



GM's Response to Greenlight's Letter

May 4, 2017

GM Presented Greenlight's Idea to the Rating Agencies Fully and Fairly

No-Names Discussions (November 2016)

- GM advisors discussed potential impact on industrial investment grade issuer with two agencies
- Provided illustrative impact of transaction proposed by Greenlight on net income / EPS, cash flow and balance sheet
- Stress tested structural alternatives to try to achieve maximum equity treatment

Named Discussions (February 2017)

- Discussed three potential structures on a formal, named basis: (1) preferred stock, (2) dual-class of common (current Greenlight idea) and (3) dual-class of common with alternative features (upside participation and full voting rights)
- Provided each agency the specific summary of terms for each structure that Greenlight shared with GM
- Where specifically requested, provided a standard form term sheet representing the terms Greenlight provided to GM

Since Greenlight Public Disclosure

- Agencies have had the benefit of Greenlight public presentation, exact terms Greenlight provided to GM, as well as Greenlight's proxy materials
- **Greenlight has also met with two of the rating agencies to make its case directly since making its proposal public**
- **Despite that, the rating agencies' views have not changed since their initial public statements, which were issued after Greenlight filed its public presentation**

Rating agencies have a thorough and complete understanding of Greenlight's proposal, and their views are unchanged and consistent

GM Has Been Transparent with Greenlight on Interactions with Rating Agencies

- Over the course of a 7-month evaluation, GM has shared with Greenlight its findings regarding the impact of Dividend Shares on GM's investment grade credit rating
- Advisors provided Greenlight with feedback received during advisor no-names discussions in November 2016
- GM provided Greenlight with feedback received during named discussions with rating agencies in February 2017
- GM shared with Greenlight the summary of the terms of the proposal and standard form term sheet shared with the rating agencies
 - In the spirit of full transparency, GM fully informed Greenlight about adjustments to the term sheet and the subsequent dialogue with the rating agencies on the matter of treatment of dividends in arrears in liquidation on which Greenlight's term sheet was silent
 - GM confirmed that this change did not impact the views of the agencies
- GM presented Greenlight's idea to the rating agencies fully and fairly and has communicated this information to Greenlight

Greenlight was aware of GM interactions with rating agencies throughout the 7-month evaluation

Greenlight's Baseless Claims Regarding GM's Changes to the Term Sheet

- From the start, GM has represented Greenlight's proposal fully and fairly to the rating agencies
- The Dividend Shares term sheet that Greenlight originally provided GM was not in standard form and was incomplete
- In its named discussions with the rating agencies, GM provided a summary of the terms of the proposal and, when specifically requested, a standard form term sheet which was based on Greenlight's original term sheet (see annotated term sheet at: <https://www.gmproxy.com>)
 - Appropriately, GM and its advisors populated missing items with reasonable assumptions and standardized legal provisions (which were not material in nature)
 - One clarification GM made related to the treatment of dividends in arrears in liquidation (on which Greenlight's term sheet was silent) – GM assumed that any unpaid dividends would have preferential treatment in liquidation, entirely consistent with prior discussions with Greenlight
 - Upon subsequently learning Greenlight did not envisage this treatment, GM promptly clarified this with the agencies, who responded that there was no change in their views
- In the spirit of full transparency, GM fully informed Greenlight about this change to the term sheet and the subsequent dialogue with the rating agencies on the matter
- Importantly, the rating agencies currently have full and complete information regarding Greenlight's proposal – including the exact terms Greenlight provided to GM and the detailed descriptions in Greenlight's public disclosure – **and their position remains unchanged on Greenlight's proposal and its negative impact on GM's credit profile**

Dividend Shares Align with Accepted Definitions of “Cumulative”

- **A cumulative dividend, by standard definition, is a dividend that cumulates if not paid, and must be repaid in arrears before any dividends are paid or share repurchases are made on common shares**
 - This is completely consistent with all Greenlight communications to GM regarding the Dividend Shares, including through a specific term sheet provided by them
 - This is true regardless of whether or not the Board has declared the dividend or if the dividend appears as a liability on the balance sheet
- **Greenlight, surprisingly, seems to believe that the dividend cumulates, but is not cumulative**
 - The ongoing accumulation of the Dividend Share dividends, preventing dividends and share repurchases on the Capital Appreciation shares, not their treatment in liquidation or on the balance sheet, is the most relevant to the impact on financial flexibility and ratings concerns we and the rating agencies have
- **A truly non-cumulative dividend would not provide the commitment to the dividend Greenlight seeks - it could be suspended at any point with no consequence**
 - Dividend Shares would have no participation in GM’s upside and only be entitled to a dividend that could be suspended at any time
 - This would also exacerbate the governance challenges associated with the proposal - suspending the dividend would create a direct transfer of value from the holders of Dividend Shares to the holders of Capital Appreciation shares

Greenlight’s description of Dividend Shares is aligned with the generally accepted definition of what the market would consider “cumulative”

Greenlight Consistently Characterized Security as Cumulative

Greenlight Capital Presentation – September 15, 2016

How Does This Happen

- Step 1: Create the Dividend Shares. Terms would include:
 - Perpetual preferred or new equity class
 - No obligation to make cash payments in any given year or series of years
 - Fixed cumulative dividend
 - No default conditions: non-payment ≠ default

What Happens If GM Doesn't Pay the Dividend?

- No default and no bankruptcy
- Buybacks of the common stock would be halted
- Dividends cumulate for Dividend Shares and must be fully paid before any common stock distributions restart
- Possible to have a PIK option
- After multiple dividend misses, Dividend Share holders can demand board representation

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Greenlight Capital Presentation– October 31, 2016

Unlike the common dividend, the market would respect the dividend commitment made through this security

Greenlight Capital Summary of Terms for Dividend Shares – January 30, 2017

Share Dividend). While an aggregate amount equal to at least the Dividend Share Dividend for each quarter since the issuance of the Dividend Shares has not been paid in respect of each Dividend Share, no dividends or distributions may be paid in respect of Capital Appreciation Shares, and the Issuer may not conduct any discretionary repurchase of Capital Appreciation Shares (other than as required pursuant to the terms of any *bona fide* employee benefit plan). If

Greenlight Capital Preliminary Proxy Filing – April 12, 2017

In addition, the Company's altered term sheet misleadingly discusses "holders of the Dividend Shares receiving dividends in arrears (i.e. accrued but unpaid dividends on the Dividend Shares) in preference to the holders of the Capital Appreciation Shares," which is an invention by the Company given that the Two Class Common Stock Proposal does not contemplate cumulative dividends.

David Einhorn to Business Insider – April 12, 2017

"The dividend is not cumulative," he told Business Insider. "The dividend is flexible. There is no inflexible cash burden. Dividends would only be owed if and when declared by the Board each quarter. That's the same as now. Undeclared dividends do not become a corporate obligation. The company has no contractual burden under our plan to pay a dividend ever."

Greenlight has consistently characterized Dividend Shares as cumulative, however, now appears to be contradicting this, despite the fact that capital cannot be returned to holders of Capital Appreciation Shares until unpaid dividends on Dividend Shares have been paid

Forward Looking Statements

This document may include forward-looking statements. These statements are based on current expectations about possible future events and thus are inherently uncertain. Our actual results may differ materially from forward-looking statements due to a variety of factors, including: (1) our ability to deliver new products, services and experiences that attract new, and are desired by existing, customers and to effectively compete in autonomous, ride-sharing and transportation as a service; (2) sales of full-size pick-up trucks and SUVs, which may be affected by increases in the price of oil; (3) the volatility of global sales and operations; (4) aggressive competition, including the impact of new market entrants; (5) changes in, or the introduction of novel interpretations of, laws, regulations or policies particularly those relating to free trade agreements, tax rates and vehicle safety and any government actions that may affect the production, licensing, distribution, pricing, or selling of our products; (6) our joint ventures, which we cannot operate solely for our benefit and over which we may have limited control; (7) compliance with laws and regulations applicable to our industry, including those regarding fuel economy and emissions; (8) costs and risks associated with litigation and government investigations; (9) compliance with the terms of the Deferred Prosecution Agreement; (10) our ability to maintain quality control over our vehicles and avoid recalls and the cost and effect on our reputation and products; (11) the ability of suppliers to deliver parts, systems and components without disruption and on schedule; (12) our dependence on our manufacturing facilities; (13) our ability to realize production efficiencies and cost reductions; (14) our ability to successfully restructure operations in various countries; (15) our ability to manage risks related to security breaches and other disruptions to vehicles, information technology networks and systems; (16) our ability to develop captive financing capability through GM Financial; (17) significant increases in pension expense or projected pension contributions; (18) significant changes in the economic, political, and regulatory environment, market conditions, and foreign currency exchange rates; and (19) uncertainties associated with the consummation of the sale of Opel/Vauxhall to the PSA Group, including satisfaction of the closing conditions. A further list and description of these risks, uncertainties and other factors can be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, and our subsequent filings with the Securities and Exchange Commission. GM cautions readers not to place undue reliance on forward-looking statements. GM undertakes no obligation to update publicly or otherwise revise any forward-looking statements.

Important Additional Information Regarding Proxy Solicitation

General Motors Company (“GM”) has filed a definitive proxy statement and form of WHITE proxy card with the U.S. Securities and Exchange Commission (the “SEC”) in connection with the solicitation of proxies for GM’s 2017 Annual Meeting. GM, its directors and certain of its executive officers may be deemed participants in the solicitation of proxies from shareholders in respect of the 2017 Annual Meeting. Information regarding the names of GM’s directors and executive officers and their respective interests in GM by security holdings or otherwise is set forth in the definitive proxy statement. Details concerning the nominees of GM’s Board of Directors for election at the 2017 Annual Meeting are included in the definitive proxy statement. BEFORE MAKING ANY VOTING DECISION, INVESTORS AND SHAREHOLDERS OF THE COMPANY ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH OR FURNISHED TO THE SEC, INCLUDING THE COMPANY’S DEFINITIVE PROXY STATEMENT AND ANY SUPPLEMENTS THERETO AND ACCOMPANYING WHITE PROXY CARD, BECAUSE THEY CONTAIN IMPORTANT INFORMATION. Investors and shareholders can obtain a copy of the definitive proxy statement and other relevant documents filed by GM free of charge from the SEC’s website, www.sec.gov. GM’s shareholders can also obtain, without charge, a copy of the definitive proxy statement and other relevant documents filed by GM by directing a request by mail to GM Shareholder Relations at General Motors Company, Mail Code 482-C23-D24, 300 Renaissance Center, Detroit, Michigan 48265 or by email to shareholder.relations@gm.com, by calling GM’s proxy solicitor, Innisfree M&A Incorporated, toll-free at 1-877-825-8964, or from the investors section of GM’s website, <http://www.gm.com/investors>.