

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2010</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>DELPHI INCOME SECURITY PLAN FOR HOURLY-RATE EMPLOYEES</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>005</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>05/28/1999</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>005</u>	1c Effective date of plan <u>05/28/1999</u>	
1b Three-digit plan number (PN) ▶	<u>005</u>				
1c Effective date of plan <u>05/28/1999</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>DELPHI CORPORATION</u> <u>P.O. BOX 5086</u> <u>TROY, MI 48007-5086</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>27-0791190</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>248-813-1262</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>336300</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>27-0791190</u>	2c Sponsor's telephone number <u>248-813-1262</u>	2d Business code (see instructions) <u>336300</u>	
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2c Sponsor's telephone number <u>248-813-1262</u>					
2d Business code (see instructions) <u>336300</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2011	THOMAS SMITH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") DELPHI CORPORATION P.O. BOX 5086 TROY, MI 48007-5086	3b Administrator's EIN 27-0791190 3c Administrator's telephone number 248-813-1262
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	3308
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	2348
b Retired or separated participants receiving benefits.....	6b	46
c Other retired or separated participants entitled to future benefits.....	6c	686
d Subtotal. Add lines 6a , 6b , and 6c	6d	3080
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	11
f Total. Add lines 6d and 6e	6f	3091
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	947
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2K 3F 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning **01/01/2010** and ending **12/31/2010**

A Name of plan DELPHI INCOME SECURITY PLAN FOR HOURLY-RATE EMPLOYEES	B Three-digit plan number (PN) ►	005
C Plan sponsor's name as shown on line 2a of Form 5500 DELPHI CORPORATION	D Employer Identification Number (EIN) 27-0791190	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
50 60 64 65	NONE	450	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name: GRANT THORNTON LLP	b EIN: 36-6055558
c Position: ACCOUNTANT	
d Address: 27777 FRANKLIN ROAD, SUITE 800 SOUTHFIELD, MI 48034-2366	e Telephone: 248-262-1950

Explanation: AUDITOR SWITCH WAS MADE TO GAIN EFFICIENCIES RESULTING FROM USING THE SAME AUDIT TEAM FOR THE DELPHI EXTERNAL FINANCIAL STATEMENTS AS WELL AS THE BENEFIT PLANS.

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan DELPHI INCOME SECURITY PLAN FOR HOURLY-RATE EMPLOYEES	B Three-digit plan number (PN) ►	005
C Plan sponsor's name as shown on line 2a of Form 5500 DELPHI CORPORATION	D Employer Identification Number (EIN) 27-0791190	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	15125000	14437000
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	15125000	14437000

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	15125000	14437000
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	22000	
(B) Participants	2a(1)(B)	5000	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		27000

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		975000
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1002000

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1664000	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		1664000
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	26000	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		26000
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1690000

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-688000
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):
 (1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:
 (1) Name: ERNST & YOUNG LLP (2) EIN: 34-6565596

d The opinion of an independent qualified public accountant is **not attached** because:
 (1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		25000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>DELPHI INCOME SECURITY PLAN FOR HOURLY-RATE EMPLOYEES</u>	B Three-digit plan number (PN) ▶ <u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DELPHI CORPORATION</u>	D Employer Identification Number (EIN) <u>27-0791190</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

See audited financial statements for Accountant's Opinion.

FINANCIAL STATEMENTS

Delphi Income Security Plan for
Hourly-Rate Employees
Years Ended December 31, 2010 and 2009
With Report of Independent Auditors

Ernst & Young LLP

 **ERNST & YOUNG**

Delphi Income Security Plan for Hourly-Rate Employees

Financial Statements

Years Ended December 31, 2010 and 2009

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Report of Independent Auditors

The Participants and Administrator Delphi Income Security Plan for Hourly-Rate Employees

We were engaged to audit the accompanying statement of net assets available for benefits of the Delphi Income Security Plan for Hourly-Rate Employees as of December 31, 2010, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Other auditors were engaged to audit the statement of net assets available for benefits of the Delphi Income Security Plan for Hourly-Rate Employees as of December 31, 2009. Their report dated October 14, 2010, disclaimed an opinion on that financial statement as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3 as of and for the year ended December 31, 2010, which was certified by State Street Bank and Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements as of and for the year ended December 31, 2010, taken as a whole. The form and content of the information included in the financial statements, other than that derived from the investment information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ernst & Young LLP

October 5, 2011

Delphi Income Security Plan for Hourly-Rate Employees

Statements of Net Assets Available for Benefits

(In Thousands)

	December 31	
	2010	2009
Assets		
Investments:		
Investments in the Master Trust	\$ 14,437	\$ 15,125
Net assets available for benefits at fair value	14,437	15,125
Adjustment from fair value to contract value for interest in the Master Trust related to fully benefit- responsive investment contracts	(259)	195
Net assets available for benefits	<u>\$ 14,178</u>	<u>\$ 15,320</u>

See accompanying notes.

Delphi Income Security Plan for Hourly-Rate Employees

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2010
(In Thousands)

Additions

Investment income:

Net investment income from the Master Trust	\$	521
---	----	-----

Contributions:

Participant		5
-------------	--	---

Employer		22
----------	--	----

Total contributions		27
---------------------	--	----

Total additions		548
-----------------	--	-----

Deductions

Benefits paid to participants or beneficiaries		1,664
--	--	-------

Administrative expenses		26
-------------------------	--	----

Total deductions		1,690
------------------	--	-------

Net decrease		(1,142)
--------------	--	---------

Net assets available for benefits:

Beginning of year		15,320
-------------------	--	--------

End of year	\$	14,178
-------------	----	--------

See accompanying notes.

Delphi Income Security Plan for Hourly-Rate Employees

Notes to Financial Statements

December 31, 2010

1. Description of Plan

The following description of the Delphi Income Security Plan for Hourly-Rate Employees (the Plan) provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined-contribution health and welfare plan that was established pursuant to collective bargaining agreements between Delphi Corporation (the Predecessor) and certain labor unions in connection with the spin-off of Delphi from General Motors Company (formerly General Motors Corporation, GM) effective on May 28, 1999. On October 6, 2009 (the Effective Date), Delphi Automotive LLP (Delphi, the Company, or the Successor) completed the acquisition of a material portion of the Predecessor's global core businesses. Its U.S. subsidiary, New Delphi 1, LLC (incorporated on October 7, 2009, as Delphi Corporation) is the plan sponsor from the Effective Date forward.

The Board of Directors of Delphi Corporation acts as a plan fiduciary and delegates to various employees and committees who control and manage the operation and administration of the Plan subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). This committee designated Promark Investment Advisors, Inc. (formerly General Motors Asset Management Corporation) as the named fiduciary and investment advisor to the Plan through November 30, 2010. As of December 1, 2010, NEPC, LLC is the investment advisor to the Plan. State Street Bank and Trust Company (State Street or Trustee) acts as the Plan's trustee, and Fidelity Investment Institutional Operations Company, Inc. (Fidelity) acts as the Plan's recordkeeper.

Eligibility

The purpose of the Plan is to provide benefits for (i) eligible employees laid off under specified circumstances and conditions who may withdraw weekly amounts as defined in the Plan to supplement state unemployment compensation benefits and for (ii) employees who retire or are terminated as defined in the Plan. Employees, upon attainment of seniority, which is defined for collectively bargained employees as the earlier of attaining seniority under the collective bargaining agreement or the first day of the sixth month following the date of hire month, are eligible to participate in the Plan. For nonrepresented employees, seniority is the earlier of completion of three months of consecutive service or the first day of the sixth month following

Delphi Income Security Plan for Hourly-Rate Employees

Notes to Financial Statements (continued)

1. Description of Plan (continued)

the date of hire. As a result of the 2003 union negotiations, certain participant eligibility requirements were modified. International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers – Communication Workers of America (IUE-CWA) employees with more than five years of seniority acquired supplemental unemployment benefits in lieu of the Plan's benefits.

Participant Contributions

Employee contributions, provided such after-tax contributions are permitted under the respective negotiated agreements, are based upon employee election, and can range from 1% to 5% of an employee's base hourly rate multiplied by the number of weekly compensated hours. Employee contributions to the Plan vest immediately. Contributions are subject to certain limitations as defined in the plan document.

Employer Contributions

Delphi's contributions to the Plan are based upon negotiated rates for each compensated hour. Employer contributions to the Plan vest immediately. Contributions are subject to certain limitations as defined in the plan document.

Participant Withdrawals

For each week that a participant is eligible for benefits under the Plan, the participant may make withdrawals for amounts as provided under the Plan up to the amount credited to the participant's account. In addition, a participant's account balance is payable to such employee upon retirement or termination of employment. If the total of the participant's account at the time of termination is not greater than \$1,000, then the participant will receive a distribution of the entire account.

Transfers of Plan Assets

The administrator may direct the Trustee to accept all of an employee's funds to be transferred from a similar qualified plan and may direct the Trustee to transfer all of a participant's funds to a similar qualified plan, provided such other qualified plan (i) is maintained by an employer that is a member of a controlled group of corporations of which the employee's current employer is a member and (ii) permits such transfers.

Delphi Income Security Plan for Hourly-Rate Employees

Notes to Financial Statements (continued)

1. Description of Plan (continued)

Investment Options

Contributions to the Plan are wholly invested in the Income Security Plan Income Fund through a master trust.

Participant Accounts

Earnings from investment in the Income Security Plan Income Fund shall be credited to employees' Income Security Plan Income Fund accounts as soon as practicable, upon receipt by the Trustee, but no less often than once each three months. The earnings credit shall be on a pro rata basis taking into account the value of an employee's account to the total of all employees' accounts.

Forfeited Accounts

At both December 31, 2010 and 2009, forfeited accounts totaled \$3,000. These accounts may be used to reduce administrative expenses. In 2010, forfeited accounts were not used to reduce administrative expenses.

Administrative Expenses

Certain costs of plan administration are paid by Delphi on behalf of the Plan or from the Plan's assets. Generally, fees and expenses related to investment management of each investment option are paid out of the respective funds. As a result, the returns on those investments are net of the fees and expenses of the managers of those investment options and certain other brokerage commissions, fees, and expenses incurred in connection with those investment options.

2. Summary of Accounting Policies

The significant policies followed in preparation of the accompanying financial statements are as follows:

Basis of Accounting

The financial statements of the Plan have been prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP).

Delphi Income Security Plan for Hourly-Rate Employees

Notes to Financial Statements (continued)

2. Summary of Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2010-06, *Improving Disclosures about Fair Value Measurements*, requiring new disclosures and clarifying existing disclosure requirements. Under ASU 2010-06, reporting entities must disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements, describe the reasons for the transfers, and present separately information about purchases, sales, issuances, and settlements in the reconciliation for fair value measurements using significant unobservable inputs. In addition, reporting entities need to use judgment in determining the appropriate classes of assets and liabilities for purposes of reporting fair value measurement for each class of assets and liabilities and should provide disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements. The Plan adopted ASU 2010-06 during 2010, with the exception of the disclosure requirements with respect to separate reporting of purchases, sales, issuances, and settlements, which are required to be adopted during 2011. The provisions of ASU 2010-06 that were adopted by the Plan during 2010 did not have a significant impact on the Plan's financial statements.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Refer to Note 4 for additional disclosures.

The Master Trust invests in synthetic guaranteed investment contracts (synthetic GICs). These investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statement of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value.

Delphi Income Security Plan for Hourly-Rate Employees

Notes to Financial Statements (continued)

2. Summary of Accounting Policies (continued)

The statement of changes in net assets available for benefits is prepared on a contract value basis.

Purchases and sales of securities are recorded on the trade-date basis.

Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year and is recorded in the accompanying statement of changes in net assets available for benefit as net investment income from the Master Trust. Investment income is recognized as earned based on the terms of the investments and the periods during which the Plan holds the investments. Dividends are recorded on the ex-dividend date.

Payments of Benefits

Benefits are recorded when paid.

Subsequent Events

Delphi evaluated the effects of all events that have occurred subsequent to December 31, 2010, through October 5, 2011 (the date the financial statements were available to be issued). Delphi did not identify any subsequent events that would require recognition or disclosure in the financial statements.

3. Information Certified by the Trustee

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, other than the fair value of the Plan's investments in the Promark Income Fund and the adjustment from fair value to contract value for fully benefit-responsive investment contracts, all investment information disclosed in the accompanying financial statements, including investments held at December 31, 2010 and 2009, and net appreciation (depreciation) in fair value of investments, interest, and dividends for the year ended December 31, 2010, was obtained or derived from information provided and certified as complete and accurate by State Street, the Trustee of the Plan. The contract value of the Promark Income Fund was certified as complete and accurate by the Trustee.

Delphi Income Security Plan for Hourly-Rate Employees

Notes to Financial Statements (continued)

3. Information Certified by the Trustee (continued)

	December 31	
	2010	2009
	<i>(In Thousands)</i>	
Promark Income Fund, at fair value	\$ 1,032,069	\$ 1,042,543
Promark Income Fund, at contract value	1,013,841	1,055,583

4. The Master Trust

The Predecessor established the Delphi Automotive Systems Master Savings Trust (the Master Trust) pursuant to a trust agreement between the Predecessor and State Street, as Trustee of the Master Trust, in order to permit the commingling of trust assets of multiple employee benefit plans for investment and administrative purposes. The assets of the Master Trust are held by State Street.

Employee benefit plans participating in the Master Trust as of December 31, 2010 and 2009, consist of the following:

- Delphi Salaried Retirement Savings Program (SRSP Plan)
- Delphi Personal Savings Plan for Hourly-Rate Employees in the United States (PSP Plan)
- Delphi Income Security Plan for Hourly-Rate Employees

Effective December 31, 2009, Delphi Diesel Systems Corp. Retirement Savings Portfolio and salary participants of the Packard-Hughes Interconnect Retirement Savings Plan (the PHI Plan) were merged into the SRSP Plan, and hourly participants of the PHI Plan were merged into the PSP Plan.

Investment income and administrative expenses related to the Master Trust are allocated to the individual plans on a daily basis based on each participant's account balance within each investment fund option.

As of both December 31, 2010 and 2009, the Plan had approximately 1% interest in the Master Trust.

Delphi Income Security Plan for Hourly-Rate Employees

Notes to Financial Statements (continued)

4. The Master Trust (continued)

Synthetic Guaranteed Investment Contracts

The Plan offers a stable value investment option, the Promark Income Fund. In connection with this investment option, the Master Trust enters into wrapper contracts creating a synthetic GIC that is fully benefit-responsive. The net assets of the Master Trust present the investment in the synthetic GIC at fair value, along with the amount necessary to adjust the investment from fair value to contract value. Contract value is the relevant measurement attribute for that portion of the net assets attributable to fully benefit-responsive investment contracts, as contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Master Trust's interest in the contracts represents the maximum potential credit loss from concentrations of credit risk associated with its investment.

The synthetic GIC provides for the payment of a fixed rate of interest for a specified period of time. The underlying assets are owned by the Master Trust. Under the contracts, realized and unrealized gains and losses on the underlying assets are not reflected immediately in net assets. Rather, the gains and losses are amortized, usually over time to maturity or the duration of the underlying investments, through adjustments to future interest crediting rates. These adjustments generally result in contract value, over time, converging with the market value of the underlying assets. Factors affecting future interest crediting rates include the current yield, duration, and the existing difference between market and contract value of the underlying assets. Interest credit rates, which cannot be less than zero percent, are reset periodically. The issuers of the synthetic GIC guarantee that all qualified participant withdrawals occur at contract value subject to certain limitations described below.

The average yield earned on the synthetic GICs as of December 31, 2010 and 2009, based on actual earnings, was 3.60% and 3.13%, respectively. The average yield earned on the synthetic GIC as of December 31, 2010 and 2009, based on the interest rate credited to participants, was 3.51% and 3.10%, respectively.

Delphi Income Security Plan for Hourly-Rate Employees

Notes to Financial Statements (continued)

4. The Master Trust (continued)

Certain events may limit the ability of the Plan to transact at contract value with the issuer. Such events include (i) amendments to plan documents of the Plan's administration (including complete or partial plan termination or merger with another plan); (ii) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions; (iii) the failure of the Plan or the Master Trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA; (iv) bankruptcy of the plan sponsor or other plan sponsor events that cause a significant withdrawal from the Plan; and (v) the delivery of any communication to plan participants designed to influence a participant not to invest in the investment option. At this time, the plan sponsor does not believe that the occurrence of any such event that would limit the Plan's ability to transact at contract value with participants is probable.

Contract termination occurs whenever the contract value or market value reaches zero or upon certain events of default. If the contract terminates due to a synthetic GIC issuer default or if the market value of the underlying portfolio reaches zero, the synthetic GIC issuer will generally be required to pay any excess contract value at the date of termination. If the Plan defaults on its obligation under the agreements and the default is not cured within the time permitted, the Plan will receive the market value as of the date of termination. Contract termination also may occur by either party upon election and notice.

Delphi Income Security Plan for Hourly-Rate Employees

Notes to Financial Statements (continued)

4. The Master Trust (continued)

The net assets available for benefits of the Master Trust are summarized as follows:

	December 31	
	2010	2009
	<i>(In Thousands)</i>	
Assets		
Investments at fair value:		
Short-term investments	\$ —	\$ 61
Common collective trusts:		
Promark Income Fund	1,032,069	1,042,543
Other common collective trusts	544,823	504,958
Total common collective trusts	1,576,892	1,547,501
Mutual funds	855,248	818,658
Wrapper contracts	1,692	470
Total investments at fair value	2,433,832	2,366,690
Total assets	2,433,832	2,366,690
Liabilities		
Due to broker for securities purchased	—	431
Net assets available for benefits at fair value	2,433,832	2,366,259
Adjustment from fair value to contract value for interest in the Master Trust relating to fully benefit-responsive investment contracts	(18,228)	13,420
Net assets available for benefits	<u>\$ 2,415,604</u>	<u>\$ 2,379,679</u>

Delphi Income Security Plan for Hourly-Rate Employees

Notes to Financial Statements (continued)

4. The Master Trust (continued)

The net investment income of the Master Trust is summarized as follows:

	Year Ended December 31, 2010
	<i>(In Thousands)</i>
Interest and dividends, net of fees	\$ 48,102
Net appreciation in fair value of investments:	
Mutual funds	112,005
Other common collective trusts	72,403
Total net appreciation in fair value of investments	184,408
Total net investment income	<u>\$ 232,510</u>

Fair Value Measurement of Investments Within the Master Trust

FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, defines fair value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.” The definition of fair value is based on an exit price rather than an entry price, regardless of whether the entity plans to hold or sell the asset, and fair value should be based on assumptions that market participants would use, including non-performance risk. ASC 820 also establishes a fair value hierarchy to prioritize inputs used in measuring fair value as follows:

- *Level 1:* Observable inputs such as quoted prices in active markets
- *Level 2:* Inputs, other than quoted prices in active markets, that are observable either directly or indirectly
- *Level 3:* Unobservable inputs in which there is little or no market data, thus requiring the reporting entity to develop its own assumptions

Delphi Income Security Plan for Hourly-Rate Employees

Notes to Financial Statements (continued)

4. The Master Trust (continued)

Assets and liabilities measured at fair value are based on one or more of the following three valuation techniques noted in ASC 820:

- a. *Market approach:* Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- b. *Cost approach:* Amount that would be required to replace the service capacity of an asset (replacement cost).
- c. *Income approach:* Techniques to convert future amounts to a single present amount based upon market expectations (including present value techniques, option-pricing, and excess earnings models).

Following is a description of the valuation techniques and inputs used for each major class of assets within the Master Trust measured at fair value. There have been no changes in methodologies used at December 31, 2010.

Investments at fair value:

- Short-term investments include debt instruments, U.S. government securities, and repurchase agreements that are valued at the closing price reported on the active market in which the investments are traded.
- The Promark Income Fund, a common collective trust designed for preservation of principal, includes corporate notes, mortgage related securities and government bonds and is valued at the closing price of these underlying investments reported on the active market in which they are traded.
- The other common collective trusts are valued using the Net Asset Value (NAV), provided by NEPC, LLC, which is based on the closing price of the trust's underlying assets, reported on the active market on which they are traded. The investment objectives and underlying investments of the collective trusts vary, with some holding diversified portfolios of domestic or international stocks and mutual funds, some holding government bonds or investments in real estate, and others holding a blend of various domestic stocks, bonds, and mutual funds. Each collective trust provides for daily redemptions by the Plan at reported net asset values per share, with no advance notice required.

Delphi Income Security Plan for Hourly-Rate Employees

Notes to Financial Statements (continued)

4. The Master Trust (continued)

- Mutual funds that are publicly traded on an open market and are valued at the closing price reported on the market in which they are traded.
- Wrapper contracts related to the Promark Income Fund issued by three independent insurance companies, which guarantee a return of contract value to the participants invested in the fund. Fair values of the wrapper contract are determined by the difference between the present value of the replacement cost of the wrapper contract and the present value of the contractually obligated payments in the original wrapper contract.

Delphi Income Security Plan for Hourly-Rate Employees

Notes to Financial Statements (continued)

4. The Master Trust (continued)

As of December 31, 2010 and 2009, the Master Trust had the following assets measured at fair value on a recurring basis:

		Fair Value Measurements Using:		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
<i>(In Thousands)</i>				
December 31, 2010				
Investments at fair value:				
Common collective trusts:				
Promark Income Fund	\$ 1,032,069	\$ —	\$ 1,032,069	\$ —
Large Cap Fund	141,250	—	141,250	—
Small/Mid Cap Fund	14,916	—	14,916	—
Small Cap Funds	38,204	—	38,204	—
Bond Fund	86,777	—	86,777	—
Lifecycle Target Date Funds	103,831	—	103,831	—
International Equity Fund	13,612	—	13,612	—
Global Equity Funds	41,789	—	41,789	—
Emerging Markets Fund	37,942	—	37,942	—
Balanced Fund	38,709	—	38,709	—
Real Estate Funds	27,793	—	27,793	—
Mutual funds:				
Large Cap Funds	513,712	513,712	—	—
Mid-Cap Funds	143,324	143,324	—	—
High Yield Funds	86,631	86,631	—	—
Emerging Markets Funds	107,185	107,185	—	—
Real Estate Fund	4,396	4,396	—	—
Wrapper contracts	1,692	—	—	1,692
Total	\$ 2,433,832	\$ 855,248	\$ 1,576,892	\$ 1,692

Delphi Income Security Plan for Hourly-Rate Employees

Notes to Financial Statements (continued)

4. The Master Trust (continued)

		Fair Value Measurements Using:		
		Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
	Total			
<i>(In Thousands)</i>				
December 31, 2009				
Investments at fair value:				
Short-term investments	\$ 61	\$ —	\$ 61	\$ —
Common collective trusts:				
Promark Income Fund	1,042,543	—	1,042,543	—
Large Cap Fund	137,504	—	137,504	—
Small/Mid Cap Fund	9,953	—	9,953	—
Small Cap Funds	29,065	—	29,065	—
Bond Funds	88,219	—	88,219	—
Lifecycyle Target Date Funds	89,269	—	89,269	—
International Equity Fund	12,339	—	12,339	—
Global Equity Funds	45,736	—	45,736	—
Emerging Markets Fund	34,679	—	34,679	—
Balanced Fund	39,053	—	39,053	—
Real Estate Funds	19,141	—	19,141	—
Mutual funds:				
Large Cap Funds	497,963	497,963	—	—
Mid-Cap Funds	123,620	123,620	—	—
High Yield Funds	87,442	87,442	—	—
Emerging Markets Funds	106,068	106,068	—	—
Real Estate Fund	3,565	3,565	—	—
Wrapper contracts	470	—	—	470
Total	\$ 2,366,690	\$ 818,658	\$ 1,547,562	\$ 470

Delphi Income Security Plan for Hourly-Rate Employees

Notes to Financial Statements (continued)

4. The Master Trust (continued)

The following table summarizes the changes in Level 3 financial instruments measured at fair value on a recurring basis for the year ended December 31, 2010.

	Fair Value January 1	Total Realized Gains (Losses)	Total Unrealized Gains (Losses)	Purchases, Sales, Issuances and Settlements (Net)	Fair Value December 31
	<i>(In Thousands)</i>				
Wrapper contracts at fair value	\$ 470	\$ –	\$ 1,222	\$ –	\$ 1,692
Total Level 3 fair value	\$ 470	\$ –	\$ 1,222	\$ –	\$ 1,692

5. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500.

	December 31	
	2010	2009
	<i>(In Thousands)</i>	
Net assets available for benefits per the financial statements	\$ 14,178	\$ 15,320
Adjustment from contract value to fair value for interest in the Master Trust relating to fully benefit-responsive investment contracts	259	(195)
Net assets available for benefits per the Form 5500	\$ 14,437	\$ 15,125

Delphi Income Security Plan for Hourly-Rate Employees

Notes to Financial Statements (continued)

5. Reconciliation of Financial Statements to Form 5500 (continued)

The following is a reconciliation of total net investment income from the Master Trust per the 2010 financial statement to the Form 5500.

	Year Ended December 31, 2010
	<u>(In Thousands)</u>
Total net investment income from the Master Trust per the financial statements	\$ 521
Adjustment from contract value to fair value for interest in the Master Trust relating to fully benefit-responsive investment contracts as of December 31, 2010	259
Reversal of prior year adjustment from contract value to fair value for interest in the Master Trust relating to fully benefit-responsive investment contracts	195
Total net investment income per the Form 5500	<u>\$ 975</u>

6. Related-Party Transactions

Certain plan investments are managed by Fidelity. Fidelity is the recordkeeper as defined by the Plan, and therefore these transactions qualify as party-in-interest transactions.

State Street is the fund manager of the Income Security Plan Income Fund; therefore, these transactions qualify as party-in-interest transactions.

7. Termination of the Plan

Although it has not expressed any intent to do so, Delphi has the right to terminate the Plan subject to the provisions of ERISA and the collective bargaining agreement. Such termination of the Plan, if any, would not affect a participant's interest in assets already in the Plan.

Delphi Income Security Plan for Hourly-Rate Employees

Notes to Financial Statements (continued)

8. Tax Status

The Internal Revenue Service (IRS) has determined and informed the Predecessor by a letter dated June 27, 2003, that the Plan and related Master Trust are designed in accordance with the applicable sections of the Internal Revenue Code of 1986 (the Code), as amended. Although the Plan has been amended since receiving the determination letter, the Plan's fiduciary and tax counsel believe that the Plan is designed and currently being operated in compliance with the applicable requirements of the Code, and therefore no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

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