to hold separate, sell, divest or dispose, or suffer any restriction on the operation, management, or governance of, any assets, properties or businesses of SoftBank or any portfolio companies (as such term is commonly understood in the private equity industry) of SoftBank or its Subsidiaries or Affiliates or, with the sole exception of the Company, any companies in which SoftBank or any of SoftBank’s Subsidiaries or other Affiliates hold a minority equity position.

(c)

(i) Within three (3) Business Days of the date on which Commercial Deployment has occurred, the Company will provide written notice to SoftBank and the GM Investor of the same (such notice, the “**CD Notice**”). Subject to the satisfaction of the Second Tranche

Conditions, within fifty (50) days (or such shorter period contemplated by the immediately following sentence) of the delivery of the CD Notice (such applicable period, the “**Payment Period**”), SoftBank will purchase and acquire from the Company, and the Company will issue, sell and deliver to SoftBank, a number of Class A-1-B Preferred Shares equal to \$1,350,000,000 (the “**Subsequent SoftBank Commitment**”) divided by the Class A-1-B Preferred Capital Value, in consideration for payment by SoftBank in full of such amount paid by wire transfer of immediately available funds to an account designated by the Company and free and clear of any withholding. If GM, prior to the date that Commercial Deployment occurs, confirms (by way of a binding and irrevocable written notice to SoftBank (the “**Advance Notice**”) the definitive date on which Commercial Deployment will occur, then the Payment Period will be reduced by the aggregate number of days between the date the Advance Notice is delivered to SoftBank in accordance with the terms of this Agreement and the date of Commercial Deployment; provided, that in no event will the Payment Period be reduced to fewer than twenty five (25) days following the date on which Commercial Deployment occurs.

(ii) If the Second Tranche Conditions have been satisfied but the Subsequent SoftBank Commitment is not fully paid by start of the Business Day following the final day of the Payment Period, then, automatically and without any further action by the Company or any Member (and without any recourse by any Member): (A) the provisions of Section 6.13(a) through 6.13(d) will be suspended and cease to apply for such time as any amount of the Subsequent SoftBank Commitment is due and payable but remains unpaid, (B) the Class A-1 Preferred Return will cease to accrue on each Class A-1 Preferred Share (with, subject to the immediately following proviso, no catch-up right or right to be made whole if the Subsequent SoftBank Commitment is later paid in full; provided, that if the Subsequent SoftBank Commitment is paid in full within fifteen (15) days of the final day of the Payment Period (such fifteen (15) day period, the “**Cure Period**”), each Class A-1 Preferred Share will be entitled to the Class A-1 Preferred Return accrued during the period beginning on the final day of the Payment Period and ending on the date that the Subsequent SoftBank Commitment is fully paid), and (C) in the event that the Subsequent SoftBank Commitment is not paid in full by the end of the Cure Period, the amendments to this Agreement contemplated by Sections 2.02(d)(i) and Section 2.02(d)(ii) will apply and become effective from and after the final day of the Cure Period.

(iii) The remedies provided for in Section 2.02(c)(ii) are in addition to, and not in limitation of, any other right of the Company or any other Member provided by law, this Agreement or any other agreement entered into by or among any one or more of the Members (or their Affiliates) or the Company (including any rights arising as a result of or in connection with a breach by SoftBank of its obligations under Section 5.1 of the SoftBank Purchase Agreement). Each Member further acknowledges that any actions taken or not taken by the Company pursuant to Section 2.02(c)(ii) shall not constitute a breach of this Agreement or any other duty stated or implied in law or equity to any Member.

(d) If the SoftBank CFIUS Condition has not been satisfied prior to the occurrence of Commercial Deployment, then (without prejudice to the rights of GM or the Company arising as a result of or in connection with any breach by SoftBank of its obligations under Section 5.1 of the SoftBank Purchase Agreement) upon the occurrence of Commercial Deployment, automatically and without any further action by the Company or any Member (and without any recourse by any Member):

(i) the Class A-1 Preferred Return will (effective on and after the date of Commercial Deployment) be permanently reduced from a rate of seven percent (7%) per annum to a rate of three and a half percent (3.5%) per annum;

(ii) the denominator in the definition of A-1-A Preferred Share Conversion Ratio will be permanently increased from \$10 to \$16;

(iii) the conversion ratio for the Class A-2 Preferred Shares pursuant to Section 2.11(a), Section 9.07(a)(i), Section 9.10(a), clause (ii) of the definition of “Control Period”, the definition of “SoftBank Floor Amount”, clause (i) of the definition of “Optional SoftBank Conversion Share Price”, the definition of “Per Class A-1 Preferred Share FMV” and clause (i) of the definition of “Preemptive Proportion” shall be adjusted from a 1:1 ratio to 0.625 of a Class C Common Share per one Class A-2 Preferred Share (as adjusted, as necessary, to reflect appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event); and

(iv) Section 6.13(c) will be amended to read, in its entirety, as follows:

“issue any Equity Securities that have rights, preferences or privileges with respect to Distributions, senior to the rights of the Class A-1 Preferred Shares in Sections 3.01(b)(i) or 3.02(a)(i) (“**Senior Securities**”); provided, that this Section 6.13(c) will not apply to the first \$1,350,000,000 of new Senior Securities issued after the occurrence of Commercial Deployment (with such amount being calculated based on the consideration paid by the recipient(s) of such Senior Securities).”

(e) Pursuant to the SoftBank Purchase Agreement and the IPMA, and subject to the terms and conditions thereof, on the Original Closing Date, GM (i) made, (A) a Capital Contribution totaling \$1,100,000,000 in the aggregate and (B) a contribution of the Transferred Entities (as defined in the SoftBank Purchase Agreement) pursuant to the Restructuring (as defined in the SoftBank Purchase Agreement) and (ii) granted certain rights to the Company under the IPMA (together with the contributions in clause (i), the “**GM Commitment**”), in exchange for which the Company issued to GM 1,100,000 Class A-2 Preferred Shares and 5,500,000 Class C Common Shares.

(f) As promptly as reasonably practicable following the consummation of the Subsequent SoftBank Commitment, the Company shall deliver to Honda an updated Members Schedule.

2.03 Class B Common Shares.

(a) Awards of Class B Common Shares (“**Share Awards**”), options to purchase Class B Common Shares (“**Options**”) and rights to receive Class B Common Shares (“**RSUs**”, and collectively with Share Awards and Options, “**Equity Awards**”) may be granted or issued, as applicable, on or after the Original Closing Date to Employee Members pursuant to the terms of a Share Grant Agreement and in accordance with the 2018/2019 Incentive Plan or any successor employee incentive plan.

(b) With respect to Fiscal Years 2018 and 2019, the Company may grant or issue to Employee Members (pursuant to Share Grant Agreements) Equity Awards that may be issued, exercised or settled into, in the aggregate, up to that maximum number of Class B Common Shares set forth in the 2018/2019 Incentive Plan. From and after Fiscal Year 2020, the Company (acting upon the approval of the Board of Directors) may issue additional Equity Awards to Employee Members.

(c) The Board of Directors shall have the authority to determine the terms and conditions of the Share Grant Agreement to be executed by any Employee Members in connection with the grant of Equity Awards to such Employee Members (including terms and conditions relating to vesting, forfeiture, options to purchase and/or sell Class B Common Shares upon termination of employment and purchase prices and terms of any purchase and/or sale with respect thereto).

(d) Each Share Grant Agreement with respect to Equity Awards is intended to qualify as a compensatory benefit plan within the meaning of Rule 701 of the Securities Act and the issuance of Class B Common Shares, from time to time, pursuant to the terms of this Agreement and the applicable Share Grant Agreement is intended to qualify for the exemption from registration under the Securities Act provided by Rule 701 thereof; provided, that, subject to Section 2.03(b), the foregoing shall not restrict or limit the Company’s ability to issue any Class B Common Shares pursuant to any other exemption from registration under the Securities Act available to the Company and to designate any such issuance as not being subject to Rule 701.

(e) Subject, in each case, to the terms and conditions of the applicable Share Grant Agreement (and as appropriately adjusted for the Share Split):

(i) Class B Common Shares that would be issued as a result of the exercise of a right to purchase pursuant to an issued Option shall be deemed, prior to their actual issuance, to be issued unvested Class B Common Shares for the purposes of Section 3.01(b)(ii) (and the holder of the Option shall be deemed a Class B Member solely for such purpose); provided, that, for clarity, no Distributions will actually be made with respect to such deemed unvested Class

B Common Shares and Section 3.03 will not apply to such deemed unvested Class B Common Shares; and

(ii) Class B Common Shares that would be issued as a result of the right to receive such Shares pursuant to an RSU shall be deemed, prior to their actual issuance, to be issued unvested Class B Common Shares for the purposes of Sections 3.01(b)(ii) and 3.01(b)(iii) (and the holder of the RSU shall be deemed a Class B Member solely for such purposes) and Section 3.03.

2.04 Additional Classes of Shares.

(a) **Class E Common Shares.** Pursuant to the Honda Purchase Agreement, and subject to the terms and conditions thereof, Honda made Capital Contributions totaling \$750,000,000 in the aggregate (the “**Honda Commitment**”), pursuant to which the Company has issued to Honda 495,000 Class E Common Shares.

(b) **Class F Preferred Shares.** Pursuant to the Class F Purchase Agreement, and subject to the terms and conditions thereof, each Class F New Member, SoftBank, Honda and GM made the Capital Contributions shown against the name of such Class F Preferred Member on **Exhibit III**, totaling \$1,150,000,025 in the aggregate (the “**Class F Commitment**”), pursuant to which the Company issued to such Class F Preferred Members the Class F Preferred Shares shown against the name of such Class F Preferred Member on **Exhibit III**, which includes the Deferred Shares (as defined in the Class F Purchase Agreement) issued to SoftBank.

2.05 Other Contributions. No Member shall be required to make any contributions to the Company other than the Capital Contributions as provided in this Article II or as otherwise expressly set forth in this Agreement. Subject to Section 2.07, the Company shall not accept any Capital Contributions, other than Capital Contributions in respect of the Commitments, from a Member or any other Person unless the terms and conditions of any such Capital Contribution and related issuance of Shares have been approved by the Board of Directors.

2.06 Issuances of Shares. Subject to the limitations set forth in this Agreement (including Section 2.02, Section 2.07 and Section 6.13), the Board of Directors shall have sole and complete discretion in determining whether to issue any Equity Securities, the number and type of Equity Securities to be issued (including the creation of new series or classes of Shares) at any particular time and all other terms and conditions governing any such Equity Securities (including the issuance thereof); provided, that (a) the parties hereto acknowledge and agree that the Subsequent SoftBank Commitment shall be on the terms set forth in this Agreement and shall not require any additional approval of the Board of Directors and (b) the Company shall not issue any Equity Securities (whether denominated as Shares or otherwise) to any Person unless such Person shall have agreed to be bound by this Agreement and shall have executed such documents or instruments as the Board of Directors determines to be necessary or appropriate to effect such Person’s admission as a Member.

2.07 Preemptive Rights.

(a) Except as provided in Section 2.07(e) or Section 2.07(f), if the Company wishes to issue any Equity Securities to any Person or Persons (all such Equity Securities, collectively, the “**New Securities**”), then the Company shall promptly deliver a written notice of intention to sell (the “**Company’s Notice of Intention to Sell**”) to each holder of Preemptive Shares setting forth a description of the New Securities to be sold, the proposed purchase price, the aggregate number of New Securities to be sold and the terms and conditions of sale. Upon receipt of the Company’s Notice of Intention to Sell, each holder of Preemptive Shares shall have the right, during the Acceptance Period, to elect to purchase, at the price and on the terms and conditions stated in the Company’s Notice of Intention to Sell, up to the number of New Securities equal to the product of (i) such holder’s Preemptive Proportion, multiplied by (ii) the aggregate number of New Securities to be issued; provided, that if the New Securities consist of more than one class, series or type of Equity Securities, then any holder of Preemptive Shares who elects to purchase such New Securities pursuant to this Section 2.07 must purchase the same proportionate mix of all of such securities; provided, further, that if the New Securities are issued in connection with any debt financing undertaken by the Company or any of its Subsidiaries and to which preemptive rights otherwise apply pursuant to this Section 2.07, then any Class A-1 Member, Class D Member, Class E Member or Class F Preferred Member who elects to purchase such New Securities pursuant to this Section 2.07 must, to be eligible to receive such New Securities, participate in the underlying debt instrument for such financing (A) with and on the same terms as the other lenders thereunder and (B) in the same percentage as their Preemptive Proportion of New Securities that such Member wishes to purchase pursuant to this Section 2.07. If one or more holders of Preemptive Shares do not elect to purchase their entire share of the New Securities (such aggregate portion of New Securities that has not been so elected, the “**Excess New Securities**”), then the Company will offer, by written notice (the “**Supplemental Notice of Intention to Sell**”), to each holder of Preemptive Shares who has elected to purchase his, her or its entire proportion of the New Securities pursuant to this Section 2.07 (the “**Full Participants**”) the right to elect to purchase, at the price and on the terms and conditions stated in the Company’s Notice of Intention to Sell:

(i) in relation to Class F Preferred Shares held by Full Participants, their Class F Preemptive Proportion (the “**Class F Excess Process**”); and

(ii) following completion of the Class F Excess Process, in relation to all other Preemptive Shares held by Full Participants their Preemptive Proportion (calculated as if (A) Class F Preferred Shares are excluded from the determination of Preemptive Proportion (including the Total Conversion Shares used therefor) and (B) the Total Conversion Shares excludes all Shares of each holder of Preemptive Shares that did not elect to purchase their entire share of the New Securities) of the Excess New Securities remaining after the Class F Excess Process, such that all of the Excess New Securities remaining after the Class F Excess Process may be purchased by such holders, if so elected.

All elections under this Section 2.07(a) must be made by written notice to the Company within fifteen (15) days (or such later date determined by the Board of Directors) after receipt by such holder of Preemptive Shares of (as applicable) the Company's Notice of Intention to Sell or the Supplemental Notice of Intention to Sell (the "**Acceptance Period**").

(b) If the holders of Preemptive Shares have not elected to purchase all of the New Securities described in a Company's Notice of Intention to Sell, then the Company may, at its election, during the period of ninety (90) days immediately following the expiration of the Acceptance Period therefor (or the expiration of the Acceptance Period relating to the Supplemental Notice of Intention to Sell, if the same is issued), sell and issue any of the New Securities not elected for purchase pursuant to Section 2.07(a) to any Person(s) at a price and upon terms and conditions no more favorable, in the aggregate, to such Person(s) than those stated in the Company's Notice of Intention to Sell.

(c) In the event the Company has not sold the New Securities to be issued within such ninety (90) day period, the Company shall not thereafter issue or sell any such New Securities without once again offering such securities to each holder of Preemptive Shares in the manner provided in Section 2.07(a).

(d) If a holder of Preemptive Shares elects to purchase any of the New Securities, payment therefor shall be made by wire transfer against delivery of such New Securities at the principal office of the Company within fifteen (15) days of such election unless a later date is mutually agreed between the Company and such holder of Preemptive Shares; provided, that if SoftBank elects to purchase any of the New Securities, to the extent necessary in order to accommodate the time required to call capital to purchase the Preemptive Shares, payment therefor shall be made by wire transfer against delivery of such New Securities at the principal office of the Company within thirty five (35) days of such election by SoftBank.

(e) Notwithstanding anything to the contrary in this Agreement, (i) no holder of Preemptive Shares shall have a right to purchase New Securities pursuant to this Section 2.07, if such purchase will, in the good faith determination of the Board of Directors, violate any applicable laws (whether or not such violation may be cured by a filing of a registration statement or any other special disclosure) and (ii) in lieu of offering any New Securities to any holder of Preemptive Shares prior to the time such New Securities are offered or sold to any other Person or Persons, the Company may comply with the provisions of this Section 2.07 by first issuing New Securities to such other Person or Persons, and promptly after such issuance (or acceptance) (and, in any event, within thirty (30) days thereafter) making an offer to sell (or causing such other Person or Persons to offer to sell), to the holders of Preemptive Shares, New Securities in such a manner so as to enable such holders of Preemptive Shares to effectively exercise their respective rights pursuant to Section 2.07(a) with respect to their purchase, for cash, of such New Securities as they would have been entitled to purchase pursuant to Section 2.07(a).

(f) Notwithstanding anything to the contrary in this Section 2.07, the preemptive rights contained in this Section 2.07 shall not apply to:

(i) any Equity Securities issued pursuant to the funding of the GM Commitment, the SoftBank Commitment and the Subsequent SoftBank Commitment;

(ii) any Equity Securities issued pursuant to Sections 2.10 or 2.11;

(iii) any Class B Common Shares that may be issued to Employee Members, including upon the exercise or settlement of any Equity Award;

(iv) any Equity Securities issued in connection with an IPO (including pursuant to Section 9.10(c));

(v) any Equity Securities issued upon any subdivision, split, recapitalization, reclassification, combination or similar reorganization; and

(vi) any Equity Securities issued in connection with any merger, consolidation, acquisition for stock, business combination, purchase of assets or business(es) of, or any similar extraordinary transaction with a third party (each an “**M&A Transaction**”); provided that the value (measured as of the date of issuance) of such Equity Securities issued by the Company pursuant to the exemption set forth in this Section 2.07(f)(vi) does not exceed an aggregate of \$250,000,000 with respect to any individual calendar year (it being understood that in the event such \$250,000,000 cap is exceeded in any given calendar year, the preemptive rights contained in this Section 2.07 will apply (subject to the other limitations set forth in this Agreement) solely with respect to that portion of Equity Securities issued in excess of such cap in such calendar year).

2.08 Certificates. The Company may, but shall not be required to, issue certificates representing Shares (“**Certificated Shares**”).

2.09 Repurchase Rights. If an Employee Member ceases to be employed by or provide services to the Company or any of its Subsidiaries for any reason, then the Company shall have the right (but not the obligation) to repurchase all or any portion of the Class B Common Shares held by such Employee Member and his or her Permitted Transferees and not otherwise forfeited (pursuant to this Agreement, the relevant employee incentive plan in place at the time or the applicable Share Grant Agreement or other agreement (or agreements) with the Company) at a price per Class B Common Share specified by, on the timeline provided by, and otherwise on the terms and conditions contained within, a Share Grant Agreement or other agreement (or agreements) between an Employee Member and the Company.

2.10 Optional A-1 Conversion.

(a) Each Class A-1 Preferred Member shall have the right, at such Member’s option, at any time and from time to time to convert all or any portion of the Class A-1 Preferred

Shares held by such Member into Class D Common Shares by providing the Company with written notice of such conversion. A conversion of Class A-1 Preferred Shares pursuant to this Section 2.10(a) shall be effective as of the close of business on the first (1st) Business Day after the Company's receipt of the conversion notice.

(b) In connection with any conversion pursuant to Section 2.10(a), (i) each Class A-1-A Preferred Share will be converted into Class D Common Shares at the A-1-A Preferred Share Conversion Ratio and (ii) each Class A-1-B Preferred Share will be converted into Class D Common Shares at the A-1-B Preferred Share Conversion Ratio.

(c) Notwithstanding anything in this Agreement to the contrary, each Class A-1 Preferred Share that has been converted into a Class D Common Share under this Section 2.10 shall cease to have the rights, preferences and privileges provided under this Agreement for the Class A-1 Preferred Shares and shall thereafter be treated as a Class D Common Share for all purposes.

2.11 Optional A-2 Conversion.

(a) Each Class A-2 Preferred Member shall have the right, at such Member's option, at any time and from time to time, to convert all or any portion of the Class A-2 Preferred Shares held by such Member into Class C Common Shares, at a 1:1 ratio (as adjusted to reflect appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event) by providing the Company with written notice of such conversion. A conversion of Class A-2 Preferred Shares pursuant to this Section 2.11 shall be effective as of the close of business on the first (1st) Business Day after the Company's receipt of the conversion notice.

(b) Notwithstanding anything in this Agreement to the contrary, each Class A-2 Preferred Share that has been converted into a Class C Common Share under this Section 2.11 shall cease to have the rights, preferences and privileges provided under this Agreement for the Class A-2 Preferred Shares and shall thereafter be treated as a Class C Common Share for all purposes.

ARTICLE III DISTRIBUTIONS

3.01 Distributions.

(a) Except as otherwise expressly contemplated by this Agreement, all Distributions shall be made to the Persons who are the holders of Shares at the time such Distributions are made.

(b) Subject to Section 3.02 and Section 3.03, and in accordance with the provisions of this Section 3.01, Distributions pursuant to this Article III shall be made Quarterly in arrears (on the final day of each Quarter) in the following order of priority:

(i) First, Distributions shall be made to the Class A-1 Preferred Members in respect of their Class A-1 Preferred Shares (ratably among such Members based upon, for the relevant Quarter, the aggregate Class A-1 Preferred Return with respect to the Class A-1 Preferred Shares held by each such Member immediately prior to such Distribution) until each Class A-1 Preferred Member has received Distributions in respect of such Member's Class A-1 Preferred Shares in an amount equal to the aggregate Class A-1 Preferred Return for such Quarter (and not, for clarity, the full Class A-1 Preferred Unpaid Return) with respect to the Class A-1 Preferred Shares held by such Class A-1 Preferred Member immediately prior to such Distribution. The Company may, at its option, with respect to all or any portion of the Distributions on the Class A-1-A Preferred Shares and Class A-1-B Preferred Shares pursuant to this Section 3.01(b)(i) for any Quarter, elect to pay such Distribution in (A) cash or (B) by the accretion (with respect to such Quarter) of the Class A-1 Preferred Return on such Shares (which such accretion in the Class A-1 Preferred Return, and resultant increase in the Class A-1 Preferred Unpaid Return for such Shares, shall constitute a Distribution hereunder).

(ii) Second, Distributions shall be made to the Non-A-1 Members until the cumulative amount received in cash by each of the Members pursuant to this Section 3.01(b)(ii) and Section 3.01(b)(i) with respect to all such Distributions made after June 28, 2018 to the relevant calculation date (including, for clarity, any Distributions made in such applicable Quarter pursuant to Section 3.01(b)(i)), equals the amount such Member would have received if all such Distributions had been distributed ratably on an as-converted basis (for the purpose of such calculation with (A) the Class A-1 Preferred Shares being deemed converted to Class D Common Shares pursuant to Section 2.10(b), and (B) Class F Preferred Shares being deemed converted to Class D Common Shares at the Class F Preferred Share Conversion Ratio) among such Members based upon the number of Non-A-1 Interests held by each such Non-A-1 Member and the number of Class A-1 Preferred Shares held by each such Class A-1 Preferred Member, in each case, immediately prior to such Distribution. For the avoidance of doubt, the Class A-1 Preferred Shares shall not be entitled to any Distributions pursuant to this Section 3.01(b)(ii).

(iii) Third, all further Distributions shall be made to each Non-A-1 Member and Class A-1 Preferred Member ratably on an as-converted basis among such Members based upon the number of Non-A-1 Interests held by each such Non-A-1 Member and the number of Class A-1 Preferred Shares held by each such Class A-1 Preferred Member, in each case, immediately prior to such Distribution; provided, that, for the purposes of this Section 3.01(b)(iii), the (A) Class A-1 Preferred Shares shall be deemed converted to Class D Common Shares pursuant to Section 2.10(b) without (for the purposes of calculating such conversion) any reduction in the Class A-1-A Preferred Unpaid Return or Class A-1-B Preferred Unpaid Return due to Distributions for such Quarter made pursuant to this Section 3.01(b)(iii), and (B) Class F Preferred Shares being deemed converted to Class D Common Shares at the Class F Preferred Share Conversion Ratio.

(c) No later than five (5) Business Days prior to the end of each Quarter, the Company will send written notice to each Class A-1 Preferred Member stating whether the

Distribution pursuant to Section 3.01(b)(i) for such Quarter will be paid in cash. If the Company fails to timely send such written notice then, with respect to such Quarter, the Company will be deemed to have irrevocably elected to pay the Distribution pursuant to Section 3.01(b)(i) by the accretion of the Class A-1 Preferred Return. For clarity, (i) the Company may elect, independently as to each class, to pay cash Distributions with respect to a Quarter on either, or both, of the Class A-1-A Preferred Shares and Class A-1-B Preferred Shares and (ii) so long as the full Distribution has been made on each Class A-1 Preferred Share pursuant to Section 3.01(b)(i), the Company may (but shall not be required to) make Distributions pursuant to Section 3.01(b)(ii) and Section 3.01(b)(iii).

(d) No distributions shall be made in respect of a Vested Class B Common Share pursuant to Section 3.01(b)(ii), Section 3.01(b)(iii) or Section 3.02(a)(iii), until such time that an aggregate amount of Distributions (since the date of grant of such Class B Common Share) pursuant to Section 3.01(b) or 3.02(a), as applicable, equal to the Class B Floor Amount shall have been Distributed on each Class C Common Share. For the avoidance of doubt, no holder of any Class B Common Share will later have the right to receive any amount foregone pursuant to the preceding sentence of this Section 3.01(d).

(e) Any reference in this agreement to a Distribution to a Substituted Member shall include any Distributions previously made to the predecessor Member on account of the interest of such predecessor Member transferred to such Substituted Member.

(f) Notwithstanding any provision to the contrary contained in this Agreement the Company shall not make any Distribution to Members if such Distribution would violate Section 18-607 of the Act or other applicable law.

3.02 Distributions Upon Liquidation or a Deemed Liquidation Event.

(a) Notwithstanding Section 3.01, upon a liquidation (pursuant to Article X) or a Deemed Liquidation Event, the Company shall distribute the net proceeds or assets available for distribution, whether in cash or in other property, to the Members as follows:

(i) First, Class A-1 Preferred Members and Class F Preferred Members shall receive, on a *pro rata* basis (proportional to their share of the aggregate (A) Class A-1 Liquidation Preference Amount for all Class A-1 Preferred Shares, *plus* (B) Class F Liquidation Preference Amount for all Class F Preferred Shares) for each Class A-1 Preferred Share and Class F Preferred Share, as applicable, the greater of (1) (x) for each Class A-1 Preferred Share held by such Class A-1 Preferred Member, the applicable Class A-1 Liquidation Preference Amount, and (y) for each Class F Preferred Share held by such Class F Preferred Member, the Class F Liquidation Preference Amount, and (2) the amount distributable pursuant to Section 3.02(a)(iii) with respect to such Class A-1 Preferred Share or Class F Preferred Share, as applicable, as if such Share had converted into a Class D Common Share (pursuant to Section 2.10, in the case of a Class A-1 Preferred Share, and at the Class F Preferred Share Conversion Ratio, in the case of a Class F

Preferred Share) immediately prior to the event giving rise to a Distribution pursuant to this Section 3.02. If upon any such liquidation or Deemed Liquidation Event, the net proceeds or assets available for distribution to the Members shall be insufficient to pay the holders of Class A-1 Preferred Shares and Class F Preferred Shares the full amount to which they shall be entitled under this Section 3.02(a)(i), the holders of Class A-1 Preferred Shares and Class F Preferred Shares shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of such shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full pursuant to this Section 3.02(a)(i).

(ii) Second, Class A-2 Preferred Members shall receive, for each Class A-2 Preferred Share, the greater of (A) the Class A-2 Liquidation Preference Amount and (B) the amount distributable pursuant to Section 3.02(a)(iii) with respect to such Class A-2 Preferred Share as if such Share had converted into a Class C Common Share (pursuant to Section 2.11) immediately prior to the event giving rise to a Distribution pursuant to this Section 3.02.

(iii) Third, to Non-A-1 Members (other than the Class A-2 Preferred Members and Class F Preferred Members), ratably among such Members based upon the number of Non-A-1 Interests held by each such Non-A-1 Member (other than Class A-2 Preferred Shares and Class F Preferred Shares).

(b) A “**Deemed Liquidation Event**” shall occur upon either of a Sale of the Company or a Drag-Along Sale Transaction.

3.03 Unvested Class B Common Shares. Notwithstanding anything in this Agreement to the contrary, (a) no Distribution shall be made in respect of any Class B Common Share that is not a Vested Class B Common Share, (b) any amount that would otherwise be distributable in cash in respect of a Class B Common Share pursuant to Section 3.01 or Section 3.02 but for the fact that such Class B Common Share is not a Vested Class B Common Share shall be withheld by the Company and Distributed with respect to such Class B Common Share, without interest, at the time of the first cash Distribution to the Non-A-1 Members following the date on which such Class B Common Share becomes a Vested Class B Common Share and (c) if a Class B Common Share that is not a Vested Class B Common Share is repurchased or forfeited (or otherwise becomes incapable of vesting), then such Class B Common Share shall not be entitled to receive or retain any Distributions.

3.04 Distributions In-Kind. Distributions of property other than cash, including securities (but, for the avoidance of doubt, Distributions in respect of the Class A-1 Preferred Shares pursuant to Section 3.01(b)(i) shall not include stock or securities issued by the Company and may only be made in cash or accretion pursuant to Section 3.01(b)(i)), may be made under this Agreement with the approval of the Board of Directors. Distributions of property other than cash shall be valued at Fair Market Value. Except as otherwise required by the Act or this Agreement, and subject in all respects to Section 3.01 and Section 3.02, no Member shall be entitled to Distributions of

property other than cash and the Board of Directors may make a determination to distribute property to one Member or group of Members and cash to the remaining Members so long as no Member is adversely affected in a manner which is disproportionate to the other Members as a result of such determination. The Company shall not make any in-kind distributions in respect of the Class F Preferred Shares of property that is not an equity security or debt security of an entity classified as a corporation for U.S. federal income tax purposes without the consent of the Class F Preferred Members to whom such distribution is to be made.

ARTICLE IV **TAX MATTERS**

4.01 Corporate Status. The Members intend that the Company be treated as a corporation for U.S. federal, and, as applicable, state and local, income tax purposes, and neither the Company nor any of the Members shall take any reporting position inconsistent with such treatment. In furtherance of the foregoing, the Company has elected, pursuant to Treasury Regulations Section 301.7701-3(c), to be treated as an association taxable as a corporation, effective as of May 23, 2018. The Company will not make any other entity classification elections with respect to the Company without the prior written consent of all Members; provided that, if the Entity is eligible to make an entity classification election, it shall elect to be treated as an association taxable as a corporation, unless the prior written consent of all Members has been obtained.

4.02 Withholding. The Company is authorized to withhold from any payment made to a Member any amounts required to be withheld by the Company under applicable law and, if so required, remit any such amounts to the applicable governmental authority. Upon request by the Company in writing, each Member shall provide the Company with a properly completed and duly executed Internal Revenue Service (“**IRS**”) Form W-9 or applicable IRS Form W-8, or any other information, form or certificate reasonably necessary to determine whether and the extent to which any such withholding is required. If the Company, or the Board of Directors or any Affiliate of the Company, becomes liable as a result of a failure to withhold and remit taxes in respect of any Member and such failure was attributable to such Member’s failure to timely provide the Company with the appropriate information requested in writing by the Company regarding such Member’s tax status or tax payment obligations, then such Member shall indemnify and hold harmless the Company, or the Board of Directors or any Affiliate of the Company, as the case may be, in respect of any such tax that should have been withheld and remitted (including any interest or penalties assessed or imposed thereon and any expenses incurred in any examination, determination, resolution and payment of such tax) but was not so withheld and remitted as a result of such Member’s failure to timely provide the Company with such information. The provisions contained in this Section 4.02 shall survive the termination of the Company and the withdrawal of any Member.

4.03 Tax Sharing.

(a) GM Consolidated Group. For the 2018 Tax Period of the GM Consolidated Group, the Company shall timely deliver to GM Parent a properly completed and duly executed

IRS Form 1122 (Authorization and Consent of Subsidiary Corporation To Be Included in a Consolidated Income Tax Return) and any similar or corresponding forms required for state or local income or franchise tax purposes. The Company acknowledges and agrees that GM Parent shall act as sole agent (within the meaning of Treasury Regulations Section 1.1502-77) for the Company with respect to any Tax Period for which the Company joins one or more members of the GM Consolidated Group in filing a GM Consolidated Return, provided that the GM Investor shall cause GM Parent to not take any action with respect to any tax matters, including any action in its role as sole agent (within the meaning of Treasury Regulation Section 1.1502-77) that has a material and disproportionate adverse impact on the Company or SoftBank, without the Company's or SoftBank's consent, as applicable, not to be unreasonably withheld, conditioned or delayed.

(b) Payment from the GM Investor to the Company for Use of Company NOLs and Tax Credits.

(i) If upon a Deconsolidation the NOL Deficit Amount exceeds zero, the GM Investor shall pay to the Company, with respect to each Tax Period of the Company, the Excess NOL Tax Increase with respect to such Tax Period. The GM Investor shall pay the Excess NOL Tax Increase with respect to each such Tax Period no later than ten (10) Business Days following delivery of written notice by the Company to the GM Investor of the amount of Excess NOL Tax Increase for such Tax Period.

(ii) In addition to the payments described in Section 4.03(b)(i) above (and without duplication of such payments or any other payments required to be made by the GM Investor hereunder), the GM Investor shall make payments to the Company with respect to any R&D Tax Credits or Other Tax Credits generated by the Company or any of its Subsidiaries in the same manner and using the same principles as described in Section 4.03(b)(i) and in the definitions of NOL Deficit Amount and Hypothetical Deconsolidated Company NOL Amount; provided, however, that in applying such principles, (A) clause (ii) of the definition of NOL Deficit Amount shall not apply and (B) in applying the Company standalone concept of the Hypothetical Deconsolidated Company NOL Amount, the Company and its Subsidiaries shall be assumed to utilize the same tax accounting methods, elections, conventions, practices, policies and principles regarding the R&D Tax Credits or Other Tax Credits actually utilized by the GM Consolidated Group and the Company and its Subsidiaries shall otherwise be assumed to take into account the GM Consolidated Group's history in its use of R&D Tax Credits or Other Tax Credits; provided, further, that no such payment with respect to Other Tax Credits will be required unless and until such Other Tax Credits generated by the Company and its Subsidiaries exceed, in the aggregate, taking into account any Other Tax Credits referenced in Section 4.03(e), \$12,000,000 with respect to any calendar year.

(iii) The GM Investor and its advisors shall calculate the NOL Deficit Amount and the deficit amount in respect of R&D Tax Credits and Other Tax Credits upon a Deconsolidation and shall deliver such calculations, certified by the chief tax officer of GM Parent,

to the Company and, subject to Section 4.03(f), such calculations shall be conclusive, binding and final for all purposes. The Company shall calculate the Excess NOL Tax Increase and the tax increase in respect of R&D Tax Credits and Other Tax Credits in each Tax Period and shall deliver such calculations, certified by the chief tax officer of the Company, along with reasonably detailed supporting documentation, to the GM Investor and, subject to Section 4.03(f), such calculation shall be conclusive, binding and final for all purposes.

(c) Payment from the Company to the GM Investor for Inclusion of Company Income.

(i) Following the filing of the final GM Consolidated Return for each Tax Period prior to a Deconsolidation, the Company shall calculate the Aggregate Company Hypothetical Pre-Deconsolidation Tax Amount with respect to such Tax Period.

(ii) Following the filing of the final GM Consolidated Return for each Tax Period ending after the Original Closing Date, the GM Investor shall calculate the Incremental GM Tax Amount. The GM Investor shall deliver to the Company a certification by the chief tax officer of GM Parent with respect to such amount and such calculation shall be conclusive, binding and final for all purposes. No certification shall be required in any year in which the GM Investor has determined that the Incremental GM Tax Amount is zero.

(iii) With respect to each Tax Period of the GM Consolidated Group ending after the Original Closing Date, the Company shall make a payment to the GM Investor equal to the excess, if any, of (A) the lesser of (1) the Aggregate Company Hypothetical Pre-Deconsolidation Tax Amount with respect to such Tax Period and (2) the Incremental GM Tax Amount with respect to such Tax Period over (B) the aggregate net payment made by the Company to the GM Investor pursuant to this Section 4.03(c)(iii) and Section 4.03(c)(iv) for prior Tax Periods.

(iv) With respect to each Tax Period of the GM Consolidated Group ending after the Original Closing Date, the GM Investor shall make a payment to the Company equal to the excess, if any, of (A) the aggregate net payment made by the Company to the GM Investor pursuant to Section 4.03(c)(iii) and this Section 4.03(c)(iv) for prior Tax Periods over (B) the lesser of (1) the Aggregate Company Hypothetical Pre-Deconsolidation Tax Amount with respect to such Tax Period and (2) the Incremental GM Tax Amount with respect to such Tax Period;

(d) Payments between GM Investor and the Company if a Section 59(e) Election is Made. If prior to a Deconsolidation, GM makes one or more elections under Section 59(e) of the Code (a “**Section 59(e) Election**”) with respect to the Company and/or its Subsidiaries, then:

(i) with respect to each Tax Period for which a Section 59(e) Election is made, and any subsequent Tax Period, any payment otherwise required to be made by the Company to the GM Investor pursuant to Section 4.03(c) shall be (A) reduced (but not below zero) by the Section 59(e) Detriment Amount with respect to such Tax Period and (B) shall be increased by the

Section 59(e) Benefit Amount with respect to such Tax Period; provided, any adjustment pursuant to this Section 4.03(d)(i)(B) shall be deferred and shall only be made when and to the extent that, immediately prior to giving effect to such adjustment, the aggregate adjustments under Section 4.03(d)(i)(A) and Section 4.03(d)(ii)(A) exceed the aggregate adjustments under this Section 4.03(d)(i)(B) and Section 4.03(d)(ii)(B); and

(ii) with respect to each Tax Period for which a Section 59(e) Election is made, and any subsequent Tax Period, any payment otherwise required to be made by the GM Investor to the Company pursuant to Section 4.03(b) shall be (A) increased by the Section 59(e) Detriment Amount with respect to such Tax Period and shall be (B) reduced (but not below zero) by the Section 59(e) Benefit Amount with respect to such Tax Period; provided, any adjustment pursuant to this Section 4.03(d)(ii)(B) shall be deferred and shall only be made when and to the extent that, immediately prior to giving effect to such adjustment, the aggregate adjustments under Section 4.03(d)(i)(A) and Section 4.03(d)(ii)(A) exceed the aggregate adjustments under Section 4.03(d)(i)(B) and this Section 4.03(d)(ii)(B).

For the avoidance of doubt, for purposes of Sections 4.03(d)(i) and (ii) above, a required payment of \$0 under Section 4.03(b) or Section 4.03(c) for any Tax Period constitutes a “payment otherwise required to be made”.

(e) State and Local Income and Franchise Taxes. With respect to state and local income and franchise tax benefits and detriments in any jurisdictions that have consolidated, combined or unitary tax regimes, the GM Investor and the Company shall have similar payment obligations to each other, under the same principles, as the payment obligations for U.S. federal income tax benefits and detriments described in paragraphs (b), (c) and (d) of this Section 4.03; provided, that no such payment with respect to Other Tax Credits will be required unless and until such Other Tax Credits generated by the Company and its Subsidiaries exceed, in the aggregate, taking into account any Other Tax Credits referenced in Section 4.03(b)(ii), \$12,000,000 with respect to any calendar year.

(f) Dispute Resolution. In the event of any dispute between the GM Investor and the Company as to any amount payable under this Section 4.03, the GM Investor and the Company shall attempt in good faith to resolve such dispute. If the GM Investor and the Company are unable to resolve such dispute within thirty (30) days, they shall jointly retain a mutually agreed upon nationally recognized independent accounting firm (the “**Accounting Firm**”) to resolve the dispute. The GM Investor and the Company may make written submissions to the Accounting Firm, and the Accounting Firm’s resolution shall be based solely upon the actual terms of this Agreement, the written submissions of the GM Investor and the Company, and the application of federal income tax law (or, in the case of any payment obligation Section 4.03(e), applicable state or local income tax law). Each of the GM Investor and the Company shall be bound by the determination of the Accounting Firm and shall bear one-half of the fees and expenses of the Accounting Firm.

(g) Indemnification for Taxes. Other than payments required under this Agreement, the GM Investor shall indemnify and hold harmless the Company and any of its Subsidiaries from any Taxes (as such term is defined in the Purchase Agreement) imposed on the Company or any of its Subsidiaries pursuant to Treasury Regulations Section 1.1502-6 (or any analogous or similar provision of U.S. state or local, or non-U.S. law) as a result of being a member of (i) the GM Consolidated Group or (ii) any other affiliated, consolidated, combined or unitary group of which (A) the GM Investor, (B) the GM Parent, (C) any Affiliate or direct or indirect Subsidiary of the GM Parent (other than the Company or any of its Subsidiaries) or (D) any member of the GM Consolidated Group (other than the Company or any of its Subsidiaries) was a member prior to a Deconsolidation.

(h) Net Payments. Without limiting any other provision in this Section 4.03, if as of any date each of the GM Investor and the Company is obligated to make a payment to the other under this Section 4.03, then the amount of such payments shall be netted, the offsetting amounts shall be treated as having been paid by the applicable payors for all purposes of this Section 4.03, and the party having the net payment obligation shall make such pay such net amount to the other party.

(i) Intended Tax Treatment. Any payments made by the GM Investor to the Company following a Deconsolidation pursuant to this Section 4.03 shall be treated as a Capital Contribution for all applicable tax purposes, unless otherwise required by applicable law. Any payments made by the Company to the GM Investor following a Deconsolidation pursuant to this Section 4.03 shall be treated as distribution under Section 301 of the Code for all applicable tax purposes, unless otherwise required by applicable law.

(j) Examples. Any ambiguity in the provisions of this Section 4.03 shall be resolved (where possible) by reference to the examples delivered by the GM Investor and acknowledged by SoftBank and the Company pursuant to that certain letter provided to SoftBank UK prior to the execution of the SoftBank Purchase Agreement (and subsequently acknowledged and agreed to by SoftBank) and acknowledged by Honda pursuant to that certain letter provided to Honda prior to the execution of the Honda Purchase Agreement; provided, however, that in the event of a conflict with such letter, this Section 4.03 shall control.

(k) Consistent Reporting Covenant.

(i) Notwithstanding anything to the contrary contained herein, the Class A-1 Preferred Shares are intended to be treated as common stock for all purposes of the Code (and not as preferred stock within the meaning of Treasury Regulations Section 1.305-5). Absent a relevant change in law or administrative, regulatory or judicial authority or guidance, unless otherwise required pursuant to a “determination” within the meaning of Section 1313 of the Code, neither the Company nor any of the Members shall report any Distribution with respect to the Class A-1 Preferred Shares that is paid by accretion of the Class A-1 Preferred Return on such Shares (in accordance with Section 3.01(c) hereof) as a taxable distribution pursuant to Section 305(b)(2) of

the Code or take any position inconsistent with the intended tax treatment described in this Section 4.03(k).

(ii) Notwithstanding anything to the contrary contained herein, the Class A-2 Preferred Shares and the Class F Preferred Shares are intended to be treated as common stock for all purposes of the Code.

(l) Audit Adjustments. Notwithstanding anything to the contrary herein, in the event there is an adjustment to any GM Consolidated Return or any Company tax return for any Tax Period as a result of an audit, the computations described in this Section 4.03 will be adjusted to reflect the results of such audit and any amounts payable hereunder shall be increased or decreased to reflect the revised computations.

(m) Tax Materials. For the avoidance of doubt, neither the Company nor any other Member shall be permitted to review any of the GM Investor's tax returns, workpapers or other tax information ("**Tax Materials**"), or any Tax Materials of or related to the GM Consolidated Group.

(n) Definitions. For purposes of this Section 4.03, the following terms shall be defined as follows:

(i) "**Aggregate Company Hypothetical Pre-Deconsolidation Tax Amount**" means, with respect to a Tax Period, the sum of the Company Hypothetical Pre-Deconsolidation Tax Amount for such Tax Period and all prior Tax Periods.

(ii) "**Company Hypothetical Pre-Deconsolidation Tax Amount**" means, with respect to a Tax Period prior to a Deconsolidation, the amount of U.S. federal income tax that would have been owed by the Company and its Subsidiaries if the Company and its Subsidiaries had not been members of the GM Consolidated Group and instead were a separate U.S. consolidated group (but had utilized the same tax accounting methods, elections, conventions, practices, policies and principles actually utilized by the GM Consolidated Group).

(iii) "**Deconsolidation**" means any event pursuant to which the Company ceases to be included in the GM Consolidated Group.

(iv) "**Excess NOL Tax Increase**" means, with respect to each Tax Period of the Company after a Deconsolidation, an amount equal to the excess, if any, of (A) the actual U.S. federal income tax payable by the Company and its Subsidiaries in respect of such Tax Period over (B) the U.S. federal income tax that would have been payable by the Company and its Subsidiaries in respect of such Tax Period if upon a Deconsolidation the Company had an amount of net operating losses, as defined in Section 172(c) of the Code, equal to the NOL Deficit Amount.

(v) “**GM Consolidated Group**” means the consolidated group of corporations of which GM Parent is the “common parent” within the meaning of Treasury Regulations Section 1.1502-1(h).

(vi) “**GM Consolidated Return**” means the consolidated U.S. federal income tax return of GM Parent filed pursuant to Section 1501 of the Code.

(vii) “**Hypothetical Deconsolidated Company NOL Amount**” shall mean the amount of net operating losses, as defined in Section 172(c) of the Code, that the Company and its Subsidiaries would have had upon a Deconsolidation had the Company and its Subsidiaries never been members of the GM Consolidated Group (but had utilized the same tax accounting methods, elections, conventions, practices, policies and principles actually utilized by the GM Consolidated Group and had closed its Tax Period as of the date of a Deconsolidation), provided that Hypothetical Deconsolidated Company NOL Amount shall be reduced by the amount of any such net operating losses that were previously included in the computation of Incremental GM Tax Amount and resulted in a reduction in the Incremental GM Tax Amount.

(viii) “**Incremental GM Tax Amount**” means with respect to a Tax Period, the excess, if any, of (A) the total U.S. federal income tax actually owed by the GM Consolidated Group for such Tax Period and all prior Tax Periods ending after the Original Closing Date, over (B) the total U.S. federal income tax that would have been owed by the GM Consolidated Group for such Tax Period and all prior Tax Periods ending after the Original Closing Date had the Company and its Subsidiaries never been members of the GM Consolidated Group, determined on a with and without basis and ignoring any state apportionment differences resulting from the inclusion of the Company and its Subsidiaries in the GM Consolidated Group; provided, the amount in clause (A) shall be determined assuming any net operating losses for which the Company has been compensated for pursuant to Section 4.03(b) were not available to the GM Consolidated Group (determined by assuming that such net operating losses are the last losses that would have otherwise been taken into account in clause (A)).

(ix) “**NOL Deficit Amount**” shall mean an amount equal to the excess, if any, of (A) the Hypothetical Deconsolidated Company NOL Amount over (B) \$1,300,000,000.

(x) “**Other Tax Credits**” shall mean any U.S. federal, state or local income or franchise tax credits other than R&D Tax Credits as defined herein.

(xi) “**R&D Tax Credits**” shall mean any U.S. federal income tax credits for research activities under Section 41 of the Code, and, for the purpose of applying Section 4.03(e), any state or local income or franchise tax credits that are directly analogous to tax credits for research activities under Section 41 of the Code.

(xii) “**Section 59(e) Benefit Amount**” with respect to a Tax Period means the amount by which the payment (A) required by the Company to GM under Section 4.03(c) for

such Tax Period would have been more or (B) by GM to the Company under Section 4.03(b) would have been less, in each case, had no Section 59(e) Election been made; provided, for purposes of determining such difference under (A) or (B) with respect to any Section 59(e) Benefit Amount that corresponds to a prior correlative Section 59(e) Detriment Amount (using the earliest Section 59(e) Detriment first), such Section 59(e) Benefit Amount shall be determined assuming that the U.S. federal income tax rates applicable at the time of such Section 59(e) Detriment were still in effect.

(xiii) “**Section 59(e) Detriment Amount**” with respect to a Tax Period means the amount by which the payment (A) required by the Company to GM under Section 4.03(c) for such Tax Period would have been less or (B) by GM to the Company under Section 4.03(b) would have been more, in each case, had no Section 59(e) Election been made.

(xiv) “**Tax Period**” means a taxable year as defined in Section 441(b) of the Code.

4.04 Transfer Taxes. Any Transfer Taxes (as defined in the SoftBank Purchase Agreement) incurred in connection with any issuance of any Equity Securities to SoftBank, SoftBank UK or any of their Affiliates or Permitted Transferees pursuant to this Agreement or the SoftBank Purchase Agreement or in relation to the issuance of any Class F Preferred Shares shall, in each case, be paid by SoftBank when due. Any Transfer Taxes (as defined in the Honda Purchase Agreement) incurred in connection with any issuance of any Equity Securities to Honda or any of its Affiliates or Permitted Transferees pursuant to this Agreement or the Honda Purchase Agreement or in relation to the issuance of any Class F Preferred Shares shall be paid by Honda when due. Any Transfer Taxes (as defined in the Class F Purchase Agreement) incurred in connection with any issuance of Class F Preferred Shares to a Class F Preferred Member or any of their Affiliates or Permitted Transferees pursuant to this Agreement, the Class F Purchase Agreement, or any subscription agreement shall be paid by such Class F Preferred Members when due. The Company shall file all necessary tax returns and other documentation with respect to all Transfer Taxes and, if required by applicable law, the GM Investor, SoftBank, Honda and the Class F New Members (as applicable) will, and will cause their Affiliates, to join in the execution of any such tax returns and other documentation.

The provisions contained in this Article IV, and any payments required to be made pursuant hereto, shall survive the termination of the Company and the withdrawal of any Member.

ARTICLE V

MEMBERS

5.01 Voting Rights of Members. Subject to Section 2.02 and Section 9.10:

(a) Each Class A-1 Preferred Member shall be entitled to ten (10) votes for each Class A-1 Preferred Share held by such Member on any matter which is submitted to the Members for a vote or consent.

(b) Each Class A-2 Preferred Member shall be entitled to ten (10) votes for each Class A-2 Preferred Share held by such Member on any matter which is submitted to the Members for a vote or consent.

(c) Each Class B Member shall be entitled to one (1) vote for each Class B Common Share held by such Member on any matter which is submitted to the Members for a vote or consent.

(d) Each Class C Member shall be entitled to ten (10) votes for each Class C Common Share held by such Member on any matter which is submitted to the Members for a vote or consent.

(e) Each Class D Member shall be entitled to one (1) vote for each Class D Common Share held by such Member on any matter which is submitted to the Members for a vote or consent.

(f) Each Class E Member shall be entitled to one (1) vote for each Class E Common Share held by such Member on any matter which is submitted to the Members for a vote or consent.

(g) Each Class F Preferred Member shall be entitled to one (1) vote for each Class F Preferred Share held by such Member on any matter which is submitted to the Members for a vote or consent.

(h) Each other class or series of Shares shall be entitled to such votes as the Board of Directors shall determine with respect to such class or series on any matter which is submitted to the Members for a vote or consent.

For the avoidance of doubt, the provisions and rights with respect to voting set forth in this Section 5.01 and Section 6.03 are intended to provide GM with “control” of the Company as defined in Section 368(c) of the Code and the Treasury Regulations thereunder, and shall be interpreted consistent therewith. Neither the Company nor any of the Members shall take any reporting position inconsistent with the intended tax treatment described in this Section 5.01.

5.02 Quorum; Voting. A quorum shall be present with respect to a meeting of the Members if a Majority of the Members are represented in person or by proxy at such meeting. Once a quorum is present at a meeting of the Members, the subsequent withdrawal from the meeting of any Member (other than the GM Investor, whose withdrawal from the meeting shall cause a quorum to no longer be present) prior to the meeting’s adjournment or the refusal of any Member to vote on any matter that is open to vote by the Members at the meeting shall not affect the presence of a quorum at the meeting. Each of the Members hereby consents and agrees that one or more Members may participate in a meeting of the Members by means of conference telephone or similar communications equipment by which all Persons participating in the meeting can hear each other

at the same time, and such participation shall constitute presence in person at the meeting. If a quorum is present, except as otherwise expressly provided herein, the affirmative vote of the Members representing a Majority of the Members represented at the meeting and entitled to vote on the subject matter shall be the act of the Members.

5.03 Written Consent. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if the action is evidenced by a written consent describing the action taken signed by a Majority of the Members. Action taken under this Section 5.03 is effective when a Majority of the Members have signed the consent, unless the consent specifies a different effective date. Promptly following the effectiveness of any action taken by written consent by a Majority of the Members, the Company shall provide written notice of such action to any Member who was otherwise entitled to vote on such matter or action and whose consent was not solicited in connection therewith.

5.04 Meetings. Meetings of the Members may be called by (a) the Board of Directors or (b) a Majority of the Members.

5.05 Place of Meeting. The Board of Directors may designate the place of meeting for any annual meeting and the Person(s) calling a special meeting pursuant to Section 5.04 may designate the place for such special meeting. If no designation is made, the place of meeting shall be the principal office of the Company.

5.06 Notice of Meeting. Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be provided to each Member not less than three (3) Business Days prior to the date of the applicable meeting and otherwise in accordance with Section 12.06. Any Member may waive notice of any meeting. The attendance of a Member at a meeting shall constitute a waiver of notice of such meeting except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular meeting of Members need be specified in the notice or waiver of notice of such meeting.

5.07 Withdrawal; Partition. No Member shall have the right to resign or withdraw as a member of the Company. No Member shall have the right to seek or obtain partition by court decree or operation of law of any Company property, or the right to own or use particular or individual assets of the Company, except as may be expressly set forth in the Commercial Agreements, the Honda Commercial Agreements or any other written agreement between such Member and the Company.

5.08 Business Opportunities; Performance of Duties.

(a) Subject to Article XI, any agreement entered into with any Employee Member and any restriction on any Class E Member in any written agreement entered into by the

Company with a Class E Member, each Member and its Affiliates and its and their respective officers, directors, equityholders, partners, members, managers, agents, employees and investment advisers (and other funds and accounts advised or sub-advised by such investment advisers) (the “**Member Group Persons**”) (i) is permitted to have, and may presently or in the future have, investments or other business relationships with entities engaged in other, complementary or competing lines of business other than through the Company and its Subsidiaries (an “**Other Business**”), (ii) may have or may develop a strategic relationship with businesses that are and may be competitive or complementary with the Company and its Subsidiaries, (iii) is not prohibited by virtue of their investment in the Company or any of its Subsidiaries or, if applicable, their service on the Board of Directors or the board of directors (or similar governing body) of any of the Company’s Subsidiaries from pursuing and engaging in any such activities and (iv) is not obligated to inform the Company or any of its Subsidiaries of any such opportunity, relationship or investment. Subject to Article XI and any agreement entered into with any Employee Member, the involvement of any Member Group Person in any Other Business will not constitute a conflict of interest by such Persons with respect to the Company or its Members or any of its Subsidiaries.

(b) Without prejudice to Section 5.08(a), each Director shall, in his or her capacity as a Director, and not in any other capacity, have the same fiduciary duties to the Company and the Members as a director of a Delaware corporation; provided, that, notwithstanding the foregoing:

(i) the Directors shall not have, or be deemed to have, any duties or implied duties (including fiduciary duties) to the Company or its Subsidiaries, any Member or any other Person (and each Director may act in and consider the best interests of the Member who designated such Director and shall not be required to act in or consider the best interests of the Company and its Subsidiaries or the other Members) and any duties or implied duties (including fiduciary duties) of a Director to any other Member or the Company or its Subsidiaries that would otherwise apply at law or in equity are hereby disclaimed and eliminated to the fullest extent permitted under the Act and any other applicable law, and each Member hereby disclaims and waives all rights to, and releases each other Member and each Director from, any such duties, in each case with respect to or in connection with any of the following circumstances:

(A) any transaction or arrangement, or any proposed transaction or arrangement, between the Company or its Subsidiaries, on the one hand, and SoftBank or any SoftBank Party, on the other hand, including the decision to engage, or not to engage in, such transaction or arrangement; and

(B) any decision to engage or not to engage in any transaction or arrangement, or any proposed transaction or arrangement contemplated by the Transaction Documents or the Commercial Agreements (as the same may be amended from time to time in accordance with the provisions thereof), or which is otherwise on terms consistent with the Commercial Agreements; and

(C) the issuance of Equity Securities to the GM Investor or any of its Affiliates pursuant to Section 2.06;

(ii) without limiting the requirements of Section 6.13(b), in connection with any transaction or arrangement, or any proposed transaction or arrangement, between the Company or any of its Subsidiaries, on the one hand, and GM or any of its Affiliates, on the other hand, (A) there will be no requirement for any non-Independent Director to approve such a transaction or for any independent or non-Board of Director review process, and (B) such transaction or arrangement and decision of the Board of Directors in connection therewith shall not be subject to any heightened standard of review or approval (including any review under an “entire fairness” standard); and

(iii) the Security Director shall discharge his or her duties in a manner that he or she reasonably believes in good faith to be, in descending order: first, in the national security interest of the United States of America; and second, where not inconsistent with the national security interest of the United States of America, in the best interests of the Company. The Security Director shall not have, or be deemed to have, any duties or implied duties (other than as set forth in the preceding sentence and the NSA) to the Company or its Subsidiaries. Subject to the foregoing, in no event shall the Security Director have, or be deemed to have, any duties or implied duties (including fiduciary duties) to any Member or Person and the Security Director shall not be required to act in or consider the best interests of any Member or Person and any duties or implied duties (including fiduciary duties) of the Security Director to any Member or Person that would otherwise apply at law or in equity are hereby disclaimed and eliminated to the fullest extent permitted under the Act and any other applicable law, and each Member hereby disclaims and waives all rights to, and releases the Security Director from, any such duties.

(c) To the maximum extent permitted by law, no Member Group Person (other than any Director in their capacity as the same to the extent expressly provided in this Agreement) shall owe any fiduciary or similar duties or obligations to the Company or its Subsidiaries, the Members or any Person, and any such duties (fiduciary or otherwise) of such Member Group Person are intended to be modified and limited to those expressly set forth in this Agreement, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or exist against any such Member Group Person. For purposes of clarification and the avoidance of doubt and notwithstanding the foregoing, nothing contained in this Section 5.08 or elsewhere in this Agreement shall, nor shall it be deemed to, eliminate (i) the obligation of the Members to act in compliance with the express terms of this Agreement, any Transaction Document, any Commercial Agreement or any Honda Commercial Agreement, or (ii) the implied contractual covenant of good faith and fair dealing of the Members.

(d) In performing its, his or her duties, each of the Members, Directors and Officers shall be entitled to rely in good faith on the provisions of this Agreement and on information, opinions, reports or statements (including financial statements and information, opinions, reports

or statements as to the value or amount of the assets, liabilities, profits or losses of the Company and its Subsidiaries), of the following other Persons or groups: (i) (A) in relation to such Member, one or more officers or employees of such Member or by the Company or any of its Subsidiaries, or (B) in relation to an Officer or Director, one or more Officers or employees of the Company or its Subsidiaries, (ii) (A) in relation to such Member, any attorney, independent accountant, investment adviser or other Person employed or engaged by such Member or by the Company or any of its Subsidiaries, or (B) in relation to an Officer or Director, any attorney, independent accountant or other Person employed or engaged by the Company or any of its Subsidiaries, or (iii) any other Person who has been selected with reasonable care by or on behalf of such Member (in relation to a Member only) or by or on behalf of the Company or any of its Subsidiaries, in each case, as to matters which such relying Person reasonably believes to be within such other Person's professional or expert competence. The preceding sentence shall in no way limit any Person's right to rely on information to the extent provided in Section 18-406 of the Act.

5.09 Limitation of Liability. Except as otherwise required by applicable law or as expressly set forth in this Agreement, no Member shall have any personal liability whatsoever in such Member's capacity as a Member, whether to the Company, to any of the other Members, to the creditors of the Company or to any other Person for the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise (including those arising as a Member or an equityholder, an owner or a shareholder of another Person). Each Member shall be liable only to make such Member's Capital Contribution to the Company, if applicable, and the other payments provided for expressly herein, in each case, in accordance with the applicable terms of this Agreement and any Transaction Document (and, in the case of Honda, the Honda Purchase Agreement) to which it is a party.

5.10 Authority. Except as otherwise expressly set forth in this Agreement, no Member, in its capacity as a Member, shall have the power to act for or on behalf of, or to bind the Company.

5.11 Sale of the Company; IPO. Notwithstanding anything to the contrary in this Agreement, the prior written consent of the GM Investor (acting in its sole discretion and in its capacity as a Member) will be required prior to entering into or consummating any Sale of the Company or any IPO.

5.12 Honda Minority Consent Right. Without Honda's prior written consent, for so long as Honda owns the Honda Floor Amount, the Company shall not make any alteration or amendment or waiver to this Agreement that would have a material and disproportionate adverse effect on the terms of the Class E Common Shares; provided, that this Section 5.12 will not apply to any of the following: (i) the addition of Members to the Company or the issuance of Shares or other Equity Securities of the Company (whether of a new or an existing class), in each case, in accordance with the terms of this Agreement, and any amendment(s) to this Agreement in connection with implementing such issuance or addition of such Member(s) (including the updating of the Members Schedule in connection therewith) or the granting of any rights to one or more Members

in connection with such issuance in accordance with the terms of this Agreement, (ii) any amendment(s) to this Agreement in connection with the preparation for or consummation of an IPO that do not have a material and disproportionate effect on the terms of the Class E Common Shares (except as contemplated by Section 9.10) or (iii) to correct any typographical or similar ministerial errors. In determining whether an amendment has a material and disproportionate adverse effect on the terms of the Class E Common Shares, only the terms related thereto shall be considered, and any other relationship(s) the Class E Members may have with the Company, any of its Subsidiaries or the other Members shall not be considered and no characteristic of the Class E Members other than the terms of the Class E Common Shares shall be considered.

5.13 Class F Minority Consent Right. Without the prior written consent of a Majority of the Class F Preferred, the Company shall not make any alteration or amendment or waiver to this Agreement that would (a) have a material and disproportionate adverse effect on the terms of the Class F Preferred Shares, (b) alter the definitions of Class F Liquidation Preference Amount or Class F Preferred Capital Value, (c) alter the definitions of Deemed Liquidation Event, Sale of the Company or Drag-Along Sale Transaction in a manner that would adversely affect in any material respect the rights of the Class F Preferred Shares, or (d) result in the net proceeds or assets available for distribution upon a liquidation or Deemed Liquidation Event not being applied in accordance with Section 3.02 (as the same may be amended from time to time, pursuant to the terms and conditions hereof); provided, that this Section 5.13 will not apply to any of the following: (i) the addition of Members to the Company or the issuance of Shares or other Equity Securities of the Company (whether of a new or an existing class), in each case, in accordance with the terms of this Agreement, and any amendment(s) to this Agreement in connection with implementing such issuance or addition of such Member(s) (including the updating of the Members Schedule in connection therewith) or the granting of any rights to one or more Members in connection with such issuance in accordance with the terms of this Agreement, (ii) any amendment(s) to this Agreement in connection with the preparation for or consummation of an IPO that do not have a material and disproportionate effect on the terms of the Class F Preferred Shares (except as contemplated by Section 9.10) or (iii) to correct any typographical or similar ministerial errors. In determining whether an amendment has a material and disproportionate adverse effect on the terms of the Class F Preferred Shares, only the terms related thereto shall be considered, and any other relationship(s) the Class F Preferred Members may have with the Company, any of its Subsidiaries or the other Members shall not be considered and no characteristic of the Class F Preferred Members other than the terms of the Class F Preferred Shares shall be considered.

ARTICLE VI **MANAGEMENT**

6.01 Management.

(a) Without prejudice to Section 5.12, to the fullest extent permitted by law, the business and affairs of the Company shall be managed by a board of directors (the “**Board of Directors**”), which shall direct, manage and control the business of the Company. Except as otherwise expressly set forth herein (or if required by a non-waivable provision of the Act), no Member shall have the right to manage the Company or to reject, override, overturn, veto or otherwise approve or pass judgement upon any action taken by the Board of Directors or an authorized Officer of the Company. Except as otherwise expressly set forth herein, the Board of Directors shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company and make any and all decisions and to take any and all actions which the Board of Directors deems necessary or desirable for that purpose.

(b) Each Director shall constitute a “manager” within the meaning of the Act. However, no individual Director, in his or her capacity as such, shall have the authority to bind the Company.

6.02 Number of Directors. At the date of this Agreement, the Board of Directors shall consist of nine (9) Directors. The Board of Directors may, from time to time following the date of this Agreement, determine the size of the Board of Directors; provided, however, that the Company shall notify the CFIUS Monitoring Agency concerning any such change to the size of the Board of Directors and the size of the Board of Directors shall not be decreased to less than six (6) Directors.

6.03 Board Designation Rights and Composition; Proxies.

(a) (i) The Class A-2 Preferred Members shall, by vote of a Majority of the Class A-2 Preferred, have the exclusive right to designate, appoint, remove and replace all Directors (including any Director vacancies created by virtue of an increase in the size of the Board of Directors pursuant to Section 6.02) other than the Security Director, the SoftBank Director (if applicable), and the Common Director (the “**A-2 Preferred Directors**”); provided, that if there are no Class A-2 Preferred Shares outstanding, the A-2 Preferred Directors will be appointed by a Majority of the Class C Common, (ii) the Members holding Common Shares and Class F Preferred Shares shall, by vote of a Majority of the Common Shares, have the exclusive right to designate, appoint, remove and replace one (1) Director (the “**Common Director**”), (iii) the Security Director shall be designated, appointed, removed, and replaced in accordance with the terms set forth in the NSA and in Section 6.03(e) and (iv) following the receipt of SoftBank CFIUS Approval and subject to Section 6.05 and the requirements set forth in the NSA, SoftBank shall have the exclusive right (exercisable by written notification to the Company and the GM Investor), for so long as SoftBank owns the SoftBank Floor Amount, to designate, appoint, remove and replace one (1) Director (the “**SoftBank Director**”). The initial A-2 Preferred Directors are such five (5) natural Persons as were notified in writing to the Company and SoftBank by GM and the initial Common Director is such one (1) natural Person as was notified in writing to the Company and SoftBank by GM. Subject to Section 6.03(e), if at any time any Director ceases to serve on the Board of Directors (whether due

to resignation, removal or otherwise), the Member(s) entitled to designate and appoint such Director pursuant to this Section 6.03 shall designate and appoint a replacement for such Director by written notice to the Board of Directors (it being further understood and agreed that the failure by any party to designate and appoint a representative to fill a vacant Director position pursuant to this Section 6.03(a) shall not give rights to, or otherwise entitle, the Board of Directors or any other Member (other than the Member(s) entitled to designate and appoint such Director pursuant to this Section 6.03(a), including the penultimate sentence hereof) to fill such vacant position without the prior written consent of the Member(s) originally entitled to designate and appoint such Director pursuant to this Section 6.03(a)). Except as otherwise expressly stated herein, only the Member(s) entitled to designate and appoint a specific Director may remove such Director, at any time and from time to time, with or without cause (subject to applicable law), in such Member(s) sole discretion, and such Member(s) shall give written notice of such removal to the Board of Directors. Notwithstanding the foregoing, upon such time as SoftBank owns less than the SoftBank Floor Amount, the SoftBank Director shall be immediately and automatically removed, and the right of SoftBank to designate, appoint, remove and replace a Director shall be null and void and, for clarity, Class A-2 Preferred Members shall, by vote of a Majority of the Class A-2 Preferred (or a Majority of the Class C Common, if no Class A-2 Preferred Shares are outstanding), have the exclusive right to fill such vacant Director position (and, thereafter, designate, appoint, remove and replace such Director). Except as otherwise expressly stated herein, this Section 6.03 is the exclusive means by which Directors may be removed or replaced.

(b) The GM Investor may elect any one (1) of the Directors to be the Chairman of the Board of Directors (the “**Chairman**”). The Chairman, if any, may be removed from his or her position as Chairman at any time by the GM Investor. The Chairman, in his or her capacity as the Chairman, shall not have any of the rights or powers of an Officer. The Chairman shall preside at all meetings of the Board of Directors and at all meetings of the Members at which he or she shall be present. The Chairman may be the chief executive officer, or have another officer position, at GM (or any of its Affiliates) or the Company (or any of its Subsidiaries).

(c) To the extent permitted by law, each Member shall vote all voting securities of the Company over which such Member has voting control, and shall take all other necessary or desirable actions within such Member’s control (whether in such Member’s capacity as a Member, Director, member of a board committee or Officer of the Company or otherwise, and including attendance at meetings in person or by proxy for purposes of obtaining a quorum and execution of written consents in lieu of meetings), and the Company shall take all necessary and desirable actions within its control (including calling special Board of Directors or member meetings), so that the provisions of this Section 6.03 are promptly complied with and that the composition of the Board of Directors is consistent with the terms and conditions of this Section 6.03.

(d) Any A-2 Preferred Director or Common Director may authorize any other Director to act for such Director by proxy on any matter brought before the Board of Directors for a vote, which proxy may be granted orally or in writing by the applicable Director. Any such proxy

shall be revocable at the pleasure of the Director granting it, provided that such right to revocation shall not invalidate or otherwise affect actions taken under such proxy prior to such revocation.

(e)

(i) In accordance with the NSA, solely with respect to any vacancy for the Security Director position, the Board of Directors shall nominate a candidate for the Security Director position and the Company shall seek the consent of both SoftBank and GM concerning such candidate. Any candidate so nominated by the Board of Directors shall satisfy the requirements set forth in the NSA, unless exempted or otherwise approved by the CFIUS Monitoring Agency. Subject to the prior consent of both SoftBank and GM concerning such candidate, the Company shall notify the CFIUS Monitoring Agency concerning such candidate in accordance with the NSA, and shall seek any exemptions or other approvals to the extent such candidate fails to meet all of the requirements set forth in the NSA. Without prejudice to any other rights set forth in the NSA, subject to the approval by the CFIUS Monitoring Agency or the deemed approval by the CFIUS Monitoring Agency for failing to object within the deadline set forth in the NSA, concerning such candidate, and only after following the nomination process set forth above, the GM Investor shall be entitled to designate and appoint such candidate as the Security Director by written notice to the Board of Directors.

(ii) In accordance with the NSA, solely with respect to the removal of the Security Director, the Majority of the Members or the Board of Directors (including the Directors employed by Cruise) shall each be entitled to remove the Security Director, at any time and from time to time, with or without cause (subject to applicable law), in their respective sole discretion, and, in the case of the Majority of the Members, the GM Investor shall give written notice of such removal to the Board of Directors.

6.04 Board Observer. Following the receipt of SoftBank CFIUS Approval and subject to Section 6.05 and the requirements set forth in the NSA, SoftBank shall have the exclusive right, for so long as SoftBank owns the SoftBank Floor Amount, to designate one natural person to attend all meetings of the Board of Directors in a non-voting observer capacity (the “**SoftBank Board Observer**”). Following the receipt of Honda CFIUS Approval and subject to Section 6.05, Honda shall have the exclusive right, for so long as Honda owns the Honda Floor Amount, to designate one natural person to attend all meetings of the Board of Directors in a non-voting observer capacity (the “**Honda Board Observer**”), and together with the SoftBank Board Observer, the “**Board Observers**”). The following terms and conditions will apply to the Board Observers:

(a) The Company shall deliver to (i) the SoftBank Board Observer copies of all reports, notices, minutes, consents, actions taken or proposed to be taken without a meeting and other materials in each case (and to the extent) that the Company provides the same to the SoftBank Director, each such delivery to be made concurrently with the delivery of such materials to the SoftBank Director and (ii) the Honda Board Observer copies of all reports, notices, minutes, consents, actions taken or proposed to be taken without a meeting and other materials in each case (and to the extent) that the Company provides the same to the Board of Directors, subject to the restrictions set forth in Section 6.14, each such delivery to be made concurrently with the delivery of such materials to the Board of Directors; provided, that failure to deliver any such notice or materials to any Board Observer shall not impair the validity of any action taken by the Board of Directors;

(b) the Board Observers shall be entitled to attend all meetings of the Board of Directors in person or by telephone, and the Company shall ensure that appropriate arrangements are made such that the Board Observers will be able to hear everyone during any meeting of the Board of Directors at which the Board Observers participate by telephone; provided, that (i) the SoftBank Board Observer may be excluded from access to any portion of any meeting to the same extent as the SoftBank Director (or, in the event the SoftBank Director is not appointed, as if the SoftBank Director were so appointed) would be so excluded (or recused) pursuant to the terms hereof and (ii) the Honda Board Observer may be excluded from access to any portion of any meeting to the extent that matters with respect to which Honda Competitively Sensitive Information is shared, presented or discussed;

(c) the Board Observers shall be observers only, shall not be actual members of the Board of Directors and shall not have any of the rights, duties or obligations of a Director (including that the Board Observers shall not have the right to vote on any matter that may come before the Board of Directors). The Board Observers shall not count towards any quorum;

(d) subject to Section 6.04(f), SoftBank has the right to remove and replace or substitute the SoftBank Board Observer from time to time by providing written notice to the Company;

(e) subject to Section 6.04(g), Honda has the right to remove and replace or substitute the Honda Board Observer from time to time by providing written notice to the Company;

(f) upon such time as SoftBank owns less than the SoftBank Floor Amount, the SoftBank Board Observer shall be automatically removed and shall cease to have any of the rights contemplated by this Section 6.04, and the right of SoftBank to designate, appoint, remove and replace the SoftBank Board Observer shall be null and void;

(g) upon such time as Honda owns less than the Honda Floor Amount, the Honda Board Observer shall be automatically removed and shall cease to have any of the rights

contemplated by this Section 6.04, and the right of Honda to designate, appoint, remove and replace the Honda Board Observer shall be null and void; and

(h) prior to appointment, the Board Observers will each enter into a confidentiality agreement with the Company, on terms mutually acceptable to the Board of Directors and the Board Observers.

6.05 Director Appointee Screening. Unless otherwise agreed in writing by SoftBank and the GM Investor in the case of the SoftBank Director and SoftBank Board Observer, or Honda and the GM Investor in the case of the Honda Board Observer, each Person selected pursuant to Section 6.03(a) from time to time to serve as the SoftBank Director or a Board Observer (a) (i) in the case of the Softbank Director or Softbank Board Observer must be a U.S. citizen and (ii) in the case of the Honda Board Observer must be a U.S. or Japanese citizen; (b) (i) in the case of the SoftBank Director or SoftBank Board Observer, must not be (A) an employee, director (or board observer), manager, officer or consultant of any SoftBank Restricted Person or (B) a Person who has direct or indirect control, influence or management oversight of Persons who are employees, directors (or board observer), managers, officers or consultants of a SoftBank Restricted Person and (ii) in the case of the Honda Board Observer, must not be (A) an employee of or a consultant of Honda R&D Co., Ltd. ("**Honda R&D Co**") or any successor thereof or (B) have direct or indirect control, influence or management oversight of employees, directors, managers, officers or consultants of Honda R&D Co or any successor thereof; (c) in the case of the SoftBank Director or SoftBank Board Observer, must not be a member of any investment committee (or similar body) of any Person whose other members include one or more Persons that are described in subsection (b)(i); (d) must not (i) be a "bad actor" as defined in Rule 506(d)(1) of the Securities Act or (ii) have been convicted of a felony (excluding driving under the influence) or any crime involving moral turpitude; and (e) shall be subject to the prior written approval of the Majority of the Class A-2 Preferred. If any nominee for the position of SoftBank Director or either of the Board Observers is rejected by the Majority of the Class A-2 Preferred, such Person shall not be nominated or appointed as a Director or either Board Observer, as applicable. If, at any time following the appointment of any SoftBank Director or any Board Observer, the Majority of the Class A-2 Preferred believes that such SoftBank Director or Board Observer no longer satisfies the applicable criteria described in clauses (a) through (d) above, the Majority of the Class A-2 Preferred may deliver written notice thereof to the Majority of the Class A-1 Preferred in the case of the SoftBank Director or SoftBank Board Observer or Honda, in the case of the Honda Board Observer and the Board of Directors in any case. If, following reasonable consultation with SoftBank or Honda, as applicable, the Board of Directors determines that such criteria are not met, such SoftBank Director or Board Observer (as applicable) will be deemed automatically removed, without recourse, as a Director or Board Observer (as applicable) and SoftBank or Honda, as applicable, shall have the right to fill the resulting vacancy as contemplated by Section 6.03 and Section 6.04 but subject to this Section 6.05. If no Class A-2 Preferred Shares are outstanding, references in this Section 6.05 to a Majority of the Class A-2 Preferred will be deemed to be to a Majority of the Class C Common.

6.06 Tenure of Directors. Each Director shall hold office until the earliest of such Person's death, resignation, removal or replacement (or, in the case of the SoftBank Director, such time as SoftBank owns less than the SoftBank Floor Amount).

6.07 Committees. The Board of Directors may establish one or more committees, each committee to consist of one or more of the Directors. Each Director serving on any such committee shall have one (1) vote. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the power and authority of the Board of Directors. The vote of a Majority of a Committee is required for any action or decision of a committee requiring the consent or approval of such committee, unless determined by the Board of Directors or the applicable committee (by vote of a Majority of a Committee). The procedures governing the meetings and actions of any committee shall be the same as those governing the Board of Directors pursuant to this Article VI (including quorum, voting, notice and other similar requirements), unless otherwise determined by the Board of Directors or the applicable committee (by a vote of a Majority of a Committee).

6.08 Director Compensation. Except for any compensation approved by the Board of Directors for the Security Director, no Director shall be entitled to compensation for acting as a Director. However, the Company shall reimburse each Director for all reasonable out-of-pocket expenses which such Director shall incur in connection with the performance of such Person's duties as a Director. Notwithstanding the foregoing, nothing contained in this Agreement shall be construed to preclude any Director from serving the Company or any of its Subsidiaries in any other capacity and receiving compensation for such service.

6.09 Director Resignation. Any Director may resign at any time by giving written notice to the Board of Directors and the secretary of the Company. The resignation of any Director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. In the event of an actual or planned resignation by the Security Director, the CFIUS Monitoring Agency shall be notified in accordance with the NSA.

6.10 Vacancies. When any Director shall resign or otherwise cease to serve as Director, such vacancy shall be filled in accordance with Section 6.03. Unless otherwise provided by the Member(s) entitled to designate such replacement Director, the replacement shall take effect when such resignation or cessation shall become effective. No vacancy on the Board of Directors shall prevent the operation and functioning of the Board of Directors subject to the terms and conditions hereof.

6.11 Meetings. The Board of Directors shall meet at such times and at such places (either within or outside of the State of Delaware) as determined in accordance with this Section 6.11. Minutes of any formal meeting of the Board of Directors shall be kept and placed in the Company's records. Notwithstanding anything to the contrary in this Agreement, any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if written consent(s)

setting forth the action so taken shall be signed by a Majority of the Board, such written consent(s) to be provided as promptly as reasonably practicable by the Company to the SoftBank Board Observer (only in the event that the SoftBank Director is not serving on the Board of Directors) and the Honda Board Observer. Meetings of the Board of Directors shall be held on the call of the Chairman, the Board of Directors or at the request of either the Majority of the Class A-2 Preferred or a Majority of the Class C Common upon at least three (3) Business Days written notice to the Directors and the SoftBank Board Observer (only in the event that the SoftBank Director is not serving on the Board of Directors) and the Honda Board Observer (or upon such shorter notice as may be approved by all of the Directors) and such notice shall include the place, day and hour of such meeting, it being acknowledged and agreed that whether such meeting is to be held by telephone communications or video conference shall be determined by the Chairman; provided, that the Board of Directors shall meet (whether in person or by any other means contemplated by Section 6.12) no less frequently than four (4) times per Fiscal Year (or less frequently as may be approved by all of the Directors). Meetings of the Directors or any committee designated by the Directors may be held without notice at any time that all Directors are present in person (each such meeting, an “Emergency Meeting”), and presence of any Director at a meeting constitutes waiver of notice of such meeting except as otherwise provided by law. Any resolutions passed at an Emergency Meeting shall be provided as promptly as reasonably practicable by the Company to the SoftBank Board Observer (only in the event that the SoftBank Director is not serving on the Board of Directors) and the Honda Board Observer.

6.12 Meetings by Telephone. Directors may participate in a meeting of the Board of Directors or a committee thereof by means of conference telephone, videoconference or similar communications equipment by which all Persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

6.13 Quorum; Actions of Board of Directors; SoftBank Minority Consent Rights. A quorum at all meetings of the Directors shall consist of members of the Board of Directors constituting a Majority of the Board (present in person or by proxy), but a smaller number may adjourn any such meeting from time to time without further notice until a quorum is secured. The quorum for the holding of a meeting of a committee of the Board of Directors shall be a Majority of a Committee of such committee. Except as otherwise set forth in Section 6.16, each Director shall have one (1) vote on all matters submitted to the Board of Directors (whether the consideration of such matter is taken at a meeting, by written consent or otherwise). The vote of (or written consent signed by) a Majority of the Board shall be required for any action, decision or approval by the Board of Directors; provided, that for so long as SoftBank owns the SoftBank Floor Amount, the Company shall not, and shall not permit any Subsidiary of the Company to, take any of the following actions without the approval of a Majority of the Board which majority shall include the vote in favor of the SoftBank Director, or by written consent signed by the Majority of the Board which shall also include the signature of the SoftBank Director:

(a) make any alteration or amendment or waiver to this Agreement or the organizational documents of any Subsidiary of the Company in a manner that is adverse to rights of the Class A-1 Preferred Shares; provided, that this Section 6.13(a) will not apply to any of the following: (i) the addition of Members to the Company or the issuance of Shares or other Equity Securities of the Company (whether of a new or an existing class), in each case, in accordance with the terms of this Agreement, and any amendment(s) to this Agreement in connection with implementing such issuance or addition of such Member(s) (including the updating of the Members Schedule in connection therewith) or the granting of any rights to one or more Members in connection with such issuance in accordance with the terms of this Agreement, (ii) any amendment(s) to this Agreement in connection with the preparation for or consummation of an IPO that do not adversely affect the Class A-1 Preferred Shares in a manner which is disproportionate to the other Shares (except as contemplated by Section 9.10) or (iii) to correct any typographical or similar ministerial errors. In determining whether an amendment adversely affects the rights of the Class A-1 Preferred Shares, only the rights related thereto shall be considered, and any other relationship(s) the Class A-1 Preferred Members may have with the Company, any of its Subsidiaries or the other Members shall not be considered and no characteristic of the Class A-1 Preferred Members other than the rights relating to the Class A-1 Preferred Shares shall be considered;

(b) without prejudice to Sections 5.08(b)(i)(B), 5.08(b)(i)(C) and 5.08(b)(ii), enter into any transaction, arrangement or agreement between the Company or any of its Subsidiaries, on the one hand, and GM or any of its Affiliates on the other hand, except in each case for any such transaction, arrangement or agreement, (i) on terms, as determined by the Board of Directors acting in good faith, that are no less favorable, in all material respects, than those the Company would agree to with any Person who is not GM or any of its Affiliates; provided, that for any such transaction, arrangement or agreement, the Board of Directors may (but shall not be obligated to) obtain (A) an opinion of an independent auditor or independent outside counsel that the requirements of subsection (i) have been satisfied or (B) approval of a majority of the Independent Directors (to the extent any are appointed), and such opinion or approval shall be conclusive evidence that the requirements of subsection (i) have been satisfied and shall be binding on the Members (it being understood that failure to obtain such opinion or approval shall not, in and of itself, be evidence that the requirements of subsection (i) have not been satisfied); (ii) contemplated by the Transaction Documents or the Commercial Agreements (as the same may be amended from time to time in accordance with the provisions thereof), or which is otherwise on terms consistent with the Commercial Agreements; or (iii) providing for the issuance of Equity Securities pursuant to Section 2.06;

(c) issue any Equity Securities that have rights, preferences or privileges with respect to Distributions, (i) senior to the rights of the Class A-1 Preferred Shares in Sections 3.01(b)(i) or 3.02(a)(i) or (ii) at any time prior to the first (1st) anniversary of Commercial Deployment, *pari passu* with the rights of the Class A-1 Preferred Shares in Sections 3.01(b)(i) or 3.02(a)(i) (the “**Par Securities**”); provided, that this subsection (ii) will not apply to (A) the Class F Preferred Shares issued to the Class F Preferred Members pursuant to the Class F Purchase Agreement and

(B) the first \$1,000,000,000 of new Par Securities issued in addition to the Class F Preferred Shares (with such amount being calculated based on the consideration paid by the recipient(s) of such Par Securities); or

(d) consummate an IPO, prior to June 28, 2021, pursuant to which Class A-1 Preferred Members would receive Low-Vote IPO Shares that, at the time of the IPO, had (i) with respect to Class A-1-A Preferred Shares a per share market value less than the Class A-1-A Liquidation Preference Amount or (ii) with respect to Class A-1-B Preferred Shares a per share market value less than the Class A-1-B Liquidation Preference Amount (such aggregate shortfall for each Class A-1 Preferred Member, the “**IPO Shortfall**”); provided, that this Section 6.13(d) will not apply if:

(i) the Board of Directors, at or prior to the consummation of such an IPO (other than an IPO with no primary issuance or that constitutes a spin-off), causes the Company to make an irrevocable written commitment to each Class A-1 Preferred Member pursuant to which the Company will provide to such Class A-1 Preferred Member additional Low-Vote IPO Shares and/or cash equal to the aggregate IPO Shortfall that would be suffered by such Class A-1 Preferred Member; or

(ii) in the case of such an IPO with no primary issuance or that constitutes a spin-off, at or prior to the consummation of such IPO the IPO'd entity enters into a binding agreement providing that, if based on the thirty (30)-day variable weighted average share price of the IPO'd entity immediately following such IPO there exists an IPO Shortfall, such entity will issue to the former Class A-1 Preferred Members additional Low-Vote IPO Shares and/or cash equal to the aggregate IPO Shortfall.

Notwithstanding anything to the contrary in this Agreement, if at any time the SoftBank Director has not been appointed to the Board of Directors or there is otherwise a vacancy with respect to the SoftBank Director and, in each case, SoftBank continues to own the SoftBank Floor Amount, none of the foregoing actions in this Section 6.13 shall be taken without the approval of the Majority of the Class A-1 Preferred. For clarity, if the rights in this Section 6.13(a) through (d) are amended or cease to apply pursuant to Sections 2.02(c)(ii) or 2.02(d), such rights will also be amended or cease to apply (as applicable) with respect to the Majority of the Class A-1 Preferred (to the extent rights were granted pursuant to the prior sentence).

6.14 Competitively Sensitive Information.

(a) Notwithstanding anything to the contrary in this Agreement (and subject further, and without prejudice, to Section 8.03), in the event that any written or oral materials that contain SoftBank Competitively Sensitive Information will be shared with or presented to the Board of Directors, the Company shall withhold any such materials such that the SoftBank Competitively Sensitive Information is only shared or discussed with, or presented for review only to, the A-2 Preferred Directors and the Common Director (and decisions relating thereto), and each other

Director (and the SoftBank Board Observer) shall recuse himself or herself from the portion(s) of the meeting at which any such matters are shared, presented or discussed; provided, that the Company will (a) only redact that portion of any written materials which constitutes SoftBank Competitively Sensitive Information, provide the redacted document to the recused Directors and permit the recused Directors to participate in such portion of any meeting or discussion that relates solely to the unredacted sections of such materials, and (b) inform each Director that SoftBank Competitively Sensitive Information will be shared with or presented to the Board of Directors at least one (1) Business Day in advance of such materials being shared or presented

(b) Notwithstanding anything to the contrary in this Agreement (and subject further, and without prejudice, to Section 8.03), in the event that any written or oral materials that contain Honda Competitively Sensitive Information will be shared with or presented to the Board of Directors, the Company shall withhold any such materials such that the Honda Competitively Sensitive Information is only shared or discussed with, or presented for review only to, the Directors (and decisions relating thereto) (provided, that, this Section 6.14(b) is without prejudice to Section 6.14(a)), and the Honda Board Observer shall recuse himself or herself from the portion(s) of the meeting at which any such matters are shared, presented or discussed; provided, that the Company will (a) only redact that portion of any written materials which constitutes Honda Competitively Sensitive Information, provide the redacted document to the recused Honda Board Observer and permit the recused Honda Board Observer to participate in such portion of any meeting or discussion that relates solely to the unredacted sections of such materials, and (b) inform each Director and the Honda Board Observer that Honda Competitively Sensitive Information will be shared with or presented to the Board of Directors at least one (1) Business Day in advance of such materials being shared or presented.

6.15 Officers. The Board of Directors may from time to time appoint individuals as officers of the Company (“**Officers**”). The Officers of the Company shall have such titles, duties, authority and compensation (if any) as shall be fixed by the Board of Directors from time to time. Any Officer may be removed, with or without cause, at any time by the Board of Directors.

6.16 Enhanced Voting Rights. The Class A-2 Preferred Members, by vote of a Majority of the Class A-2 Preferred (or, if there are no Class A-2 Preferred Shares outstanding, the Class C Members, by vote of a Majority of the Class C Common), shall have the right to, upon written notice to the Company, designate up to two (2) of the A-2 Preferred Directors to have enhanced voting rights as Directors. Any A-2 Preferred Director so designated shall have two (2) votes on all matters submitted to the Board of Directors (whether the consideration of such matter is taken at a meeting, by written consent or otherwise). The Class A-2 Preferred Members, by vote of a Majority of the Class A-2 Preferred (or, if there are no Class A-2 Preferred Shares outstanding, the Class C Members, by vote of a Majority of the Class C Common), may, at any time upon written notice to the Company, designate an alternate A-2 Preferred Director to have the enhanced voting rights under this Section 6.16.

ARTICLE VII
EXCULPATION AND INDEMNIFICATION

7.01 Exculpation. No Officer shall be liable to any other Officer, the Company or any Member for any loss suffered by the Company or any Member; provided, that subject to the other limitations contained in this Agreement, this sentence shall not apply with respect to losses caused by such Person's fraud, gross negligence, intentional misconduct or intentional breach of this Agreement or breach of any duty owed to the Company or to any other Member. Without limiting the foregoing, the Officers shall not be liable for any acts or omissions that do not constitute fraud, gross negligence, intentional misconduct or intentional breach of this Agreement or breach of any duty owed to the Company or to any other Member. No Director shall be liable to any other Director, the Company or any Member for any loss suffered by the Company or any Member to the maximum extent permitted pursuant to the DGCL (as the same exists or may hereafter be amended (but in the case of any amendment, only to the extent such amendment permits the Company to provide broader exculpation than the Company was permitted to provide prior to such amendment)) with respect to directors of corporations (assuming such corporation had in its certificate of incorporation a provision eliminating the liabilities of directors and officers to the maximum extent permitted by Section 102(b)(7) of the DGCL).

7.02 Indemnification.

(a) Subject to the limitations and conditions as provided in this Article VII, each Covered Person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, claim, dispute, litigation, complaint, charge, claim, grievance, hearing, audit, arbitration, or mediation, whether civil, criminal, administrative or arbitrative, at law or at equity, or any appeal therefrom, or any inquiry, or investigation that could lead to any of the foregoing (each of the foregoing, a "**Proceeding**"), by reason of the fact that he, she or it, or a Person of whom he or she is the legal representative, is or was a Member (in the case of a Member for all purposes of this Section 7.02, solely by reason of such Member's status as a Member and not with respect to any actions taken, or the failure to take an action, by such Person as a Member) or other Covered Person, shall be indemnified by the Company to the fullest extent permitted by the Act or, in the case of Directors, to the fullest extent permitted by the DGCL for a director of a Delaware corporation (assuming such corporation had in its certificate of incorporation a provision eliminating the liabilities of directors and officers to the maximum extent permitted by Section 102(b)(7) of the DGCL), as (in the case of each of the DGCL and the Act) the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment) against judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and reasonable expenses (including attorneys' fees) or any other amounts incurred by such Person in connection with such Proceeding, and indemnification under this Article VII shall continue as to a Covered Person who has ceased to serve in the capacity which initially entitled

such Person to indemnify hereunder; provided, that except to the extent a Person is entitled to or receives exculpation pursuant to Section 7.01 or as expressly provided for in any Commercial Agreement or Transaction Document, no Covered Person shall be indemnified for any judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements or reasonable expenses (including attorneys' fees) actually incurred by such Covered Person that are attributable to: (i) Proceedings initiated by such Covered Person or Proceedings by such Covered Person against the Company, (ii) economic losses or tax obligations incurred by a Covered Person as a result of owning Shares or (iii) Proceedings initiated by the Company or any of its Subsidiaries against any such Covered Person, including Proceedings to enforce any rights against such Covered Person under any employment, consulting, services or other agreement between such Person, on the one hand, under the Transaction Documents, Share Grant Agreement, the Honda Commercial Agreements, the Honda Purchase Agreement or the Class F Purchase Agreement.

(b) Expenses (including attorneys' fees) incurred by a Covered Person in defending any civil, criminal, administrative or investigative action, suit or proceeding with respect to a Designated Matter shall be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such Covered Person to repay such amount to the extent it shall ultimately be determined that such Covered Person is not entitled to indemnity under this Section 7.02.

(c) Recourse by a Covered Person for indemnity under this Section 7.02 shall be only against the Company as an entity and no Member shall by reason of being a Member be liable for the Company's obligations under this Section 7.02 or otherwise be required to make additional Capital Contributions to help satisfy such indemnity obligations of the Company.

(d) The Company may enter into a separate agreement to indemnify any Covered Person as to any matter (whether or not a Designated Matter) to the extent such agreement is approved by the Board of Directors. Any such separate agreement shall be in addition to (and not in limitation of) the rights set forth in this Section 7.02 or elsewhere in this Agreement and shall not, unless expressly set forth in such separate agreement, be subject to any limitations or conditions set forth in this Section 7.02 or elsewhere in this Agreement.

(e) The indemnification and advancement of expenses provided by, or granted pursuant to, the other provisions of this Section 7.02 shall not be deemed to be exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any agreement, both as to action in his, her or its official capacity and as to action in another capacity while holding such position or related to the Company, and shall continue as to any Person who has ceased to be a Covered Person (or successor or assignee of a Covered Person) and shall inure to the benefit of the heirs, representatives, successors and assigns of such Covered Person.

(f) The Company may purchase and maintain insurance for the benefit of any Covered Person with respect to any Designated Matter, whether or not the Company must or could indemnify such Covered Person under this Section 7.02.

(g) This Article VII shall inure to the benefit of the Covered Persons and their heirs, representatives, successors and assigns, and it is the express intention of the parties hereto that the provisions of this Article VII for the indemnification and exculpation of the Covered Persons may be relied upon by such Covered Persons and may be enforced by such Covered Person against the Company pursuant to this Agreement or to a separate indemnification agreement, as if such Covered Persons were parties hereto.

7.03 No Personal Liability. No individual who is a Director or an Officer, or any combination of the foregoing, shall be personally liable under any judgment of a court, or in any other manner, for any debt, obligation or liability of the Company, whether that liability or obligation arises in contract, tort or otherwise solely by reason of being a Director or an Officer or any combination of the foregoing.

ARTICLE VIII

BOOKS AND RECORDS; INFORMATION; RELATED MATTERS; COMPLIANCE

8.01 Generally. The Company shall (and shall cause its Subsidiaries to) maintain books and records of account in which full and correct entries shall be made of all of their business transactions pursuant to a system of accounting established and administered in accordance with GAAP. The Company shall (and shall cause its Subsidiaries to) implement financial controls reasonably designed to provide adequate assurance that payments will be made by or on behalf of the Company and its Subsidiaries only in accordance with the instructions of the Board of Directors or, as applicable, management to whom the Board of Directors has delegated such authority.

8.02 Delivery of Financial Information.

(a) The Company shall deliver to (i) (A) SoftBank, for so long as SoftBank owns the SoftBank Floor Amount and (B) Honda, for so long as Honda owns the Honda Floor Amount, and (C) to each New Class F Preferred Member, for so long as such Member owns the Class F Floor Amount, and, in each case of clauses (A),(B) and (C), subject to Section 8.03, and (ii) the GM Investor:

(i) as soon as practicable, but in any event within one hundred twenty (120) days (or, with respect to the Fiscal Year ending December 31, 2018, one hundred fifty (150) days), following the end of each Fiscal Year beginning with the Fiscal Year ending December 31, 2018, audited annual financial statements (including balance sheet, income statement, statement of cash flow and statement of members' equity) and accompanying notes of the Company and its Subsidiaries (on a consolidated basis), prepared in accordance with GAAP (except as may be indicated in the notes thereto);

(ii) as soon as practicable, but in any event within forty-five (45) days, following the end of each of the first three fiscal quarters of each Fiscal Year of the Company beginning with the fiscal quarter ending September 30, 2018, unaudited financial statements

(including balance sheet, income statement, statement of cash flow and statement of members' equity) of the Company and its Subsidiaries (on a consolidated basis), prepared in accordance with GAAP (except as may be indicated in the notes thereto and subject to the absence of footnote disclosures, normal year-end adjustments and such other departures from GAAP as the Board of Directors may authorize); provided, that quarterly information provided before delivery of the first annual audited financial statements is subject to revision as part of the implementation of standalone financial reporting capabilities;

(iii) as soon as practicable, but in any event within thirty (30) days after the end of each month, unaudited trial balances of the Company and its Subsidiaries (on a consolidated basis); provided, that such management accounts will only be required to be delivered to the extent they are otherwise prepared by management of the Company in the ordinary course of business (and in such case shall only be required to be in such form as so otherwise prepared) and, for the avoidance of doubt, any monthly financial information may not include all adjustments necessary to reflect the Company and its Subsidiaries (on a consolidated basis) on a standalone basis in accordance with GAAP and any monthly information provided before the delivery of the first annual audited financial statements is subject to revision as part of the implementation of standalone financial reporting capabilities;

(iv) as soon as practicable, but in any event within thirty (30) days after the end of each fiscal quarter of each Fiscal Year of the Company, the Members Schedule; and

(v) as soon as reasonably practicable following the end of each Fiscal Year beginning with the Fiscal Year ending December 31, 2018, a budget and business plan for the Company for the then current Fiscal Year. Such budget and business plan will be the same as was shared with the Board of Directors and will include a level of detail reasonably customary for entities of a size and nature similar to the Company. For clarity, this Section 8.02(a)(v) will be subject to Section 8.06.

8.03 Technical Information. Except to the extent required pursuant to the Honda Commercial Agreements, but notwithstanding anything else to the contrary in this Agreement, the Company will not provide (and nothing in this Article VIII or otherwise in this Agreement will require the Company or any of its Directors or employees to provide) any Technical Information to any Class A-1 Preferred Member, Class D Member, Class E Member, Class F Preferred Members, the SoftBank Director or either of the Board Observers.

8.04 Applicable ABAC/AML/Trade Laws.

(a) The Company covenants and agrees that the Company, any Subsidiaries it establishes and any Associated Person of either the Company or any of its Subsidiaries shall comply with all Applicable ABAC Laws, Applicable AML Laws and Applicable Trade Laws.

(b) The Company covenants and agrees that the Company, any Subsidiaries it establishes and any Associated Person of either the Company or any of its Subsidiaries shall not use any funds received from GM, SoftBank, Honda or any Class F New Member in violation of Applicable Trade Laws, including, directly or indirectly, for the benefit of any Blocked Person.

(c) If it has not already done so, the Company shall adopt and implement within forty-five (45) days of executing this Agreement policies and procedures designed to prevent the Company and its Affiliates as well as any Associated Person of either the Company or any of its Affiliates from engaging in any activity, practice or conduct that would violate any of the Applicable ABAC Laws, Applicable AML Laws or Applicable Trade Laws. Such policy and procedures shall be consistent with the guidance that has been provided by government authorities in the United Kingdom and United States of America having authority to administer and prosecute violations of such laws and regulations.

(d) The Company shall confirm in writing to SoftBank upon written request (which such request shall be made no more frequently than once each fiscal year) that it and any Subsidiaries it establishes have complied with the undertakings in this Section 8.04.

(e) If the Company or any Subsidiaries it establishes has knowledge or reasonable cause to believe after reasonable investigation that the Company, any of its Subsidiaries or any Associated Person of the Company or any of its Subsidiaries has materially violated any of the Applicable ABAC Laws, Applicable AML Laws and/or Applicable Trade Laws, it shall notify SoftBank promptly in writing of its suspicion or belief and keep SoftBank apprised of material developments concerning such violation; provided further, for the avoidance of doubt, that neither the Company nor any of the Company's Subsidiaries shall be obligated to waive their attorney-client privilege to satisfy the foregoing obligation.

8.05 Notice to Honda of an OEM Investment. The Company shall provide the Class E Member with written notice of an OEM Investment through the Honda Board Observer prior to the execution of the definitive agreement with respect to the consummation of such OEM Investment.

8.06 Material Non-Public Information. Notwithstanding anything to the contrary herein, (a) the Company will not provide any Class F New Member with any Material Non-Public Information, and (b) the Company shall not be deemed to be in breach of any obligation under this Agreement as a result of withholding Material Non-Public Information or failing to comply with any of its covenants or obligations herein as a result of the failure to provide Material Non-Public Information (including its obligations to provide a Company's Notice of Intention to Sell, or any other notice, pursuant to Section 2.07).

ARTICLE IX
TRANSFERS OF COMPANY INTERESTS;
ADMISSION OF NEW MEMBERS; GM CALL

9.01 Limitations on Transfer.

(a)

(i) Prior to the SoftBank Trigger Date, (A) no Class A-1 Preferred Shares, Class D Common Shares or any other Equity Securities held by SoftBank or any of its Affiliates (other than any Class F Preferred Shares held by SoftBank or any of its Affiliates) and (B) no Class B Common Shares, may be Transferred or offered to be Transferred without the prior written approval of each of the GM Investor and the Board of Directors and any such Transfer or offer to Transfer such Shares, other Equity Securities or interests therein or rights relating thereto shall be null and void *ab initio* and of no effect whatsoever.

(ii) Prior to the Honda Trigger Date, no Class E Common Shares or any other Equity Securities held by Honda or any of its Affiliates (except any Class F Preferred Shares held by Honda or any of its Affiliates), may be Transferred or offered to be Transferred without the prior written approval of each of the GM Investor and the Board of Directors and any such Transfer or offer to Transfer such Shares, other Equity Securities or interests therein or rights relating thereto shall be null and void *ab initio* and of no effect whatsoever.

(iii) Prior to the Class F Trigger Date, no Class F Preferred Shares or any other Equity Securities held by Class F New Members or any of their respective Affiliates, and no Class F Preferred Shares held by Honda, SoftBank or any of their respective Affiliates, may be Transferred or offered to be Transferred without the prior approval of each of the GM Investor and the Board of Directors and any such Transfer or offer to Transfer such Shares, other Equity Securities or interests therein or rights relating thereto shall be null and void *ab initio* and of no effect whatsoever.

(iv) Sections 9.01(a)(i), 9.01(a)(ii) and 9.01(a)(iii) (A) will not apply to any Transfer pursuant to Sections 2.02(c), 2.10, 9.02, 9.07, 9.08, 9.09, 9.10 or 9.12 (such Transfer, an “**Excluded Transfer**”) and (B) will cease to apply upon consummation of an IPO. For clarity, except as set forth in Section 9.01(b) (and notwithstanding Sections 9.01(a)(iii) and 9.01(a)(v)), no Class A-2 Preferred Member, Class C Member or the GM Investor or its Affiliates with respect to its or their respective Class F Preferred Shares is subject to any restrictions on Transfer of its Class A-2 Preferred Shares, Class C Common Shares or Class F Preferred Shares.

(v) From and after the SoftBank Trigger Date, the limitations on Transfer set forth in Sections 9.01(a)(i) will cease to apply; provided, that following the SoftBank Trigger Date and prior to the consummation of an IPO no Transfer of Class A-1 Preferred Shares, Class D Common Shares, or any other Equity Securities held by SoftBank or any of its Affiliates (other than any Class F Preferred Shares held by SoftBank or any of its Affiliates) will be permitted unless the holder of such Shares shall have first complied with the provisions of Section 9.01(a)(vi). From and after the Honda Trigger Date, the limitations on Transfer set forth in Section 9.01(a)(ii) will cease to apply; provided, that following the Honda Trigger Date, and prior to the consummation of

an IPO no Transfer of Class E Common Shares or any other Equity Securities (other than Class F Preferred Shares) held by Honda or any of its Affiliates will be permitted unless the holder of such Shares shall have first complied with the provisions of Section 9.01(a)(vi). From and after the Class F Trigger Date, the limitations on Transfer set forth in Section 9.01(a)(iii) will cease to apply; provided, that following the Class F Trigger Date, and prior to the consummation of an IPO no Transfer of Class F Preferred Shares or any other Equity Securities held by a Class F New Member, or any Class F Preferred Shares held by SoftBank, Honda or any of their respective Affiliates, will be permitted unless the holder of such Shares shall have first complied with the provisions of Section 9.01(a)(vi). Notwithstanding anything to the contrary in this Agreement (including the expiration of the limitations on Transfer set forth in Sections 9.01(a)(i), 9.01(a)(ii) and 9.01(a)(iii) from and after the SoftBank Trigger Date, the Honda Trigger Date or the Class F Trigger Date, as applicable, but prior to the consummation of the IPO), at no time may (a) Class A-1 Preferred Shares, Class D Common Shares or any other Equity Securities held by SoftBank or any of its Affiliates (other than any Class F Preferred Shares held by SoftBank or any of its Affiliates), be Transferred to a SoftBank Restricted Person without the prior written approval of each of the GM Investor and the Board of Directors, (b) Class E Common Shares or any other Equity Securities (including Class F Preferred Shares) held by Honda or any of its Affiliates, be Transferred to a Honda Restricted Person without the prior written approval of each of the GM Investor and the Board of Directors or (c) Class F Preferred Shares or any other Equity Securities held by a Class F New Member, or any Class F Preferred Shares held by SoftBank or any of its Affiliates, be Transferred to a Class F Preferred Member Restricted Person without the prior written approval of each of the GM Investor and the Board of Directors.

(vi) At least fifteen (15) days (or such shorter period as may be consented to by the Board of Directors) prior to entering into any definitive agreement (a **“Binding Transaction Agreement”**) providing for, or entered into in connection with, a proposed Transfer (other than an Excluded Transfer) of (A) Class A-1 Preferred Shares, Class D Common Shares or any other Equity Securities held by SoftBank or any of its Affiliates (other than any Class F Preferred Shares held by SoftBank or any of its Affiliates), in each case from and after the SoftBank Trigger Date, (B) Class E Common Shares or any other Equity Securities (other than Class F Preferred Shares) held by Honda or any of their Affiliates from and after the Honda Trigger Date, or (C) Class F Preferred Shares or any other Equity Securities held by Class F New Members or their Affiliates or Class F Preferred Shares held by SoftBank, Honda or their respective Affiliates, in each case from and after the Class F Trigger Date, such Member proposing to make such a Transfer (the **“Transferor”**) shall deliver a written notice (the **“ROFR Notice”**) to the Board of Directors and the GM Investor, specifying in reasonable detail the identity of the prospective transferee(s), the number and class of Shares or other Equity Securities proposed to be Transferred (the **“ROFR Offered Shares”**) and the price and other terms and conditions of the proposed Transfer. No Transferor shall enter into a Binding Transaction Agreement or consummate such proposed Transfer before the GM ROFR Date (or such shorter period as consented to by the Board of Directors). Following receipt of the ROFR Notice, the GM Investor may elect to purchase all (but not less than all) of the ROFR Offered Shares at the price set forth in the ROFR Notice and otherwise on Equivalent Terms, by delivering (or one

of its Affiliates delivering) written notice (a “**GM ROFR Notice**”) of such election to the relevant Transferor(s) within ten (10) days after delivery of the ROFR Notice (such 10th day, the “**GM ROFR Date**”). If the GM Investor (or one of its Affiliates) does not deliver a GM ROFR Notice electing to purchase all of the ROFR Offered Shares at the price set forth in the ROFR Notice and otherwise on Equivalent Terms on or prior to the GM ROFR Date, then the applicable Transferor(s) may sell all, but not less than all, of the ROFR Offered Shares to the Person identified in the ROFR Notice for a per Share amount equal to or greater than, and on other terms no less favorable to Transferor than, the price and other terms set forth in the ROFR Notice, in each case within one hundred twenty (120) days following the GM ROFR Date. Any ROFR Offered Shares not Transferred within such one hundred twenty (120)-day period shall again be subject to the provisions of this Section 9.01(a)(vi) prior to any subsequent Transfer. If the GM Investor has elected to purchase the ROFR Offered Shares in accordance with this Section 9.01(a)(vi), then such purchase shall be consummated as soon as practicable after the delivery of the GM ROFR Notice to the Transferor(s), but in any event within one hundred twenty (120) days after the delivery of such GM ROFR Notice. If the consideration proposed to be paid for the ROFR Offered Shares in the ROFR Notice is in property, services or other non-cash consideration, then the fair market value of such non-cash consideration shall be equal to the Fair Market Value thereof. The GM Investor shall pay the cash equivalent of such Fair Market Value of any such property, services or other non-cash consideration proposed to be paid in the ROFR Notice.

(b) Notwithstanding any other provision in this Agreement to the contrary, no Transfer of Shares may be made unless, in the opinion of counsel for the Company, satisfactory in form and substance to the Board of Directors (which opinion requirement, or one or more components thereof, may be waived, in whole or in part by the Board of Directors), such Transfer would not result in (i) a violation of any applicable United States federal or state securities laws, (ii) unless waived by the Board of Directors, the Company being required to register as an investment company under the Investment Company Act of 1940 or any other federal or state securities laws or (iii) other than pursuant to Section 9.10, the Company being required to register under Section 12(g) of the Securities Exchange Act of 1934. As a condition to the Company recognizing the effectiveness of any Transfer of Shares, the Board of Directors may require the transferor and/or transferee, as the case may be, to execute, acknowledge and deliver to the Company such instruments of transfer, assignment and assumption and such other certificates, representations and documents, and to perform all such other acts, which the Board of Directors may reasonably deem necessary or desirable to (A) verify the Transfer, (B) confirm that the proposed transferee has accepted, assumed and agreed to be subject and bound by all of the terms, obligations and conditions of this Agreement (whether or not such Person is to be admitted as a new Member) and (C) assure compliance with applicable state and federal laws, including securities laws and regulations. For the purposes of this Article IX, any transfer, sale, assignment, pledge, encumbrance or other direct or indirect disposition of shares or other interests of any Person which is an entity and a substantial portion of the assets of which are, directly or indirectly, Shares or other Equity Securities, or which is intentionally designed to, or has the effect of, circumventing the intention of the Transfer restrictions in this Agreement, shall be deemed to be a Transfer of Shares or Equity Securities (as

applicable). Each Member as to which the immediately preceding sentence applies shall cause its direct and indirect interest holders to comply with the provisions of this Article IX.

(c) No Transfer of Class A-1 Preferred Shares may be consummated (and any process pursuant to Section 9.01(a)(vi) shall be suspended if a Call Notice is delivered pursuant to Section 9.12) until such time as the Class A-1/D Purchase pursuant to such Call Notice has been consummated.

(d) Until such time as SoftBank has paid, in full, the Subsequent SoftBank Commitment pursuant to Section 2.02(c), SoftBank (i) shall not make any Transfer if the effect of such Transfer would be that SoftBank ceases to be a Member hereunder and (ii) shall ensure that it has uncalled capital commitments sufficient to pay the Subsequent SoftBank Commitment in full.

9.02 Permitted Transfers.

(a) Notwithstanding Section 9.01(a), Class A-1 Preferred Shares, Class D Common Shares, Class B Common Shares, Class E Common Shares and Class F Preferred Shares may be Transferred by the holder thereof without obtaining the approval of the Board of Directors or the GM Investor: (i) in the case of an Employee Member, to a member of the Family Group of the Person to whom such Shares were originally issued (a Transfer pursuant to this clause (i), an “**Exempt Employee Member Transfer**”), (ii) in the case of a Class A-1 Preferred Member, Class D Member or Class F Preferred Shares held by SoftBank or its Affiliates, to an Affiliate (other than SoftBank Group Corp. or its Subsidiaries) of such Member that (A) is owned and controlled, directly or indirectly, by such Class A-1 Preferred Member or such Class D Member, and (B)(1) with respect to Shares (other than any Class F Preferred Shares) is not a SoftBank Restricted Person and (2) with respect to Class F Preferred Shares, is not a Class F Preferred Member Restricted Person (a Transfer pursuant to this clause (ii), an “**Exempt SoftBank Transfer**”), (iii) in the case of a Class E Member or Class F Preferred Shares held by Honda or its Affiliates, (A) to an Affiliate that is not a Honda Restricted Person or (B) subject to compliance with Section 9.01(a)(v), following the consummation of an OEM Restricted Investment, to a Person that is not a Honda Restricted Person (a Transfer pursuant to this clause (iii), an “**Exempt Honda Transfer**”); provided, that any Transfer by the Class E Member must be a Transfer of all of such Class E Member’s Equity Securities in the Company, or (iv) in the case of a Class F New Member, to an Affiliate of such Class F New Member that is not a Class F Preferred Member Restricted Person (an “**Exempt Class F Transfer**”). If a Permitted Transferee ceases to meet the criteria set forth in (i), (ii) or (iii) of the preceding sentence (as applicable), such Permitted Transferee shall re-transfer (within ten (10) Business Days) the Shares Transferred to such Permitted Transferee to the original transferor (in the case of an Exempt SoftBank Transfer, an Exempt Honda Transfer or an Exempt Class F Transfer) or to another member of the Family Group of such transferring Person (in the case of an Exempt Employee Member Transfer) and, pending the completion of such re-transfer, such Permitted Transferee shall not have any rights under this Agreement in respect of such Shares held by him, her or it.

(b) As used herein, a “**Permitted Transferee**” shall constitute any Person, other than the Company, to whom Shares are Transferred pursuant to this Section 9.02.

9.03 Assignee’s Rights and Obligations.

(a) A Transfer of a Share permitted pursuant to this Agreement shall be effective as of the date of assignment and compliance with the conditions to such Transfer, and such Transfer shall be shown on the books and records of the Company. Prior to the date that the Transfer is consummated and the transferee becomes a Member hereunder, such proposed transferee shall be referred to herein as an “**Assignee**”. Distributions made before the effective date of such Transfer, shall be paid to the transferor, and Distributions made after such date shall be paid to the Assignee.

(b) Unless and until an Assignee becomes a Member pursuant to this Article IX, the Assignee shall not be entitled to any of the rights granted to a Member hereunder or under applicable law, other than the rights granted specifically to Assignees pursuant to this Agreement and rights granted to Assignees pursuant to the Act. Further, such Assignee shall be bound by any limitations and obligations contained herein with respect to Members.

(c) Any Member who shall Transfer any Shares or other interest in the Company shall cease to be a Member with respect to such Shares or other interest and shall no longer have any rights or privileges of a Member with respect to such Shares or other interest, except that, unless and until the Assignee is admitted as a Substituted Member in accordance with the provisions of Section 9.04 (the “**Admission Date**”), (i) such assigning Member shall retain all of the duties, liabilities and obligations of a Member with respect to such Shares or other interest and (ii) the Board of Directors may reinstate all or any portion of the rights and privileges of such Member with respect to such Shares or other interest for any period of time prior to the Admission Date. Nothing contained herein shall relieve any Member who Transfers any Shares or other interest in the Company from any liability of such Member to the Company or the other Members with respect to such Shares or other interest that may exist on the Admission Date or that is otherwise specified in the Act and incorporated into this Agreement or for any liability to the Company or any other Person for any breaches of any representations, warranties or covenants by such Member (in its capacity as such) contained herein or in the other agreements with the Company.

(d) For clarity (and notwithstanding anything to the contrary herein), the respective rights of SoftBank and Honda hereunder are personal to SoftBank and Honda, as applicable, (for so long as SoftBank or Honda, as applicable, is a Member), do not attach to the Class A-1 Preferred Shares or Class E Common Shares, or any other class of Shares or Equity Securities, and cannot be assigned by SoftBank or Honda to any other Person, except in connection with an Exempt SoftBank Transfer or an Exempt Honda Transfer pursuant to Section 9.02(a)(iii)(A) (but not, for clarity, Section 9.02(a)(iii)(B)).

9.04 Admission of Members.

(a) In connection with the Transfer of a Share of a Member permitted under the terms of this Agreement, the transferee shall not become a Member (a “**Substituted Member**”) until the later of (i) the effective date of such Transfer and (ii) the date on which the Board of Directors approves such transferee as a Substituted Member (such approval not to be unreasonably withheld, conditioned or delayed), and such admission shall be shown on the books and records of the Company

(b) Notwithstanding anything to the contrary that may be expressed or implied in this Agreement, a Person may be admitted to the Company as a Member by the Board of Directors (an “**Additional Member**”). Such admission shall become effective on the date on which such admission is shown on the books and records of the Company.

9.05 Certain Requirements of Prospective Members. As a condition to admission to the Company as a Member, each Assignee and Additional Member shall execute and deliver a joinder to this Agreement in the form attached hereto as Exhibit I or otherwise acceptable to the Board of Directors.

9.06 Status of Transferred Shares. Shares that are Transferred shall thereafter continue to be subject to all restrictions and obligations imposed by this Agreement with respect to Shares and Transfers thereof.

9.07 Tag-Along Rights.

(a) If any Class A-2 Member, Class C Member or the GM Investor or its Affiliates in their capacity as a Class F Preferred Member (the “**Transferring Holder**”) proposes to Transfer Class A-2 Preferred Shares, Class C Common Shares or Class F Preferred Shares (or any other Equity Securities held by such Member) to an Independent Third Party prior to an IPO (other than any Transfer (i) as provided in Section 9.08, (ii) as provided in Section 9.09, (iii) in connection with Section 9.10 or (iv) as provided in Section 9.12), then the Transferring Holder(s) shall deliver a written notice (such notice, the “**Tag Notice**”) to the Company, each Class D Member, each Class A-1 Preferred Member, each Class E Member and each Class F Preferred Member (the “**Participation Members,**” provided that, for clarity, such Transferring Holder will not be a Participation Member in its capacity as a Class F Preferred Member, notwithstanding that such Transferring Holder may hold Class F Preferred Shares) at least thirty (30) days prior to making such Transfer, specifying in reasonable detail the identity of the prospective transferee(s), the number of Class A-2 Preferred Shares or Class C Common Shares (or any other Equity Securities held by such Members) to be Transferred and the price and other terms and conditions of the Transfer. Each Participation Member may elect to participate in the contemplated Transfer in the manner set forth in this Section 9.07 by delivering an irrevocable written notice to the Transferring Holder(s) within fifteen (15) days after delivery of the Tag Notice, which notice shall specify the number of Class A-1 Preferred Shares, Class D Common Shares, Class E Common Shares and Class F Preferred Shares

(or any other Equity Securities held by such Members) that such Participation Member desires to include in such proposed Transfer. If none of the Participation Members gives such notice prior to the expiration of the fifteen (15) day period for giving such notice, then the Transferring Holder(s) may Transfer such Class A-2 Preferred Shares or Class C Common Shares (or any other Equity Securities held by such Members) to any Person at the same price and on other terms and conditions that are no more favorable, in the aggregate, to the Transferring Holder(s) than those set forth in the Tag Notice. If any Participation Members have irrevocably elected to participate in such Transfer prior to the expiration of the fifteen (15) day period for giving notice, each Participation Member shall be entitled to sell in the contemplated Transfer a total number of Class A-1 Preferred Shares with respect to Class A-1 Preferred Members, Class D Common Shares with respect to Class D Members, Class E Common Shares with respect to Class E Members, Class F Preferred Shares with respect to Class F Preferred Members (the “**Tagged Shares**”) to be sold in the Transfer, to be calculated according to the following methodology:

(i) First, all Non-A-1 Interests owned by the Transferring Holder are deemed converted (on a Fully Diluted Basis) to Class D Common Shares on a 1:1 basis (as adjusted, as necessary, to reflect appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event), all Class A-1 Preferred Shares held by all Participation Member(s) are deemed converted to Class D Common Shares pursuant to Section 2.10(b), all Class E Common Shares held by all Participation Member(s) are deemed converted to Class D Common Shares on a 1:1 basis (as adjusted, as necessary, to reflect appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event) and all Class F Preferred Shares held by all Participation Member(s) are deemed converted to Class D Common Shares at the Class F Preferred Share Conversion Ratio (collectively the number of Class D Common Shares resulting from the deemed conversion, plus the number of Class D Common Shares held by the Participation Members prior to such deemed conversion, the “**Total Conversion Shares**”). For clarity, such “deemed” conversion pursuant to this Section 9.07(a) shall solely be for the purposes of calculating the Tagged Shares, and no actual conversion shall occur pursuant to this Section 9.07(a).

(ii) Second, the total number of Shares that are subject to Transfer is determined (the “**Total Tagged Shares**”).

(iii) Third, the Tagged Shares will be:

(A) a number of Class A-1-A Preferred Shares equal to: (1) Total Tagged Shares multiplied by a fraction, (x) the numerator of which is the number of Class D Common Shares into which the Class A-1-A Preferred Shares of such Participation Member were deemed converted pursuant to subsection (i) above, and (y) the denominator of which is the Total Conversion Shares divided by, (2) the A-1-A Preferred Share Conversion Ratio;

(B) a number of Class A-1-B Preferred Shares equal to: (1) Total Tagged Shares multiplied by a fraction, (x) the numerator of which is the number of Class D Common Shares into which the Class A-1-B Preferred Shares of such Participation Member were deemed converted pursuant to subsection (i) above, and (y) the denominator of which is the Total Conversion Shares divided by, (2) A-1-B Preferred Share Conversion Ratio;

(C) a number of Class D Common Shares equal to: Total Tagged Shares multiplied by a fraction, (1) the numerator of which is the number of Class D Common Shares held by such Participation Member prior to the deemed conversion pursuant to subsection (i) above, and (2) the denominator of which is the Total Conversion Shares;

(D) a number of Class E Common Shares equal to: Total Tagged Shares multiplied by a fraction, (1) the numerator of which is the number of Class E Common Shares held by such Participation Member prior to the deemed conversion pursuant to subsection (i) above, and (2) the denominator of which is the Total Conversion Shares; and

(E) a number of Class F Preferred Shares equal to: Total Tagged Shares multiplied by a fraction, (1) the numerator of which is the number of Class F Preferred Shares held by such Participation Member prior to the deemed conversion pursuant to subsection (i) above, and (2) the denominator of which is the Total Conversion Shares.

(b) Immediately prior to the consummation of the Transfer to the Independent Third Party, the Tagged Shares (other than Class E Common Shares and Class F Preferred Shares) will be automatically, and without any further action, be actually converted into Class D Common Shares pursuant to Section 2.10(b). The Transferring Holder(s) and each participating Participation Member shall receive the same form of consideration and the aggregate net consideration (after such aggregate net consideration is adjusted for Company expenses, purchase price adjustments, escrow amounts, purchase price holdbacks, indemnity obligations and other similar items) shall be divided ratably among the Transferring Holder and each participating Participation Member based upon their respective numbers of Shares included in the Transfer.

(c) Notwithstanding anything to the contrary in this Section 9.07, the Transferring Holder(s) shall not consummate the Transfer contemplated by the Tag Notice at a higher price or on other terms and conditions more favorable to them, in the aggregate, than the terms set forth in the Tag Notice (including as to price per Class A-1 Preferred Share or form of consideration to be received) unless the Transferring Holder(s) shall first have delivered a second notice setting forth such more favorable terms (the “**Amended Tag Notice**”) to each Participation Member who had not elected to participate in the contemplated Transfer. Each Participation Member receiving an Amended Tag Notice may elect to participate in the contemplated Transfer on such amended terms by delivering written notice to the Transferring Holder(s) not later than ten (10) Business Days after delivery of the Amended Tag Notice.

(d) Each Participation Member shall pay his, her or its own costs of any sale and a pro rata share (based upon the reduction in proceeds that would have been allocated to such Member if the amount of such expense were not included in the aggregate consideration) of the expenses incurred by the Members (to the extent such costs are incurred for the benefit of all of such Members and are not otherwise paid by the Transferee) and the Company in connection with such Transfer and shall be obligated to provide the same customary representations, warranties, covenants, agreements, indemnities and other obligations that the Transferring Holder(s) agrees to provide in connection with such Transfer; provided, that in no event will a Participation Member be required to enter into a non-competition agreement or be subject to any similar covenant or provision. Except as contemplated by the preceding sentence, each Participation Member shall execute and deliver all documents required to be executed in connection with such tag-along sale transaction.

(e) Without limiting the generality of the other provisions of this Section 9.07, the Transferring Holder(s) shall decide whether or not to pursue, consummate, postpone or abandon any Transfer and, subject to the limitations set forth in this Section 9.07, the terms and conditions thereof. None of the Transferring Holder(s) nor any of their respective Affiliates shall have any liability to any Member arising from, relating to or in connection with the pursuit, consummation, postponement, abandonment or terms and conditions of any such Transfer except to the extent the Transferring Holder(s) shall have failed to comply with any of the other provisions of this Section 9.07.

9.08 Sale of the Company.

(a) Provided that a Drag-Along Notice has not been delivered and the procedures in Section 9.09 are not then currently in effect, notwithstanding anything to the contrary in this Agreement, the Board of Directors may (subject to Section 5.11) elect to cause a Sale of the Company at any time. The Board of Directors shall direct and control all decisions in connection with a Sale of the Company (including the hiring or termination of any investment bank or professional adviser and making all decisions regarding valuation and consideration and the percentage of the Equity Securities in the Company to be sold) and, subject to Section 9.08(b) and Section 9.08(d), and without prejudice to Section 5.11, each Member shall vote for, consent to and not object to such Sale of the Company or the sale process associated therewith. If such Sale of the Company is structured as a sale of assets, merger or consolidation, then each Member shall, to the extent applicable to such transaction, vote for or consent to, and waive any dissenter's rights, appraisal rights or similar rights in connection with, such sale, merger or consolidation. If such Sale of the Company is structured as a Transfer of Shares, and the Sale of the Company involves less than all of the Shares in the Company, then each Member shall Transfer the same percentage of each class or series of Shares (or rights to acquire Shares of any class or series) that it holds. Each Member and the Company shall take all reasonable and necessary actions in connection with the consummation of such Sale of the Company as may be requested by the Board of Directors, including (i) in the case of the Company only, engaging one or more investment banks and legal counsel

selected by the Board of Directors to establish procedures acceptable to the Board of Directors to effect and to otherwise assist in connection with a Sale of the Company, (ii) taking such commercially reasonable actions and providing such commercially reasonable cooperation and assistance as may be necessary to consummate the Sale of the Company in an expeditious and efficient manner and not taking any action or engaging in any activity designed to hinder, prevent or delay the consummation of the Sale of the Company, (iii) in the case of the Company only, facilitating the due diligence process in respect of any such Sale of the Company, including establishing, populating and maintaining an online “data room”, (iv) in the case of the Company only, providing any financial or other information or audit required by the proposed buyer’s financing sources and (v) the execution of such agreements and such instruments and other actions reasonably necessary in connection with the Sale of the Company, including to provide customary representations, warranties, indemnities and escrow arrangements relating thereto, in each case in accordance with and subject to the limitations set forth in Section 9.08(d).

(b) The obligations of the Members with respect to a Sale of the Company are subject to the satisfaction of the following conditions: (i) upon the consummation of such Sale of the Company, each holder of Shares, to the extent such holder is receiving any consideration, shall receive the same form(s) of consideration as each other holder of Shares receives (or the option to receive the same form of consideration), and (ii) the Sale of the Company will be a Deemed Liquidation Event and the aggregate consideration payable upon consummation of such Sale of the Company to all holders of Shares in respect of their Shares shall be apportioned and distributed (after such aggregate consideration is adjusted for Company expenses, purchase price adjustments, escrow amounts, purchase price holdbacks, indemnity obligations and other similar items) as between the classes of Shares in accordance with the relevant provisions of Section 3.02 (assuming that, if such Sale of the Company is structured as a Transfer of Shares and less than all of the Shares are being Transferred, the Shares included in the Transfer are all of the Shares outstanding). For clarity, the application of Section 3.02 may result in some Shares included in the Transfer not receiving any consideration with respect to such Sale of the Company.

(c) If the Company, or if the holders of any Shares, enter into any negotiation or transaction for which Rule 506 (or any similar rule then in effect) promulgated by the SEC may be available with respect to such negotiation or transaction (including a merger, consolidation, or other reorganization), each holder of Equity Securities will, at the request of the Company, appoint either a purchaser representative (as such term is defined in Rule 501) designated by the Company, in which event the Company will pay the fees of such purchaser representative, or another purchaser representative (reasonably acceptable to the Company), in which event such holder will be responsible for the fees of the purchaser representative so appointed. Notwithstanding anything to the contrary, in connection with any Sale of the Company where the consideration in such Sale of the Company consists of or includes securities, if the issuance of such securities to the Member would require either a registration statement under the Securities Act, or preparation of a disclosure statement pursuant to Regulation D (or any successor regulation) under the Securities Act, or preparation of a disclosure document under a similar provision of any state securities law, and such

registration statement or disclosure statement or other disclosure document is not otherwise being prepared in connection with the Sale of the Company, then, at the option of the Board of Directors, the Member may receive, in lieu of such securities, the Fair Market Value of such securities in cash.

(d) In connection with any Sale of the Company, each Member shall (i) make such customary representations and warranties, including, as applicable, as to due organization and good standing, power and authority, due approval, no conflicts and ownership and title of Shares (including the absence of liens with respect to such Shares) and no litigation pending or threatened against or affecting such Member relating to its ownership of Shares, agree to such covenants and enter into such definitive agreements, in each case as are customary for transactions of the nature of the Sale of the Company; provided, that no Member shall be required to make any representation or warranty or agree to any covenant that is more extensive or burdensome than those made by the other Members (provided, that (A) in no event will the GM Investor or any of its Affiliates, SoftBank or any of its Affiliates, Honda or any of its Affiliates or any Class F New Member or any of its Affiliates be required to enter into a non-competition agreement or be subject to any similar covenant or provision and (B) the Employee Members may be required to enter into certain covenants, including non-compete and non-solicit obligations) and (ii) be obligated to join on a several, and not joint, basis (determined in accordance with such Member's proportionate share of the proceeds from the Sale of the Company) in any indemnification or other obligations that are part of the terms and conditions of the Sale of the Company (other than to the extent of any escrows or holdbacks established in connection with such Sale of the Company); provided, that no Member shall be obligated (A) to provide indemnification with respect to the representations, warranties, covenants or agreements of any other Member (other than to the extent of any escrows or holdbacks established in connection with such Sale of the Company), or (B) to incur liability to any Person in connection with such Sale of the Company, including under any indemnity, in excess of the consideration received by such Person in the Sale of the Company (other than for fraud or breach of a covenant).

(e) Each Member will bear his, her or its proportionate share of the costs incurred in connection with a Sale of the Company to the extent such costs are incurred for the benefit of all such holders of Shares and are not otherwise paid by the Company or the acquiring party. Costs incurred by the holders of Shares on their own behalf will not be considered costs of the Sale of the Company.

(f) Any contingent consideration (whether as a result of a release of an escrow or the payment of an "earn out" or otherwise) to be paid in connection with a Sale of the Company shall be allocated among the Members such that each Member receives the amount which such Member would have received if such consideration had been received by the Company and distributed as the next incremental dollars following the Distribution of any amounts previously paid under this Agreement or paid in connection with such Sale of the Company (assuming for such purposes that the Shares Transferred constitute all of the Shares). In the event any Member is liable in such Sale of the Company for amounts in excess of any escrow or holdback (other than any such obligations that relate specifically to a particular Member, such as indemnification with respect to

representations and warranties given by a Member regarding such Person's title to and ownership of Shares), such amounts shall be treated as a deduction to the consideration payable in such Sale of the Company and the aggregate consideration shall be re-allocated among the Members in accordance with Section 9.08(b). The Members agree that to the extent, as a result of such re-allocation, a Member has received more than its share of the consideration pursuant to such re-allocation, such Member shall deliver such excess to the appropriate Member(s) in order for each Member to receive its appropriate share of the consideration.

(g) Without limiting the generality of the other provisions of this Section 9.08 but subject to Section 5.11, the Board of Directors shall determine whether or not to pursue, consummate, postpone or abandon any Sale of the Company and, subject to the limitations expressly set forth in this Section 9.08, the terms and conditions thereof.

(h) The provisions of this Section 9.08 shall not apply to any transaction pursuant to Sections 9.10 or 9.12.

9.09 Drag-Along.

(a) If the GM Investor proposes to Transfer more than fifty percent (50%) of the issued and outstanding Equity Securities to an Independent Third Party prior to an IPO (other than any Transfer (i) as provided in Section 9.08, (ii) in connection with Section 9.10, or (iii) pursuant to Section 9.12), the GM Investor shall have the right (but not the obligation) to deliver a written notice (such notice, the "**Drag-Along Notice**") of its intention to do so to each other Member (the "**Dragees**"). The Drag-Along Notice shall set forth the aggregate consideration to be paid by the Independent Third Party and the other material terms and conditions of such transaction (a "**Drag-Along Sale Transaction**"), which shall be the same (in all but *de minimis* and immaterial respects) for the GM Investor and the other Members except as otherwise contemplated by this Agreement. Upon receipt of the Drag-Along Notice, each Dragee shall be required to participate in the proposed Transfer in accordance with the terms and conditions of this Section 9.09; provided, that if such Drag-Along Sale Transaction involves less than one hundred percent (100%) of the Shares held by the GM Investor, then each Dragee will only be required to participate in the proposed Transfer to the Independent Third Party with respect to such percentage of each class of its Shares as equals the percentage of the GM Investor's total Shares being sold in such Drag-Along Sale Transaction (the "**Drag Percentage**"). If the GM Investor is given an option as to the form and amount of consideration to be received under this Section 9.09, all Dragees shall be given the same option and, otherwise, the ratio of both (i) any cash to any non-cash consideration and (ii) among any type of non-cash property or asset consideration to any other type of non-cash property or asset consideration shall be equal (to the extent reasonably practicable) for each of the GM Investor and the Dragees. Within ten (10) Business Days following receipt of the Drag-Along Notice, each Dragee shall deliver to a representative of the Company or the GM Member designated in the Drag-Along Notice such certificates (if certificated) representing all Shares (or the Drag Percentage of each class of its Shares, as applicable) held by such Dragee or in other cases mutually acceptable

instruments of transfer duly endorsed, together with a limited power-of-attorney authorizing the Company and the GM Investor to sell or otherwise dispose of such Shares pursuant to the proposed Transfer to the Independent Third Party, as well as any other documents required to be executed in connection with such transaction. In the event that any Dragee should fail to deliver such certificates (if certificated) or other documentation to the Company or the GM Investor's representative, the Company shall cause the books and records of the Company to show that the Shares of such Dragee are bound by the provisions of this Section 9.09 and that such Shares may be Transferred only to the Independent Third Party.

(b) The Company and the GM Investor shall have ninety (90) days following delivery of the Drag-Along Notice to complete the Transfer of the Shares in accordance with this Section 9.09; provided, that if such Transfer would require the GM Investor, any Dragee, the Independent Third Party, the Company or an Affiliate of any of the foregoing to obtain any regulatory approval prior to consummating such sale, such ninety (90) day period shall be extended to the date that is five (5) Business Days after such regulatory approval has been obtained or finally denied. If, within such ninety (90) day period (as it may be extended) after the Company or the GM Investor has given the Drag-Along Notice, it shall not have completed the Transfer of all the Shares of the GM Investor and the Dragees in accordance with this Section 9.09 the Company or the GM Investor shall return to each of the Dragees all certificates (if certificated) representing Shares, or in other cases, mutually acceptable instruments of transfer, that the Dragees delivered for Transfer pursuant hereto and that were not purchased in accordance with this Section 9.09; provided, that (i) if any one or more of the Dragees defaults, the Company or the GM Investor shall be permitted, but not obligated, to complete the sale by all non-defaulting Dragees, and (ii) the completion of the sale by the Company or the GM Investor and such non-defaulting Dragees shall not relieve a defaulting Dragee of liability for its breach. All reasonable out-of-pocket costs and expenses incurred by the Company, the GM Investor and the Dragees in connection with the Transfers set forth in this Section 9.09 shall be paid by the Company.

(c) A Drag-Along Sale Transaction will be a Deemed Liquidation Event and the aggregate consideration payable upon consummation of such Drag-Along Sale Transaction to all holders of Shares in respect of their Shares included in such Drag-Along Sale Transaction shall be apportioned and distributed (after such aggregate consideration is adjusted for Company expenses, purchase price adjustments, escrow amounts, purchase price holdbacks, indemnity obligations and other similar items) as between the classes of Shares included in such Drag-Along Sale Transaction in accordance with the relevant provisions of Section 3.02 (it being understood that, if less than all of the Shares are being Transferred, for purposes of such calculations, it shall be assumed that the Shares included in such Drag-Along Sale Transaction constitute all of the Shares outstanding). For clarity, the application of Section 3.02 may result in some Shares included in the Drag-Along Sale Transaction not receiving any consideration with respect to such Drag-Along Sale Transaction.

(d) The provisions of this Section 9.09 shall not apply to any Transfer to a Permitted Transferee in accordance with Section 9.02.

(e) The obligations of a Member in connection with a Drag-Along Sale shall be subject to the limitations set forth in Section 9.08(d) as if such Drag-Along Sale was a Sale of the Company thereunder.

9.10 Public Offering.

(a) If the Board of Directors authorizes (subject to Section 5.11 and Section 6.13(d)) the Company to undertake an IPO (which may be abandoned at any time prior to its consummation by the Board of Directors), or the GM Investor notifies the Company that it wishes to consummate an IPO that takes the form of distribution of IPO Shares to the stockholders of GM Parent pursuant to a Form 10 (or any successor form), then each of the Company, the Members and any holder of Equity Securities agrees to, and agrees to cause its Affiliates to, take such commercially reasonable actions and provide such commercially reasonable cooperation and assistance as may be necessary to consummate the IPO in an expeditious and efficient manner and not to take any action or engage in any activity designed to hinder, prevent or delay the consummation of the IPO. Subject to Section 9.10(b), in connection with the IPO, each Share will be exchanged on an as-converted basis as if all Non-A-1 Interests are converted on a 1:1 basis (as adjusted, as necessary, to reflect appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event) and all Class A-1 Preferred Shares are converted in accordance with Section 2.10(b), for one share or unit (as applicable) of the single type of equity security of the Company that is listed and admitted for trading on the New York Stock Exchange, the NASDAQ Stock Market or other nationally recognized exchange (the “**IPO Shares**”). For purposes of this Section 9.10 and Section 9.11, all references to “Company” shall also refer to (i) any corporate successor to the Company or (ii) any parent or Subsidiary of the Company, in each case which effects the IPO.

(b) The IPO Shares issued to (i) each Class A-1 Preferred Member with respect to each Class A-1 Preferred Share, each Class B Member with respect to each Class B Common Share, each Class D Member with respect to each Class D Common Share, each Class E Member with respect to each Class E Common Share and each Class F Preferred Member with respect to each Class F Preferred Share and (ii) any other Investor in respect of Equity Securities issued pursuant to Section 2.06 (if such Equity Securities are designated as low-vote Equity Securities by the Board of Directors at the time of issuance or at any time thereafter) (collectively, the “**Low-Vote IPO Shares**”) will be of a different class to each other IPO Share. The Low-Vote IPO Shares will be identical to each other IPO Share, except that they will be entitled only to the number of votes (including a fraction of a vote) per Low-Vote IPO Share on all matters on which stockholders of the Company may vote (including the election of directors) as will be reasonably determined by the GM Investor to enable the GM Investor to establish or maintain “control” (within the meaning of Section 368(c) of the Code) of the Company at the time of the consummation of the IPO (in the case of an IPO effected by a “spin-off” or “split-off” transaction), or immediately after the consummation of the IPO (in the case of any other IPO), in each case taking into account any other

planned issuances or transfers of IPO Shares. Each Member, including each Class A-1 Preferred Member, will take all reasonable action requested by the Company to give effect to this Section 9.10(b) and to cause GM to have “control” within the meaning of Section 368(c) of the Code immediately prior to any “spin-off” or “split-off” transaction.

(c) Without limiting (and without prejudice to) the other subsections of this Section 9.10, if immediately prior to an IPO the Board of Directors determines that it is in the best interests of the Company and its Members (taken as a whole) to engage in a reorganization pursuant to which a new corporation, limited liability company, partnership or other entity (the “**Entity**”) is formed and the Equity Securities of the company are recapitalized or reorganized into classes of Equity Securities of the Entity, then each Member will (i) consent (and, to the extent required, vote in favor of) such recapitalization, reorganization or exchange of the existing Equity Securities of the Company into the Equity Securities of the Entity, and (ii) take all such reasonable actions that are necessary in connection with the consummation of the recapitalization, reorganization or exchange, including entering into a new stockholders’ agreement, members’ agreement, limited liability company agreement, employee equity arrangements and/or other agreements and arrangements in respect of the Equity Securities of the Entity, in each case, on terms and conditions substantially similar to such agreements and arrangements in respect of the Equity Securities of the Company that are in effect immediately prior to such recapitalization or reorganization; provided, that the Board of Directors shall not be permitted to approve, the Company shall not be permitted to engage in, and no Member shall be required to provide any consent to or to take any action in connection with, any such formation, recapitalization or reorganization, in each case if (A) such formation, recapitalization or reorganization was undertaken in bad faith, (B) the intent or direct result of such formation, recapitalization or reorganization is or would be to impair, in any material respect, the express rights of any Member hereunder or (C) such formation, recapitalization or reorganization adversely affects any Member in a manner which is disproportionate to the other Members (except as contemplated by this Section 9.10). For the avoidance of doubt, any reorganization or recapitalization undertaken pursuant to this Section 9.10(c) shall include provision for an Equity Security analogous to the Low-Vote IPO Shares described in Section 9.10(b) above.

9.11 Registration Rights; “Market Stand-Off” Agreement; Volume Restrictions.

(a) After the consummation of an IPO pursuant to Section 9.10, the Company shall grant to (i) the GM Investor an unlimited number of demand registration rights (including underwritten offerings), (ii) each Class A-1 Preferred Member that, together with its Affiliates, beneficially owns more than ten percent (10%) of the Equity Securities in the Company, demand registration rights (including underwritten offerings) and (iii) (A) all Members that, together with its Affiliates, beneficially own more than five percent (5%) of the Equity Securities in the Company, piggyback registration rights and shelf registration rights and (B) each of The Growth Fund of America, T. Rowe Price Growth Stock Fund, Inc., Seasons Series Trust - SA T. Rowe Price Growth Stock Portfolio, Voya Partners, Inc. - VY T. Rowe Price Growth Equity Portfolio, Brighthouse Funds Trust II - T. Rowe Price Large Cap Growth Portfolio, Lincoln Variable Insurance Products Trust -

LVIP T. Rowe Price Growth Stock Fund, Penn Series Funds, Inc. - Large Growth Stock Fund, T. Rowe Price Growth Stock Trust, Sony Master Trust, Prudential Retirement Insurance and Annuity Company, Aon Savings Plan Trust, Caleres, Inc. Retirement Plan, Colgate Palmolive Employees Savings and Investment Plan Trust, Brinker Capital Destinations Trust - Destinations Large Cap Equity Fund, Alight Solutions LLC 401K Plan Trust, MassMutual Select Funds - MassMutual Select T. Rowe Price Large Cap Blend Fund, Legacy Health Employees' Retirement Plan, Legacy Health, T. Rowe Price Science & Technology Fund, Inc., VALIC Company I - Science & Technology Fund for so long as they, together with their Affiliates, beneficially own more than one half of a percent (0.50%) of the Equity Securities in the Company, piggyback registration rights, in each case, subject to customary terms and conditions as at the time of the IPO; provided, that the Class A-1 Preferred Members may collectively exercise up to three (3) demands, the Company shall not be required to consummate more than one (1) demand registration (including underwritten offering) per ninety (90) day period, the Company shall not be required to consummate any demand registration (including underwritten offering) expected to realize less than \$100,000,000 of gross proceeds (before deduction of any underwriting discount, fees or expenses) and the Company may suspend registration rights for up to one hundred twenty (120) days in any calendar year if the filing or maintenance of a registration statement would, if not so suspended, adversely affect a proposed corporate transaction or adversely affect the Company by requiring premature disclosure of confidential information.

(b) Each Member hereby agrees that (i) during the period of duration (up to, but not exceeding, one hundred eighty (180) days) specified by the Company and an underwriter of Equity Securities of the Company or its successor, following the date of the final prospectus distributed in connection with the IPO, it shall not, to the extent requested by the Company and such underwriter, directly or indirectly sell, offer to sell, contract to sell (including any short sale or other hedging transaction), grant any option to purchase or otherwise Transfer or dispose of (other than to donees who agree to be similarly bound) any Equity Securities held by it at any time during such period except for such Equity Securities as shall be included in such registration or any Equity Securities acquired by such Member in the IPO or following the completion of the IPO and (ii) it shall, if requested by the managing underwriter or underwriters in connection with the IPO, execute a customary "lockup" agreement in the form requested by the managing underwriter or underwriters with a duration not to exceed one hundred eighty (180) days.

(c) Each Member hereby agrees that (i) during the period of duration (up to, but not exceeding, ninety (90) days) specified by the Company and an underwriter of Equity Securities of the Company or its successor, following the date of the final prospectus distributed in connection with an underwritten public follow-on offering, it shall not, to the extent requested by the Company and such underwriter, directly or indirectly sell, offer to sell, contract to sell (including any short sale or other hedging transaction), grant any option to purchase or otherwise Transfer or dispose of (other than to donees who agree to be similarly bound) any Equity Securities held by it at any time during such period except for such Equity Securities as shall be included in such registration and (ii) it shall, if requested by the managing underwriter or underwriters in connection with an

underwritten public follow-on offering, execute a customary “lockup” agreement in the form requested by the managing underwriter or underwriters with a duration not to exceed ninety (90) days.

(d) All Members shall be treated similarly with respect to any release prior to the termination of the time periods for the transfer restrictions contemplated by Section 9.11(b) and Section 9.11(c) (including any extension thereof) such that if any such persons are released, then all Members shall also be released to the same extent on a pro rata basis. In order to enforce the foregoing covenant in connection with the IPO or an underwritten public follow-on offering, the Company may impose stop-transfer instructions with respect to the Equity Securities of each Member and its Affiliates (and the Equity Securities of every other Person subject to the foregoing restriction) until the end of such period, and each Member agrees that, if so requested, such Member will execute, and will cause its Affiliates to execute, an agreement in the form provided by the underwriter containing terms which are essentially consistent with the provisions of Section 9.11(a), Section 9.11(b) and Section 9.11(c). Notwithstanding the foregoing, the obligations described in Section 9.11(a), Section 9.11(b) and Section 9.11(c) shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms which may be promulgated in the future, or a registration relating solely to an SEC Rule 145 transaction on Form S-4 or similar forms which may be promulgated in the future.

9.12 GM Call Right.

(a) At any time after the SoftBank Trigger Date the Company will have the right, by providing written notice to each Class A-1 Preferred Member, each Class D Member and the Board of Directors (a “**SoftBank Call Notice**”), to purchase from each Class A-1 Preferred Member and each Class D Member all (but not less than all) of the Class A-1 Preferred Shares and Class D Common Shares then owned by such Members (and any other Equity Securities, excluding any Class F Preferred Shares, held by such Members) in exchange for a cash purchase price (i) per Class A-1 Preferred Share equal to the greater of (A) the applicable Class A-1 Liquidation Preference Amount, and (B) the Per Class A-1 Preferred Share FMV, and (ii) per Class D Common Share (or any other Equity Securities, excluding any Class F Preferred Shares, held by such Members) equal to the Per Class A-1 Preferred Share FMV (collectively, the “**Class A-1/D Purchase**”). If an Optional SoftBank Conversion Notice has been delivered pursuant to Section 9.13 and, subsequent to the delivery of such Optional SoftBank Conversion Notice, a SoftBank Call Notice is delivered to a Class A-1 Preferred Member or Class D Member, then the process contemplated by Section 9.13 shall be suspended (it being understood that if the Class A-1/D Purchase is subsequently terminated or otherwise fails to be consummated, the process contemplated by Section 9.13 shall resume); provided, that if, at the time the SoftBank Call Notice is delivered to a Class A-1 Preferred Member or Class D Member, the calculation of Call Notice/Optional SoftBank Conversion Notice Fair Market Value is ongoing pursuant to Section 9.13 (but has not yet been finalized), such calculation shall continue and shall be utilized to calculate the Per Class A-1 Preferred Share FMV required by this Section 9.12.

(b) At any time after the Honda Call Trigger Date, the Company will have the right, by providing written notice to each Class E Member and the Board of Directors (a “**Honda Call Notice**” and, together with the SoftBank Call Notice, a “**Call Notice**”), to purchase from each Class E Member all (but not less than all) of the Class E Common Shares then owned by such Members (and any other Equity Securities, excluding Class F Preferred Shares, held by such Members) in exchange for a cash purchase price per Class E Common Share (or any other Equity Securities, excluding Class F Preferred Shares, held by such Members) equal to the Per Class E FMV (the “**Class E Purchase**”).

Delivery of a Call Notice with respect to the Class A-1 Preferred Shares, Class D Common Shares or Class E Common Shares will commence the process set forth on Exhibit II (provided, that in the event of a Honda Call Notice, (1) references to “SoftBank” and the “Majority of the Class A-1 Preferred” on Exhibit II shall be replaced with “Honda” and (2) the Qualified Appraisers will only calculate the Standardized FMV and not the IP Upsized FMV).

(c) The Company and each Class A-1 Preferred Member, Class D Member and Class E Member will consummate the Class A-1/D Purchase or the Class E Purchase, as applicable, as soon as reasonably practicable and, in any event, within thirty (30) days following the date of determination of the Per Class A-1 Preferred Share FMV or Per Class E FMV (as applicable). The Class A-1/D Purchase or the Class E Purchase, as applicable, shall be memorialized in a written agreement containing customary terms for a transaction of this type; provided, that no Class A-1 Preferred Member, Class D Member or Class E Member shall be required to make any representations or warranties other than representations and warranties as to due organization and good standing, power and authority, due approval, no conflicts and ownership and title of Shares (including the absence of liens with respect to such Shares), no brokers and no litigation pending or threatened against or affecting such Member relating to its ownership of Shares.

(d) Each Class A-1 Preferred Member, Class D Member and Class E Member, as applicable, shall take all commercially reasonable actions and provide such other commercially reasonable cooperation and assistance as may be necessary to consummate the Class A-1/D Purchase or Class E Purchase, as applicable, in an expeditious and efficient manner and will not take any action or engage in any activity designed to hinder, prevent or delay the consummation of the Class A-1/D Purchase or Class E Purchase, as applicable.

(e) At any time after the SoftBank Trigger Date or the Honda Call Trigger Date, as applicable, the GM Investor (or one of its Affiliates) may issue a Call Notice in lieu of the Company, in which event all references to the Company in this Section 9.12 (other than this Section 9.12(e)) shall be deemed to be references to the GM Investor.

9.13 Optional SoftBank Conversion.

(a) If an IPO, Sale of the Company or dissolution (pursuant to Article X) has not been consummated prior to the SoftBank Trigger Date then, at any time after the SoftBank

Trigger Date and subject to Section 9.12(a), SoftBank or its Permitted Transferee shall be entitled to deliver to the Board of Directors an irrevocable written notice (the “**Optional SoftBank Conversion Notice**”) requiring the Company to, at the election of the GM Investor (i) use its reasonable best efforts to redeem all, but not less than all, of SoftBank’s Class A-1 Preferred Shares and Class D Common Shares for common stock of GM Parent, or (ii) redeem all, but not less than all of SoftBank’s Class A-1 Preferred Shares and Class D Common Shares for cash, in each case on the terms set forth herein and, in the case of sub-section (i), on the terms set forth in the Exchange Agreement. Delivery of the Optional SoftBank Conversion Notice will commence the process set forth on Exhibit II.

(b) Within ten (10) Business Days of the date of determination of the final Call Notice/Optional SoftBank Conversion Notice Fair Market Value pursuant to Exhibit II, the Company will deliver written notice to SoftBank, informing SoftBank of the Call Notice/Optional SoftBank Conversion Notice Fair Market Value and whether the GM Investor has elected to have the Company redeem SoftBank’s Class A-1 Preferred Shares and Class D Common Shares (i) for cash, at a per Share value equal to the applicable Optional SoftBank Conversion Share Price (the “**Cash Election**”), or (ii) in exchange for common stock of GM Parent on the terms and subject to the conditions set forth in the Exchange Agreement in which case GM Parent and SoftBank or its Permitted Transferee will enter into the Exchange Agreement (the “**Stock Election**”). If, upon consummation of the Sale of GM Parent, GM Parent (it being understood that if GM has merged or consolidated into any other Person or sold all or substantially all of its assets in any one or a series of related to transactions to such other Person, GM Parent shall include such successor or other Person) is not listed or traded on the New York Stock Exchange or the NASDAQ Stock Market or any successor exchange or market thereof, any national securities exchange (registered with the SEC under Section 6 of the Securities Exchange Act of 1934, as amended) or any other established non-U.S. exchange, then the GM Acquirer shall be required to settle any Stock Election pursuant to this Section 9.13 in cash.

(c) If the Cash Election is made, the Company and SoftBank or its Permitted Transferee will consummate the redemption by the Company of the Class A-1 Preferred Shares and Class D Common Shares (the “**Optional SoftBank Conversion Purchase**”) as soon as reasonably practicable and in any event within thirty (30) days of the Cash Election. The place for closing shall be the principal office of the Company or at such other place as the Company may reasonably determine. In the event of a Cash Election, at the closing thereof SoftBank shall deliver to the Company certificates (if certificated) for its Class A-1 Preferred Shares and Class D Common Shares or, in other cases, mutually acceptable instruments of transfer, in exchange for payment (per Class A-1 Preferred Share and Class D Common Share held by SoftBank) of the relevant Optional SoftBank Conversion Share Price. The Optional SoftBank Conversion Purchase shall be memorialized in a written agreement containing representations and warranties as to due organization and good standing, power and authority, due approval, no conflicts and ownership and title of Shares (including the absence of liens with respect to such Shares), no brokers and no litigation pending or threatened against or affecting SoftBank relating to its ownership of Shares.

Each of the Company and SoftBank or its Permitted Transferee shall bear its own costs and expense incurred in connection with the Optional SoftBank Conversion Purchase.

(d) If the Stock Election is made, SoftBank or its Permitted Transferee will (and the Company and the GM Investor will cause GM Parent to) promptly (and in any event within five (5) days) enter into the Exchange Agreement.

(e) If the Company, acting reasonably and in good faith, determines that a filing, notice, approval, consent, registration, permit, authorization or confirmation from any Governmental Authority may be required to consummate the transactions set forth in the Exchange Agreement, then the Company and SoftBank or its Permitted Transferee shall (and SoftBank shall cause its Affiliates to) reasonably cooperate in good faith during the pendency of the calculation of the Call Notice/Optional SoftBank Conversion Notice Fair Market Value to seek to obtain such approvals as promptly as practicable such that in the event a Stock Election is made the period between signing the Exchange Agreement and closing the transaction thereunder would be reduced. For clarity, nothing in this Section 9.13(e) will require the Company to make a Stock Election (as opposed to a Cash Election) and the intention of this Section 9.13(e) is solely to take such actions as may reduce (in the event a Stock Election is made) the period between the execution of the Exchange Agreement and the consummation of the transactions contemplated thereby.

(f) In lieu of a redemption of the Class A-1 Preferred Shares and Class D Common Shares by the Company pursuant to this Section 9.13, the GM Investor will have the right to have such Class A-1 Preferred Shares and Class D Common Shares transferred to the GM Investor (or its Affiliates) and, if a Cash Election has been made, to have the GM Investor (or its Affiliates) make the applicable cash payments.

(g) If an Optional SoftBank Conversion Notice has been delivered and an IPO or a Sale of the Company is pending, but has not yet been consummated, SoftBank will, and will cause its Affiliates to, reasonably cooperate with the Company and each other Member to ensure that the IPO or Sale of the Company, as applicable, is carried out in an expeditious manner and minimizing the effect (economically or otherwise) on such IPO or Sale of the Company of this Section 9.13.

ARTICLE X **DISSOLUTION**

10.01 Events of Dissolution. The Company shall be dissolved upon the occurrence of any of the following events and its business and affairs shall thereafter be liquidated and wound up pursuant to the Act:

- (a) upon the approval of the Board of Directors or a Majority of the Members;

(b) upon the issuance of a final and nonappealable judicial decree of dissolution; or

(c) as otherwise required by the Act, except that the death, retirement, resignation, expulsion, bankruptcy or dissolution of a Member shall not result in dissolution of the Company.

10.02 Liquidation and Termination. On dissolution of the Company, the Board of Directors shall act as the liquidator or may appoint one or more Members as liquidator. The liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidator shall continue to operate the Company properties with all of the power and authority of the Board of Directors. The steps to be accomplished by the liquidator are as follows:

(a) as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;

(b) the liquidator shall cause the notice described in the Act to be mailed to each known creditor of and claimant against the Company in the manner described thereunder;

(c) the liquidator shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including all expenses incurred in liquidation) or otherwise make adequate provision for payment and discharge thereof;

(d) the liquidator shall make reasonable provision to pay all contingent, conditional or unmatured contractual claims known to the Company;

(e) the liquidator shall make such provision as will be reasonably likely to be sufficient to provide compensation for any claim against the Company which is the subject of a pending action, suit or proceeding to which the Company is a party;

(f) the liquidator shall make such provision as will be reasonably likely to be sufficient for claims that have not been made known to the Company or that have not arisen but that, based on facts known to the Company, are likely to arise or to become known to the Company after the date of dissolution;

(g) the liquidator shall distribute all remaining assets of the Company by the end of the taxable year of the Company during which the liquidation of the Company occurs (or, if later, 90 days after the date of the liquidation) in accordance with Section 3.02 (but subject to the other applicable provisions in this Agreement); and

(h) all distributions in kind to the Members shall be made subject to the liability of each distributee for costs, expenses and liabilities theretofore incurred or for which the Company has committed prior to the date of termination, and those costs, expenses and liabilities shall be allocated to the distributees pursuant to this Section 10.02. The distribution of cash and/or property to a Member in accordance with the provisions of this Section 10.02 constitutes a complete return to the Member of its Capital Contributions and a complete distribution to the Member of its interest in the Company and all of the Company's property and constitutes a compromise to which all Members have consented within the meaning of the Act. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

10.03 Cancellation of Certificate. On completion of the distribution of Company assets as provided herein, the Company shall be terminated, and the Board of Directors (or such other Person or Persons as the Act may require or permit) shall file a certificate of cancellation with the Secretary of State of Delaware, and take such other actions as may be necessary to terminate the Company.

ARTICLE XI

EXCLUSIVITY; NON-COMPETE

11.01 Exclusivity. During the Control Period, other than pursuant to the Commercial Agreements (or any other agreement entered into between GM or its Affiliates, on the one hand, and the Company or its Subsidiaries, on the other hand, in each case in accordance with the terms of this Agreement) and activities in furtherance of their obligations thereunder:

(a) the GM Investor and its Subsidiaries (excluding the following international joint ventures: SAIC General Motors Corp., Ltd. ("**SGM**"), Pan Asia Technical Automotive Center Co. Ltd. ("**PATAC**"), and FAW-GM Light Duty Commercial Vehicle Co., Ltd. ("**FAW-GM**")) shall conduct the AVCo Business exclusively through the Company. Notwithstanding the foregoing, nothing in this Section 11.01 will prohibit or otherwise restrict the GM Investor or its Subsidiaries from engaging in the GM Business in any manner whatsoever;

(b) without the prior written consent of the GM Investor, the Company and its Subsidiaries shall not, directly or indirectly, engage in the GM Business; provided, that nothing in this Section 11.01(b) will prevent the Company and its Subsidiaries from engaging in the AVCo Business in any manner whatsoever; and

(c) the Company and its Subsidiaries shall exclusively (i) obtain, purchase, source, license, lease, or otherwise acquire assets, services or rights that are of the type contemplated by the Commercial Agreements, the IPMA, the EDSA or the AGSA (including autonomous vehicles and other related products and services) from the GM Investor and its Affiliates, and (ii) provide AV technology and network services to GM and its Affiliates.

11.02 Non-Compete.

(a) During the three (3) year period immediately following the end of the Control Period (the “**Non-Compete Period**”), other than pursuant to the terms and conditions of any agreement entered into between the Company (or its Affiliates), on the one hand, and the GM Investor (or its Affiliates) on the other hand (in each case in accordance with the terms of this Agreement, as applicable, and to the extent such agreement by its terms remains effective subsequent to the end of the Control Period) and subject to the exceptions set forth in Section 11.02(b), (i) the GM Investor and its Subsidiaries (excluding SGM, PATAC and FAW-GM) shall not, directly or indirectly, and (ii) the Company and its Subsidiaries shall not, directly or indirectly, in each case whether alone or in conjunction with any Person or as a holder of an equity or debt interest of any Person or as a principal, agent or otherwise (and, in each case, without the prior written consent of the Other Party), engage in, carry on, participate in or have any interest in the applicable Restricted Business.

(b) Notwithstanding anything herein to the contrary, during the Non-Compete Period, nothing in Section 11.02(a) shall restrict:

(i) the GM Investor’s or any of its Subsidiaries’ ability to engage in, carry on or participate in the GM Business;

(ii) the Company’s or any of its Subsidiaries’ ability to engage in, carry on or participate in the AVCo Business;

(iii) the GM Investor and its Subsidiaries or the Company and its Subsidiaries from operating its business as conducted at any time prior to the end of the Control Period (to the extent that such prior operation or conduct did not violate Section 11.01);

(iv) the GM Investor or any of its Subsidiaries from consummating an OEM Acquisition;

(v) the GM Investor or any of its Subsidiaries (collectively), or the Company or any of its Subsidiaries (collectively), from consummating a Change of Control transaction involving a Target (the “**Acquired Person**”); provided, that, in the event such Acquired Person either (each tested at the time of consummation of the Change of Control) (A) derived more than twenty percent (20%) of its consolidated net revenue (calculated on a trailing twelve month basis) from the conduct of the Restricted Business or (B) had meaningful research and development costs and expenses for activities relating to the Restricted Business, the GM Investor or any of its Subsidiaries (collectively), or the Company or any of its Subsidiaries (collectively), as applicable, on or prior to the twelve (12) month anniversary of the date of consummation of such Change of Control transaction, shall either (1) dispose of the Restricted Business (or the assets used in connection therewith) of such Acquired Person or (2) cause such Acquired Person to cease to engaging in the Restricted Business;

(vi) the GM Investor or any of its Subsidiaries (collectively), or the Company or any of its Subsidiaries (collectively) from acquiring, owning or holding ten percent (10%) or less of the outstanding shares of capital stock, which capital stock is regularly traded on a recognized domestic or foreign securities exchange, of any Person engaged in the Restricted Business, so long as the GM Investor and its Subsidiaries (collectively) or the Company and its Subsidiaries (collectively), as applicable, is a passive investor and does not exercise any influence over or participate in the management or operation of such Person (and, for clarity, exercising rights as a stockholder or member will not constitute influence or participation);

(vii) the GM Investor or any of its Subsidiaries from engaging in or consummating any transaction that would constitute a Change of Control;

(viii) General Motors Ventures LLC (and not the GM Investor or any of its Subsidiaries) from acquiring capital stock or other ownership interests, or owning or holding capital stock or other ownership interests, in the normal course of its business and investing activities, in any Person engaged in the Restricted Business;

(ix) the GM Investor or any of its Subsidiaries from owning or holding capital stock or other ownership interests in the entity (and its Subsidiaries or any successor entity) previously identified to SoftBank by the GM Investor; or

(x) the GM Investor or its Subsidiaries from engaging in internal activities relating to the AVCo Business, including business planning and research, development, design and testing activities (provided, that neither GM nor its Subsidiaries may commercialize or otherwise monetize such activities, or any results therefrom, prior to the end of the Non-Compete Period).

(c) Immediately prior to the end of the Control Period, GM and the Company will enter into and deliver a standalone agreement memorializing (and containing terms consistent with) this Section 11.02, the intention being to enable the terms and conditions of this Section 11.02 to survive if this Agreement is terminated or materially amended at such time or any time thereafter.

(d) For the purposes of this Article XI, the Company and its Subsidiaries are not Subsidiaries of the GM Investor.

ARTICLE XII

GENERAL PROVISIONS

12.01 **Expenses**. Each Member and its Affiliates will be responsible for its own expenses in connection with the preparation and negotiation of this Agreement.

12.02 No Third-Party Rights. Except as otherwise expressly set forth herein (including Sections 4.03 and 7.02), nothing in this Agreement shall be construed to grant rights to any Person who is not a party to this Agreement.

12.03 Legend on Certificates for Certificated Shares. If Certificated Shares are issued, such Certificated Shares will bear the following legend:

“THE SHARES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED ON _____, _____, HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR APPLICABLE STATE SECURITIES LAWS (“STATE ACTS”) AND MAY NOT BE SOLD, ASSIGNED, PLEDGED, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR STATE ACTS OR AN EXEMPTION FROM REGISTRATION THEREUNDER.

THE TRANSFER OF THE SHARES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE CONDITIONS SPECIFIED IN A FIFTH AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT, DATED AS OF DECEMBER 18, 2019, AS AMENDED AND MODIFIED FROM TIME TO TIME, GOVERNING THE ISSUER (THE “COMPANY”), AND BY AND AMONG ITS MEMBERS (THE “LLC AGREEMENT”). THE SHARES REPRESENTED BY THIS CERTIFICATE MAY ALSO BE SUBJECT TO ADDITIONAL TRANSFER RESTRICTIONS, CERTAIN VESTING PROVISIONS, REPURCHASE OPTIONS, OFFSET RIGHTS AND FORFEITURE PROVISIONS SET FORTH IN THE LLC AGREEMENT AND/OR A SHARE GRANT AGREEMENT WITH THE INITIAL HOLDER. A COPY OF SUCH CONDITIONS, REPURCHASE OPTIONS AND FORFEITURE PROVISIONS SHALL BE FURNISHED BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE.”

If a Member holding Certificated Shares delivers to the Company an opinion of counsel, satisfactory in form and substance to the Board of Directors (which opinion may be waived by the Board of Directors), that no subsequent Transfer of such Shares will require registration under the Securities Act, the Company will promptly upon such contemplated Transfer deliver new Certificated Shares which do not bear the portion of the restrictive legend relating to the Securities Act set forth in this Section 12.03.

12.04 Confidentiality.

(a) Each Member expressly agrees to maintain, and to cause its Director and Board Observer nominees (as applicable) to maintain, the confidentiality of, and not to disclose to any Person other than (i) the Company (and any successor of the Company or any Person acquiring

all or a material portion of the assets or Equity Securities of the Company or any of its Subsidiaries), (ii) another Member, (iii) such Member's or, in the case of SoftBank any of its or its Affiliate's, financial planners, accountants, attorneys, investment advisers or other advisors or employees or representatives that need to know such information in connection with the monitoring of the Company, the Member or his, her or its Affiliates or in the normal course of operations of such Member or (iv) in the case of SoftBank or any of its Affiliates, disclosure of information (or any information derived from or based upon such information) of the type specified to SoftBank UK prior to the execution of the SoftBank Purchase Agreement (and subsequently acknowledged and agreed to by SoftBank) to its current or prospective investors in the ordinary course of business (provided that, in the case of clauses (iii) and (iv), the Member advises any such Person of the confidential nature of such information and such Person is directed to keep such information confidential, it being understood and agreed that such Member shall be responsible for any breach by any such Person of this Section 12.04), any information relating to the business, financial structure, intellectual property, assets, liabilities, data, financial position or financial results, borrowers, contract counterparties, clients or affairs of the Company or any of its Subsidiaries that shall not be generally known to the public, except as otherwise required by applicable law, stock exchange requirements or required or requested by any Governmental Authority having jurisdiction, in which case (except with respect to disclosure that is required in connection with the filing of federal, state and local tax returns or to the extent that the receiving party agrees to keep any such information confidential) prior to making such disclosure such Member shall, to the extent permitted by applicable law or by such Governmental Authority, give written notice to the Company, permit the Company to review and comment upon the form and substance of such disclosure and allow the Company to seek confidential treatment therefor, and in the case of any Member who is employed by the Company or any of its Subsidiaries, in the ordinary course of his or her duties to the Company or any of its Subsidiaries. This Section 12.04 will not apply to the GM Investor, any A-2 Preferred Director or the Common Director.

(b) The terms of this Section 12.04 shall apply to a Member during the time that such Person is a Member and for a period of two (2) years after such Person ceases to be a Member.

12.05 Power of Attorney. Each of the Members does hereby constitute and appoint the Board of Directors and the liquidator with full power to act without the others, as such Member's true and lawful representative and attorney in-fact, in such Member's name, place and stead, solely for the purpose of making, executing, signing, acknowledging and delivering or filing in such form and substance as is approved by the Board of Directors or the liquidator (as the case may be): (a) all instruments, documents and certificates which may from time to time be required by any law to effectuate, implement and continue the valid and subsisting existence of the Company, or to qualify or continue the qualification of the Company in the State of Delaware and in all jurisdictions in which the Company may conduct business or own property, and any amendment to, modification to, restatement of or cancellation of any such instrument, document or certificate, and (b) all conveyances and other instruments, documents and certificates which may be required to effectuate the dissolution and termination of the Company approved in accordance with the terms of this

Agreement. The powers of attorney granted herein shall be deemed to be coupled with an interest, shall be irrevocable, and shall survive the death, disability, incompetency, bankruptcy, insolvency or termination of any Member and the Transfer of all or any portion of such Member's Shares, and shall extend to such Member's heirs, successors, assigns, and personal representatives.

12.06 Notices. Notices shall be addressed and delivered:

(a) If to the Company, to:

GM Cruise Holdings LLC
1201 Bryant Street
San Francisco, CA 94103
Attention: Sheldon Quan
Geoff Richardson
Email: sheldon.quan@getcruise.com
geoff.richardson@getcruise.com

with copies to:

General Motors Holdings LLC
300 GM Renaissance Center
Mail Code: 482-C22-A68
Detroit, Michigan, 48265
Attention: Deputy General Counsel & Chief Compliance Officer, NA, Transformation and Compliance
Email: ann.cathcartchaplin@gm.com

and

Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 10016
Facsimile: (212) 446-4900
Attention: Peter Martelli
Jonathan L. Davis
Email: Peter.Martelli@kirkland.com
Jonathan.Davis@kirkland.com

(b) If to a Member, to such Member or his personal representative at his or their last address known to the Company as disclosed on the records of the Company. Notices shall be in writing and shall be sent by facsimile or pdf e-mail (if promptly confirmed by personal delivery, telephone call or mail), by mailed postage prepaid, registered or certified, by United States mail, return receipt requested, by nationally recognized private courier or by personal delivery. Notices shall be effective, (i) if sent by facsimile or pdf e-mail, on the day sent, if sent before 5:00 p.m. New York, New York time, or on the next Business Day, if sent after 5:00 p.m. New York, New York time, in each case, subject to acknowledgement of receipt (not to be unreasonably withheld, conditioned or delayed), (ii) if sent by nationally recognized private courier, on the next Business

Day, (iii) if mailed, three (3) Business Days after mailing or (iv) if personally delivered, when delivered.

12.07 Facsimile and E-Mail. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or electronic transmission in portable document format (“pdf”), shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties hereto. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or electronic transmission in pdf to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or electronic transmission in pdf as a defense to the formation or enforceability of a contract and each such party forever waives any such defense. The words “writing”, “written” and comparable terms contained in this Agreement refer to printing, typing and other means of reproducing words (including electronic media or transmission) in visible form.

12.08 Amendment. Subject to Sections 5.12, 5.13 and 6.13(a), this Agreement may be amended, modified, or waived only by the approval of both a Majority of the Members and the Board of Directors.

12.09 Tax and Other Advice. Each Member has had the opportunity to consult with such Member’s own tax and other advisors with respect to the consequences to such Member of the purchase, receipt or ownership of the Shares, including the tax consequences under federal, state, local, and other income tax laws of the United States or any other country and the possible effects of changes in such tax laws. Such Member acknowledges that none of the Company, its Subsidiaries, Affiliates, successors, beneficiaries, heirs and assigns and its and their past and present directors, officers, employees, and agents (including their attorneys) makes or has made any representations or warranties to such Member regarding the consequences to such Member of the purchase, receipt or ownership of the Shares, including the tax consequences under federal, state, local and other tax laws of the United States or any other country and the possible effects of changes in such tax laws.

12.10 Acknowledgments. Upon execution and delivery of a counterpart to this Agreement or a joinder to this Agreement, each Member (including any of its successors or assigns, each Assignee and each Additional Member) shall be deemed to acknowledge to the Company as follows: (i) the determination of such Member to acquire Shares pursuant to this Agreement or any other

agreement has been made by such Member independent of any other Member and independent of any statements or opinions as to the advisability of such purchase or as to the properties, business, prospects or condition (financial or otherwise) of the Company and its Subsidiaries which may have been made or given by any other Member or by any agent or employee of any other Member, (ii) no other Member has acted as an agent of such Member in connection with making its investment hereunder and that no other Member shall be acting as an agent of such Member in connection with monitoring its investment hereunder, (iii) each of the GM Investor and GM Parent has retained Kirkland & Ellis LLP in connection with the transactions contemplated hereby and expect to retain Kirkland & Ellis LLP as legal counsel in connection with the management and operation of the investment in the Company and its Subsidiaries, (iv) Kirkland & Ellis LLP is not representing and will not represent any other Member in connection with the transactions contemplated hereby or any dispute which may arise between the GM Investor, on the one hand, and any other Member, on the other hand, (v) such Member will, if it wishes counsel on the transactions contemplated hereby, retain its own independent counsel, (vi) Kirkland & Ellis LLP may represent the GM Investor, GM Parent and/or the Company in connection with any and all matters contemplated hereby (including any dispute between the GM Investor, GM Parent and/or the Company, on the one hand, and any other Member, on the other hand) and (vii) Kirkland & Ellis LLP has represented and may represent the Company on matters affecting the Company and its Subsidiaries, and such Member waives any conflict of interest in connection with all such representations by Kirkland & Ellis LLP.

12.11 Miscellaneous.

(a) Descriptive Headings. The article or section titles or captions contained in this Agreement are for convenience only and shall not be deemed a part of this Agreement.

(b) Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law and references to any law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such law, but if any provision of this Agreement shall be unenforceable or invalid under applicable law in any jurisdiction or with respect to any Member, such provision shall be ineffective only to the extent of such unenforceability or invalidity and shall not affect the enforceability of any other provision in such jurisdiction or the enforcement of the entirety of this Agreement in any other jurisdiction or with respect to any other Member, but this Agreement will be reformed, construed and enforced in such jurisdiction and with respect to the applicable Member as if such invalid or unenforceable provision had never been contained herein. Notwithstanding the foregoing, if any court determines that any of the covenants or agreements set forth in this Agreement are overbroad under applicable law in time, geographical scope or otherwise, the Members specifically agree and authorize such court to rewrite this Agreement to reflect the maximum time, geographical and/or other restrictions permitted under applicable law to be reasonable and enforceable.

(c) Waiver. The failure of any Person to insist in one or more instances on performance by another Person of any obligation, condition or other term of this Agreement in strict accordance with the provisions hereof shall not be construed as a waiver of any right granted hereunder or of the future performance of any obligation, condition or other term of this Agreement in strict accordance with the provisions hereof, and no waiver with respect thereto shall be effective unless contained in a writing signed by or on behalf of the waiving party. The remedies in this Agreement shall be cumulative and are not exclusive of any other remedies provided by law.

(d) Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, representatives, successors and permitted assigns. Notwithstanding the foregoing or anything in this Agreement to the contrary, none of the Members may, without the prior written approval of the Board of Directors, assign or delegate any of his, her or its rights or obligations under this Agreement to any Person other than a Permitted Transferee (provided that, for clarity, SoftBank may not assign its obligations in Section 2.02(c)(i)); provided, however that the foregoing shall not prohibit or otherwise affect the ability of a Member to effect a Transfer of Shares in accordance with this Agreement.

(e) Entire Agreement. This Agreement (including the appendices, exhibits and schedules attached hereto, which are hereby incorporated herein by reference) and the other agreements referred to in or contemplated by this Agreement constitute the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and supersedes all prior agreements, negotiations or representations with respect to the subject matter hereof and thereof.

(f) Governing Law. This Agreement shall be governed by the laws of the State of Delaware, including the Act, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(g) Construction. The parties hereto acknowledge and agree that each has negotiated and reviewed the terms of this Agreement, assisted by such legal and tax counsel as they desired, and has contributed to its revisions. The parties hereto further agree that the rule of construction that any ambiguities are resolved against the drafting party will be subordinated to the principle that the terms and provisions of this Agreement will be construed fairly as to all parties hereto and not in favor of or against any party. The word “including” and other words of similar import means “including, without limitation” and where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates. All pronouns shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the Person may require in the context thereof. The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Agreement as a whole, and not to any particular section, subsection, paragraph, subparagraph or clause contained in this Agreement. Any law, statute, rule or regulation defined or referred to herein means such law, statute, rule or regulation

as from time to time amended, modified or supplemented. The terms “\$” and “dollars” means United States Dollars. A reference herein to this Agreement refers to this Agreement as it may hereafter be amended, modified, extended, restated or replaced from time to time in accordance with the provisions hereof and a reference to any other agreement refers to such other agreement as it may hereafter be amended, modified, extended, restated or replaced from time to time in accordance with the provisions thereof and the applicable limitations (if any) set forth in this Agreement. With respect to any matter requiring the approval, decision, determination or consent of any Person(s) hereunder (including the Members and the Board of Directors), if no other standard for granting, denying or making such approval, decision, determination or consent is provided in this Agreement, such approval, decision, determination or consent shall be made by such Person(s) in their sole discretion.

(h) Venue; Waiver of Jury Trial. This Agreement has been executed and delivered in and shall be deemed to have been made in Delaware. Each Member agrees to the exclusive jurisdiction of any state or federal court within Delaware, with respect to any claim or cause of action arising under or relating to this Agreement (provided that any order from any such court may be enforced in any other jurisdiction), and waives personal service of any and all process upon it, and consents that all services of process be made by registered mail, directed to it at its address as set forth in Section 12.06, and service so made shall be deemed to be completed when received. Each Member waives any objection based on *forum non conveniens* and waives any objection to venue of any action instituted hereunder. Nothing in this paragraph shall affect the right to serve legal process in any other manner permitted by law. EACH OF THE PARTIES HERETO (INCLUDING EACH MEMBER) IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR OTHER PROCEEDING INSTITUTED BY OR AGAINST SUCH PARTY IN RESPECT OF ITS, HIS OR HER OBLIGATIONS HEREUNDER.

(i) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(j) Third Parties. The agreements, covenants and representations contained herein are for the benefit of the Company and the Members and are not for the benefit of any third parties, including any creditors of the Company, except to the extent that any other Person is expressly granted any rights under this Agreement.

12.12 Title to Company Assets. Company assets shall be deemed to be owned by the Company as an entity, and no Member, individually or collectively, shall have any ownership interest in such Company assets or any portion thereof. Legal title to any or all Company assets may be held in the name of the Company or one or more nominees, as the Board of Directors may determine. The Board of Directors hereby declares and warrants that any Company assets for which legal title is held in the name of any nominee shall be held in trust by such nominee for the use and benefit of the Company in accordance with the provisions of this Agreement. All Company assets shall be

recorded as the property of the Company on its books and records, irrespective of the name in which legal title to such Company assets is held.

12.13 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any non-Member creditors of the Company or any of its Affiliates, and no non-Member creditor who makes a loan to the Company or any of its Affiliates may have or acquire (except pursuant to the terms of a separate agreement executed by the Company in favor of such creditor) at any time as a result of making the loan any direct or indirect interest in Distributions, capital or property or the rights of the Board of Directors to require Capital Contributions other than as a secured creditor. Notwithstanding anything to the contrary in this Agreement, any Member who is, or whose Affiliates are, a creditor or lender of the Company or its Subsidiaries (including a trade creditor pursuant to any Commercial Agreement) shall be entitled to exercise all of its rights as a creditor or lender of the Company or its Subsidiaries, as set forth in the applicable credit document or other agreement between such Member (or its Affiliates) and the Company or its Subsidiaries, or otherwise available to such Member (or its Affiliates) in such capacity. Without limiting the generality of the foregoing, any such Member (or its Affiliates), in exercising its rights as a creditor or lender, will have no duty to consider (i) its or its Affiliates' status as a direct or indirect equity owner of the Company or its Subsidiaries, (ii) the interests of the Company or its Subsidiaries, or (iii) any duty it or any of its Affiliates may have hereunder or otherwise to any other Member, except as may be required under the applicable credit or other documents or by commercial law applicable to creditors generally.

12.14 Remedies. The Company and the Members shall be entitled to enforce their respective rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement (including costs of enforcement) and to exercise any and all other rights at law or at equity existing in their respective favor. The Company and each Assignee and Member further agrees and acknowledges that money damages shall not be an adequate remedy for any breach of the provisions of this Agreement (and thus waive as defense that there is an adequate remedy at law), and that, accordingly, the Company or any Member shall, in the event of any breach or threatened breach of this Agreement, be entitled (without posting a bond or other security) to seek an injunction or injunctions to prevent or restrain threatened breaches of, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations under this Agreement. The Company and each Member and Assignee hereby waives any right to claim that specific performance should not be ordered to prevent or remedy a breach or threatened breach of this Agreement, and agrees not to raise any objections on the basis that a remedy at laws would be adequate or on any other basis, (a) to the availability or appropriateness of the equitable remedy of specific performance, or (b) to the rights of the Company and the Members to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of this Agreement. The remedies in this Agreement shall be cumulative and are not exclusive of any other remedies provided by law.

12.15 Time is of the Essence; Computation of Time. Time is of the essence for each and every provision of this Agreement. Whenever the last day for the exercise of any privilege or the discharge of any duty hereunder shall fall upon a day other than a Business Day, the party having such privilege or duty may exercise such privilege or discharge such duty on the next succeeding day which is a Business Day.

12.16 Notice to Members of Provisions. By executing this Agreement (in its current or prior form), each Member acknowledges that it has actual notice of (i) all of the provisions hereof (including the restrictions on transfer set forth in Article IX) and (ii) all of the provisions of the Certificate of Formation.

12.17 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary to effectuate and perform the provisions of this Agreement and those transactions.

12.18 Termination. Upon consummation of an IPO or a Sale of the Company, this Agreement will be terminated (and replaced, in the case of an IPO, by a suitable replacement stockholders' agreement as reasonably determined by the Board of Directors immediately prior to the IPO) and each of the Members will be fully, finally and forever discharged and released from any and all agreements, terms, covenants, conditions, representations, warranties and other obligations arising under this Agreement and all rights and benefits of the Members arising under this Agreement shall be fully, finally and forever terminated and extinguished; provided, that Article VII, Article XI and this Article XII (and, solely in the case of a Sale of the Company, Section 9.08 to the extent any obligations thereunder have not been fully performed) shall survive and continue to apply in accordance with the their terms.

Appendix I

For the purposes of this Agreement:

(a) **“2018/2019 Incentive Plan”** shall mean that employee incentive plan as established in accordance with the terms and conditions of the plan set forth on Section 5.2 of the Disclosure Letter to the SoftBank Purchase Agreement, as the same may be amended from time to time.

(b) **“A-1-A Preferred Share Conversion Ratio”** shall mean a multiple (which, for the avoidance of doubt, unless, and solely to the extent, Section 2.02(d)(ii) applies, may not be less than one (1)) equal to (i) the sum of the Class A-1-A Preferred Unpaid Return and the Class A-1-A Preferred Capital Value divided by (ii) \$10 (as adjusted, as necessary, to reflect appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event).

(c) **“A-1-B Preferred Share Conversion Ratio”** shall mean a multiple (which, for the avoidance of doubt, may not be less than one (1)) equal to (i) the sum of the Class A-1-B Preferred Unpaid Return and the Class A-1-B Preferred Capital Value divided by (ii) \$15.15 (as adjusted, as necessary, to reflect appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event).

(d) **“Affiliate”** shall mean, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, and the term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through voting securities, by contract or otherwise. Notwithstanding the foregoing or anything in this Agreement to the contrary, (i) none of the Members shall be deemed to be an “Affiliate” of any other Member solely by virtue of owning Shares, (ii) none of the Members shall be deemed to be an “Affiliate” of the Company and (iii) neither the Company nor any of its Subsidiaries shall be deemed to be an “Affiliate” of any of the Members or any of their Affiliates.

(e) **“Agreement”** shall mean this Fifth Amended and Restated Limited Liability Company Agreement, including all appendices, exhibits and schedules hereto, as it may be amended, supplemented or otherwise modified from time to time.

(f) **“AGSA”** shall mean the Administrative and General Services Agreement entered into between GM and the Company dated as of June 28, 2018.

(g) **“Applicable ABAC Laws”** means all laws and regulations applying to the Company, any of its Subsidiaries or an Associated Person of either the Company or any of its Subsidiaries prohibiting bribery or some other form of corruption, including fraud and tax evasion.

(h) “**Applicable AML Laws**” means all laws and regulations applying to the Company, any of its Subsidiaries or an Associated Person of either the Company or any of its Subsidiaries prohibiting money laundering, including attempting to conceal or disguise the identity of illegally obtained proceeds.

(i) “**Applicable Trade Laws**” means all import and export laws and regulations, including economic and financial sanctions, export controls, anti-boycott and customs laws and regulations applying to the Company, any of its Subsidiaries or an Associated Person of either the Company or any of its Subsidiaries.

(j) “**Associated Person**” means, in relation to a company or other entity, an individual or entity (including a director, officer, employee, consultant, agent or other representative) who or that has acted or performed services for or on behalf of that company or other entity but only with respect to actions or the performance of services for or on behalf of that company or other entity.

(k) “**AVCo Business**” shall have the meaning given to it in the IPMA.

(l) “**Blocked Person**” means any of the following: (a) a Person included in a restricted or prohibited list pursuant to one or more of the Applicable Trade Laws, including any Sanctioned Person; (b) an entity in which one or more Sanctioned Persons has in the aggregate, whether directly or indirectly, a fifty percent (50%) or greater equity interest; or (c) an entity that is controlled by a Sanctioned Person such that the entity, itself, would be considered a Sanctioned Person.

(m) “**Business Day**” shall mean a day other than a Saturday, a Sunday, or any day on which commercial banks New York City, New York, Detroit, Michigan or Tokyo, Japan are permitted to be closed.

(n) “**Call Notice/Optional SoftBank Conversion Notice Fair Market Value**” has the meaning given to it in Exhibit II.

(o) “**Capital Contribution**” shall mean a transfer of money or property by a Member to the Company, either as consideration for Shares or as additional capital without a requirement for the issuance of additional Shares.

(p) “**Cause**” shall mean, with respect to an Employee Member, the definition of “Cause” set forth in such Employee Member’s Share Grant Agreement, but will also include a breach of this Agreement by such Employee Member.

(q) “**CFIUS**” means the Committee on Foreign Investment in the United States.

(r) “**CFIUS Monitoring Agency**” shall have the meaning given to it in the NSA.

(s) “**Change of Control**” means (i) any “person” or “group” (within the meaning of Sections 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule

13d-3 under the Exchange Act), directly or indirectly, of more than fifty percent (50%) of the outstanding voting securities of a Person (the “**Target**”), (ii) any reorganization, merger or consolidation of a Person, other than a transaction or series of related transactions in which the holders of the voting securities of such Person outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting securities of such Person or such other surviving or resulting entity, or (iii) a sale, lease or other disposition of a majority of the assets of the Target and its Subsidiaries.

(t) “**Class A-1 Liquidation Preference Amount**” shall mean, as applicable, (i) the sum of the Class A-1-A Preferred Unpaid Return and the Class A-1-A Preferred Capital Value applicable to a Class A-1-A Preferred Share (the “**Class A-1-A Liquidation Preference Amount**”), and (ii) the sum of the Class A-1-B Preferred Unpaid Return and the Class A-1-B Preferred Capital Value applicable to a Class A-1-B Preferred Share (the “**Class A-1-B Liquidation Preference Amount**”).

(u) “**Class A-1 Preferred Capital**” shall mean the Class A-1-A Preferred Capital Value and the Class A-1-B Preferred Capital Value (as applicable).

(v) “**Class A-1 Preferred Capital Value**” shall mean the weighted average of the Class A-1-A Liquidation Preference Amount and the Class A-1-B Liquidation Preference Amount, based on the relative numbers of Class A-1-A Preferred Shares and Class A-1-B Preferred Shares.

(w) “**Class A-1 Preferred Member**” shall mean each Person admitted to the Company as a Member and who holds Class A-1-A Preferred Shares and/or Class A-1-B Preferred Shares.

(x) “**Class A-1 Preferred Return**” shall mean, with respect to each Class A-1 Preferred Share, the amount accruing for a particular Quarter on such Class A-1 Preferred Share at the rate of seven percent (7%) per annum, compounded on the last day of such Quarter, on (i) the Class A-1 Preferred Capital of such Class A-1 Preferred Share plus (ii) as the case may be, the Class A-1 Preferred Unpaid Return thereon. In calculating the amount of any Distribution to be made during a period, the portion of the Class A-1 Preferred Return with respect to such Class A-1 Preferred Share for the portion of the Quarterly period elapsing before such Distribution is made shall be taken into account in determining the amount of such Distribution.

(y) “**Class A-1 Preferred Unpaid Return**” shall mean the Class A-1-A Preferred Unpaid Return and the Class A-1-B Preferred Unpaid Return (as applicable).

(z) “**Class A-1-A Preferred Capital Value**” shall mean \$10 for each Class A-1-A Preferred Share issued with respect to the SoftBank Commitment, subject to appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event.

(aa) “**Class A-1-A Preferred Member**” shall mean each Person admitted to the Company as a Member and who holds Class A-1-A Preferred Shares.

(bb) “**Class A-1-A Preferred Unpaid Return**” shall mean, with respect to any Class A-1-A Preferred Share as of any determination date, an amount not less than zero equal to (i) the aggregate Class A-1 Preferred Return for all prior Quarterly periods on such Class A-1-A Preferred Share as of such date, less (ii) the aggregate amount of cash Distributions made in respect of such Class A-1-A Preferred Share pursuant to Section 3.01(b)(i) and Section 3.01(b)(iii).

(cc) “**Class A-1-B Preferred Capital Value**” shall mean \$15.15 for each Class A-1-B Preferred Share issued with respect to the Subsequent SoftBank Commitment, subject to appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event.

(dd) “**Class A-1-B Preferred Member**” shall mean each Person admitted to the Company as a Member and who holds Class A-1-B Preferred Shares.

(ee) “**Class A-1-B Preferred Unpaid Return**” shall mean, with respect to any Class A-1-B Preferred Share as of any determination date, an amount not less than zero equal to (i) the aggregate Class A-1 Preferred Return for all prior Quarterly periods on such Class A-1-B Preferred Share as of such date, less (ii) the aggregate amount of cash Distributions made in respect of such Class A-1-B Preferred Share pursuant to Section 3.01(b)(i) and Section 3.01(b)(iii).

(ff) “**Class A-2 Liquidation Preference Amount**” shall mean the Class A-2 Preferred Capital Value applicable to such Class A-2 Preferred Share.

(gg) “**Class A-2 Preferred Capital Value**” shall mean \$10 for each Class A-2 Preferred Share issued with respect to the GM Commitment, subject to appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event.

(hh) “**Class A-2 Preferred Member**” shall mean each Person admitted to the Company as a Member and who holds Class A-2 Preferred Shares.

(ii) “**Class B Floor Amount**” means, with respect to any Class B Common Share, an aggregate amount determined by the Board of Directors in its sole discretion and set forth in the applicable Share Grant Agreement (which such amount may be zero).

(jj) “**Class B Member**” shall mean each Person admitted to the Company as a Member and who holds Class B Common Shares.

(kk) “**Class C Member**” shall mean each Person admitted to the Company as a Member and who holds Class C Common Shares.

(ll) “**Class D Member**” shall mean each Person admitted to the Company as a Member and who holds Class D Common Shares.

(mm) “**Class E Member**” shall mean each Person admitted to the Company as a Member and who holds Class E Common Shares.

(nn) “**Class F Floor Amount**” shall mean, for each Class F New Member, the number of Class F Preferred Shares shown against such Class F New Member’s name on **Exhibit III** (as adjusted, as necessary, to reflect appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event).

(oo) “**Class F Preferred Member**” shall mean each Person admitted to the Company as a Member and who holds Class F Preferred Shares.

(pp) “**Class F Preferred Member Restricted Person**” shall mean any Person who, either directly or indirectly or through an Affiliate, is a competitor of either (i) the Company or any of its Subsidiaries as reasonably determined by the Board of Directors, or (ii) the GM Investor or any of its Affiliates as reasonably determined by the GM Investor in good faith; provided, however, that a Person who is not otherwise (either directly or indirectly or through an Affiliate) a competitor shall not be deemed a Class F Preferred Member Restricted Person solely as a result of owning, directly or indirectly, less than five percent (5%) of the outstanding capital stock of a publicly traded company that is a competitor of the Company, the GM Investor or any of their respective Affiliates. Class F Preferred Member Restricted Person shall include: (A) those Persons on the list provided to the Class F New Members and SoftBank prior to the execution of the Class F Purchase Agreement and (B) any Person that is developing or commercializing or selling autonomous vehicles for any use.

(qq) “**Class F Liquidation Preference Amount**” shall mean the Class F Preferred Capital Value applicable to such Class F Preferred Share.

(rr) “**Class F Preemptive Proportion**” shall mean an amount, expressed as a decimal equal to (i) the number of Class F Preferred Shares held by such Member as if all such Class F Preferred Shares are deemed converted to Class D Common Shares at the Class F Preferred Share Conversion Ratio divided by (ii) the total number of issued and outstanding Shares of the Company calculated on an as-converted basis as if all Non-A-1 Interests are converted on a 1:1 basis (as adjusted, as necessary, to reflect appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event) and all Class A-1 Preferred Shares are converted in accordance with Section 2.10(b) (excluding, for the purpose of calculating the total number of issued and outstanding Shares of the Company, any Class B Common Share, including any Vested Class B Common Share).

(ss) “**Class F Preferred Capital Value**” shall mean \$18.25 for each Class F Preferred Share issued with respect to the Class F Commitment (and any other Class F Preferred Shares issued pursuant to the Class F Purchase Agreement), subject to appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event.

(tt) “**Class F Preferred Share Conversion Ratio**” shall mean 1:1 (as adjusted, as necessary, to reflect appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event).

(uu) “**Class F Trigger Date**” shall mean May 7, 2023; provided, that with respect to a Class F Member, solely in its capacity as a holder of Class F Preferred Shares, such date will be reduced to the Maximum Permitted Lockup Date if such Class F Member can provide evidence reasonably satisfactory to the Company that it is prohibited (across investments in U.S. private companies generally) from agreeing to Transfer restrictions with respect to its holding of shares in private companies that have a duration of at least four (4) years (the “Lockup Evidence”); provided, further, that a reduction in the Class F Trigger Date for a Class F Member with respect to its Class F Preferred Shares will not be applicable to any other Class F Member with respect to its Class F Preferred Shares unless such other Class F Member provides Lockup Evidence. For the purpose of this definition, “**Maximum Permitted Lockup Date**” shall mean the longest period such Class F Member can be subject to the transfer restrictions in Section 9.01(a) taking into account restrictions applicable to its holding of shares in U.S. private companies generally; provided, that in no event shall the Maximum Permitted Lockup Date be sooner than May 7, 2021.

(vv) “**Code**” shall mean the Internal Revenue Code of 1986, as amended.

(ww) “**Commercial Agreements**” shall have the meaning given to “Commercial Agreements” in the SoftBank Purchase Agreement.

(xx) “**Commitments**” shall mean, collectively, the GM Commitment, the SoftBank Commitment, the Subsequent SoftBank Commitment, the Honda Commitment, the Class F Commitment and any additional commitment from an existing or new Investor (which, in each case, represents (or in the case of any additional commitments, will represent) the aggregate amount of Capital Contributions that such Investor has committed (or in the case of any additional commitments, will commit) to make to the Company in exchange for the issuance of Shares and subject in all respects to the terms and conditions set forth in this Agreement and the SoftBank Purchase Agreement, Honda Purchase Agreement, the Class F Purchase Agreement or the applicable subscription agreement, as applicable).

(yy) “**Common Shares**” shall mean, collectively, the Class B Common Shares, Class C Common Shares, Class D Common Shares and Class E Common Shares.

(zz) “**Control Period**” shall mean the period from the date of this Agreement until the earlier of (i) the consummation of an IPO, and (ii) the date on which the GM Investor holds less than fifty percent (50%) of the total number of Shares (on an as-converted basis as if all Non-A-1 Interests are deemed converted (on a Fully Diluted Basis) to Class D Common Shares on a 1:1 basis (as adjusted, as necessary, to reflect appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event) and all Class A-1 Preferred Shares are deemed converted to Class D Common Shares pursuant to Section 2.10(b)).

(aaa) “**Covered Person**” shall mean a Person who is or was (i) a Member or a Director, Officer, director, shareholder, partner, member, trustee, investment adviser, fiduciary or beneficiary of the Company or any Subsidiary of the Company or of a Member, or (ii) a director, officer, shareholder, partner, trustee, fiduciary or beneficiary of another Person serving as such at the request of the Company or any Subsidiary of the Company, for the Company’s or any of its Subsidiary’s benefit.

(bbb) “**Designated Matter**” with respect to a Covered Person shall mean a matter that is or is claimed to be a matter related to his or her duties to the Company, any of its Subsidiaries or any related entity or the performance of (or failure to perform) duties for the Company or any of its Subsidiaries.

(ccc) “**DGCL**” shall mean the State of Delaware General Corporation Law, as amended from time to time.

(ddd) “**Director**” shall mean a Person designated to the Board of Directors pursuant to Section 6.03.

(eee) “**Distribution**” shall mean each distribution made by the Company to a Member with respect to such Person’s Shares, whether in cash, property or securities of the Company and whether by dividend, redemption, repurchase or otherwise; provided, that none of the following shall be deemed a Distribution: (i) any redemption or repurchase by the Company of any securities of the Company in connection with the termination of employment of an employee of the Company or any of its Subsidiaries or otherwise pursuant to a Share Grant Agreement and (ii) any recapitalization, exchange or conversion of Shares, and any subdivision (by share split or otherwise) or any combination (by reverse share split or otherwise) of any outstanding Shares.

(fff) “**EDSA**” shall mean the Engineering and Design Services Agreement entered into between GM Global Technology Operations LLC and the Company dated as of June 28, 2018.

(ggg) “**Employee Member**” shall mean a Member who is or was an employee, officer, director, manager or other service provider of the Company or one of its Subsidiaries or who is wholly owned by or is a Family Trust or other similar entity of one or more of the current or former employees, officers, directors, managers or other services providers of the Company or one of its

Subsidiaries. Any reference in this Agreement to an Employee Member shall mean, in the case of a Member who is wholly owned by or is a member of the Family Group of one or more of the current or former employees, officers, directors, managers or other service providers of the Company or one of its Subsidiaries, the current or former employee, officer, director, manager or other service provider of the Company or one of its Subsidiaries, or such Member that is wholly owned or is a member of the Family Group or other similar entity of such Person (regardless of whether such current or former employee, officer, director, manager or other service provider or such wholly owned entity, member of the Family Group or other similar entity is a Member), as the context so requires.

(hhh) “**Equity Securities**” shall mean all forms of equity securities in the Company, its Subsidiaries or their successors (including Shares), all securities convertible into or exchangeable for equity securities in the Company, its Subsidiaries or their successors, and all options, warrants, and other rights to purchase or otherwise acquire equity securities, or securities convertible into or exchangeable for equity securities, from the Company, its Subsidiaries or their successors.

(iii) “**Equivalent Terms**” shall mean a proposal on terms, including all legal, financial, regulatory and other aspects of such proposal, including termination fee and/or expense reimbursement provisions, conditionality, financing, antitrust, timing, indemnification and post-closing limitations of liability and such other factors, events or circumstances as the Board of Directors considers in good faith to be appropriate, that is (i) reasonably likely to be consummated in accordance with its terms and (ii) at least as favorable to the Transferor(s) pursuant to Section 9.01(a)(vi) as the terms set forth in the ROFR Sale Notice.

(jjj) “**Exchange Agreement**” shall mean the Exchange Agreement in the form agreed to by the then existing Members and the Company on the date of the SoftBank Purchase Agreement.

(kkk) “**Fair Market Value**” with respect to securities traded on a stock exchange or over-the-counter market as of any date shall be the mean between the highest and lowest quoted selling prices, or if none, the mean between the bona fide bid and asked prices, on the valuation date, or if the foregoing is not applicable, otherwise determined in a manner not inconsistent with Treasury Regulation §20.2031-2. Fair Market Value of any other assets shall be their fair market value as determined in good faith by the Board of Directors.

(lll) “**Family Group**” shall mean, for any individual, such individual’s current or former spouse, their respective parents, descendants of such parents (whether natural or adopted) and the spouses of such descendants, and any trust, limited partnership, corporation or limited liability company established solely for the benefit of such individual or such individual’s current or former spouse, their respective parents, descendants of such parents (whether natural or adopted) or the spouses of such descendants.

(mmm) “**Fiscal Year**” shall mean the calendar year.

(nnn) “**Fully Diluted Basis**” shall mean the number of Shares which would be outstanding, as of the date of computation, if all convertible obligations, options, RSUs, warrants and like rights, and other instruments to acquire Shares had been converted or exercised (or, if not then granted and reserved for grant or issuance, all such obligations, options, RSUs, warrants and other instruments which are so reserved for grant or issuance, calculated in accordance with the treasury method).

(ooo) “**GAAP**” shall mean generally accepted accounting principles applied in the United States.

(ppp) “**GM Affiliated Group**” means the affiliated group of corporations of which GM Parent is the “common parent,” within the meaning of Section 1504 of the Code.

(qqq) “**GM Business**” shall have the meaning given to it in the IPMA.

(rrr) “**GM Consolidated Return**” means the consolidated U.S. federal income tax return of GM Parent filed pursuant to Section 1501 of the Code.

(sss) “**GM Investor**” shall mean (i) GM, (ii) to the extent they are Members, any of Affiliate of GM, and (iii) any other Person not an Affiliate of GM to whom GM or any of its Affiliates have transferred Shares and who has been admitted as a Member of the Company.

(ttt) “**GM Parent**” means General Motors Company or, if General Motors Company has merged or consolidated into any other Person (or sold all or substantially all of its assets in any one or a series of related to transactions to such other Person), then the parent company of such other Person.

(uuu) “**Governmental Authority**” shall mean any government or governmental or regulatory body thereof, or political subdivision thereof, whether foreign, federal, state, or local or any agency, instrumentality or authority thereof or any court.

(vvv) “**Honda Call Trigger Date**” means the date on which (i) Honda terminates all of the Honda Commercial Agreements, excluding the Marketing and Network Access Fee Agreement, to which the Company is a party or (ii) the Company and/or GM terminate all of the Honda Commercial Agreements, excluding the Marketing and Network Access Fee Agreement, to which the Company is a party pursuant to the terms and conditions thereof due to a breach of such agreements by Honda.

(www) “**Honda CFIUS Approval**” means any of the following: (i) CFIUS shall have concluded that the relevant transaction does not constitute a “covered transaction” and are not subject to review under Section 721 of the U.S. Defense Production Act of 1950; (ii) CFIUS shall have issued a written notification that it has concluded its review (and, if applicable, any investigation) of the notice filed with it in connection with the relevant transaction and determined that there are

no unresolved national security concerns with respect to such transactions; (iii) if CFIUS has sent a report to the President of the United States requesting the President's decision with respect to the relevant transaction and either (A) the period under Section 721 of the Defense Production Act of 1950 during which the President may announce his decision to take action to suspend or prohibit the relevant transaction shall have expired without any such action being announced or taken, or (B) the President shall have announced a decision not to take any action to suspend or prohibit the relevant transaction; or (iv) Honda and GM, following consultation with CFIUS, shall have agreed to proceed without filing a formal notice to CFIUS. For the purpose of this definition, "relevant transaction" shall mean the grant to Honda of the rights and obligations granted to its hereunder for which CFIUS Approval is required.

(xxx) "**Honda Commercial Agreements**" means, collectively, (i) that certain Shared Autonomous Vehicle Development Agreement, dated October 3, 2018, by and among the Company, GM, GM Global Technology Operations LLC, Honda and Honda R&D Co, (ii) that certain ZEV Credit Agreement, dated October 3, 2018, by and between General Motors LLC and American Honda Motor Co., Inc., (iii) the Marketing and Network Access Fee Agreement and (iv) any other agreement that the Company and Honda agree will be a Honda Commercial Agreement.

(yyy) "**Honda Competitively Sensitive Information**" shall mean any information that is determined by the chief executive officer or the chief legal officer of the Company or the Board of Directors (in each case as determined in his, her or its reasonable judgment) to be competitively sensitive with respect to the AVCo Business (which shall include any information of the type identified to Honda prior to the execution of the Honda Purchase Agreement).

(zzz) "**Honda Floor Amount**" shall mean 49,500,000 Class E Common Shares (as adjusted, as necessary, to reflect appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event).

(aaaa) "**Honda Restricted Person**" shall mean any Person who, either directly or indirectly or through an Affiliate, is a competitor of either (i) the Company or any of its Subsidiaries as reasonably determined by the Board of Directors, or (ii) the GM Investor (or its Affiliates) as reasonably determined by the GM Investor in good faith; provided, however, that a Person shall not be deemed a Honda Restricted Person solely as a result of owning, directly or indirectly, less than five percent (5%) of the outstanding capital stock of a publicly traded company that is a competitor of the Company or the GM Investor (or its Affiliates). Honda Restricted Person shall include: (A) those Persons on the list provided to Honda prior to the execution of the Honda Purchase Agreement and (B) any Person that is developing or commercializing or selling autonomous vehicles for any use.

(bbbb) "**Honda Trigger Date**" shall mean the later of (i) October 3, 2025 and (ii) the termination (or expiration, pursuant to their terms) of all of the Honda Commercial Agreements to which the Company is a party; provided that if any Honda Commercial Agreement was terminated

by the Company or GM pursuant to the terms and conditions thereof due to breach by Honda of its obligations thereunder, the Honda Trigger Date will be October 3, 2025.

(cccc) “**HSR Act**” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

(dddd) “**Indemnity Agreement**” shall mean the Indemnity Agreement entered into between GM and the Company dated the date as of June 28, 2018.

(eeee) “**Independent Director**” shall mean a Director who is not an executive officer or employee of the Company and its Subsidiaries or the GM Investor and who has no relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

(ffff) “**Independent Third Party**” shall mean any Person who, immediately before the contemplated transaction, (i) is not a Member (ii) is not an Affiliate of any Member, (iii) is not the spouse or descendent (by birth or adoption) or the spouse of a descendant of any Member, and (iv) is not a trust for the benefit of any Member and/or such other Persons.

(gggg) “**Investors**” shall mean, collectively, the GM Investor, SoftBank, Honda and any other Person that makes an Additional Commitment or acquires Shares in exchange for a Capital Contribution.

(hhhh) “**IPMA**” shall mean the Intellectual Property Matters Agreement entered into between GM and the Company dated June 28, 2018.

(iiii) “**IPO**” shall mean (i) an initial public offering of the Company’s, or any parent’s or successor entity’s, securities of any class (other than debt securities containing no equity features and not convertible into equity securities) in accordance with the provisions of the Securities Act, other than pursuant to a registration statement on Form S-4 or Form S-8 or any similar or successor form, (ii) a distribution of IPO Shares to the stockholders of GM’s ultimate parent company pursuant to a Form 10 (or successor form), or (iii) the registration of the resale of IPO Shares by certain Members of the Company pursuant to a Form S-1 (or successor form) filed by the Company.

(jjjj) “**Majority of a Committee**” shall mean, with respect to any committee of the Board of Directors, as of any given time, the members of such committee having a majority of the votes of such committee.

(kkkk) “**Majority of the Board**” shall mean as of any given time, the Directors having the right to cast a majority of the votes of the Board of Directors.

(llll) “**Majority of the Class A-1 Preferred**” shall mean, as of any given time, the Class A-1 Preferred Members holding a majority of the then outstanding Class A-1 Preferred Shares.

For clarity, a written consent, signed by Class A-1 Preferred Members holding a majority of the then outstanding Class A-1 Preferred Shares, shall constitute a Majority of the Class A-1 Preferred.

(mmmm) “**Majority of the Class A-2 Preferred**” shall mean, as of any given time, the Class A-2 Preferred Members holding a majority of the then outstanding Class A-2 Preferred Shares. For clarity, a written consent, signed by Class A-2 Preferred Members holding a majority of the then outstanding Class A-2 Preferred Shares, shall constitute a Majority of the Class A-2 Preferred.

(nnnn) “**Majority of the Class C Common**” shall mean, as of any given time, the Members holding a majority of the then outstanding Class C Common Shares.

(oooo) “**Majority of the Class F Preferred**” shall mean, as of any given time, the Members (other than GM and its Affiliates) holding a majority of the then outstanding Class F Preferred Shares (excluding Class F Preferred Shares held by GM and its Affiliates).

(pppp) “**Majority of the Common Shares**” shall mean, as of any given time, the Members holding a majority of the votes of the then outstanding Class F Preferred Shares, Class E Common Shares, Class D Common Shares, Class C Common Shares and Class B Common Shares. For clarity, (i) a written consent, signed by Members holding a majority of the votes of the then outstanding Class F Preferred Shares, Class E Common Shares, Class D Common Shares, Class C Common Shares and Class B Common Shares, shall constitute a Majority of the Common Shares, and (ii) pursuant to Section 5.01, in determining the Majority of the Common Shares each Class B Common Share, each Class D Common Share, each Class E Common Share and each Class F Preferred Shares will carry one (1) vote per Share and each Class C Common Share will carry ten (10) votes per Share.

(qqqq) “**Majority of the Members**” shall mean, as of any given time, the Members holding the majority of the voting rights with respect to then outstanding Shares, as such voting rights are allocated pursuant to Section 5.01.

(rrrr) “**Marketing and Network Access Fee Agreement**” means that certain Marketing and Network Access Fee Agreement, dated October 3, 2018, by and between the Company and Honda.

(ssss) “**Material Non-Public Information**” shall mean any material non-public information (as the same relates to GM Parent), as determined in the discretion of the Company or GM Parent (each acting reasonably and in good faith).

(tttt) “**Member**” shall mean the GM Investor, SoftBank, Honda, The Growth Fund of America, T. Rowe Price Growth Stock Fund, Inc., Seasons Series Trust - SA T. Rowe Price Growth Stock Portfolio, Voya Partners, Inc. - VY T. Rowe Price Growth Equity Portfolio, Brighthouse Funds Trust II - T. Rowe Price Large Cap Growth Portfolio, Lincoln Variable Insurance Products Trust -

LVIP T. Rowe Price Growth Stock Fund, Penn Series Funds, Inc. - Large Growth Stock Fund, T. Rowe Price Growth Stock Trust, Sony Master Trust, Prudential Retirement Insurance and Annuity Company, Aon Savings Plan Trust, Caleres, Inc. Retirement Plan, Colgate Palmolive Employees Savings and Investment Plan Trust, Brinker Capital Destinations Trust - Destinations Large Cap Equity Fund, Alight Solutions LLC 401K Plan Trust, MassMutual Select Funds - MassMutual Select T. Rowe Price Large Cap Blend Fund, Legacy Health Employees' Retirement Plan, Legacy Health, T. Rowe Price Science & Technology Fund, Inc., VALIC Company I - Science & Technology Fund and any other Person that is a Member as of the date hereof and each other Person admitted as a Substituted Member or Additional Member in accordance with this Agreement, but in each case only so long as such Person continually holds any Shares.

(uuuu) “**Non-A-1 Interests**” shall mean the Class A-2 Preferred Shares, the Class B Common Shares, the Class C Common Shares, the Class D Common Shares, the Class E Common Shares, the Class F Preferred Shares and any other Equity Securities designated as Non-A-1 Interests by the Board of Directors.

(vvvv) “**Non-A-1 Members**” shall mean the Class A-2 Preferred Members, the Class B Members, the Class C Members, the Class D Members, the Class E Members and the Class F Preferred Members and any other Members designated as Non-A-1 Members by the Board of Directors.

(www) “**NSA**” shall mean the National Security Agreement entered into by and among GM, SoftBank, the Company, the U.S. Department of Defense, and the U.S. Department of Treasury, dated July 5, 2019.

(xxxx) “**OEM Acquisition**” shall mean (i) the GM Investor, together with its Subsidiaries, becoming the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of more than fifty percent (50%) of the outstanding voting securities of an automotive OEM having the right to vote for the election of members of the board of directors (or equivalent body) of the automotive OEM or (ii) a sale, lease or other disposition to the GM Investor and its Subsidiaries (collectively) of all or substantially all of the assets of an automotive OEM.

(yyyy) “**OEM Investment**” shall mean the acquisition of a material percentage of the outstanding Shares of the Company by any automotive OEM.

(zzzz) “**OEM Restricted Investment**” shall mean the acquisition of a number of Shares of the Company greater than or equal to the lesser of (i) Honda’s fully diluted ownership, as of the date of the signing of the definitive agreement for such acquisition, and (ii) 5% of the Shares of the Company (on a Fully Diluted Basis), in each case by any automotive OEM previously identified to Honda prior to the execution of the Honda Purchase Agreement.

(aaaaa) “**Optional SoftBank Conversion Share Price**” shall mean the value, per Class A-1 Preferred Share or Class D Common Share (as applicable), calculated as follows:

(i) First, all Non-A-1 Interests shall be deemed converted (on a Fully Diluted Basis) to Class D Common Shares on a 1:1 basis (as adjusted, as necessary, to reflect appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event) and all Class A-1 Preferred Shares are deemed converted to Class D Common Shares pursuant to Section 2.10(b) (collectively the number of Class D Common Shares resulting from the deemed conversion, the “**Total Optional Conversion Shares**”). For clarity, such “deemed” conversion pursuant to this definition shall solely be for the purposes of calculating the Optional SoftBank Conversion Share Price, and no actual conversion shall occur pursuant to this definition.

(ii) Second, the Optional SoftBank Conversion Share Price shall be: (A) for each Class A-1-A Preferred Share, the Call Notice/Optional SoftBank Conversion Notice Fair Market Value, multiplied by a fraction (1) the numerator of which is the number of Class D Common Shares into which each Class A-1-A Preferred Share of such Class A-1 Preferred Member was deemed converted pursuant to subsection (i) above, and (2) the denominator of which is the Total Optional Conversion Shares; (B) for each Class A-1-B Preferred Share, the Call Notice/Optional SoftBank Conversion Notice Fair Market Value, multiplied by a fraction (1) the numerator of which is the number of Class D Common Shares into which each Class A-1-B Preferred Share of such Class A-1 Preferred Member was deemed converted pursuant to subsection (i) above, and (2) the denominator of which is the Total Optional Conversion Shares; and (C) for each Class D Common Share, the Call Notice/Optional SoftBank Conversion Notice Fair Market Value multiplied by a fraction (1) the numerator of which is such number of Class D Common Shares and (2) the denominator of which is the Total Optional Conversion Shares.

(bbbbb) “**Other Party**” shall mean (i) with respect to the Company or any of its Subsidiaries, the GM Investor and (ii) with respect to the GM Investor, the Company.

(ccccc) “**Per Class A-1 Preferred Share FMV**” shall mean the Standardized FMV (as defined in, and determined in accordance with, Exhibit II) divided by the total outstanding Shares as of the time of the determination of the Call Notice/Optional SoftBank Conversion Notice Fair Market Value as if each Share (on a Fully Diluted Basis) was converted into a Class D Common Share (with Non-A-1 Interests being converted on a 1:1 basis (as adjusted, as necessary, to reflect appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event) and Class A-1 Preferred Shares being converted pursuant to Section 2.10(b)).

(ddddd) “**Per Class E FMV**” shall mean the Standardized FMV (as defined in, and determined in accordance with, Exhibit II) divided by the total outstanding Shares as of the time of the determination of the Call Notice/Optional SoftBank Conversion Notice Fair Market Value as if each Share (on a Fully Diluted Basis) was converted into a Class D Common Share (with Non-

A-1 Interests being converted on a 1:1 basis (as adjusted, as necessary, to reflect appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event) and Class A-1 Preferred Shares being converted pursuant to Section 2.10(b)).

(eeeee) **“Person”** shall mean an individual, a partnership, a corporation, a limited liability company or limited partnership, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or the United States of America or any other nation, any state or other political subdivision thereof, or any entity exercising executive, legislative, judicial, regulatory or administrative functions of government.

(fffff) **“Preemptive Proportion”** shall mean, with respect to a holder of Preemptive Shares as of any given time, an amount, expressed as a decimal, equal to (i) the number of Class D Common Shares held by such Member as if all Non-A-1 Interests owned by such holder of Preemptive Shares are deemed converted (on a Fully Diluted Basis) to Class D Common Shares on a 1:1 basis (as adjusted, as necessary, to reflect appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event) and all Class A-1 Preferred Shares held by such holder of Preemptive Shares are converted to Class D Common Shares pursuant to Section 2.10(b), divided by (ii) the Total Conversion Shares (excluding, for the purpose of calculating the Total Conversion Shares, any Class B Common Share, including any Vested Class B Common Share); provided, that, with respect to any Excess New Securities subject to a Supplemental Notice of Intention to Sell pursuant to Section 2.07(e)(ii), the Class F Preferred Shares will not be taken into account in the determination of Preemptive Proportion (including the Total Conversion Shares used therefor).

(ggggg) **“Preemptive Shares”** shall mean each class of Shares other than the Class B Common Shares; provided, that, with respect to any Excess New Securities subject to a Supplemental Notice of Intention to Sell pursuant to Section 2.07(e)(ii), the Class F Preferred Shares will not be Preemptive Shares.

(hhhhh) **“Prime Rate”** shall mean the prime rate in effect at the time at the New York City offices of Citibank, N.A.

(iiii) **“Qualified Appraiser”** shall mean a globally recognized investment banking firm; provided, however, if such firm is the third “Qualified Appraiser” referred to in Exhibit II, then it shall not have (i) been engaged for any M&A advisory or other similar services or (ii) served as a lead or co-lead “bookrunner” for a debt or equity issuance in excess of \$500,000,000 by or for the GM Investor, SoftBank, SoftBank UK or any Affiliate of the foregoing during the three (3) year period preceding such firm’s appointment.

(jjjjj) **“Quarter”** shall mean each calendar quarter.

(kkkkk) “**Registrable Equity Securities**” shall mean, at any time, any Equity Securities of the Company, or any corporate successor to the Company by way of conversion, or any of their respective Subsidiaries which effects the IPO held by any Member until (i) a registration statement covering such Equity Securities has been declared effective by the SEC and such Equity Securities have been disposed of pursuant to such effective registration statement, (ii) such Equity Securities are sold under Rule 144 under the Securities Act or (iii) such Equity Securities are otherwise Transferred, the Company has delivered a new certificate or other evidence of ownership for such Equity Securities not bearing the legend required pursuant to this Agreement and such Equity Securities may be resold without subsequent registration under the Securities Act.

(lllll) “**Restricted Business**” shall mean, (i) with respect to the Company or any of its Subsidiaries, the GM Business and (ii) with respect to the GM Investor or any of its Subsidiaries, the AVCo Business.

(mmmmm) “**Sale of GM Parent**” shall mean a transaction with an Independent Third Party or group of Independent Third Parties acting in concert, pursuant to which such Person or Persons acquire (the “**GM Acquirer**”), in any single transaction or series of related transactions, (i) more than fifty percent (50%) of the issued and outstanding voting securities of GM Parent (or any surviving or resulting company) or (ii) all or substantially all of the GM Parent’s assets determined on a consolidated basis (in either case, whether by merger, consolidation, sale, exchange, issuance, Transfer or redemption of GM Parent’s equity securities, by sale, exchange or Transfer of the GM Parent’s consolidated assets or otherwise).

(nnnnn) “**Sale of the Company**” shall mean any transaction or series of related transactions with an Independent Third Party or group of Independent Third Parties acting in concert, pursuant to which such Person or Persons acquire (i) more than fifty percent (50%) of the issued and outstanding Equity Securities or (ii) all or substantially all of the Company’s assets determined on a consolidated basis (in either case, whether by merger, consolidation, sale, exchange, issuance, Transfer or redemption of the Company’s Equity Securities, by sale, exchange or Transfer of the Company’s consolidated assets or otherwise). For clarity, an IPO will not be a Sale of the Company.

(ooooo) “**Sanctioned Person**” shall mean (i) (A) any Persons identified in the List of Specially Designated Nationals and Blocked Persons, the Foreign Sanctions Evaders List, the E.O. 13599 List, or the Sectoral Sanctions Identifications List, in each case administered by OFAC, and any other sanctions or similar lists administered by any agency of the U.S. Government, including the U.S. Department of State and the U.S. Department of Commerce and (B) any Persons owned or controlled, directly or indirectly, by such Person or Persons; (ii) any Persons identified on any sanctions lists of the European Union, the United Kingdom or any other jurisdiction; (iii) Persons identified on any list of sanctioned parties identified in a resolution of the United Nations Security Council; and (iv) any Persons located, organized or a resident in a Sanctioned Territory.

(ppppp) “**Sanctioned Territory**” shall mean, at any time, a country or geographic region that is itself the subject or target of any comprehensive Sanctions within the past five years, which includes: Crimea, Cuba, Iran, North Korea, Sudan, and Syria.

(qqqqq) “**Sanctions**” shall mean (i) the economic sanctions and trade embargo laws, rules, regulations, and executive orders of the United States, including those administered or enforced from time to time by OFAC or the U.S. Department of State, the International Emergency Economic Powers Act (50 U.S.C. §§1701 et seq.), and the Trading with the Enemy Act (50 App. U.S.C. §§1 et seq.); and (ii) any other similar and applicable economic sanctions and trade embargo laws, rules, or regulations of any foreign Governmental Authority, including but not limited to, the European Union, the United Kingdom, and the United Nations Security Council.

(rrrrr) “**SEC**” shall mean the United States Securities and Exchange Commission.

(sssss) “**Second Tranche Conditions**” shall mean the following conditions: (i) the SoftBank CFIUS Condition, and (ii) there shall not, at the time of consummation of the transactions contemplated by Section 2.02(c)(i), be in effect and Law or Order (each as defined in the Purchase Agreement) enacted or entered by a Governmental Authority of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by Section 2.02(c)(i).

(ttttt) “**Security Director**” shall have the meaning given to it in the NSA.

(uuuuu) “**Securities Act**” shall mean the Securities Act of 1933, as amended.

(vvvvv) “**Share Grant Agreements**” shall mean any written agreement entered into between the Company and any Person issued Class B Common Shares, evidencing the terms and conditions of an individual grant of Class B Common Shares.

(wwwww) “**SoftBank CFIUS Approval**” means any of the following: (i) CFIUS shall have concluded that the relevant transaction does not constitute a “covered transaction” and are not subject to review under Section 721 of the U.S. Defense Production Act of 1950; (ii) CFIUS shall have issued a written notification that it has concluded its review (and, if applicable, any investigation) of the notice filed with it in connection with the relevant transaction and determined that there are no unresolved national security concerns with respect to such transactions; or (iii) if CFIUS has sent a report to the President of the United States requesting the President’s decision with respect to the relevant transaction and either (A) the period under Section 721 of the Defense Production Act of 1950 during which the President may announce his decision to take action to suspend or prohibit the relevant transaction shall have expired without any such action being announced or taken, or (B) the President shall have announced a decision not to take any action to suspend or prohibit the relevant transaction. For the purpose of this definition, “relevant transaction” shall mean (i) the grant to SoftBank (and its Affiliates) of the rights and obligations granted to them

hereunder for which CFIUS Approval is required, and (ii) the consummation of the transactions contemplated by Section 2.02(c)(i).

(xxxxx) “**SoftBank CFIUS Condition**” shall mean: (i) SoftBank CFIUS Approval has been received and (ii) unless waived by SoftBank, CFIUS shall not have required or imposed any Burdensome Conditions (as defined in the SoftBank Purchase Agreement).

(yyyyy) “**SoftBank Competitively Sensitive Information**” shall mean any information that is determined by the chief executive officer or the chief legal officer of the Company or the Board of Directors (in each case as determined in his, her or its reasonable judgment) to be competitively sensitive with respect to the AVCo Business (which shall include any information of the type identified to SoftBank UK prior to the execution of the SoftBank Purchase Agreement (and subsequently acknowledged and agreed to by SoftBank)).

(zzzzz) “**SoftBank Floor Amount**” shall mean the lesser of (i) five percent (5%) of the total outstanding Shares in the Company as of the relevant date, and (ii) eighty percent (80%) of the total outstanding Shares in the Company held by SoftBank as at May 8, 2019 (as deemed adjusted for the Share Split), in each case of (i) and (ii) calculated as if each Share was converted into a Class D Common Share (with Non-A-1 Interests being converted on a 1:1 basis (as adjusted, as necessary, to reflect appropriate and proportional adjustments to take into account any subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination of shares or similar event) and Class A-1 Preferred Shares being converted pursuant to Section 2.10).

(aaaaa) “**SoftBank Group Corp.**” shall mean SoftBank Group Corp., a corporation incorporated under the laws of Japan.

(bbbbb) “**SoftBank Party**” shall mean (i) any investment fund, investment vehicle or other account that is, directly or indirectly, managed or advised by SB Investment Holdings (UK) Limited or any of its Affiliates, and shall include SoftBank Vision Fund (AIV M2) L.P., a Delaware limited partnership, and SoftBank Vision Fund (AIV S1) L.P., a Delaware limited partnership (each, a “**SoftBank Fund**”), (ii) each Affiliate of each SoftBank Fund, (iii) SoftBank Group Corp. and each Affiliate of SoftBank or SoftBank Group Corp., (iv) each portfolio company of any SoftBank Fund, SoftBank, SoftBank Group Corp. or any of their Affiliates and (v) any Person in which any SoftBank Fund, SoftBank, SoftBank Group Corp. or any of their Affiliates holds a non-controlling and minority position.

(ccccc) “**SoftBank Purchase Agreement**” shall mean that certain Purchase Agreement, dated as of May 31, 2018, by and among the Company, GM and SoftBank.

(dddddd) “**SoftBank Restricted Person**” shall mean any Person who, either directly or indirectly or through an Affiliate, is a competitor of either (i) the Company or any of its Subsidiaries as reasonably determined by the Board of Directors, or (ii) the GM Investor (or its Affiliates) as reasonably determined by the GM Investor in good faith; provided, however, that a Person shall

not be deemed a SoftBank Restricted Person solely as a result of owning, directly or indirectly, less than five percent (5%) of the outstanding capital stock of a publicly traded company that is a competitor of the Company or the GM Investor (or its Affiliates). SoftBank Restricted Person shall include: (A) those Persons on the list provided to SoftBank prior to the execution of the SoftBank Purchase Agreement and (B) any Person that is developing or commercializing or selling autonomous vehicles for any use.

(eeeeee) “**SoftBank Trigger Date**” shall mean June 28, 2025.

(ffffff) “**Subsidiary**” shall mean with respect to any Person, any corporation, partnership, limited liability company, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (ii) if a partnership, limited liability company, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For the purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a partnership, limited liability company, association or other business entity if such Person or Persons shall be allocated a majority of partnership, limited liability company, association or other business entity gains or losses or shall be or control or have the right to appoint, as the case may be, the managing director, manager, board of advisors, a company or other governing body of such partnership, limited liability company, association or other business entity by means of ownership interest, agreement or otherwise.

(gggggg) “**Technical Information**” shall mean all information of the Company or any of its Subsidiaries that is related to the technology, intellectual property, data, know-how, software, trade secrets, hardware, algorithms, technical processes, source code, and any other information that could reasonably enable a third party to reverse engineer any of the foregoing; provided, that Technical Information shall not include information pertaining to the performance and general characteristics of the technology, software, and hardware of the Company or any of its Subsidiaries.

(hhhhhh) “**Transaction Documents**” shall mean this Agreement, the SoftBank Purchase Agreement, the IPMA, the EDSA, the AGSA, the Indemnity Agreement and the Share Grant Agreements entered into in connection herewith.

(iiiiiii) “**Transfer**” shall mean any transfer, sale, assignment, pledge, encumbrance or other disposition, directly or indirectly (including by merger or sale of equity in any direct or indirect holding company (including a corporation) or otherwise), irrespective of whether any of the foregoing are effected voluntarily or involuntarily, by operation of law or otherwise, or whether inter vivos or upon death.

(jjjjj) “**Treasury Regulations**” shall mean the income tax regulations promulgated under the Code and effective as of the date hereof.

(kkkkk) “**Unvested Class B Common Share**” shall mean any such Class B Common Share that, under the provisions of the Share Grant Agreement applicable to such Class B Common Share, is not a Vested Class B Common Share.

(lllll) “**Vested Class B Common Share**” shall mean, as of any time of determination, any Class B Common Share that is vested pursuant to the terms of the Share Grant Agreement applicable to such Class B Common Share and this Agreement.

Other defined terms are contained in the following sections of this Agreement:

Defined Term	Section Where Found
A-1-B Antitrust Approvals	Section 2.02(b)(i)
A-2 Preferred Directors	Section 6.03(a)
Acceptance Period	Section 2.07(a)
Accounting Firm	Section 4.03(f)
Acquired Person	Section 11.02(b)(v)
Act	Section 1.02
Additional Member	Section 9.04(b)
Admission Date	Section 9.03(c)
Advance Notice	Section 2.02(c)(i)
Aggregate Company Hypothetical Pre-Deconsolidation Tax Amount	Section 4.03(n)(i)
Amended Tag Notice	Section 9.07(c)
Applicable FMV Parties	Exhibit II
Assignee	Section 9.03(a)
Binding Transaction Agreement	Section 9.01(a)(vi)
Board Observers	Section 6.04
Board of Directors	Section 6.01(a)
Call Notice	Section 9.12(b)
Cash Election	Section 9.13(b)
CD Notice	Section 2.02(c)(i)
Certificated Shares	Section 2.08
Chairman	Section 6.03(b)
Class A-1 Preferred Shares	Section 2.01(a)
Class A-1/D Purchase	Section 9.12(a)
Class A-1-A Liquidation Preference Amount	Appendix I
Class A-1-A Preferred Shares	Section 2.01(a)
Class A-1-B Liquidation Preference Amount	Appendix I
Class A-1-B Preferred Shares	Section 2.01(a)
Class A-2 Preferred Shares	Section 2.01(a)
Class B Common Shares	Section 2.01(a)

Defined Term	Section Where Found
Class C Common Shares	Section 2.01(a)
Class D Common Shares	Section 2.01(a)
Class E Common Shares	Section 2.01(a)
Class E Purchase	Section 9.12(b)
Class F Commitment	Section 2.04(b)
Class F Preferred Shares	Section 2.01(a)
Class F Purchase Agreement	Recitals
Commercial Deployment	Section 2.02(b)(i)
Common Director	Section 6.03(a)
Company	Preamble; Section 12.03
Company Hypothetical Pre-Deconsolidation Tax Amount	Section 4.03(n)(ii)
Company's Notice of Intention to Sell	Section 2.07(a)
Cure Period	Section 2.02(c)(ii)
Deconsolidation	Section 4.03(n)(iii)
Deemed Liquidation Event	Section 3.02(b)
Drag Percentage	Section 9.09(a)
Drag-Along Notice	Section 9.09(a)
Drag-Along Sale Transaction	Section 9.09(a)
Dragees	Section 9.09(a)
Emergency Meeting	Section 6.11
Entity	Section 9.10(c)
Equity Awards	Section 2.03(a)
Excess New Securities	Section 2.07(a)
Excess NOL Tax Increase	Section 4.03(n)(iv)
Excluded Transfer	Section 9.01(a)(iv)
Exempt Class F Transfer	Section 9.02(a)
Exempt Employee Member Transfer	Section 9.02(a)
Exempt Honda Transfer	Section 9.02(a)
Exempt SoftBank Transfer	Section 9.02(a)
FAW-GM	Section 11.01(a)
First A&R Agreement	Recitals
Fourth A&R Agreement	Recitals
GM	Preamble
GM Acquirer	Appendix I
GM Commitment	Section 2.02(e)
GM Consolidated Group	Section 4.03(n)(v)
GM Consolidated Return	Section 4.03(n)(v)
GM Cruise Holdings LLC	Section 1.03
GM ROFR Date	Section 9.01(a)(vi)
GM ROFR Notice	Section 9.01(a)(vi)
Holder Shares	Exhibit I
Honda	Preamble

Defined Term	Section Where Found
Honda Board Observer	Section 6.04
Honda Call Notice	Section 9.12(b)
Honda Commitment	Section 2.04
Honda Purchase Agreement	Recitals
Honda R&D Co	Section 6.05
Hypothetical Deconsolidated Company NOL Amount	Section 4.03(n)(vii)
Incremental GM Tax Amount	Section 4.03(n)(viii)
IP Upsized FMV	Exhibit II
IP Upsizing	Exhibit II
IPO Shares	Section 9.10(a)
IPO Shortfall	Section 6.13(d)
IRS	Section 4.02
Joinder	Exhibit I
LLC Agreement	Section 12.03
Low-Vote IPO Shares	Section 9.10(b)
Member Group Persons	Section 5.08(a)
Members Schedule	Section 2.01(b)
New Securities	Section 2.07(a)
NOL Deficit Amount	Section 4.03(n)(ix)
Non-Compete Period	Section 11.02(a)
Officers	Section 6.15
Optional SoftBank Conversion Notice	Section 9.13(a)
Optional SoftBank Conversion Purchase	Section 9.13(c)
Options	Section 2.03(a)
Original Agreement	Recitals
Original Closing Date	Recitals
Other Business	Section 5.08(a)
Other Tax Credits	Section 4.03(n)(x)
Par Securities	Section 6.13(c)
Participation Members	Section 9.07(a)
PATAC	Section 11.01(a)
Payment Period	Section 2.02(c)(i)
Permitted Transferee	Section 9.02(b)
Proceeding	Section 7.02(a)
R&D Tax Credits	Section 4.03(n)(xi)
ROFR Notice	Section 9.01(a)(vi)
ROFR Offered Shares	Section 9.01(a)(vi)
RSUs	Section 2.03(a)
Second A&R Agreement	Recitals
Section 59(e) Benefit Amount	Section 4.03(n)(xii)
Section 59(e) Detriment Amount	Section 4.03(n)(xiii)
Section 59(e) Election	Section 4.03(d)

Defined Term	Section Where Found
Senior Securities	Section 2.02(d)(iv)
SGM	Section 11.01(a)
Share and/or Shares	Section 2.01(a)
Share Awards	Section 2.03(a)
SoftBank	Recitals
SoftBank Board Observer	Section 6.04
SoftBank Call Notice	Section 9.12(a)
SoftBank Commitment	Section 2.02(a)
SoftBank Director	Section 6.03(a)
SoftBank Fund	Appendix I
Standardized FMV	Exhibit II
State Acts	Section 12.03
Stock Election	Section 9.13(b)
Subsequent SoftBank Commitment	Section 2.02(c)(i)
Subsequent SoftBank Commitment	Section 2.02(c)(i)
Substituted Member	Section 9.04(a)
Supplemental Notice of Intention to Sell	Section 2.07(a)
SoftBank	Preamble
Tag Notice	Section 9.07(a)
Tagged Shares	Section 9.07(a)
Target	Appendix I
Tax Materials	Section 4.03(m)
Tax Period	Section 4.03(n)(xiv)
Third A&R Agreement	Recitals
Total Optional Conversion Shares	Appendix I
Total Conversion Shares	Section 9.07(a)(i)
Total Tagged Shares	Section 9.07(a)(ii)
Transferor	Section 9.01(a)(vi)
Transferring Holder	Section 9.07(a)

EXHIBIT I

JOINDER TO THE FIFTH AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF GM CRUISE HOLDINGS LLC

THIS JOINDER (this “**Joinder**”) to that certain Fifth Amended and Restated Limited Liability Company Agreement, dated as of December 18, 2019, by and among GM Cruise Holdings LLC, a Delaware limited liability company (the “**Company**”), and certain Members of the Company (the “**Limited Liability Company Agreement**”), is made and entered into as of [●], by and between the Company and [●] (“**Holder**”). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Limited Liability Company Agreement.

WHEREAS, Holder has acquired certain [class] Shares of the Company (“**Holder Shares**”) and Holder is required, as a holder of the Holder Shares, to become a party to the Limited Liability Company Agreement, and Holder agrees to do so in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Joinder hereby agree as follows:

1. Agreement to be Bound. Holder hereby agrees that upon execution of this Joinder, it shall become a party to the Limited Liability Company Agreement as a [class] Member, and shall be fully bound by, and subject to, all of the covenants, terms and conditions of the Limited Liability Company Agreement as though an original party thereto and shall be deemed a holder of Shares of [class] and a Member for all purposes thereof.

2. Successors and Assigns. This Joinder shall bind and inure to the benefit of and be enforceable by the Company and its successors and assigns and Holder and any subsequent holders of Shares and the respective successors and assigns of each of them, so long as they hold any Shares.

3. Counterparts. This Joinder may be executed in any number of counterparts (including by facsimile or electronic copy), each of which shall be an original and all of which together shall constitute one and the same agreement.

4. Notices. For purposes of Section 12.06 of the Limited Liability Company Agreement, all notices, demands or other communications to the Holder shall be directed to the address set forth on the signature page hereto for such Holder.

5. Governing Law. All issues and questions concerning the construction, validity, enforcement and interpretation of the Limited Liability Company Agreement, including this Joinder, shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction

other than the State of Delaware. Any dispute relating hereto shall be heard in the state or federal courts of Delaware, and the parties agree to jurisdiction and venue therein.

6. Descriptive Headings. The descriptive headings of this Joinder are inserted for convenience only and do not constitute a part of this Joinder.

IN WITNESS WHEREOF, the parties hereto have executed this Joinder as of the date first above written.

Exh. I-2

EXHIBIT II

Call Notice/Optional SoftBank Conversion Notice Fair Market Value of the Company

The Call Notice/Optional SoftBank Conversion Notice Fair Market Value of the Company will be the total value, in dollars, of the consideration that would be received by the Members in a sale of one hundred percent (100%) of the Shares (on a Fully Diluted Basis), calculated in accordance with the process, and consistent with the methodologies, set forth below. The calculation of Call Notice/Optional SoftBank Conversion Notice Fair Market Value will consist of two independent valuations, the Standardized FMV and the IP Upsized FMV each calculated, contemporaneously (using the same Qualified Appraisers), in accordance with the process below.

Process

(a) One Qualified Appraiser shall be selected by the GM Investor and the other Qualified Appraiser shall be selected by the Majority of the Class A-1 Preferred (such Members, the “**Applicable FMV Parties**”).

(b) Each of the Qualified Appraisers so selected by the Applicable FMV Parties must be engaged by the Applicable FMV Parties within fifteen (15) days of the delivery of the Call Notice or Optional SoftBank Conversion Notice (as applicable) and the Board of Directors shall, within one (1) Business Day of delivery of the Call Notice or Optional SoftBank Conversion Notice (as applicable), notify each of the Applicable FMV Parties of such event.

(c) Each Qualified Appraiser shall be (i) required to determine the Call Notice/Optional SoftBank Conversion Notice Fair Market Value within forty-five (45) days after being notified of its selection, (ii) provided with the same access to the management of the Company and its Subsidiaries and the same source documents, books and records (including financial and operating data) and information regarding the Company and its Subsidiaries and (iii) required to determine a single point estimate of Call Notice/Optional SoftBank Conversion Notice Fair Market Value and not a range of values.

(d) Following each Qualified Appraiser’s determination of Call Notice/Optional SoftBank Conversion Notice Fair Market Value (which determination shall be provided to each Applicable FMV Party together with a customary valuation report setting forth in reasonable detail such Qualified Appraiser’s calculation of Call Notice/Optional SoftBank Conversion Notice Fair Market Value prepared consistently with the methodologies set forth below), (i) if the lower of the two determinations by the two Qualified Appraisers is within ten percent (10%) of the higher of the determinations, then the Call Notice/Optional SoftBank Conversion Notice Fair Market Value shall be the average of the two determinations, and will be final and binding on the relevant parties or (ii) if the lower of the two determinations is not within ten percent (10%) of the higher of the determinations, then (A) the Applicable FMV Parties shall negotiate in good faith for a period of thirty (30) days (or such longer period as to which the Applicable FMV Parties may mutually agree)

to agree upon the Call Notice/Optional SoftBank Conversion Notice Fair Market Value, any such agreement to be made by each Applicable FMV Party and to be set forth in writing signed by each of the Applicable FMV Parties (and any such agreement will be final and binding on the relevant parties), and (B) if no such agreement is reached by the Applicable FMV Parties within such thirty (30)-day time period, then a third Qualified Appraiser (acting as expert and not arbitrator) that is selected (within fifteen (15) days following the expiration of the thirty (30)-day time period for good faith negotiations) by mutual agreement of the original two Qualified Appraisers will determine its own valuation of the Call Notice/Optional SoftBank Conversion Notice Fair Market Value in accordance with the methodologies set forth below within forty-five (45) days following its appointment and the Call Notice/Optional SoftBank Conversion Notice Fair Market Value will be the average of (1) such third Qualified Appraiser's determination of the Call Notice/Optional SoftBank Conversion Notice Fair Market Value and (2) the valuation of the original Qualified Appraiser that is numerically closest to the third Qualified Appraiser's valuation.

(e) The third Qualified Appraiser shall have the same access to the Company, its Subsidiaries, their employees and officers and the source documents, books and records (including financial and operating data) and information as the original Qualified Appraisers.

(f) Each Applicable FMV Party will bear the cost of the Qualified Appraiser selected by it and one-half of the cost of any third Qualified Appraiser that may be required in accordance with the preceding sentence (and, if an Applicable FMV Party consists of more than one Member, then such costs will be shared equally by such Members).

Methodologies

In calculating Call Notice/Optional SoftBank Conversion Notice Fair Market Value, each Qualified Appraiser will utilize customary valuation methodologies in their respective professional judgments, subject to such instructions mutually agreed by the Applicable FMV Parties within ten (10) days following the selection of the initial Qualified Appraisers, which shall include at a minimum the following:

(a) The Qualified Appraisers shall take into consideration the Company's and its Subsidiaries' historic financial and operating results, current balance sheet, future business prospects and projected financial and operating results, public market and industry conditions, prior financing transactions and the valuation of the Company as of such transaction (if the same is considered relevant, and requested, by the Qualified Appraisers), the valuation and performance of comparable companies and such other factors as they may determine relevant to such determination, in each case as existing as of the date the appraisal process was initiated;

(b) The future business prospects and projected financial and operating results of the Company and its Subsidiaries provided to the Qualified Appraisers shall (i) be prepared by the Company's management in good faith based on assumptions consistent with those used in the Company's ordinary course forecasting, (ii) if the projected financial and operating results of the

Company and its Subsidiaries provided to the Qualified Appraisers cover a period of ten (10) years or less, and the Qualified Appraisers so request, be extended (in the case of the projected financial and operating results) for reasonable period exceeding ten (10) years, and (iii) take into account, consistent with the Company's ordinary course forecasting and subject to the restrictions in Article XI (except as otherwise expressly stated in this Exhibit II in connection with the IP Upsizing), the scope of the intellectual property portfolio of the Company and its Subsidiaries. SoftBank will have opportunity to review the future business prospects and projected financial and operating results for a reasonable period of time (not to exceed ten (10) days) before such projections are submitted to the Qualified Appraisers and to discuss such projections with the Company.

(c) The Qualified Appraisers shall value the Company as a going concern, including taking into consideration the remainder of the term, if any, of the Commercial Agreements and any agreements that the Commercial Agreements require to be put into place upon termination or amendment of the Commercial Agreements;

(d) The Qualified Appraisers shall assume an arms-length sale between a willing buyer and a willing seller;

(e) Except as otherwise contemplated by section (a) under "Methodologies," the Qualified Appraisers shall disregard any prior appraisals or valuations of the Company or its Subsidiaries, including any such appraisals or valuations conducted for the purpose of valuing any rights associated with or tied or indexed to the value of the Shares of the Company or its Subsidiaries;

(f) The Qualified Appraisers shall value the Company as at the date of delivery of the Call Notice or Optional SoftBank Conversion Notice (as applicable); and

(g) The Qualified Appraisers shall take into account only such tax depreciation and amortization as would be allowable to the Company in respect of the Company's assets immediately prior to such deemed sale.

The Qualified Appraisers shall contemporaneously calculate two valuations: (A) a valuation based on the Commercial Agreements as in force at the time (the "**Standardized FMV**"), and (B) a valuation (the "**IP Upsized FMV**") as if the Transferred Assets (as defined in the IPMA) had been assigned, transferred, conveyed, and delivered to the Company (pursuant to Section 2.2 of the IPMA) immediately prior to the calculation of Call Notice/Optional SoftBank Conversion Notice Fair Market Value and Section 11.01 does not apply (the "**IP Upsizing**"). The Standardized FMV and the IP Upsized FMV shall be identical other than the value attributable to the IP Upsizing.

For purposes of the definition of Optional SoftBank Conversion Share Price, if the Standardized FMV is less than the Class A-1 Liquidation Preference Amount, then the Call Notice/Optional SoftBank Conversion Notice Fair Market Value will equal the IP Upsized FMV; provided, that, following the application of the IP Upsized FMV, in no event will, with respect to each Class A-1-

A Preferred Share and Class A-1-B Preferred Share, the Optional SoftBank Conversion Share Price be greater than the applicable Class A-1 Liquidation Preference Amount.

Exh. II-4

**GENERAL MOTORS COMPANY
SUBSIDIARIES AND JOINT VENTURES OF THE REGISTRANT
AS OF DECEMBER 31, 2019**

<u>Company Name</u>	<u>State or Sovereign Power of Incorporation</u>
2140879 Ontario Inc.	Canada
ACAR Leasing Ltd.	Delaware
ACF Investment Corp.	Delaware
Adam Opel GmbH	Germany
AmeriCredit Consumer Loan Company, Inc.	Nevada
AmeriCredit Financial Services, Inc.	Delaware
Annunciata Corporation	Delaware
APGO Trust	Delaware
Argonaut Holdings LLC	Delaware
Banco GMAC S.A.	Brazil
BOCO (Proprietary) Limited	South Africa
Boco Trust	South Africa
Cadillac Europe GmbH	Switzerland
Carve-Out Ownership Cooperative LLC	Delaware
Chevrolet Deutschland GmbH	Germany
Chevrolet Sales (Thailand) Limited	Thailand
Chevrolet Sales India Private Ltd.	India
Chevrolet Sociedad Anonima de Ahorro para Fines Determinados	Argentina
CHEVYPLAN S.A. Sociedad Administradora de Planes de Autofinanciamiento Comercial	Colombia
Controladora General Motors, S.A. de C.V.	Mexico
DCJ1 LLC	Delaware
Dealership Liquidations, Inc.	Delaware
Delphi Energy and Engine Management Systems UK Overseas Corporation	Delaware
DMAX, Ltd.	Ohio
Fundacion Chevrolet	Colombia
GCAR Titling Ltd.	Delaware
General Motors - Colmotores S.A.	Colombia
General Motors (China) Investment Company Limited	China
General Motors (Thailand) Limited	Thailand
General Motors Advisory Services LLC	Uzbekistan
General Motors Africa and Middle East FZE	United Arab Emirates
General Motors Asia Pacific Holdings, LLC	Delaware
General Motors Asia, LLC	Delaware
General Motors Asset Management Corporation	Delaware
General Motors Australia Pty Ltd.	Australia
General Motors Auto LLC	Russian Federation
General Motors Automobiles Philippines, Inc.	Philippines
General Motors Automotive Holdings, S.L.	Spain
General Motors Belgique Automobile NV	Belgium
General Motors Chile Industria Automotriz Limitada	Chile
General Motors China LLC	Delaware
General Motors Daewoo Auto and Technology CIS LLC	Russian Federation

**GENERAL MOTORS COMPANY
SUBSIDIARIES AND JOINT VENTURES OF THE REGISTRANT
AS OF DECEMBER 31, 2019**

<u>Company Name</u>	<u>State or Sovereign Power of Incorporation</u>
General Motors de Argentina S.r.l.	Argentina
General Motors de Mexico, S. de R.L. de C.V.	Mexico
General Motors del Ecuador S.A.	Ecuador
General Motors do Brasil Ltda.	Brazil
General Motors Egypt, S.A.E.	Egypt
General Motors Europe Limited	England and Wales
General Motors Financial Chile Limitada	Chile
General Motors Financial Chile S.A.	Chile
General Motors Financial Company, Inc.	Texas
General Motors Financial of Canada, Ltd.	Canada
General Motors Global Service Operations, Inc.	Delaware
General Motors Holden Australia NSC Pty Ltd.	Australia
General Motors Holden Australia Pty Ltd.	Australia
General Motors Holdings LLC	Delaware
General Motors India Private Limited	India
General Motors International Holdings LLC	Delaware
General Motors International Operations Pte. Ltd.	Singapore
General Motors International Services Company SAS	Colombia
General Motors International Services LLC	Delaware
General Motors Investment Limited	Hong Kong
General Motors Investment Management Corporation	Delaware
General Motors Investment Participacoes Ltda.	Brazil
General Motors Investments Pty. Ltd.	Australia
General Motors Israel Ltd.	Israel
General Motors IT Services (Ireland) Limited	Ireland
General Motors Japan Limited	Japan
General Motors Limited	England and Wales
General Motors LLC	Delaware
General Motors New Zealand Pensions Limited	New Zealand
General Motors of Canada Company	Canada
General Motors Overseas Commercial Vehicle Corporation	Delaware
General Motors Overseas Corporation	Delaware
General Motors Overseas Distribution LLC	Delaware
General Motors Peru S.A.	Peru
General Motors Powertrain (Thailand) Limited	Thailand
General Motors Research Corporation	Delaware
General Motors South Africa (Pty) Limited	South Africa
General Motors Taiwan Ltd.	Taiwan
General Motors Technical Centre India Private Limited	India
General Motors Treasury Center, LLC	Delaware
General Motors Uruguay S.A.	Uruguay
General Motors Ventures LLC	Delaware

**GENERAL MOTORS COMPANY
SUBSIDIARIES AND JOINT VENTURES OF THE REGISTRANT
AS OF DECEMBER 31, 2019**

<u>Company Name</u>	<u>State or Sovereign Power of Incorporation</u>
General Motors Warehousing and Trading (Shanghai) Co. Ltd.	China
General Motors-Holden's Sales Pty. Limited	Australia
GigaPower LLC	Delaware
Global Services Detroit LLC	Delaware
Global Tooling Service Company Europe Limited	England and Wales
GM (UK) Pension Trustees Limited	England and Wales
GM Administradora de Bens Ltda.	Brazil
GM Asia Pacific Regional Headquarters Ltd.	Korea, Republic of
GM Components Holdings, LLC	Delaware
GM Cruise Holdings LLC	Delaware
GM Cruise LLC	Delaware
GM Defense LLC	Delaware
GM Eurometals, Inc.	Delaware
GM Finance Co. Holdings LLC	Delaware
GM Financial Canada Leasing Ltd.	Canada
GM Financial Colombia Holdings LLC	Delaware
GM Financial Colombia S.A. Compania de Financiamiento	Colombia
GM Financial Consumer Discount Company	Pennsylvania
GM Financial de Mexico, S.A. de C.V. SOFOM E.R.	Mexico
GM Financial del Peru S.A.C	Peru
GM Financial Holdings LLC	Delaware
GM Financial Mexico Holdings LLC	Delaware
GM Global Propulsion Systems -Torino S.r.l.	Italy
GM Global Technology Operations LLC	Delaware
GM Global Tooling Company LLC	Delaware
GM Global Treasury Centre Limited	England and Wales
GM Holden Pty Ltd.	Australia
GM Holdings U.K. No.1 Limited	England and Wales
GM Inversiones Santiago Limitada	Chile
GM Investment Trustees Limited	England and Wales
GM Korea Company	Korea, Republic of
GM LAAM Holdings, LLC	Delaware
GM Mobility Europe GmbH	Germany
GM Personnel Services, Inc.	Delaware
GM Philippines, Inc.	Philippines
GM Regional Holdings LLC	Delaware
GM Retirees Pension Trustees Limited	England and Wales
GM Subsystems Manufacturing, LLC	Delaware
GM Technical Center Korea, Ltd.	Korea, Republic of
GMAC Administradora de Consorcios Ltda.	Brazil
GMAC Prestadora de Servicios de Mao de Obra Ltda.	Brazil
GMACI Corretora de Seguros Ltda	Brazil

**GENERAL MOTORS COMPANY
SUBSIDIARIES AND JOINT VENTURES OF THE REGISTRANT
AS OF DECEMBER 31, 2019**

<u>Company Name</u>	<u>State or Sovereign Power of Incorporation</u>
GMCH&SP Private Equity II L.P.	Canada
GM-DI Leasing LLC	Delaware
GMF Australia Pty Ltd	Australia
GMF Europe LLP	England and Wales
GMF Global Assignment LLC	Delaware
GMF International LLC	Delaware
Grand Pointe Holdings, Inc.	Michigan
Grand Pointe Park Condominium Association	Michigan
Holden New Zealand Limited	New Zealand
IBC Pension Trustees Limited	England and Wales
Lease Ownership Cooperative LLC	Delaware
Lidlington Engineering Company, Ltd.	Delaware
Limited Liability Company "General Motors CIS"	Russian Federation
Maven Drive LLC	Delaware
Millbrook Pension Management Limited	England and Wales
Monetization of Carve-Out, LLC	Delaware
Motors Holding LLC	Delaware
Multi-Use Lease Entity Trust	Delaware
North American New Cars LLC	Delaware
Omnibus BB Transportes, S. A.	Ecuador
OnStar Connected Services Srl	Romania
OnStar de Mexico S. de R.L. de C.V.	Mexico
OnStar Egypt Limited, LLC	Egypt
OnStar Europe Ltd.	England and Wales
OnStar Global Services Corporation	Delaware
OnStar, LLC	Delaware
P.T. G M AutoWorld Indonesia	Indonesia
P.T. General Motors Indonesia	Indonesia
Pan Asia Technical Automotive Center Company, Ltd.	China
PIMS Co.	Delaware
Prestadora de Servicios GMF Colombia S.A.S.	Colombia
PT. General Motors Indonesia Manufacturing	Indonesia
Riverfront Holdings III, Inc.	Delaware
Riverfront Holdings Phase II, Inc.	Delaware
Riverfront Holdings, Inc.	Delaware
SAIC General Motors Corporation Limited	China
SAIC General Motors Sales Company Limited	China
SAIC GM (Shenyang) Norsom Motors Co., Ltd.	China
SAIC GM Dong Yue Motors Company Limited	China
SAIC GM Dong Yue Powertrain Company Limited	China
SAIC GM Wuling Automobile Company Limited	China
SAIC-GMAC Automotive Finance Company Limited	China

**GENERAL MOTORS COMPANY
SUBSIDIARIES AND JOINT VENTURES OF THE REGISTRANT
AS OF DECEMBER 31, 2019**

<u>Company Name</u>	<u>State or Sovereign Power of Incorporation</u>
SAIC-GMF Leasing Co. Ltd.	China
Servicios GMAC S.A. de C.V.	Mexico
Shanghai OnStar Telematics Co. Ltd.	China
Strobe, Inc.	Delaware and California
Vehicle Asset Universal Leasing Trust	Delaware
WRE, Inc.	Michigan
Zona Franca Industrial Colmotores SAS	Colombia

Total - 175

Pursuant to Item 601(b)(21) of Regulation S-K we have omitted certain subsidiaries which, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary at December 31, 2019. Additionally 96 subsidiaries of General Motors Financial Company, Inc. have been omitted that operate in the U.S. in the same line of business as General Motors Financial Company, Inc. at December 31, 2019.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements of General Motors Company:

- (1) Registration Statement (Form S-3 No. 333-215924),
- (2) Registration Statement (Form S-8 No. 333-218793) pertaining to the General Motors Company 2017 Long-Term Incentive Plan,
- (3) Registration Statement (Form S-8 No. 333-211344) pertaining to the General Motors Company 2016 Equity Incentive Plan, and
- (4) Registration Statement (Form S-8 No. 333-196812) pertaining to the General Motors Company 2014 Long-Term Incentive Plan;

of our reports dated February 5, 2020, with respect to the consolidated financial statements of General Motors Company and subsidiaries and the effectiveness of internal control over financial reporting of General Motors Company and subsidiaries included in this Annual Report (Form 10-K) for the year ended December 31, 2019.

/s/ ERNST & YOUNG LLP

Detroit, Michigan

February 5, 2020

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-218793, 333-211344, and 333-196812 on Form S-8, and Registration Statement No. 333-215924 on Form S-3 of our report dated February 6, 2018 (July 25, 2018 as to Note 25, Segment Reporting), relating to the consolidated financial statements of General Motors Company, appearing in this Annual Report on Form 10-K of General Motors Company for the year ended December 31, 2019.

/s/ Deloitte & Touche LLP

Detroit, Michigan

February 5, 2020

POWER OF ATTORNEY

The undersigned, a director of General Motors Company (GM), hereby constitutes and appoints Christopher T. Hatto, Vince Greene and Rick E. Hansen, and each of them, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for me and in my name, place and stead, in any and all capacities (including my capacity as a director of GM), to sign:

SEC Report(s) on

Annual Report on Form 10-K

Covering

Year Ended December 31, 2019

and any or all amendments to such Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or my substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ JANE L. MENDILLO

Jane L. Mendillo

December 10, 2019

Date

POWER OF ATTORNEY

The undersigned, a director of General Motors Company (GM), hereby constitutes and appoints Christopher T. Hatto, Vince Greene and Rick E. Hansen, and each of them, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for me and in my name, place and stead, in any and all capacities (including my capacity as a director of GM), to sign:

SEC Report(s) on

Annual Report on Form 10-K

Covering

Year Ended December 31, 2019

and any or all amendments to such Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or my substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ LINDA R. GOODEN

Linda R. Gooden

December 10, 2019

Date

POWER OF ATTORNEY

The undersigned, a director of General Motors Company (GM), hereby constitutes and appoints Christopher T. Hatto, Vince Greene and Rick E. Hansen, and each of them, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for me and in my name, place and stead, in any and all capacities (including my capacity as a director of GM), to sign:

SEC Report(s) on

Annual Report on Form 10-K

Covering

Year Ended December 31, 2019

and any or all amendments to such Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or my substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ JOSEPH JIMENEZ

Joseph Jimenez

December 10, 2019

Date

POWER OF ATTORNEY

The undersigned, a director of General Motors Company (GM), hereby constitutes and appoints Christopher T. Hatto, Vince Greene and Rick E. Hansen, and each of them, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for me and in my name, place and stead, in any and all capacities (including my capacity as a director of GM), to sign:

SEC Report(s) on

Annual Report on Form 10-K

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Year Ended December 31, 2019

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Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ WESLEY G. BUSH

Wesley G. Bush

December 10, 2019

Date

POWER OF ATTORNEY

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Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ JUDITH A. MISCIK

Judith A. Miscik

December 10, 2019

Date

POWER OF ATTORNEY

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Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ PATRICIA F. RUSSO

Patricia F. Russo

December 10, 2019

Date

POWER OF ATTORNEY

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Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ THOMAS M. SCHOEWE

Thomas M. Schoewe

December 10, 2019

Date

POWER OF ATTORNEY

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Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ CAROL M. STEPHENSON

Carol M. Stephenson

December 10, 2019

Date

POWER OF ATTORNEY

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Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ THEODORE M. SOLSO

Theodore M. Solso

December 10, 2019

Date

POWER OF ATTORNEY

The undersigned, a director of General Motors Company (GM), hereby constitutes and appoints Christopher T. Hatto, Vince Greene and Rick E. Hansen, and each of them, my true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for me and in my name, place and stead, in any and all capacities (including my capacity as a director of GM), to sign:

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Pursuant to the requirements of the Securities Act of 1934, this power of attorney has been executed by the undersigned.

/s/ DEVIN N. WENIG

Devin N. Wenig

December 10, 2019

Date

CERTIFICATION

I, Mary T. Barra, certify that:

1. I have reviewed this Annual Report on Form 10-K of General Motors Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ MARY T. BARRA

Mary T. Barra
Chairman and Chief Executive Officer

Date: February 5, 2020

CERTIFICATION

I, Dhivya Suryadevara, certify that:

1. I have reviewed this Annual Report on Form 10-K of General Motors Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ DHIVYA SURYADEVARA

Dhivya Suryadevara

Executive Vice President and Chief Financial Officer

Date: February 5, 2020

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of General Motors Company (the "Company") on Form 10-K for the period ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of such officer's knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ MARY T. BARRA

Mary T. Barra
Chairman and Chief Executive Officer

/s/ DHIVYA SURYADEVARA

Dhivya Suryadevara
Executive Vice President and Chief Financial Officer

Date: February 5, 2020