

GENERAL MOTORS CORP
Form PREC14A
March 23, 2007

Schedule 14A Information

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

- Filed by the Registrant
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Check the appropriate box:
 Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
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GENERAL MOTORS CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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GENERAL MOTORS CORPORATION
Notice of Annual Meeting

Dear Stockholder:

You are invited to attend the annual meeting of stockholders of General Motors Corporation (“GM” or “General Motors” or the “Corporation” or “we”). It will be held at 9 a.m. local time on Tuesday, June 5, 2007, at the Hotel du Pont, 11th and Market Streets, Wilmington, Delaware. At the meeting, stockholders will vote on the following matters:

- The election of directors for the next year;
- The ratification of the selection of independent public accountants for the next year;
- The approval of the 2007 Annual Incentive Plan;
- The approval of the 2007 Long-Term Incentive Plan; and
- Ten stockholder proposals, if they are properly presented at the meeting.

If you were a holder of record of GM Common Stock, \$1²/₃ par value (“Common Stock”), at the close of business on April 9, 2007, the record date for the annual meeting, you will be entitled to vote at the meeting. Please read the *General Information* section beginning on page for further details. A list of stockholders entitled to vote at the meeting will be available for examination, for a purpose that is germane to the meeting, at General Motors Corporation, Renaissance Center, Detroit, Michigan, for ten business days before the annual meeting between 9 a.m. and 5 p.m., and at the Hotel du Pont during the meeting.

The annual meeting will include a report on the state of the business, and then focus on electing directors and voting on the selection of independent public accountants, the 2007 Annual Incentive Plan, the 2007 Long-Term Incentive Plan, and stockholder proposals, and related discussion. After that, we will provide time for business-related questions and comments. If you plan to attend the meeting, please see the instructions on page . A map and directions are on the back cover of this proxy statement and on the admission ticket attached to your proxy card.

In addition to the annual meeting, GM holds regional stockholder forums. Forums provide an opportunity for you to learn about General Motors and discuss related issues with GM management. Invitations will be mailed to stockholders who live in the vicinity of these meetings.

Your vote is important. Please read the attached proxy statement carefully and submit your proxy as soon as possible. You have a choice of submitting your proxy via the Internet, by telephone, or by completing and mailing the enclosed proxy card.

Sincerely,

Nancy E. Polis
Secretary

G. Richard Wagoner, Jr.
Chairman & Chief Executive Officer

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GENERAL MOTORS CORPORATION

300 Renaissance Center, P.O. Box 300, Detroit, Michigan 48265-3000

PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS TO BE HELD JUNE 5, 2007

This proxy statement is provided in connection with the solicitation of proxies, by order of the Board of Directors (the "Board" or the "Board of Directors") of General Motors, to be used at the 2007 annual meeting of stockholders of the Corporation. The enclosed proxy card represents your holdings of Common Stock in the registered account name shown. We expect this proxy statement and the enclosed proxy card will be mailed, or will be available through the Internet for those stockholders receiving their proxy materials electronically, on or after _____, 2007, to each stockholder entitled to vote at the annual meeting.

In addition to this proxy statement and the proxy card, the GM 2006 Annual Report is provided in this package.

Please refer to the Glossary of Terms on page _____ for definitions of capitalized or abbreviated terms used in this proxy statement.

General Information

Stockholders Entitled to Vote

The Board of Directors designated April 9, 2007, as the record date for determining stockholders entitled to vote at the annual meeting. On that date, the Corporation had _____ shares of Common Stock outstanding and entitled to vote. Each share of Common Stock entitles the holder to one vote.

Voting

When you timely submit your proxy in the proper form, your shares will be voted according to your instructions. You may give instructions to grant or withhold authority to vote for the election of all the Board of Directors' nominees, or any individual nominee, and to vote for or against, or abstain from voting upon, each of the other matters submitted for voting.

If you are a stockholder of record (that is, you own shares in your name in an account with GM's stock transfer agent, Computershare Trust Company, N.A. ("Computershare")), you can vote in any one of the following three ways:

- By Internet: Go to the Web site, www.investorvote.com/gm, as shown on your proxy card, and follow the instructions. Internet voting is available 24 hours a day, seven days a week, through the end of the annual meeting on June 5, 2007.
- By Telephone: Call the toll-free number, 800-652-8683, as shown on your proxy card. If you are outside the United States, Canada, or Puerto Rico, call 781-575-2300. Please follow the instructions on your proxy card and the voice prompts on the telephone. Telephone voting is available 24 hours a day, seven days a week, through the end of the annual meeting on June 5, 2007.
- By Mail: Mark your vote, sign your name exactly as it appears on your proxy card, date your proxy card, and return it in the enclosed envelope so that it is received by the date of the annual meeting. If you receive more than one proxy card (which means you have shares in more than one account), you must mark, sign, and date each proxy card, or alternatively vote all these shares through the Internet or by telephone. If you sign and return your proxy card and do not specify a choice, your shares will be voted as the Board of Directors has recommended, as indicated in this proxy statement.

After you have signed and returned the enclosed proxy card or voted through the Internet or by telephone, you may revoke your proxy at any time until it is voted at the annual meeting. You may do this by voting subsequently by Internet, telephone, or proxy card, by sending a written notice of revocation to the Secretary of the Corporation, or by voting in person at the annual meeting.

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By giving your proxy by Internet, telephone, or mail, you will authorize the Proxy Committee to vote your shares of Common Stock as you direct and as they determine on any proposals that General Motors does not know about now but that may be presented properly at the meeting. The Proxy Committee is composed of the following executive officers of the Corporation: G. Richard Wagoner, Jr.; Frederick A. Henderson; and Robert A. Lutz, each of whom is authorized to act on behalf of the Committee.

If your shares are held by a broker, bank, or other nominee, please use the instructions they provide for voting your shares. If you want to vote those shares in person at the annual meeting, you must bring a signed proxy from the broker, bank, or other nominee giving you the right to vote the shares. Revocation of proxies for shares held through a broker, bank, or other nominee must be made through the appropriate nominee in accordance with its instructions.

As a matter of policy, GM believes your vote should be private. Therefore, we use an independent third party to receive, inspect, count, and tabulate proxies. Representatives of the independent third party also act as judges at the annual meeting.

The presence, in person or by proxy, of holders of one-third of the outstanding shares of Common Stock entitled to vote at the annual meeting is considered a quorum for the transaction of business. Under the Bylaws of General Motors as amended in 2006, directors are elected by a majority in uncontested elections and by plurality in contested elections. A contested election is one in which the number of nominees exceeds the number of directors to be elected.

In an uncontested election, nominees will be elected directors if they receive a majority of the votes cast (i.e., the number of shares voted “for” a director must exceed the number of votes cast “against” that director, without counting abstentions).

In a contested election, the nominees who receive a plurality of the votes cast (i.e., more votes in favor of their election than other nominees) will be elected directors. For example, GM stockholders will elect 11 directors at the annual meeting, so that under plurality voting the 11 nominees who receive the most votes would be elected.

For the election of directors at GM’s 2007 Annual Meeting, we believe, based on stockholder notices we have received, it is likely there will be more nominees than the number of directors to be elected, and therefore, plurality voting will govern.

Each proposal in this proxy statement aside from the election of directors will be approved if it receives a majority of the votes present, either in person or by proxy, and entitled to vote at the meeting. If you submit your proxy or attend the meeting but choose to abstain from voting on any proposal, you will be considered present at the meeting and not voting in favor of the proposal. Since Item Nos. 2-14 will pass only if they receive favorable votes from a majority of votes present and entitled to vote at the meeting, the fact that you abstain and do not vote in favor of a proposal will have the same effect as if you had voted against the proposal. In contrast, a “broker non-vote” is deemed not entitled to vote at the meeting with regard to that proposal so that it does not have any effect on the outcome of a vote. Under New York Stock Exchange (“NYSE”) rules, if your shares are held by a broker, bank, or other nominee, your shares may be voted by such nominee on Item Nos. 1 and 2, even if you do not provide voting instructions, because they involve matters that are considered routine. Your broker, bank, or other nominee may not vote on Item Nos. 3-14 if you do not provide instructions, because they involve matters that are considered non-routine.

Voting of Stock Plans for Employees

Your proxy card will serve to instruct the trustees, plan committees, or independent fiduciaries how to vote your shares in the following employee stock plans:

- General Motors Savings-Stock Purchase Program for Salaried Employees in the United States (the “S-SPP”)
- General Motors Personal Savings Plan for Hourly-Rate Employees in the United States (the “PSP”)
- General Motors Canadian Savings-Stock Program for Salaried Employees (the “Canadian Plan”)
- General Motors of Canada Limited Group RRSP and Savings Plan for Hourly Employees (the “RRSP”)

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- Fidelity Investments Canada Limited Next StepSM — Personal Retirement Group (the “FICL-PRG”)
- GMAC Insurance Personal Lines — Retirement Savings Plan (the “GMAC Insurance Plan”)

If you do not provide instructions on how to vote your shares held in the S-SPP, those shares will be voted at the discretion of the plan’s trustee. If you do not provide instructions on how to vote your shares held in the PSP, the Canadian Plan, the RRSP, the FICL-PRG, or the GMAC Insurance Plan, your shares will not be voted. To allow sufficient time for the trustees, plan committees, or independent fiduciaries to vote your shares, they must receive your voting instructions by 6 p.m. Eastern time, May 31, 2007.

Submission of Stockholder Proposals

At the annual meeting each year, the Board of Directors asks stockholders to vote on its nominees for election as directors. In addition, at each annual meeting the stockholders ratify or reject the independent public accountants selected by the Audit Committee. The Board of Directors also may submit other matters for stockholder approval at the annual meeting. In addition to these matters presented by the Board of Directors, you will be asked to vote on one or more stockholder proposals, if they are properly presented at the meeting.

The deadline for stockholders to submit a proposal for inclusion in the Corporation’s proxy statement for the 2008 annual meeting is , 2007. Any proposals intended to be included in the proxy statement for the 2008 annual meeting must be received by the Corporation on or before that date. Please send proposals to the Secretary of the Corporation at the address given in “Communicating with GM” on page .

Attending the Annual Meeting

If you plan to attend the annual meeting, please detach and retain the admission ticket attached to your proxy card. As space is limited, you may bring only one guest to the meeting. If you hold your stock through a broker, bank, or other nominee, please bring evidence to the meeting that you owned Common Stock as of the record date, and we will provide you with an admission ticket. If you receive your annual meeting materials electronically and wish to attend the meeting, please follow the instructions provided on-line for attendance. A form of government-issued photograph identification will be required to enter the meeting. To permit as many stockholders as possible to participate, only stockholders or their valid proxy holders may speak at the meeting. Large bags, packages, briefcases, cameras, recording equipment, and other electronic devices will not be permitted in the meeting, and attendees will be subject to security inspections. A map with driving directions appears on the back cover of this proxy statement and on the admission ticket.

Householding of Annual Meeting Materials

The U.S. Securities and Exchange Commission (the “SEC”) permits publicly held corporations to send a single copy of their annual report and proxy statement to any household at which two or more stockholders reside if it appears such stockholders are members of the same family. Each stockholder will continue to receive a separate proxy card. This procedure, referred to as householding, is intended to reduce the volume of duplicate information stockholders receive and also to reduce expenses for corporations. General Motors has instituted this procedure for all stockholders of record.

If one set of these documents was sent to your household for the use of all GM stockholders in your household, and one or more of you would prefer to receive your own set, please contact our stock transfer agent, Computershare, by telephone at 800-331-9922 (if calling from outside the United States, Canada, or Puerto Rico, call 781-575-3990), or by mail at P.O. Box 43078, Providence, RI 02940-3078.

If a broker, bank, or other nominee holds your GM shares, please contact your broker, bank, or other nominee directly if you have questions about delivery of materials, require additional copies of the proxy statement or annual report, or wish to receive multiple copies of reports by stating that you do not consent to householding.

Electronic Delivery of Annual Meeting Materials

You can save the Corporation postage and printing expenses by consenting to receive your GM annual report and proxy materials via the Internet. At your request, you will receive an e-mail notification when these documents are available electronically through the Internet. Stockholders of record (those who own shares in their own name in an account with Computershare) may sign up for this service at www.computershare.com/gm. Beneficial stockholders (those who own shares through a broker, bank, or other nominee) may sign up at www.icsdelivery.com/gm if their broker, bank, or other nominee is among the majority that participate in electronic delivery.

Materials for Beneficial Owners

Brokers, dealers, banks, voting trustees, and other nominees who want a supply of the Corporation's proxy soliciting materials to send to beneficial owners should write to Morrow & Co., Inc., Attn: GM Fulfillment, 470 West Avenue, 3rd Floor, Stamford, CT 06902.

Expenses of Solicitation

The Corporation will pay the cost of the solicitation of proxies for the 2007 annual meeting. General Motors will solicit proxies by mail and electronic means, and the directors, officers, and employees of GM may also solicit proxies. The Corporation's current plan for soliciting by GM personnel calls for a small number of executives and one or more managers in the Global Compensation group to contact some institutional stockholders in person and by telephone to support the Board's nominees, provide information about management proposals, and discuss the Board's recommendation to vote against certain stockholder proposals. This assignment is not expected to take a significant share of executive time, and these individuals will not receive any additional compensation for such services. In addition, GM has retained Morrow & Co., Inc. ("Morrow") to assist in soliciting proxies as necessary for a fee of up to \$50,000 based on services provided, plus reasonable out-of-pocket expenses. GM currently anticipates that it may request Morrow to contact institutional stockholders to remind them to vote their shares, as necessary to obtain a quorum or as otherwise desired.

The Corporation will reimburse brokers, banks, and other nominees for their expenses in forwarding proxy materials to beneficial owners.

Communicating with GM

To obtain a copy of the following documents, write to the Secretary of the Corporation at General Motors Corporation, Mail Code 482-C38-B71, 300 Renaissance Center, P.O. Box 300, Detroit, MI 48265-3000, or consult GM's Web site at <http://investor.gm.com>, under "Corporate Governance."

- Restated Certificate of Incorporation
- Bylaws
- Corporate Governance Guidelines
- Board Committee Charters
- Winning With Integrity: Our Values and Guidelines for Employee Conduct
- Executive Officer Severance Policy
- Incentive Compensation Recoupment Policy
- Policy on Stockholder Rights Plan
- Policy on Political Contributions and Expenditures
- Other Board policies that may be adopted from time to time

To write the Secretary, the Board of Directors, or the Audit Committee, send your correspondence to the Secretary of the Corporation by mail to the address above or by fax to 313-667-3166.

GM Corporate Governance

Corporate Governance Guidelines

The Board believes that a strong commitment to maintaining best practices in GM's corporate governance enhances the Board's ability to optimize long-term stockholder value. To that end, the Board maintains corporate governance guidelines and related policies that it believes enable it to most effectively discharge its responsibility to provide oversight and direction to the conduct of the Corporation's business.

These corporate governance guidelines and policies, which are adopted by the Board with periodic recommendations from the Directors and Corporate Governance Committee, cover, among other things:

- Board membership criteria and a process for the selection of new directors
- Requirement that each incumbent director submit a written irrevocable resignation when nominated for re-election, which would become effective if, in an uncontested election, the director fails to receive a majority of the votes cast, excluding abstentions, and the Board accepts that resignation
- Orientation for new directors and continuing education for all directors
- Requirement that a substantial majority of directors be independent
- Limitation on the number of outside board memberships that can be held by any director
- Mandatory retirement for directors at age 72
- Prohibition against personal loans from the Corporation and its subsidiaries to directors and executive officers that would violate the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley")
- Requirement that non-management directors own stock and/or deferred Restricted Stock Units ("RSU") equal in value to five times their annual retainer
- Requirements for regular and special executive sessions of the Board
- Role and responsibilities of the presiding director
- Access by the Board and each of its Committees to independent advisors at the Corporation's expense
- Participation by all the directors in annual self-evaluations of the Board and each of its Committees
- Directors' obligations to comply with the Corporation's policies regarding ethics and conflicts of interest
- Confidentiality of Board materials, deliberations, and actions
- Directors' unrestricted access to GM management
- Annual evaluation of the Chairman and Chief Executive Officer ("CEO") by the Board
- Board process for overseeing succession planning for management

The Directors and Corporate Governance Committee regularly reviews information concerning the corporate governance guidelines and related policies adopted by other major public corporations as well as the views of various groups active in the field of corporate governance regarding such guidelines and policies. This benchmark information is provided to assist in the review and updating of GM's guidelines and policies. The Committee also oversees the Corporation's ongoing compliance with the rules and regulations of corporate regulators and overseers such as the SEC and NYSE. To obtain a copy of GM's Corporate Governance Guidelines, see "Communicating with GM" on page .

Selection of Nominees for Election to the Board

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The Directors and Corporate Governance Committee is responsible for identifying potential candidates for Board membership and making its recommendations to the full Board. In assessing potential candidates, the Committee seeks to consider individuals with a broad range of business experience and diverse

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backgrounds. The selection of qualified directors is complex and crucial to our long-term success. Potential candidates for election to the Board are evaluated based upon criteria such as:

- The nature and depth of their experience in business, government, non-profit organizations, and whether they are likely to be able to make a meaningful and constructive contribution to the Board's discussion and decision making concerning the broad array of complex issues facing the Corporation;
- Their demonstrated commitment to the highest ethical standards and the values of the Corporation;
- Their special skills, judgment, expertise, and experience that would complement or expand that of the existing directors in monitoring the strategic direction of the Corporation;
- Their ability to take into account and balance the legitimate interests and concerns of all our stockholders and other stakeholders effectively, consistently, and appropriately in reaching decisions; and
- Their global business and social perspective, personal integrity, and sound judgment.

In addition, directors must have time available to devote to Board activities and to enhance their knowledge of General Motors and the global automotive industry. To assist in the identification and evaluation of qualified director candidates, the Committee, on occasion, has engaged search firms that specialize in providing services for the identification and evaluation of candidates for election to corporate boards.

The Directors and Corporate Governance Committee will consider persons recommended by stockholders for election to the Board. To recommend an individual for Board membership, write to the Secretary of the Corporation at the address given on page in "Communicating with GM." The Committee uses the same criteria for evaluating candidates proposed by stockholders, members of the Board, and members of our senior management. In particular, the Committee will review the qualifications and background of each recommended candidate in light of the selection criteria listed above and will communicate its decision to the candidate or the person who makes the recommendation.

If you intend to nominate a candidate for director at the annual meeting or to introduce any other matter (aside from a stockholder proposal under Rule 14a-8 of the SEC's proxy rules, which is discussed on page), you must give the Corporation written notice, as required in Section 1.11 of GM's Bylaws. The Secretary must receive such notice not more than 180 days and not less than 120 days before the date of the annual meeting. For the 2008 annual meeting, such notice must be received between December 6, 2007, and February 4, 2008.

If the number of candidates nominated is greater than the number of directors to be elected, GM's Bylaws provide that the election will be determined by plurality voting rather than majority voting.

Directors

Each year, prior to the annual meeting of stockholders of the Corporation, the Directors and Corporate Governance Committee recommends the individuals it believes should be nominated to serve on the Board for the next year, consistent with the Corporation's Bylaws, Corporate Governance Guidelines, and related policies. If the Board approves, information about these nominees is included in the proxy statement that GM distributes to its stockholders before the annual meeting to solicit their proxies. If all the Board's nominees are elected at the 2007 annual meeting, the Board will be composed of a substantial majority of independent directors, because all directors would be independent, except for Mr. Wagoner, Chairman and CEO of the Corporation. To qualify as independent under the Bylaws, a director must satisfy all the independence standards established by the SEC and by the NYSE.

The Board of Directors is currently composed of 11 members. In 2006, the full Board held a total of 17 meetings and average attendance at Board and Committee meetings was 94 percent. Each director attended more than 75 percent of the aggregate of all meetings of the Board of Directors and the Committees on which he or she served during 2006. Directors are expected to attend our annual meeting of stockholders, which is held in conjunction with a regularly scheduled Board meeting. In 2006, 12 directors — all of the

current members of the Board and a director who resigned in October 2006 — attended the annual meeting of stockholders.

Size of the Board

The Board of Directors currently has 11 members. The Bylaws state that the number of directors is determined by resolution of the Board, provided that the Board cannot establish a number of directors outside the range of 3 to 17 without first obtaining stockholder consent. The Board's size is reassessed at least annually by the Directors and Corporate Governance Committee to determine if a different number would be more effective. If any nominee is unable to serve as a director or if any directors leave the Board between annual meetings of stockholders, the Board, by resolution, may reduce the number of directors or elect individuals to fill the vacancies.

Voting Standards for the Election of Directors

In October 2006, the Board amended GM's Bylaws and corporate governance policies to provide that, in uncontested elections (i.e., those where the number of nominees is the same as the number of directors to be elected), directors are elected by a majority of the votes cast. The Bylaws further provide that before any incumbent director may be nominated by the Board for re-election to the Board, he or she must submit a written irrevocable resignation, which would become effective if (i) the director does not receive more than 50 percent of the votes cast, and (ii) the Board accepts that resignation in accordance with policies and procedures adopted by the Board for such purposes. In contested elections, the plurality voting standard governs the election of directors. Under the plurality standard, the number of persons equal to the number of vacancies to be filled who receive more votes than other nominees are elected to the Board, regardless of whether they receive a majority of votes cast.

Within 90 days after receipt of the certified final vote for the election of directors in which one or more incumbent directors did not receive a majority of the votes cast, the Directors and Corporate Governance Committee and the Board will consider his or her tendered resignation in light of the best interests of GM and its stockholders. In determining whether to accept or reject the resignation, or whether other action should be taken to select a substitute to serve as a director in place of an unsuccessful incumbent, the Committee and the Board may consider any factors they determine appropriate and relevant, but, in any event, will accept the resignation of an unsuccessful incumbent absent a compelling reason to reject the resignation. Compelling reasons for rejecting a resignation might include, among other things:

- Alternatives for addressing or resolving the stated or apparent reasons for the votes against the director;
- Whether the loss of the director would: 1) eliminate a financial expert from the Audit Committee; 2) cause the Board to have less than a majority of independent directors; 3) cause GM to fail to satisfy the listing requirements of the NYSE; 4) result in a default or breach under any loan covenants; or 5) trigger a significant payment under an executive employment contract or other contract.

While the Directors and Corporate Governance Committee is considering whether to recommend that the Board accept a director's resignation under the circumstances described above, and while the Board itself is deliberating and acting upon the recommendation of that Committee, the Board expects an unsuccessful incumbent to voluntarily recuse himself or herself from participation in those discussions and decisions, except in limited circumstances.

Within four business days following acceptance or rejection of the resignation, following the process described above, the Corporation will file a report with the SEC on Form 8-K setting forth its decision and a reasonably detailed explanation of the rationale relied upon by the Board in making that decision.

If all incumbent directors who are Board nominees fail to receive a vote of at least 50 percent of the votes cast in an election of directors at an annual or special meeting of stockholders (or solicitation of written consent of stockholders) in which the majority voting standard applies, the incumbent Board will nominate a new slate of directors and call and hold a special meeting within 180 days after the certification of the

stockholder vote for the purpose of electing a Board of Directors. In such circumstances, the incumbent Board will continue to serve until new directors are elected and qualified by the special election.

Director Independence

The Directors and Corporate Governance Committee assesses the independence of each director and individual nominated for election to the Board and makes recommendations to the Board as to his or her independence using the criteria in the Board's Corporate Governance Guidelines. The Corporate Governance Guidelines (which incorporate by reference the criteria of the SEC and NYSE) provide that an independent director of the Corporation must satisfy all of the following criteria:

- During the past three years, the Corporation has not employed the director and has not employed any of his or her immediate family members (except in a non-executive capacity).
- During the past three years, neither the director nor any of his or her immediate family members has received any direct compensation from the Corporation other than director fees or deferred compensation.
- Neither the director nor any of his or her immediate family members is currently employed by (or affiliated with) the Corporation's auditors; and during the past three years, neither the director nor any of his or her immediate family members has been employed by (or affiliated with) the Corporation's auditors and personally worked on the Corporation's audit.
- During the past three years, neither the director nor any of his or her immediate family members has been part of an "interlocking directorate" in which an executive officer of the Corporation serves on the compensation (or equivalent) committee of another company that employs the director.
- During the past three years, neither the director nor any of his or her immediate family members has been employed (except in a non-executive capacity) by a significant supplier or customer of the Corporation or any affiliate of such supplier or customer. For the purposes of this standard, a supplier or customer is considered significant if its sales to, or purchases from, the Corporation represent the greater of \$1 million or 2 percent of the Corporation's or the supplier's or customer's consolidated gross revenues.

In addition to satisfying all of the foregoing requirements, a director or nominee may not be considered independent if he or she has, in the judgment of the Board, any other "material" relationship with the Corporation, other than serving as a director.

Consistent with the standards described above, the Board has reviewed all relationships between the Corporation and the members of the Board and affirmatively has determined that all of the directors are independent other than Mr. Wagoner, according to GM's Corporate Governance Guidelines based on the underlying standards of the SEC and the NYSE.

The following chart lists the relationships that exist between GM and organizations affiliated with each non-employee member of the Board during 2006. (Some of these relationships are not reflected in the directors' biographies below.) It also describes the basis for the Board's determination that the director is independent because the relationships are not material.

Key to Chart:

A — For the years 2004, 2005, and 2006, sales and purchases between the organization affiliated with the director and GM (i) did not exceed the greater of \$1 million or 2 percent of the organization's consolidated annual gross revenues; and (ii) were not otherwise of an amount or nature to impede the exercise of the director's independent judgment.

B — For the years 2004, 2005, and 2006, contributions by GM (including the GM Foundation) to the charitable organization (i) did not exceed the greater of \$1 million or 2 percent of the charitable annual total revenues including contributions; and (ii) were not otherwise of an amount or nature to impede the exercise of the director's independent judgment.

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Director	Relationships Considered	Sales & Purchases (A)	Charitable Contributions (B)
Percy N. Barnevik	Member, The Business Council		X
	Member, Advisory Council at the Wharton School of Business Administration		X
Erskine B. Bowles	President, The University of North Carolina		X
	Director, Morgan Stanley	X	
	Board Member, Juvenile Diabetes Research Foundation International		X
John H. Bryan	Director, BP p.l.c. (did not stand for re-election in 2007)	X	
	Director, Goldman Sachs Group, Inc.	X	
	Member, The Business Council		X
	Member, National Trust Council of the National Trust for Historic Preservation		X
	Life Trustee, University of Chicago		X
Armando M. Codina	Director, Florida East Coast Industries	X	
	Director, AMR Corporation	X	
	Director, Merrill Lynch & Co., Inc.	X	
	Director BellSouth (term ended after merger with AT&T)	X	
George M.C. Fisher	Director, Eli Lilly and Company	X	
	Chairman, PanAmSat Corporation (resigned in 2006)		X
	Member, National Academy of Engineering		X
Karen Katen	Vice Chairman, Pfizer (retired 3/31/07)	X	
	Board Member, Catalyst		X
	National Board of Trustees, American Cancer Society Foundation (resigned 2006)		X
	Trustee, University of Chicago and Council Member of the Graduate School of Business		X
Kent Kresa	Chairman Emeritus, Northrop Grumman Corporation	X	
	Non-Executive Chairman, Avery Dennison Corporation	X	
	Director, Fluor Corporation	X	
	Chairman of the Board of Trustees of California Institute of Technology		X
	Member, Board of Overseers of the Keck School of Medicine of the University of Southern California		X
	Member, Advisory Board of the Massachusetts Institute of Technology Lincoln Laboratory		X

Director	Relationships Considered	Sales & Purchases (A)	Charitable Contributions (B)
Ellen J. Kullman	Executive Vice President, DuPont Safety & Protection; DuPont Coatings & Color Technologies; Marketing & Sales; Safety and Sustainability	X	
	Member, Board of Overseers of the Tufts University School of Engineering		X
	Board Member, National Safety Council		X
Philip A. Laskawy	Director, Cap Gemini	X	
	Chairman, Trustees, International Accounting Standards Committee Foundation		X
	Board Member, Alvin Ailey Dance Foundation, Inc.		X
E. Stanley O'Neal	Chairman & CEO, Merrill Lynch & Co., Inc.	X	
<i>Resigned 2/6/06</i>	Member, The Business Roundtable		X
	Board Member, Memorial Sloan-Kettering Cancer Center		X
	Trustee, Center for Strategic and International Studies		X
Eckhard Pfeiffer	Member, Advisory Board, Deutsche Bank	X	
Jerome B. York	Director, Apple Computer, Inc.	X	
<i>Resigned 10/6/06</i>	Director, Tyco International Ltd.	X	

In each case, GM business or contribution to the entity associated with each director is not of such a magnitude to classify any of them as significant suppliers or customers of GM.

Presiding Director

The Board of Directors annually elects the presiding director of the full Board. The presiding director is currently George M.C. Fisher, who also serves as the Chair of the Directors and Corporate Governance Committee. In addition to serving as the Chair of the executive sessions of the non-management directors, the presiding director is also responsible for advising the Chairman and CEO of decisions reached, and suggestions made, at all such executive sessions. Agendas for Board meetings are established by the Chairman with input from the Board and are reviewed and approved by the presiding director. The presiding director also reviews and approves matters such as the agenda for executive sessions, the information sent to the Board, and meeting schedules, including frequency and allocation of time within the agenda. Additional functions include: calling meetings of the non-management directors; serving as liaison between the Chairman and CEO and the non-management directors (although all non-management directors are encouraged to freely communicate with the Chairman and CEO at any time); assisting the Chairman and CEO in the recruitment and orientation of new directors; presiding at meetings of the Board when the Chairman is not present; and assuming such additional responsibilities as may be determined by the non-management directors. Finally, if requested by major stockholders, the presiding director is available for consultation and direct communication.

Executive Sessions

The non-management directors meet in regularly scheduled executive sessions without management present at least three times each year and, in practice, much more frequently. In general, time is reserved

following each regularly scheduled Board meeting should the non-management directors wish to meet in executive session. The non-management directors of the Board met in executive session nine times in 2006.

During the course of these sessions, the non-management directors review CEO performance, compensation, and succession planning; future Board agendas and the flow of information to directors; the Board's corporate governance matters; and any matters of importance to the Corporation or other issues raised by the independent directors.

Stockholder Communication to the Presiding Director or Non-Management Directors

Stockholders wishing to communicate with the presiding director or with the non-management directors as a group may send a letter by regular or express mail addressed to the Secretary, General Motors Corporation, Mail Code 482-C38-B71, 300 Renaissance Center, P.O. Box 33118, Detroit, MI 48233-5118, Attention: Presiding Director or Non-Management Directors. All correspondence sent to that address will be delivered to those directors on a quarterly basis, unless management determines in an individual case that it should be sent more promptly. All correspondence to directors will be acknowledged by the Secretary and may also be forwarded within GM to the subject matter expert for review.

Ethics and Conflicts of Interest

The Board expects all directors, as well as officers and employees, to act ethically at all times and to adhere to our policies set forth in "Winning With Integrity: Our Values and Guidelines for Employee Conduct." These guidelines are available on the Internet at <http://investor.gm.com>. Stockholders and all others wishing to obtain a copy should refer to "Communicating with GM" on page .

The Board will not grant or permit any waiver of GM's ethics policy for any director or executive officer. If an actual or potential conflict of interest arises for a director, the director is expected to promptly inform the Chairman and CEO and the presiding director. If a significant conflict exists that cannot be resolved, the director is expected to resign. All directors must recuse themselves from any discussion or decision affecting their business or personal interests.

Confidentiality

Directors, like all employees, are required to maintain the confidentiality of information entrusted to them by GM or any other confidential information about GM that they receive from any source in their capacity as a director, except when disclosure is legally required or specifically authorized by the Board of Directors. Directors are expected to take all appropriate steps to minimize the risk of disclosure of confidential communications coming to them from GM as well as confidential discussions and decisions by or among directors and by or among the directors and management. All discussions occurring at Board or Committee meetings are deemed confidential, except to the extent that disclosure may be legally required. Directors may not use confidential information for their own personal benefit or for the benefit of persons or entities outside the Corporation or in violation of any law or regulation including insider trading laws and regulations. These responsibilities with regard to confidential information apply to directors during and after their service on the Board. For purposes of this guideline, "confidential information" is all non-public information relating to GM including, but not limited to, information that could be useful to competitors or otherwise harmful to GM's interests or objectives if disclosed.

Director Orientation and Continuing Education

The Board and management, on the recommendation of the Directors and Corporate Governance Committee, are responsible for providing an orientation for new directors and for periodically advising all directors on subjects that would assist them in discharging their duties. Each new director goes through a comprehensive orientation process to become familiar with GM's business plans, financial matters, strategies, challenges, vision, core values and ethics, corporate governance practices, and other key policies and practices through a review of background material and meetings with senior management. In addition, directors have

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the opportunity to visit GM's facilities and auto shows. All directors are encouraged to attend, at GM's expense, director continuing education programs sponsored by educational and other institutions.

Access to Outside Advisors

At its request, the Board as well as each Committee, can retain the services of outside advisors at the Corporation's expense.

Committees of the Board of Directors

In addition to being members of the Board, non-employee directors serve on one or more of its key Committees: Audit, Directors and Corporate Governance, Executive Compensation, Investment Funds, and Public Policy. Each Committee of the Board has adopted a written charter in compliance with the NYSE rules. See "Communicating with GM" on page for information about obtaining each charter. The table below indicates the membership of each Committee:

Name	Audit	Directors and Corporate Governance	Executive Compensation	Investment Funds	Public Policy
Percy N. Barnevik		X			Chair
Erskine B. Bowles		X			X
John H. Bryan		X	Chair		
Armando M. Codina			X	X	
George M.C. Fisher (a)		Chair	X		
Karen Katen		X	X		
Kent Kresa (b)	X			Chair	
Ellen J. Kullman	X			X	
Philip A. Laskawy	Chair			X	
Eckhard Pfeiffer	X			X	

(a) Presiding director

(b) Mr. Kresa was appointed Chair of the Investment Funds Committee on February 6, 2006

The Audit Committee met 22 times in 2006 and is composed entirely of independent directors. The function of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to the financial reports and other financial information provided by GM to the stockholders and others; GM's system of internal controls; GM's compliance procedures for the employee code of ethics and standards of business conduct; and GM's audit, accounting, and financial reporting processes. It is the judgment of the Board that all members of this Committee are financially literate, and that Philip A. Laskawy, the Audit Committee Chair, satisfies the standard for "audit committee financial expert" as defined by the SEC and has accounting or related financial management expertise as required by the NYSE. Currently, Mr. Laskawy serves on the audit committees of four public companies. The Board has determined, in light of Mr. Laskawy's depth of knowledge and experience and time available as a retiree, that this simultaneous service does not impair his ability to function as a member and the Chair of the Audit Committee. On the contrary, the Board believes this experience on a number of audit committees enhances his contribution to GM's Audit Committee. The Audit Committee's Report appears on page .

The Directors and Corporate Governance Committee met six times in 2006 and is composed entirely of independent directors. The Committee gives direction and oversight to the identification and evaluation of potential Board candidates and ultimately recommends candidates to be nominated for election to the Board. It periodically conducts studies of the appropriate size, composition, and compensation of the Board. The Committee is also responsible for reviewing and proposing revisions to the Board's Corporate Governance Guidelines, Bylaws, and Delegation of Authority; recommending memberships, rotation, and Chairs for all Committees of the Board; and contributing to the process of setting the agendas for the executive sessions of the Board of Directors.

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The Executive Compensation Committee met seven times in 2006. The Committee is composed entirely of independent directors. Its role is to ensure that the Corporation's compensation policies and practices support the successful recruitment, development, and retention of executive talent. The Committee reviews and approves corporate goals and objectives related to compensation for the CEO and senior executives, including the senior leadership group of the Corporation. It also approves benefit and incentive compensation plans of the Corporation and its major subsidiaries that affect employees subject to its review. The members of the Committee are not eligible to participate in any of the compensation plans or programs it administers. More information about the Executive Compensation Committee and related topics is provided in the Compensation Discussion and Analysis beginning on page . The Executive Compensation Committee Report also appears on page .

The Investment Funds Committee met three times in 2006 and is composed entirely of independent directors. The Committee is responsible for assisting the Board with its general oversight responsibility for certain investment funds of the Corporation and its subsidiaries, and serves as the named fiduciary of certain benefit plans of GM and a number of its subsidiaries covered by the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

The Public Policy Committee met three times in 2006 and is composed entirely of independent directors. The Committee fosters GM's commitment to operate its business worldwide in a manner consistent with the rapidly changing demands of society. Topics reviewed by this Committee include GM's strategies and plans in the areas of advanced technology, fuel economy, environmental and energy performance, research and development, automotive safety, diversity, health care, education, communications, employee health and safety, trade, and philanthropic activities. The Committee provides public policy guidance to management to support GM's progress in growing the business globally within the framework of GM's core values to ensure that GM is strongly positioned to compete today and into the future.

Compensation Plan for Non-Employee Directors

[To be included in Definitive Proxy Statement]

Director Stock Ownership Guidelines and Holding Requirement

The Board has established a stock ownership guideline for non-employee directors to enhance the link between interests of GM's directors and stockholders. Each non-employee director is required to own stock, share units, or other equity equivalents equal in value (as described below) to five times the value of his or her annual retainer within five years of joining the Board or the adoption of this ownership requirement in 2004. (Information about employee stock ownership guidelines is found on page .) The Directors and Corporate Governance Committee may exercise its discretion in enforcing the guideline when the value of accumulated Common Stock or share units or the size of the required holding is unduly affected by the price of Common Stock or changes in director compensation. Once a director satisfies the minimum ownership requirement (now \$1 million), he or she will remain qualified if he or she continues to own at least the same number of shares or units, regardless of changes in the market value of the stock. Ownership guidelines are reviewed each year to ensure they continue to be effective in aligning directors' and stockholders' interests. Compliance is measured by reference to a three-year average stock price to take into consideration the volatility of the stock market and the long-term holding requirement. In addition, the non-employee directors are also prohibited during their term of service from selling any Common Stock or other securities issued by GM, except for cashless exercise of stock options granted prior to 2003, when options were eliminated from director compensation.

Item No. 1
Nomination and Election of Directors

If you sign and return the proxy card or vote by Internet or telephone, the Proxy Committee will vote your shares for all 11 nominees described in the following section, unless you vote for someone else or withhold authority to vote for one or more such nominees. Each director will serve until the next annual meeting of stockholders or until a successor is elected and qualified, or until earlier resignation, removal, or death. If any of the Board's nominees for director become unavailable to serve before the annual meeting (which we do not anticipate), the Board may decrease the number of directors to be elected or designate substitute nominees for those vacancies.

Pursuant to Section 1.11 of the Bylaws, GM has received notice from stockholders who previously nominated candidates that they intend to nominate their own candidates for election to the Board at the 2007 Annual Meeting. In 2006 one of these stockholders filed preliminary proxy material with the SEC but did not commence a public proxy solicitation. We believe based on the notices we have received that it is likely that the election of directors at the 2007 Annual Meeting will be contested by stockholder nominees, so that all directors would be elected under a plurality voting standard. Under the plurality standard, the number of persons equal to the number of vacancies to be filled who receive more votes than other nominees are the persons elected to the Board for the following year. The Board recommends that you vote your shares for the candidates nominated by the Board.

Jerome B. York, Chief Executive Officer, Harwinton Capital Corporation and consultant to Tracinda Corporation, resigned from the Board effective October 6, 2006, and is not standing for reelection. He joined the Board in February 2006 and served on the Investment Funds and Public Policy Committees.

Information about Nominees for Director

The following information about the business background of each person nominated by the Board has been furnished to the Corporation by the nominees for director.

Percy N. Barnevik **Age 66** **Joined GM Board 1996**

Retired Chairman, AstraZeneca PLC, United Kingdom, since 2005, held office of Chairman (1999-2004); Honorary Chairman, Sandvik AB, Sweden, since 2002, held office of Chairman (1983-2002); Chairman, Investor AB, Sweden (1997-2002)

COMMITTEES — Public Policy (Chair), Directors and Corporate Governance

AFFILIATIONS — Member of The Business Council, the International Investment Council advising the South African government, the International Advisory Council of the Federation of Korean Industries, the Advisory Council of Centre for European Reform-UK, Advisory Councils at the Wharton School of Business Administration and at Humboldt University in Berlin, and the Academies of Engineering Sciences in Sweden and Finland; Foreign Honorary Member of the American Academy of Arts & Sciences; Honorary Member of the Royal Academy of Engineering, UK

Erskine B. Bowles **Age 61** **Joined GM Board 2005**

President, The University of North Carolina, since January 2006; Chairman, Erskine Bowles & Co., LLC (2003-2005); Deputy Special Envoy for Tsunami Recovery, United Nations (2005); Senior Advisor, Carousel Capital, a private investment firm, since 2002

COMMITTEES — Directors and Corporate Governance, Public Policy

DIRECTORSHIPS — Cousins Properties Incorporated, Morgan Stanley, North Carolina Mutual Life Insurance Company

AFFILIATIONS — Member of the Boards of Chancellors of Columbia University Graduate School of Business and Juvenile Diabetes Research Foundation International

John H. Bryan **Age 70** **Joined GM Board 1993**

Retired Chairman and Chief Executive Officer, Sara Lee Corporation, Chicago, Illinois, since 2001

COMMITTEES — Executive Compensation (Chair), Directors and Corporate Governance

DIRECTORSHIPS — The Goldman Sachs Group, Inc.

AFFILIATIONS — Member of The Business Council and the National Trust Council of the National Trust for Historic Preservation; Life Trustee of The Art Institute of Chicago, the University of Chicago, and Rush University Medical Center; Chairman of the Board of Millennium Park, Inc.

Armando M. Codina **Age 60** **Joined GM Board 2002**

President and Chief Executive Officer, Flagler Development Group, Inc., the commercial real estate subsidiary of Florida East Coast Industries, a holding company engaged in real estate and railroad businesses in Florida, since April 2006; Chairman and Chief Executive Officer, Codina Group, Inc., a full-service commercial real estate firm based in Coral Gables, Florida (1979-2006)

COMMITTEES — Executive Compensation, Investment Funds

DIRECTORSHIPS — AMR Corporation, Burger King Corporation, Florida East Coast Industries, Merrill Lynch & Co., Inc.

AFFILIATIONS — Chairman Emeritus of the Board of Trustees of Florida International University

George M.C. Fisher Age 66 **Joined GM Board 1996**

Retired Chairman and Chief Executive Officer, Eastman Kodak Company, Rochester, New York, since 2001

COMMITTEES — Directors and Corporate Governance (Chair), Executive Compensation

DIRECTORSHIPS — Eli Lilly and Company

AFFILIATIONS — Member of the International Academy of Astronautics, the National Academy of Engineering, and the American Academy of Arts & Sciences; Senior Advisor for Kohlberg Kravis Roberts & Co.

Karen Katen Age 57 **Joined GM Board 1997**

Chairman, Pfizer Foundation, New York, New York, since 2006; Retired Vice Chairman, Pfizer Inc, New York, New York, and Retired President, Pfizer Human Health, since March 31, 2007; held offices of Vice Chairman, Pfizer Inc and President, Pfizer Human Health (2005-2007); President, Pfizer Global Pharmaceuticals and Executive Vice President, Pfizer Inc (2001-2005); President, Pfizer U.S. Pharmaceuticals Group (1995-2002)

COMMITTEES — Directors and Corporate Governance, Executive Compensation

DIRECTORSHIPS — Harris Corporation

AFFILIATIONS — Member of the Board of Directors of Catalyst, the Board of Directors of the National Alliance for Hispanic Health, the RAND Corporation's Health Board of Advisors, and the Economic Club of New York's Board of Trustees; Trustee of the University of Chicago and Council Member of the Graduate School of Business; Outgoing Chairman, U.S.-Japan Business Council

Kent Kresa Age 69 **Joined GM Board 2003**

Chairman Emeritus, Northrop Grumman Corporation, Los Angeles, California, since 2003; held offices of Chairman and Chief Executive Officer (1990-2003)

COMMITTEES — Investment Funds (Chair), Audit

DIRECTORSHIPS — Chairman, Avery Dennison Corporation; Fluor Corporation; MannKind Corporation

AFFILIATIONS — Chairman of the Board of Trustees of California Institute of Technology; Member of the Boards of Directors of the W.M. Keck Foundation, The Broad Foundation, and Performing Arts Center of Los Angeles County Foundation, the Board of Overseers of the Keck School of Medicine of the University of Southern California, the Board of Visitors of the UCLA Anderson School of Management, the Advisory Board of the Massachusetts Institute of Technology Lincoln Laboratory, and the Board of Trustees of the Haynes Foundation

Ellen J. Kullman Age 51 **Joined GM Board 2004**

Executive Vice President, DuPont Safety & Protection; DuPont Coatings & Color Technologies; Marketing & Sales; Safety and Sustainability, E.I. du Pont de Nemours and Company, Wilmington, Delaware, since June 2006; held offices of Group Vice President, Safety & Protection (2002-2006), and Group Vice President and General Manager (2000-2002)

COMMITTEES — Audit, Investment Funds

AFFILIATIONS — Member of the Board of Trustees of Tufts University, the Board of Overseers of the Tufts University School of Engineering, the Board of Directors of the National Safety Council, and The Committee of 200

Philip A. Laskawy **Age 66** **Joined GM Board 2003**

Retired Chairman and Chief Executive Officer, Ernst & Young, New York, New York, since 2001

COMMITTEES — Audit (Chair), Investment Funds

DIRECTORSHIPS — Henry Schein, Inc., Loews Corporation, The Progressive Corporation

AFFILIATIONS — Chairman of the Trustees of the International Accounting Standards Committee Foundation

Eckhard Pfeiffer **Age 65** **Joined GM Board 1996**

Retired President and Chief Executive Officer, Compaq Computer Corporation, Houston, Texas, since 1999

COMMITTEES — Audit, Investment Funds

AFFILIATIONS — Member of the Advisory Board of Deutsche Bank

G. Richard Wagoner, Jr. **Age 54** **Joined GM Board 1998**

Chairman and Chief Executive Officer, General Motors Corporation, since 2003; held offices of President and Chief Executive Officer (2000-2003); joined General Motors Corporation in 1977

DIRECTORSHIPS — GMAC LLC, a global financial services company

AFFILIATIONS — Member of The Business Council and The Business Roundtable, the Board of Directors of Catalyst, and the Boards of Trustees of Duke University and Detroit Country Day School

**SECURITY OWNERSHIP OF DIRECTORS, NAMED EXECUTIVE OFFICERS,
AND CERTAIN OTHERS**

The beneficial ownership as of February 28, 2007, of Common Stock for each director, each Named Executive Officer, and all directors and officers as a group is shown in the following tables. The shares listed below do not include Common Stock held by the pension or profit sharing plans of any other corporation or other entity, or of any endowment funds of an educational or charitable institution of which a director or executive may serve as director or trustee. Each of the individuals listed below, as well as all the directors and officers as a group, owns less than one percent of the outstanding shares of Common Stock. This information has been furnished to the Corporation by the persons named. None of the shares shown in the following tables as beneficially owned by directors and executive officers has been pledged as security for any obligation.

Directors

	Shares Beneficially Owned	Deferred Share Units (a)	Stock Options (b)
P. N. Barnevik	9,628	25,800	3,000
E. B. Bowles	1,000	8,517	0
J. H. Bryan	6,603	34,344	10,436
A. M. Codina	2,000	25,781	3,000
G. M.C. Fisher	4,752	27,693	7,606
K. Katen	6,000	33,034	8,141
K. Kresa	8,200	18,639	0
E. J. Kullman	1,000	9,898	0
P. A. Laskawy	2,000	17,093	0
E. Pfeiffer	4,512	32,125	10,436

(a) Deferred Share Units — Represents the unit equivalents of Common Stock for retainer fees deferred into the Compensation Plan for Non-Employee Directors. For more information about this plan, please refer to the section on Director Compensation on pages .

(b) Number of shares that may be acquired through the exercise of stock options within 60 days of February 28, 2007. Directors no longer receive stock options; the last grant was in 2002.

**Named Executive Officers and
All Directors and Executive Officers as a Group**

	Shares Beneficially Owned (a)	Deferred Stock Units (b)	Stock Options (c)
G. L. Cowger	51,175	3,532	384,579
J. M. Devine	66,742	159,759	1,520,003
T. A. Gottschalk	68,049	47,494	645,336
F. A. Henderson	14,614	48,562	395,134
R. A. Lutz	27,715	206,413	920,003
G. R. Wagoner, Jr.	195,186	160,170	2,880,553
All Directors & Executive Officers as a Group (29 persons, including the foregoing)	629,020	1,015,067	8,792,421

(a) Shares Beneficially Owned may include shares credited under the S-SPP, a tax-qualified savings plan. This column excludes shares that are beneficially owned but are reflected under the “Deferred Stock Units” column.

(b) Deferred Stock Units include shares under the General Motors Benefit Equalization Plan (the “BEP”). The BEP is a non-qualified “excess benefits” plan that is exempt from ERISA and U.S. Internal Revenue Code

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(the "IRC") limitations. Deferred units also include undelivered incentive awards and other awards that will vest upon the occurrence of certain events and that are subject to forfeiture under certain circumstances.

(c) Number of shares that may be acquired through the exercise of stock options within 60 days from February 28, 2007. Additional information regarding stock options is provided on page .

Certain Beneficial Owners

The following table gives information about each entity known to GM to be the beneficial owner of more than 5 percent of Common Stock as of February 28, 2007, based on information filed with the SEC.

Name and Address	Number of Shares		Percent of Common Stock
Brandes Investment Partners, L.P. (1) 11988 El Camino Real, Suite 500 San Diego, CA 92130	50,663,040	(2)	9.0%
Capital Research and Management Company (3) 333 South Hope Street Los Angeles, CA 90071	42,592,480	(4)	7.5%
Southeastern Asset Management, Inc. (5) 6410 Poplar Avenue, Suite 900 Memphis, TN 38119	40,276,300	(6)	7.1%
State Street Bank and Trust Company (7) 225 Franklin Street Boston, MA 02110	83,920,507	(8)	14.8%

(1) As investment advisor. The general partner and control persons of Brandes Investment Partners, L.P. disclaim any direct ownership of the shares reported in the table, except in each case for an amount that is substantially less than one percent of the reported shares.

(2) Brandes Investment Partners, L.P. reports shared voting power over 40,093,622 shares and shared dispositive power over 50,663,040 shares.

(3) Sole dispositive power as investment advisor.

(4) Includes 688,340 shares issuable upon the assumed conversion of 1,933,000 shares of the 4.5% Convertible Preferred Series A and 269,640 shares issuable upon the assumed conversion of 700,000 shares of the 5.25% Convertible Series B Debentures due March 6, 2032. Capital Research and Management Company reports sole voting power over 18,029,490 shares and sole dispositive power over 42,592,480 shares.

(5) As investment advisor. The chairman and chief executive officer of Southeastern Asset Management, Inc. disclaims any control or beneficial ownership of the shares reported in the table.

(6) Southeastern Asset Management reports sole voting power over 22,115,600 shares, sole dispositive power over 26,015,300 shares, and shared voting and dispositive power over 14,240,000 shares.

(7) Acting in various fiduciary capacities for various employee benefit plans.

(8) State Street Bank reports sole voting power over 20,208,945 shares, shared voting power over 63,711,562 shares, and shared dispositive power over 83,920,507 shares.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

E. Stanley O'Neal, who resigned from the Board effective February 6, 2006, is the Chairman and Chief Executive Officer of Merrill Lynch & Co., Inc., which together with various subsidiaries (collectively, "Merrill Lynch") provided services including underwriting and investment banking to GM in 2006. The Board of Directors considered the relevant facts and circumstances regarding the relationship between GM and Merrill Lynch and concluded that based on GM's long-standing practice of maintaining relationships with several major investment banks, the amount of fees paid in 2006 and in recent years by GM to Merrill Lynch in proportion to the revenues and expenses of each company during those periods, and Mr. O'Neal's recusal from any decisions by GM regarding GM business with Merrill Lynch, there was no material relationship

between Mr. O'Neal and GM. He therefore qualified as independent under the requirements of the NYSE in the judgment of the Board. The amount of fees paid by GM to Merrill Lynch in 2006 and in prior years was substantially less than 2 percent of either company's expenses or revenues.

Douglas L. Henderson, brother of Vice Chairman and Chief Financial Officer Frederick A. Henderson, is employed by General Motors. Mr. D.L. Henderson earns less than \$150,000 per year from the Corporation and his salary and benefits are comparable to those provided to other GM employees in similar positions.

Executive officers of General Motors have, from time to time, received mortgage loans from GMAC LLC ("GMAC"), the successor to General Motors Acceptance Corporation, or its subsidiaries or acted as co-signers for loans made to family members. Those loans were made in the ordinary course of business and on the same terms and conditions, including interest rates and collateral, as those prevailing at the same time for comparable transactions with other employees, retirees, and dealers of General Motors, which are substantially the same as those offered to unaffiliated customers.

The Corporation's policy on loans to directors and executive officers of the Corporation complies with Sarbanes-Oxley, which generally prohibits public companies from making personal loans to their directors and executive officers. This policy permitted GM's former subsidiary, GMAC and its subsidiaries, to extend mortgage and auto loans to GM directors and executive officers on terms that are appropriate under Sarbanes-Oxley.

The Legal Staff annually reviews the transactions of each director and executive officer to determine if there are any circumstances that would require disclosure as related person transaction in GM's public filings. In addition, the Directors and Corporate Governance Committee is responsible for annually reviewing the independence of each director and the appropriateness of any potential related person transactions and related issues.

Compensation Committee Interlocks and Insider Participation

No executive officer of GM served on any board of directors or compensation committee of any other company for which any of our directors served as an executive officer at any time during fiscal year 2006.

Executive Compensation

[To be included in Definitive Proxy Statement]

The following Audit Committee Report shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement or any portion hereof into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and shall not otherwise be deemed filed thereunder.

Audit Committee Report

The Audit Committee of the General Motors Board of Directors is a standing committee composed of four directors who meet the independence, financial experience, and other qualification requirements of the NYSE and applicable securities laws. It operates under a written charter adopted by the Committee and approved by the Board of Directors, which is attached to this proxy statement as Exhibit A. The members of the Committee are Philip A. Laskawy (Chair), Kent Kresa, Ellen Kullman, and Eckhard Pfeiffer. The Board has determined that Philip A. Laskawy is an audit committee financial expert as defined by the SEC. The Committee annually selects the Corporation's independent accountants.

Management is responsible for the Corporation's internal control and the financial reporting process and has delivered its opinion on the strength of controls. The independent accountants are responsible for performing an independent audit of the Corporation's consolidated financial statements and opining on management's internal control assessment and on the effectiveness of those controls in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB) and issuing their reports thereon. As provided in its charter, the Audit Committee's responsibilities include monitoring and overseeing these processes.

Consistent with its charter responsibilities, the Committee has met and held discussions with management and Deloitte & Touche LLP (Deloitte & Touche), the Corporation's independent accountants for 2006, regarding the Corporation's audited financial statements as of December 31, 2006, and for the year then ended. In this context, management represented to the Committee that the Corporation's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. The Committee has reviewed and discussed the consolidated financial statements with management and the independent accountants and discussed with the independent accountants matters required to be discussed by PCAOB AU 380 (Communication with Audit Committees). The Committee also discussed with Deloitte & Touche those matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees).

The Corporation's independent accountants have also provided to the Audit Committee the written disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the Committee discussed with the independent accountants that firm's independence. The Audit Committee has also considered whether the provision of non-audit services is compatible with maintaining the independent accountants' independence. The Audit Committee concluded that Deloitte & Touche is independent from the Corporation and its management.

Based upon the Committee's discussions with management and the independent accountants as described in this report and the Committee's review of the representation of management and the report of the independent accountants to the Committee, the Committee recommended to the Board of Directors and the Board of Directors approved, the inclusion of the audited consolidated financial statements in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2006, filed with the SEC.

Philip A. Laskawy (Chair)
Kent Kresa
Ellen Kullman
Eckhard Pfeiffer

Fees Paid to Auditor

The Audit Committee retained Deloitte & Touche to audit the Corporation's consolidated financial statements, management's internal control assessment, and the effectiveness of those controls, as of and for the year ended December 31, 2006. The Corporation and its subsidiaries also retained Deloitte & Touche and certain of its affiliates, as well as other accounting and consulting firms, to provide various other services in 2006.

The services performed by Deloitte & Touche in 2006 were pre-approved in accordance with the pre-approval policy and procedures first adopted by the Audit Committee at its August 5, 2002 meeting and revised more recently. This policy requires that during its first meeting of the year, the Audit Committee will be presented, for consideration, a description of the Audit-Related, Tax, and All Other Services expected to be performed by Deloitte & Touche during the fiscal year. Any requests for such services in excess of \$1 million not contemplated and approved during the first meeting must thereafter be submitted to the Audit Committee (or the Chairman of the Audit Committee in an urgent case) for specific pre-approval. Requests for services less than \$1 million individually must be pre-approved by the Audit Committee Chair and reported to the full Audit Committee at its next regularly scheduled meeting. The independent auditors selected for the following year present the proposed annual Audit services and their related fees to the Audit Committee generally in May, for approval on an audit-year basis.

The Audit Committee determined that all services provided by Deloitte & Touche in 2006 were compatible with maintaining the independence of the principal accountants.

The following table summarizes Deloitte & Touche fees billed or expected to be billed in connection with 2006 services. For comparison purposes, actual billings for 2005 services are also displayed.

	\$ Millions		
	2006	2005	2006 Fav/(Unfav) 2005
Annual Audit Services	\$ 50	\$ 58	\$ 8
Audit-Related Services	12	8	(4)
Tax Services	7	9	2
Subtotal	\$ 69	\$ 75	\$ 6
All Other Services	4	5	1
Total	\$ 73	\$ 80	\$ 7

Audit Fees: \$50 million for the audit of the Corporation's annual consolidated financial statements, including reviews of the interim financial statements contained in the Corporation's Quarterly Reports on Form 10-Q and preparation of statutory reports. In addition, included in this category are fees for services that generally only Deloitte & Touche reasonably can provide, for example, comfort letters, statutory audits, attestation services, consents, and assistance with and review of documents filed with the SEC.

Audit-Related Fees: \$12 million for assurance and related services that are traditionally performed by the independent auditor. More specifically, these services include employee benefit plan audits, due diligence related to mergers and acquisitions, accounting consultations and audits in connection with proposed acquisitions, internal control consultations, attestation services that are not required by statute or regulation, and consultation concerning financial accounting and reporting standards.

Tax Fees: \$7 million for services performed by the professional staff in Deloitte & Touche Tax LLP. This includes fees for tax compliance, tax planning, and tax advice. Tax compliance involves preparation of original and amended tax returns and claims for refund, and tax payment-planning services. Tax planning and tax advice encompass a diverse range of services, including assistance with tax audits and appeals, tax advice related to mergers and acquisitions and employee benefit plans, and requests for rulings or technical advice from taxing authorities.

All Other Fees: \$4 million for services related to project management, process improvements, and assistance with information technology system projects for systems not associated with the financial statements.

Item No. 2

Ratification of the Selection of Deloitte & Touche for the Year 2007

Sarbanes-Oxley requires that each corporation's audit committee be directly responsible for appointing the independent auditors. The Audit Committee has selected Deloitte & Touche as GM's independent accountants for 2007, the Board of Directors has concurred in an advisory capacity with that selection, and the selection is now being submitted to the stockholders at the annual meeting for their ratification or rejection. If the stockholders do not ratify the selection of Deloitte & Touche as the independent auditors, the Audit Committee will reconsider whether to engage Deloitte & Touche but may ultimately determine to engage that firm or another audit firm without re-submitting the matter to stockholders. Among the factors the Audit Committee may consider in making this determination are the difficulty and expense of changing independent auditors in the middle of a fiscal year. Even if the stockholders ratify the selection of Deloitte & Touche, the Audit Committee may in its sole discretion terminate the engagement of Deloitte & Touche and direct the appointment of another independent auditor at any time during the year, although it has no current intention to do so.

The Audit Committee considers Deloitte & Touche well qualified, with offices or affiliates in or near most locations in the U.S. and other countries where General Motors operates. Deloitte & Touche rotates its audit partners assigned to audit General Motors at least once every five years.

Representatives of Deloitte & Touche will attend the annual meeting and will have the opportunity to make any statement they wish. They will also be available to answer questions that you may have.

The Board of Directors recommends a vote FOR the proposal to ratify the selection of Deloitte & Touche as independent public accountants to audit the books, records, and accounts of the Corporation and its subsidiaries for the year 2007.

Item No. 3

Approval of the 2007 Annual Incentive Plan

The General Motors 2002 Annual Incentive Plan, which is administered by the Executive Compensation Committee (the "Committee"), is scheduled to terminate on May 31, 2007.

The Board of Directors believes that the Corporation's continued ability to attract, motivate, and retain highly qualified employees will have a direct impact on the future success and profitability of the Corporation. To that end, the incentive plans provide the Corporation with the ability to maintain competitive pay practices. The Corporation's executive compensation program is designed so that a meaningful portion of each executive's total compensation opportunity is placed at-risk through awards made under the incentive plans. The final value of such awards is tied to the achievement of specific financial, operational, and individual goals, and the degree to which value is created for stockholders.

As discussed in "Compensation Discussion & Analysis" on page , the 2007 Plan has been designed to meet the requirements of Section 162(m) of the Internal Revenue Code for "qualified performance-based" compensation. Consistent with the Committee's compensation deductibility policy, in the future, the Corporation plans to seek stockholder approval where necessary to comply with appropriate rules and/or regulations.

The Plan document is attached as Exhibit B, and the Plan description set forth below is qualified in its entirety by the complete Plan documents.

2007 Annual Incentive Plan

Under the 2007 Annual Incentive Plan, the Committee may grant awards at any time from June 5, 2007, through May 31, 2012.

Amount of Grants. The Plan permits the Committee to make annual incentive awards in such amounts and at such times as it may determine. All such awards, if earned, will be paid in cash. The Committee may delegate to the CEO determination of individual awards to employees who are not officers of the Corporation. Any such determinations by the CEO shall be subject to a maximum funding amount, which shall be approved by the Committee. No individual shall be granted an award in excess of \$7.5 million in any calendar year.

Target Awards. Under the Plan, early each year the Committee will establish a targeted performance level at which a target performance award may be earned. The Committee will also identify threshold or minimum performance levels for payment of awards below which no award will be paid, and will establish the corresponding minimum awards.

Performance Criteria. In determining the performance criteria applicable to any grant of awards, the Committee may use one or more of the following business criteria: asset turnover, cash flow, contribution margin, cost objectives, cost reduction, earnings per share, economic value added, increase in customer base, inventory turnover, market price appreciation of the Corporation's Common Stock, market share, net income, net income margin, operating profit margin, pre-tax income, productivity, profit margin, quality, return on assets, return on net assets, return on capital, return on equity, revenue, revenue growth, total shareholder return, and/or warranty. The business criteria may be expressed in absolute terms or relative to the performance of other companies or to an index. If any event occurs during a performance period that requires changes to preserve the incentive features of this Plan, the Committee may make appropriate adjustments. The percentage of each target award that will become a final award will be determined by the Committee on the basis of the performance goals established and the performance achieved, as well as the quality of the employee's individual performance during the period, which for covered officers, whose compensation is subject to Section 162(m), will only involve negative discretion. Final awards may be less than or greater than 100 percent of the target award.

Eligibility. To be eligible to receive an award under the Plan, a person must be an employee of the Corporation or a subsidiary as defined in the Plan or an individual who has been requested by the Corporation to accept employment with an entity in which the Corporation has a substantial ownership interest. It is anticipated that approximately 2,300 employees annually will be eligible to participate in the Plan, including approximately 20 executive officers of the Corporation.

Conditions Precedent. The Committee is authorized to provide for payment of earned awards in installments. The Plan sets forth conditions which must be satisfied if a participant is to receive delivery of award installments following termination of employment. These conditions are that the participant must (1) continue to render services to the Corporation (unless this condition is waived by the Committee); (2) refrain from competitive activity and conduct that is inimical or in any way contrary to the best interests of the Corporation; and (3) furnish reasonable information with respect to the satisfaction of (1) and (2). The Committee has flexibility in interpreting and applying these provisions to ensure that the objectives of the Plan are realized in accordance with corporate goals.

Change-In-Control Provisions. The 2007 Plan contains a "double-trigger" Change in Control provision, versus a "single-trigger" in the 2002 Plan. A "Change in Control" generally will be found to occur in one or more of the following events: a replacement of a majority of the members of the Board of Directors at one time or during any two-year period; acquisition by any person, other than GM or a subsidiary, of 20 percent or more of the voting power of Common Stock; certain mergers, consolidations, or other reorganizations in which General Motors is not the surviving company, disposition of all or substantially all of the Corporation's assets, or the stockholders of the Corporation approve a plan of complete liquidation of GM. If the employment of a plan participant is terminated (other than voluntarily by the participant or by the Corporation for cause) within three years following a Change in Control:

All outstanding awards granted under the Plan shall vest and be paid at the threshold award level, or, if greater, at the level resulting from the Corporation's actual performance based on the most recent forecast approved by the Committee.

New Plan Benefits. The benefits or amounts that will be received by or allocated to the CEO, the Named Executive Officers, all current executive officers as a group, and all employees who are not executive officers are not presently determinable. The awards actually received by the Corporation's Named Executive Officers under the 2002 Annual Incentive Plan, which is substantially similar to the Plan, are set forth in the Summary Compensation Table, and the Grants of Plan-Based Awards Table, on pages . . .

The Plan is being presented for stockholder approval in order to qualify amounts received under the Plan as "qualified performance-based compensation" under Section 162(m). If the Plan is not approved by stockholders, it will not be adopted.

The Board of Directors favors a vote FOR the proposal to approve the 2007 Annual Incentive Plan.

Item No. 4

Approval of the 2007 Long-Term Incentive Plan

The General Motors executive incentive compensation program currently consists of three plans: the General Motors 2002 Annual Incentive Plan, the General Motors 2002 Long-Term Incentive Plan, and the General Motors 2002 Stock Incentive Plan. We propose retaining the Annual Incentive Plan as a separate Plan and combining the Long-Term Incentive Plan and the Stock Incentive Plan into a single plan, the 2007 Long-Term Incentive Plan, and simultaneously cancelling the shares that remain available to grant under the Stock Incentive Plan. We believe the single-plan approach will help increase the clarity of the long-term compensation opportunities we provide our executives. Based on the recommendation of the Executive Compensation Committee (the "Committee"), which has administered our incentive compensation program since 1937, the Board has approved the 2007 Long-Term Incentive Plan described below, subject to the approval of stockholders of the Corporation.

Key Features of the 2007 Long-Term Incentive Plan:

- New authorized share pool of 16 million shares is approximately 2.82 percent of common shares outstanding
- No more than 1.5 million of the 16 million shares requested will be granted as RSUs
- Performance awards, generally linked to three-year performance measures, to be settled in cash only
- Plan term of five years
- Commitment to limit aggregate annual grants of stock options and RSUs ("Annual Burn Rate") to less than 1 percent
- No repricing of options without stockholder approval
- Three-year, ratable vesting on stock option awards, subject to the Committee's review
- Three-year vesting on time-based RSU awards
- Plan is administered by the Committee, composed of only Independent Directors
- No discounted options
- "Double-trigger" Change-in-Control benefits
- Shares surrendered, expired, or returned to the Corporation to satisfy the exercise price or tax withholding obligations for stock options cannot be reissued, i.e., no liberal share accounting provisions

Background. We believe that providing a portion of target compensation opportunity in the form of equity-based awards helps to reinforce the link between what the Plan participants receive and the financial returns obtained by stockholders. Historically, we have relied primarily on stock options because their real value lies solely in the improved performance of our stock price. Approximately 45,000 U.S. and Canadian salaried employees received a portion of their variable pay awards in stock options in lieu of cash from 1998

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through 2004. In 2005, 2,700 executives were eligible to receive stock options and in 2006 that number was reduced to less than 500.

Our challenging business environment in recent years and the impact it has had on our stock price performance have contributed to a higher than optimal dilution level, as outstanding options became “underwater” and were not exercised at the rate we historically have experienced. This has led us to make a number of changes in our approach to equity-based incentive compensation, including reducing the number of plan participants, reducing the grant levels for those continuing to receive stock options and partially replacing the lost opportunity with performance awards that are denominated in stock during the performance period, but delivered in cash.

The following table provides a summary of our previously approved plans as background.

	1997	2002	2007
Favorable Stockholder Vote	89%	87%	—
Term	5 Years	5 Years	5 Years
Share Allocation	60.0 Million	27.4 Million	16.0 Million
% of Outstanding Shares at time of Proposal	8.22%	4.89%	2.82%
Available for Restricted Stock	7.5 Million	1.0 Million	1.5 Million

We have not cancelled or repriced any of our underwater options to help us manage our dilution because we believe that repricing is contrary to the best interest of our stockholders. Rather, we have started and will continue to manage our dilution by maintaining an annual burn rate of less than 1 percent of common shares outstanding, which will continue to improve our total dilution level over time.

The following table provides an overview of outstanding stock option grants that were granted under the 1997 and 2002 Stock Incentive Plans (“SIP”) and the Board approved 1998 Stock Option Plan (Broad Based plan). The table shows how we have reduced the number of options granted through discontinuing the broad based option plan, reducing the number of options granted each year at the individual level and reducing the number of eligible executives to lower our burn rate and thus our dilution.

Year	Annual Grant Price	SIP Option Grants (1)	Eligible Participants	Broad Based Option Grants	Total Grants	Burn Rate	3-Year Burn Rate	Grants Outstanding
		MM		MM	MM			MM
1997 (1)	\$ 44.73	11.0	3,789	—	11.0	1.51%	—	3.6
1998	\$ 46.59	11.4	3,923	5.3	16.7	2.40%	—	7.2
1999	\$ 71.53	11.8	3,338	5.4	17.2	2.63%	2.18%	13.6
2000	\$ 75.50	11.5	3,405	4.2	15.7	2.92%	2.65%	13.7
2001	\$ 52.35	13.0	3,341	3.9	16.9	3.04%	2.86%	14.5
2002	\$ 50.46	17.3	3,563	5.0	22.3	3.98%	3.31%	19.6
2003	\$ 40.05	11.1	3,325	5.7	16.8	3.05%	3.36%	15.4
2004	\$ 53.92	8.1	2,885	3.3	11.4	2.01%	3.01%	10.5
2005	\$ 36.37	8.0	2,688	—	8.0	1.48%	2.18%	7.3
2006	\$ 20.90	2.8	428	—	2.8	0.51%(2)	1.33%	2.8
		106.1		32.7	138.8			108.2

(1) 1997 grant expired on February 3, 2007.

(2) Future annual option grant levels to be consistent with 2006 (less than 1 percent per year).

2007 Approach. Pursuant to the 2007 Long-Term Incentive Plan we are proposing to allocate 16 million shares (2.82 percent of common shares outstanding) from which options or RSUs may be granted, provided that no more than 1.5 million shares may be granted in the form of RSUs. In addition to stock options and RSUs, the Committee may grant performance awards to be settled exclusively in cash. If approved by a majority of the shares of Common Stock voting on the proposal at the 2007 annual meeting, the General Motors 2007 Long-Term Incentive Plan will become effective June 5, 2007. The Plan will expire May 31,

2012, or at such earlier time as the number of shares available for grant is exhausted or the Board presents to stockholders a subsequent Plan. We believe that the proposed approach better supports the long-term interests of stockholders than does the alternative approach of paying all compensation in cash.

Similar to our current plans, the 2007 plan has been designed to meet the requirements of Section 162(m) of the Internal Revenue Code for “performance-based” compensation.

The Plan document is attached as Exhibit C and the Plan description set forth below is qualified in its entirety by reference to the complete text of the Plan.

2007 Long-Term Incentive Plan

Shares Reserved. The Plan provides for a pool of 16,000,000 shares of Common Stock from which options or RSUs may be granted, provided that no more than 1,500,000 shares may be granted in the form of RSUs. Performance Awards granted and earned under the Plan will be settled in cash. Within these limits, the Plan permits the Committee to make grants in such amounts and at such times as it may determine. The Committee may delegate to the CEO determination of individual grants for employees who are not executive officers of the Corporation. Shares to be delivered upon exercise of an option or vesting of an RSU shall be made available either from authorized but previously unissued shares or from shares reacquired by the Corporation, including shares purchased in the open market.

Eligibility. While all of the current 2,300 executives are eligible for participation in the Plan, we anticipate that approximately 365 employees annually will participate in the stock option features of the Plan. Performance Awards are generally limited to approximately 365 of the Corporation’s most senior leaders. Restricted Stock Unit grants will be reserved for special purpose grants.

Stock Option Grants. Subject to adjustment as set forth in the Plan, the maximum option grant to any individual in any calendar year will not exceed 1,000,000 shares. The Committee may delegate to the CEO determination of individual stock option grants for employees who are not executive officers of the Corporation. Any such determinations by the CEO shall be subject to a maximum amount, which shall be approved by the Committee. Options granted under the Plan may be Incentive Stock Options or nonqualified options.

Option Exercise and Termination Provisions. Options would typically be granted with a three-year, ratable vesting schedule and would typically have a term of ten years. The Plan also provides that, except as otherwise determined by the Committee, options will be forfeited upon termination of employment with the exception of termination by death, disability, or a qualifying retirement and the satisfaction of the conditions precedent described below.

If the employee terminates employment without the consent of the Committee (or its delegate) and becomes employed by a competitor of the Corporation within one year of the date of exercise of a stock option, the employee will be required to repay to the Corporation the amount of any gain realized at the time of the exercise.

Option Price. Except in connection with certain acquisitions and/or reorganizations as described in the Plan, the option price will be not less than 100 percent of the fair market value of the stock at the time the option is granted. Shares purchased upon exercise of an option must be paid for in full at the time of exercise. Payment upon exercise of an option may be made in cash or, unless determined otherwise by the Committee, by delivery of previously acquired shares of Common Stock, or through a broker-assisted cashless exercise program.

Restricted Stock Units. Subject to adjustment as set forth in the Plan, the maximum RSU award to any individual in any calendar year will not exceed 250,000 shares. RSU awards may be either performance-based in accordance with the criteria set forth below, or time-based, and shall vest in accordance with provisions set forth by the Committee. RSU awards that vest over a period of time will be subject to a minimum-vesting schedule of three years (vesting may be incremental over such period). The recipient of an RSU award may, if so determined by the Committee, receive cash or stock dividends, or cash payments in amounts equivalent to cash or stock dividends on shares with respect to the number of shares covered by the award. RSU awards may be granted to any of our 2,300 executives.

Performance Awards. Employees selected to participate in the Plan will be granted target awards which, in general, will be determined based on each participant's level of responsibility. At the beginning of each performance period, the Committee will establish a targeted performance level at which a target performance award may be earned, with a threshold or minimum performance level below which no award will be paid, and a maximum beyond which no additional amounts will be paid. In determining the performance criteria applicable to any grant of awards, the Committee may use one or more of the business criteria described below, which may be expressed in absolute terms or relative to the performance of other companies or to an index. It is anticipated that new grants will be made annually and will generally relate to a three-year performance period determined at time of grant.

The percentage of each award paid to the executive will be determined by the Committee on the basis of the performance goals established and the performance achieved, as well as the quality of the employee's individual performance during the period, which for covered executives, whose compensation is subject to Section 162(m), may involve only negative discretion. Final awards may be less than or greater than 100 percent of the target award. The Committee may delegate to the CEO determination of individual final awards for employees who are not executive officers of the Corporation. Any such determinations by the CEO shall be subject to a maximum amount, which shall be approved by the Committee. Final awards will be paid in the form of cash. No individual shall be granted a final award in excess of \$10 million for any Plan period. Payment of final awards will be further contingent upon satisfaction of conditions precedent described below.

Performance Criteria. In determining the performance criteria applicable to any award under the Plan, the Committee may use one or more of the following business criteria: asset turnover, cash flow, contribution margin, cost objectives, cost reductions, earnings per share, economic value added, increase in customer base, inventory turnover, market price appreciation of the Common Stock, market share, net income, net income margin, operating profit margin, pre-tax income, productivity, profit margin, quality, return on assets, return on net assets, return on capital, return on equity, revenue, revenue growth, TSR, and/or warranty. The business criteria may be expressed in absolute terms or relative to the performance of other companies or to an index. If any event occurs during a performance period that requires changes to preserve the incentive features of this Plan, the Committee may make appropriate adjustments.

Conditions Precedent. Except for awards that vest pursuant to a Change in Control (as defined in the Plan), settlement or exercise of any award to or by an individual shall be subject to the following conditions precedent: that the participant must (1) continue to render services to the Corporation (unless this condition is waived by the Committee) for a specified period of time determined by the Committee at the time of award; (2) refrain from competitive activity and conduct that is inimical or in any way contrary to the best interests of the Corporation; and (3) furnish reasonable information with respect to the satisfaction of (1) and (2). The Committee has discretion in interpreting and applying these provisions to ensure that, in the opinion of the Committee, the objectives of the Plan are realized in accordance with corporate goals.

Change-In-Control Provisions. The Plan generally provides for "double-trigger" change-in-control protection such that Plan awards will vest only in the event of both a "Change in Control," and the subsequent occurrence of a termination of a Participant's employment by the Corporation (other than for gross negligence or deliberate misconduct) or by the Participant for Good Reason (e.g., a substantial reduction in responsibility, base salary or incentive opportunity, or required relocation greater than 50 miles from the current place of employment) within three years of a "Change in Control." A "Change in Control" will generally be found to occur in one or more of the following events: a replacement of a majority of the members of the Board of Directors at one time or during any two-year period; acquisition by any person, other than GM, or a subsidiary, of 20 percent or more of the voting power of Common Stock; certain mergers, consolidations, or other reorganizations in which General Motors is not the surviving company, disposition of all or substantially all of the Corporation's assets, or the approval by the stockholders of the Corporation of a plan of complete liquidation of GM. Such a "Change in Control" event, followed by the participant's termination of employment as described above, would have the following consequences on the holders of awards under the Plan:

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Stock Options — Outstanding stock options vest immediately and become exercisable during their full remaining term.

Restricted Stock Units — Outstanding RSU awards units vest immediately and are promptly paid or delivered to such Participant.

Performance Awards — Outstanding awards vest immediately and are paid on a pro rata basis at the threshold award level, or if greater, the level resulting from the Corporation's actual performance.

The Committee believes it is important to include these provisions at this time to provide a measure of continuity and protection for the leadership team, most of whom are long-service employees of the Corporation. In addition, these provisions are consistent with competitive compensation practices at major U.S. companies within our comparator group.

Federal Income Tax Consequences for Options. Certain of the federal income tax consequences applicable to stock options are set forth below:

1. With respect to non-qualified options granted under the Plan: When an optionee exercises an option, the amount by which the fair market value of the stock on the date of exercise exceeds the exercise price of the option is taxed as ordinary income to the optionee in the year of exercise and generally will be allowed as a deduction for federal income tax purposes to the Corporation in the same year. When an optionee disposes of shares acquired by the exercise of the option, any amount received in excess of the fair market value of the shares on the date of exercise will be treated as a long- or short-term capital gain to the optionee, depending upon the holding period of the shares. If the amount received is less than the market value of the shares on the date of exercise, the loss will be treated as a long- or short-term capital loss, depending upon the holding period of the shares.

2. With respect to Incentive Stock Options granted under the Plan: When an optionee exercises an incentive stock option while employed by the Corporation or a subsidiary or within the three-month (one year for disability) period after termination of employment, no ordinary income will be recognized by the optionee at that time. If the shares acquired upon exercise are not disposed of until more than one year after the date of transfer, the excess of the sale proceeds over the aggregate option price of such shares will be a long-term capital gain to the optionee, and the Corporation will not be entitled to a tax deduction under such circumstances. Except as provided in (3) below, if the shares are disposed of prior to such date (a "disqualifying disposition"), the excess of the fair market value of such shares at the time of exercise over the aggregate option price (but generally not more than the amount of gain realized on the disposition) will be ordinary income to the optionee at the time of such disqualifying disposition. The Corporation generally will be entitled to a federal tax deduction equal to the amount of ordinary income so recognized by the optionee. If an incentive stock option is exercised more than three months (one year for disability) after termination of employment, the tax consequences are the same as described in (1) above for non-qualified stock options.

3. Special rule if the option price is paid for in shares: To the extent that an optionee pays all or part of the option price of a non-qualified option by tendering shares of Common Stock owned by the optionee, the rules described in (1) above apply except that the number of shares received upon such exercise, which is equal to the value of the number of shares surrendered as payment of the option price, shall have the same tax basis and tax holding period as the shares surrendered. If the shares surrendered by the optionee in the exercise of a non-qualified option had previously been acquired by reason of the exercise of an incentive stock option granted to such optionee, the surrender of such shares is not a disqualifying disposition of such shares, but the shares received upon the exercise of the non-qualified option which are equal in number to the surrendered incentive stock option shares will still constitute incentive stock option shares. The additional shares received upon such exercise have a tax basis equal to the sum of the amount of ordinary income recognized and the amount of any cash paid on such exercise and a holding period that commences on the date of exercise.

New Plan Benefits. The benefits or amounts that will be received by or allocated to the CEO, the Named Executive Officers, all current executive officers as a group, and all employees who are not executive officers, as well as the amounts that would have been so received or allocated had the plan been in effect last year are not presently determinable.

Stockholder approval of the Plan is being sought as required by rules of the NYSE. If such approval is not obtained, the Plan will not take effect and no awards will be made thereunder.

The Board of Directors favors a vote FOR the proposal to approve the General Motors 2007 Long-Term Incentive Plan.

Stockholder Proposals

We have been asked from time to time why the Board opposes the stockholder proposals included in the proxy statement. The Board does not disagree with all stockholder proposals submitted to the Corporation. When it agrees with a proposal and thinks it is in the best interests of GM and its stockholders, the proposal usually can be implemented without a stockholder vote. The stockholder proposals that appear in the proxy statement are only those with which the Board of Directors disagrees and believes it must oppose in fulfilling its obligations to represent and safeguard the best interests of the Corporation and its stockholders as a whole.

The following stockholder proposals and supporting statements are presented as received from the proponents. GM is not responsible for the accuracy or content of the proposals and supporting statements.

Item No. 5

Stockholder Proposal Regarding Disclosure of Political Contributions

Mrs. Evelyn Y. Davis, Watergate Office Building, 2600 Virginia Ave. N.W., Suite 215, Washington, DC 20037, owner of approximately 202 shares of Common Stock, has given notice that she intends to present for action at the annual meeting the following stockholder proposal:

“RESOLVED: ‘That the stockholders recommend that the Board direct management that within five days after approval by the shareholders of this proposal, the management shall publish in newspapers of general circulation in the cities of New York, Washington, D.C., Detroit, Chicago, San Francisco, Los Angeles, Dallas, Houston and Miami, and in the Wall Street Journal and U.S.A. Today, a detailed statement of each contribution made by the Company, either directly or indirectly, within the immediately preceding fiscal year, in respect of a political campaign, political party, referendum or citizens’ initiative, or attempts to influence legislation, specifying the date and amount of each such contribution, and the person or organization to whom the contribution was made. Subsequent to this initial disclosure, the management shall cause like data to be included in each succeeding report to shareholders.’ ‘And if no such disbursements were made, to have that fact publicized in the same manner.’”

REASONS: ‘This proposal, if adopted, would require the management to advise the shareholders how many corporate dollars are being spent for political purposes and to specify what political causes the management seeks to promote with those funds. It is therefore no more than a requirement that the shareholders be given a more detailed accounting of these special purpose expenditures that they now receive. These political contributions are made with dollars that belong to the shareholders as a group and they are entitled to know how they are being spent.’”

‘If you AGREE, please mark your proxy FOR this resolution.’”

The Board of Directors recommends a vote AGAINST the adoption of this stockholder proposal for the following reasons:

[Board response to be included in Definitive Proxy Statement]

Item No. 6

Stockholder Proposa