

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended **December 31, 2017**
OR

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

For the transition period from _____ to _____.

Commission file number: 001-38110

DELPHI TECHNOLOGIES PLC

(Exact name of registrant as specified in its charter)

Jersey
(State or other jurisdiction of
incorporation or organization)

98-1367514
(I.R.S. Employer
Identification No.)

**One Angel Court
10th Floor
London, EC2R 7HJ
United Kingdom**

(Address of principal executive offices)

011-44-020-305-74300

(Registrant's telephone number, including area code)

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

<u>Title of class</u>	<u>Name of Each Exchange on which Registered</u>
Ordinary Shares. \$0.01 par value per share	New York Stock Exchange

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes . No .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. .

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Emerging growth company

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

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

The number of the registrant's ordinary shares outstanding, \$0.01 par value per share as of February 15, 2018, was 88,613,262. Prior to the separation of the registrant from Delphi Automotive PLC on December 4, 2017, the Registrant was a wholly-owned subsidiary of Delphi Automotive PLC. Consequently, there were no aggregate market value of ordinary shares held by non-affiliates of the registrant as of June 30, 2017, the last business day of the registrant's most recently completed second fiscal quarter.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement related to the 2018 Annual Shareholders Meeting to be filed subsequently are incorporated by reference into Part III of this Form 10-K.

DELPHI TECHNOLOGIES PLC**INDEX**

		Page
	Part I	
Item 1.	Business	5
Supplementary Item.	Executive Officers of the Registrant	12
Item 1A.	Risk Factors	13
Item 1B.	Unresolved Staff Comments	27
Item 2.	Properties	27
Item 3.	Legal Proceedings	27
Item 4.	Mine Safety Disclosure	28
	Part II	
Item 5.	Market for Registrant’s Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities	29
Item 6.	Selected Financial Data	30
Item 7.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	32
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	58
Item 8.	Financial Statements and Supplementary Data	60
Item 9.	Changes in and Disagreements With Accountants on Accounting and Financial Disclosure	103
Item 9A.	Controls and Procedures	103
Item 9B.	Other Information	105
	Part III	
Item 10.	Directors, Executive Officers and Corporate Governance	105
Item 11.	Executive Compensation	105
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	105
Item 13.	Certain Relationships and Related Transactions and Director Independence	105
Item 14.	Principal Accounting Fees and Services	106
	Part IV	
Item 15.	Exhibits, Financial Statement Schedules	107

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Annual Report on Form 10-K, including the exhibits being filed as part of this report, as well as other statements made by Delphi Technologies PLC (“Company,” “we,” “us” and “our”), contain forward-looking statements that reflect, when made, the Company’s current views with respect to future events and financial performance. Such forward-looking statements are subject to many risks, uncertainties and factors relating to the Company’s operations and business environment, which may cause the actual results of the Company to be materially different from any future results, express or implied, by such forward-looking statements. All statements that address future operating, financial or business performance or the Company’s strategies or expectations are forward-looking statements. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expects,” “plans,” “intends,” “anticipates,” “believes,” “estimates,” “projects,” “potential,” “outlook” or “continue,” the negatives thereof and other comparable terminology. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, the following:

- global and regional economic conditions, including conditions affecting the credit market and those resulting from the United Kingdom referendum held on June 23, 2016 in which voters approved an exit from the European Union, commonly referred to as “Brexit”;
- risks inherent in operating as a global company, such as, fluctuations in interest rates and foreign currency exchange rates and economic, political and trade conditions around the world;
- the cyclical nature of automotive sales and production;
- the potential disruptions in the supply of and changes in the competitive environment for raw material integral to the Company’s products;
- the Company’s ability to maintain contracts that are critical to its operations;
- potential changes to beneficial free trade laws and regulations such as the North American Free Trade Agreement;
- the ability of the Company to achieve the intended benefits from its separation from its former parent or from acquisitions the Company may make;
- the ability of the Company to attract, motivate and/or retain key executives;
- the ability of the Company to avoid or continue to operate during a strike, or partial work stoppage or slow down by any of its unionized employees or those of its principal customers or suppliers;
- the ability of the Company to attract and retain customers;
- changes in the costs of raw materials;
- the Company’s indebtedness, including the amount thereof and capital availability and cost;
- the cost and outcome of any claims, legal proceedings or investigations;
- the failure or breach of information technology systems;
- severe weather conditions and natural disasters and any resultant disruptions on the supply or production of goods or services or customer demands;
- acts of war and/or terrorism, as well as the impact of actions taken by governments as a result of further acts or threats of terrorism; and
- the timing and occurrence (or non-occurrence) of other events or circumstances that may be beyond our control.

Additional factors are discussed under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Annual Report on Form 10-K. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect the Company. It should be remembered that the price of the ordinary shares and any income from them can go down as well as up. Delphi Technologies disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events and/or otherwise, except as may be required by law.

PART I

ITEM 1. BUSINESS

Overview

Delphi Technologies PLC (“Delphi Technologies,” “we,” “us,” “our” or the “Company”) is a leader in the development, design and manufacture of vehicle propulsion systems that optimize engine performance, increase vehicle efficiency, reduce emissions, improve driving performance, and support increasing electrification of vehicles. We are a global supplier to original equipment manufacturers (“OEMs”) seeking to manufacture vehicles that meet and exceed increasingly stringent global regulatory requirements and satisfy consumer demands for an enhanced user experience. Additionally, we offer a full spectrum of aftermarket products serving a global customer base.

On December 4, 2017, Delphi Technologies became an independent publicly traded company as a result of the distribution by Delphi Automotive PLC (the “Former Parent”) of 100% of the ordinary shares of Delphi Technologies PLC to Delphi Automotive PLC’s shareholders (the “Separation”). Following the Separation, Delphi Automotive PLC changed its name to Aptiv PLC (“Aptiv”). The Company previously operated substantially as the Former Parent’s Powertrain Systems segment (references hereinafter to “Delphi Technologies,” “we,” “us,” “our” or the “Company” include the results of the Former Parent’s Powertrain Systems segment).

Our portfolio includes advanced gas and diesel fuel injection systems (“FIS”), actuators, valvetrain products, sensors, electronic control modules and power electronics technologies. We believe our ability to meet regulatory requirements for reduced emissions and increased fuel economy, as well as to provide additional power to support consumer-driven demand for more in-vehicle electronics, will allow us to realize revenue growth in excess of vehicle production growth.

Our comprehensive portfolio of advanced technologies and solutions for all propulsion systems are sold to global OEMs of both light vehicles (passenger cars, trucks, vans and sport-utility vehicles) and commercial vehicles (light-duty, medium-duty and heavy-duty trucks; commercial vans; buses and off-highway vehicles). We operate in 20 major manufacturing facilities and 12 major technical centers with a regional service model that enables us to efficiently and effectively serve our global customers from best-cost countries. We have a presence in 24 countries with approximately 5,000 scientists, engineers and technicians who focus on innovating and developing market-relevant solutions.

In addition, we manufacture and sell our technologies and provide value added services to leading aftermarket companies, including independent retailers and wholesale distributors, supporting customers worldwide on the path to vehicle electrification. We supply a wide range of aftermarket products and services covering fuel injection, electronics and engine management, maintenance, and test equipment and vehicle diagnostics categories. We also add aftermarket know-how in category management, logistics, training, marketing and other dedicated services to provide a full range of aftermarket solutions throughout vehicles’ lives.

Website Access to Company’s Reports

Our website address is delphi.com. Our Annual Reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, and securities ownership reports on Forms 3, 4 and 5 are available free of charge through our website as soon as reasonably practicable after they are electronically filed with, or furnished to, the Securities and Exchange Commission (“SEC”). The contents of our website are not, however, a part of this report.

Our Segments

Our business operates in two segments, which are grouped on the basis of similar product, market and operating factors:

- **Powertrain Systems** —This segment provides FIS as well as various other powertrain products including valvetrain, fuel delivery modules, ignition coils, canisters, sensors, valves and actuators. We offer electronic control modules with the corresponding software, algorithms and calibration that provide centralized and reliable management of various powertrain components. Additionally, we provide power electronics solutions that include supervisory controllers and software, along with DC/DC converters and inverters.
- **Delphi Technologies Aftermarket** —This segment sells aftermarket products to independent aftermarket and original equipment service customers. We also supply a wide range of aftermarket products and services covering the fuel injection, electronics and engine management, maintenance and test equipment and vehicle diagnostics categories.

Net Sales by Segment

	Year Ended December 31, 2017		Year Ended December 31, 2016		Year Ended December 31, 2015	
	Net Sales	% of Total	Net Sales	% of Total	Net Sales	% of Total
(in millions, excluding percentages)						
Powertrain Systems	\$ 4,222	87 %	\$ 3,837	85 %	\$ 3,729	84 %
Delphi Technologies Aftermarket	947	20 %	924	21 %	963	22 %
Eliminations and Other	(320)	(7)%	(275)	(6)%	(285)	(6)%
Total	<u>\$ 4,849</u>		<u>\$ 4,486</u>		<u>\$ 4,407</u>	

Refer to Results of Operations by Segment in Item 7. Management’s Discussion and Analysis and Note 20. Segment Reporting to the consolidated financial statements, included in Item 8. Financial Statements and Supplementary Data of this Annual Report for further financial information about business segments.

Our business is well diversified across regions, product types, markets and customers. For the year ended December 31, 2017, 42% of our revenue was derived from Europe, the Middle East and Africa (“EMEA”), 28% from North America, 27% from Asia Pacific and 3% from South America; further, within Powertrain Systems 62% of our net sales were to light vehicle OEM customers and 19% were to commercial vehicle OEM customers. Additionally, 19% of our net sales were to aftermarket customers. In 2017, no customer accounted for more than 10% of net sales and our top 3 customers accounted for a total of approximately 23% of net sales.

Growth Strategies

Our strategy is to continue to accelerate the development of market-relevant technologies that solve our customers’ increasingly complex challenges and leverage our lean, flexible cost structure to deliver strong revenue and margin expansion and earnings and cash flow growth. We seek to grow our business through the execution of the following strategies, among others:

- *Expand Leadership in Technologies that Solve Our Customers’ Most Complex Challenges.* We are focused on providing technologies and solutions that solve some of our customers’ biggest propulsion-related challenges. Leveraging the breadth and depth of our engineering capabilities, we believe we have strong positions in fuel injectors, fuel pumps, variable valve timing and variable valve actuation. Additionally, we provide leading technology solutions in the areas of electronics and electrification, including engine control modules and power electronics, where we see above market growth driven by increasing levels of electrification. Our power electronics technologies include products such as high-voltage inverters, DC/DC converters and on-board chargers that convert electricity to enable hybrid and electric vehicle propulsion systems. Our comprehensive portfolio of powertrain products helps customers meet increasingly stringent global regulatory requirements while also enhancing vehicle performance.
- *Focused Regional Strategies To Best Serve Our Customers’ Needs.* The combination of our global operating capabilities and our portfolio of advanced technologies help us serve our global customers and meet their local needs. We have a presence in all major global regions and have positioned ourselves as a leading supplier of advanced powertrain technologies, including electrification, that are tailored to satisfy our customers’ needs in each region. We believe our focus on providing customer solutions to meet increasingly stringent emissions and fuel efficiency regulations will collectively drive greater demand for our products and enable us to experience above-market growth.
- *Continue to Enhance Aftermarket Position.* Globally, we plan to gain scale by focusing on higher value, faster growing product lines such as electronics, and services, which include diagnostics and remanufacturing. We also seek to accelerate growth by leveraging our regional product program strengths to expand our portfolio across regions. In addition, we expect to benefit from aftermarket growth in key markets around the world, including China.
- *Leverage Our Lean and Flexible Cost Structure to Deliver Strong Earnings and Cash Flow Growth.* We recognize the importance of maintaining a lean and flexible business model in order to deliver earnings and cash flow growth. We intend to improve our cost competitiveness by leveraging our enterprise operating system, continuously increasing operational efficiency, maximizing manufacturing output and rotating our facilities to best-cost countries. We have ongoing processes and resources dedicated to further improvement of our operations, and we expect to use our cash flow to reinvest in our business to drive growth.

Our Industry

The automotive and commercial vehicle parts industry provides components, systems, subsystems and modules to OEMs for the manufacture of new vehicles, as well as to the aftermarket for use as replacement parts. Overall, we expect long-term growth of global vehicle production in the OEM market. In 2017, global vehicle production (including light and commercial vehicles) increased 3% versus the previous year, including increases of 4% in Europe, 3% in China and 21% in South America. However, after several years of increases, consumer demand for vehicles in North America receded, resulting in a 4% year-over-year decrease in North American production in 2017.

Demand for automotive components in the OEM market is generally a function of the number of new vehicles produced in response to consumer demand, which is primarily driven by macro-economic factors such as credit availability, interest rates, fuel prices, consumer confidence, employment and other trends. In the commercial vehicle market, OEM demand for components is also tied to vehicle production and is driven by industrial production, the amount of freight tonnage being transported and the availability of credit and interest rates, among other factors. Although OEM demand is tied to actual vehicle production, participants in the automotive and commercial vehicle parts industry also have the opportunity to grow faster by further penetrating business with existing customers and in existing markets, gaining new customers and increasing presence in global markets. Above-market growth can be achieved through product alignment to favorable macro trends such as increasingly stringent regulations and growing consumer demand for electrification. The number of vehicles utilizing electrification is expected to grow to more than 30% of global vehicle production by 2025, as compared to just four percent today. As a global supplier with advanced technology, engineering, manufacturing and customer support capabilities, we are well positioned to benefit from these opportunities.

Heightened Regulatory Environment

OEMs continue to focus on improving fuel efficiency and reducing emissions in order to meet increasingly stringent regulatory requirements in various markets. On a worldwide basis, the relevant authorities in the European Union, the United States (“U.S.”), China, India, Japan, Brazil, South Korea and Argentina have already instituted regulations requiring further reductions in emissions and/or increased fuel economy. In many cases, other authorities have initiated legislation or regulation that would further tighten standards through 2020 and beyond. Based on the current regulatory environment, we believe that OEMs, including those in the U.S. and China, will be required to reduce carbon dioxide (“CO₂”) emissions over the next ten years. These standards will require meaningful innovation as OEMs and suppliers are forced to find ways to improve fuel injection and combustion efficiency, engine management, electrical power consumption, vehicle weight and integration of alternative powertrains (e.g., electric/hybrid propulsion). As a result, suppliers such as Delphi Technologies are continuing to develop innovations that result in improvements in fuel economy, emissions and performance from gasoline and diesel internal combustion engines and permit engine downsizing without loss of performance.

Standardization of Sourcing by OEMs

Many OEMs are continuing to adopt global vehicle platforms to increase standardization, reduce per-unit cost and increase capital efficiency and profitability. As a result, OEMs are selecting suppliers that have the capability to manufacture products on a worldwide basis as well as the flexibility to adapt to regional variations. Suppliers with global scale and strong design, engineering and manufacturing capabilities are best positioned to benefit from this trend. OEMs are also increasingly looking to their suppliers to simplify vehicle design and assembly processes to reduce costs. As a result, suppliers that sell vehicle components directly to manufacturers have assumed many of the design, engineering, research and development and assembly functions traditionally performed by vehicle manufacturers. Suppliers that can provide fully-engineered solutions, systems and pre-assembled combinations of component parts, such as Delphi Technologies, are positioned to leverage the trend toward system sourcing.

Shorter Product Development Cycles To Benefit Strong Suppliers

As a result of government regulations and customer preferences, development cycles are becoming shorter and OEMs are requiring suppliers to respond faster with new designs and product innovations. While these trends are more prevalent in mature markets, emerging markets are advancing rapidly towards the regulatory standards and consumer preferences of more mature markets. Suppliers with strong technologies, global engineering and development capabilities, such as Delphi Technologies, will be best positioned to meet OEM demands for rapid innovation.

Increasing Vehicle Complexity

Vehicles are increasingly complex in their design, features, level of integration of mechanical and electrical components and increasing levels of software necessary to deliver their functionality. This has resulted in growing consumer demand for additional power, given the increasing level of electronic components and systems in vehicles. Electronics integration, which generally refers to products and systems that combine integrated circuits, software algorithms, sensor technologies and mechanical components within the vehicle, will allow OEMs to achieve substantial reductions in weight and mechanical complexity. In turn, this results in enhanced fuel economy, improved emissions control and better vehicle performance. We are well positioned to benefit from accelerating industry demand for electronics integration and vehicle electrification. Moreover, our proprietary power electronics solutions allow our OEM customers to improve efficiency, reduce weight and lower costs.

Products

Our organizational structure and management reporting support the management of these core product lines:

Powertrain Systems. This segment offers high quality components and complete engine management systems to help optimize performance, emissions and fuel economy.

Internal Combustion Engine (“ICE”) Products:

- Our gasoline FIS portfolio includes a full suite of fuel injection technologies that deliver greater efficiency for traditional and hybrid vehicles with gasoline combustion engines. Our Gasoline Direct Injection (“GDI”) technology provides high precision fuel delivery for optimized combustion, which lowers emissions and increases fuel economy.
- Our diesel FIS portfolio provides enhanced engine performance at an attractive value. Common rail FIS is the core technology for both commercial and light vehicle applications.
- The ICE products also include an array of highly engineered products for traditional combustion and hybrid electric vehicles, including variable valve timing, variable valve actuation, smart remote actuators, powertrain sensors, ignition products, canisters, and fuel handling products. These products often complement and enhance the efficiency improvements delivered by our FIS technologies and, as a result, drive above market growth.

Electronics & Electrification Products:

- Our electronics portfolio consists of gasoline and diesel control modules, local control units and power electronics. The control modules are key components that enable the integration and operation of powertrain products throughout the vehicle. As the electrification of mechanical components increases, our proprietary solutions, including supervisory controllers and software, DC/DC converters and inverters provide better efficiency, reduced weight and lower cost for our OEM customers while also making these and other components easier to integrate. These products are expected to experience increased demand as vehicle electrification accelerates.

Delphi Technologies Aftermarket. Through this segment we sell aftermarket products and services to independent aftermarket customers and original equipment service customers. Our aftermarket product portfolio includes a wide range of solutions covering the fuel injection, electronics and engine management, maintenance, and test equipment and vehicle diagnostics categories. Our aftermarket business provides a recurring and stable revenue base as replacement of many of these products is non-discretionary in nature. The growth in the number of vehicles in all regions of the world, along with the increasing average age of vehicles and a greater number of miles driven annually in certain markets collectively represent trends that are expected to lead to growing demand for our aftermarket products.

Competition

The automotive parts industry remains extremely competitive in light of constantly evolving market dynamics. The industry in which we compete has attracted, and may continue to attract, new entrants in areas of evolving vehicle technologies. Although OEMs prefer to maintain relationships with suppliers that have a proven record of performance they rigorously evaluate suppliers on the basis of product quality, price, reliability and timeliness of delivery, product design capability, technical expertise and development capability, new product innovation, financial viability, application of lean principles, operational flexibility, customer service and overall management. In addition, our customers generally require that we demonstrate

improved efficiencies, through cost reductions and/or price improvements, on a year-over-year basis. Our primary competitors include Bosch Group, Continental AG, Denso Corporation, and Hitachi Ltd.

Customers

Our business is diversified across end-markets, regions, customers, vehicle platforms and products. We sell our products and services to the major global automotive and commercial vehicle OEMs in every region of the world. We also sell our products and services to the worldwide aftermarket for replacement parts, including the aftermarket operations of our OEM customers and to other distributors and retailers. Our global customer base includes 23 of the largest light vehicle OEMs, several of the largest commercial vehicle OEMs, and four of the top five largest automotive aftermarket retailers and wholesale distributors. Our ten largest platforms in 2017 were with nine different OEMs. In addition, in 2017 our solutions were found in the majority of the top twenty platforms in each of the regions in which we operate. Furthermore, 21% of our business is focused on the commercial vehicle market, which is typically on a different business cycle than the light vehicle market. Our revenue base is also geographically diverse, and in 2017, 27% of our net sales came from the Asia Pacific region, which we believe will be a key growth market driven by increasing levels of vehicle production and regulatory change. In addition, we had no customers with greater than 10% of our net sales for the years ended December 31, 2017 and 2016. For the year ended December 31, 2015, Hyundai Motor Company and Daimler AG accounted for 11% and 10% of net sales, respectively.

Supply Relationships with Our Customers

We typically supply products to our OEM customers through purchase orders, which are generally governed by general terms and conditions established by each OEM. Although the terms and conditions vary from customer to customer, they typically contemplate a relationship under which our customers place orders for their requirements of specific components supplied for particular vehicles but are not required to purchase any minimum amount of products from us. These relationships typically extend over the life of the related vehicle. Prices are negotiated with respect to each business award, which may be subject to adjustments under certain circumstances, such as commodity or foreign exchange escalation/de-escalation clauses or for cost reductions achieved by us. The terms and conditions typically provide that we are subject to a warranty on the products supplied; in most cases, the duration of such warranty is coterminous with the warranty offered by the OEM to the end-user of the vehicle. We may also be obligated to share in all or a part of recall costs if the OEM recalls its vehicles for defects attributable to our products.

Individual purchase orders are terminable for cause or non-performance and, in most cases, upon our insolvency and certain change of control events. In addition, many of our OEM customers have the option to terminate for convenience on certain programs, which permits our customers to impose pressure on pricing during the life of the vehicle program and issue purchase contracts for less than the duration of the vehicle program, potentially reducing our profit margins and increasing the risk of our losing future sales under those purchase contracts. We manufacture and ship based on customer release schedules, normally provided on a weekly basis, which can vary due to cyclical automobile production or dealer inventory levels.

Although customer programs typically extend to future periods, and although there is an expectation that we will supply certain levels of OEM production during such future periods, customer agreements including applicable terms and conditions do not necessarily constitute firm orders. Firm orders are generally limited to specific and authorized customer purchase order releases placed with our manufacturing and distribution centers for actual production and order fulfillment. Firm orders are typically fulfilled as promptly as possible from the conversion of available raw materials, sub-components and work-in-process inventory for OEM orders and from current on-hand finished goods inventory for aftermarket orders. The dollar amount of such purchase order releases on hand and not processed at any point in time is not believed to be significant based upon the time frame involved.

Our Global Operations

Information concerning principal geographic areas is set forth below. Net sales data reflects sales based on the manufacturing location for the years ended December 31, 2017, 2016 and 2015. Net property data is as of December 31, 2017, 2016 and 2015.

	Year Ended December 31, 2017		Year Ended December 31, 2016		Year Ended December 31, 2015	
	(in millions)					
	Net Sales	Net Property (1)	Net Sales	Net Property (1)	Net Sales	Net Property (1)
United States (2)	\$ 1,340	\$ 263	\$ 1,297	\$ 214	\$ 1,132	\$ 189
Other North America	5	25	6	22	7	20
Europe, Middle East & Africa (3)	2,030	677	1,995	613	2,087	704
Asia Pacific (4)	1,335	328	1,071	270	1,045	272
South America	139	23	117	23	136	17
Total	\$ 4,849	\$ 1,316	\$ 4,486	\$ 1,142	\$ 4,407	\$ 1,202

(1) Net property data represents property, plant and equipment, net of accumulated depreciation.

(2) Includes net sales and machinery, equipment and tooling that relate to the Company's maquiladora operations located in Mexico. These assets are utilized to produce products sold to customers located in the United States.

(3) Includes the Company's country of domicile, Jersey, and the country of the Company's principal executive offices, the United Kingdom. The Company had no sales in Jersey in any period. The Company had net sales of \$733 million, \$674 million, and \$728 million in the United Kingdom for the years ended December 31, 2017, 2016 and 2015, respectively. The Company had net property in the United Kingdom of \$157 million, \$146 million, and \$188 million as of December 31, 2017, 2016 and 2015, respectively. The largest portion of net sales in the EMEA region was \$733 million, \$674 million and \$728 million in the United Kingdom for the years ended December 31, 2017, 2016 and 2015, respectively.

(4) Net sales and net property in Asia Pacific are primarily attributable to China.

For a description of the risks associated with our global operations see Item 1A. Risk Factors.

Materials

We procure our raw materials from a variety of suppliers around the world. Generally, we seek to obtain materials in the region in which our products are manufactured in order to minimize transportation and other costs. As of December 31, 2017, we have not experienced any significant shortages of raw materials and normally do not carry inventories of such raw materials in excess of those reasonably required to meet our production and shipping schedules.

Commodity cost volatility, most notably related to various metals, is a challenge for us and our industry. As such, we continually seek to mitigate both inflationary pressures and our material-related cost exposures using a number of approaches, including combining purchase requirements with customers and/or other suppliers, using alternate suppliers or product designs and negotiating cost reductions and/or commodity cost contract escalation clauses into our vehicle manufacturer supply contracts. Our overall success in passing commodity cost increases on to our customers has been limited.

Research, Development and Intellectual Property

We maintain technical engineering centers in major regions of the world to develop and provide advanced products, processes and manufacturing support for all of our manufacturing sites, and to provide our customers with local engineering capabilities and design development on a global basis. As of December 31, 2017, we employed approximately 5,000 scientists, engineers and technicians around the world. Our total research and development expenses, including engineering, net of customer reimbursements, were approximately \$420 million, \$424 million and \$443 million for the years ended December 31, 2017, 2016 and 2015, respectively.

We believe that our engineering and technical expertise, together with our emphasis on continuing research and development, allow us to use the latest technologies, materials and processes to solve problems for our customers and to bring new, innovative products to market. We believe that continued engineering activities are critical to maintaining our pipeline of technologically advanced products. Given our strong financial discipline, we seek to effectively manage fixed costs and efficiently rationalize capital spending by critically evaluating the profit potential of new and existing customer programs, including investment in innovation and technology. We maintain our engineering activities around our focused product portfolio and allocate our capital and resources to those products with distinctive technologies.

We currently hold more than 3,100 active patents and patent applications. While no individual patent or group of patents, taken alone, is considered material to our business, taken in the aggregate, these patents provide meaningful protection for our

products and technical innovations. We are actively pursuing marketing opportunities to commercialize and license our technology to both automotive and non-automotive industries and we have selectively taken licenses from others to support our business interests. These activities foster optimization of intellectual property rights.

Environmental Compliance

We are subject to the requirements of environmental and safety and health laws and regulations in each country in which we operate. These include laws regulating air emissions, water discharge, hazardous materials and waste management. We have an environmental management structure designed to facilitate and support our compliance with these requirements globally. Although it is our intent to comply with all such requirements and regulations, we cannot provide assurance that we are at all times in compliance. Environmental requirements are complex, change frequently and have tended to become more stringent over time. Accordingly, we cannot assure that environmental requirements will not change or become more stringent over time or that our eventual environmental costs and liabilities will not be material.

Certain environmental laws assess liability on current or previous owners or operators of real property for the cost of removal or remediation of hazardous substances. At this time, we are involved in various stages of investigation and cleanup related to environmental remediation matters at certain of our present and former facilities. In addition, there may be soil or groundwater contamination at several of our properties resulting from historical, ongoing or nearby activities.

At December 31, 2017, the undiscounted reserve for environmental investigation and remediation was approximately \$4 million. We cannot assure that our eventual environmental remediation costs and liabilities will not exceed the amount of our current reserves. In the event that such liabilities were to significantly exceed the amounts recorded, our results of operations could be materially adversely affected.

Seasonality

Our business is moderately seasonal, as our primary North American customers historically reduce production during the month of July and halt operations for approximately one week in December. Our European customers generally reduce production during the months of July and August and for one week in December. Shut-down periods in the rest of the world generally vary by country. In addition, automotive production is traditionally reduced in the months of July, August and September due to the launch of parts production for new vehicle models. Accordingly, our results reflect this seasonality.

Employees

As of December 31, 2017, we had approximately 18,000 workers: 8,000 salaried employees and 10,000 hourly employees. In addition, we maintain an alternative workforce of 2,000 contract and temporary workers. Our employees are represented worldwide by numerous unions and works councils, including the European Works Council and local trade unions such as Unite, U.K., CFE-CGC France and C.T.M. in Mexico.

SUPPLEMENTARY ITEM. EXECUTIVE OFFICERS OF THE REGISTRANT

The name, age (as of February 26, 2018), current positions and description of business experience of each of our executive officers are listed below, each of whom was first appointed as an executive officer for our company in December 2017. Our executive officers are elected annually by the Board of Directors and hold office until their successors are elected and qualified or until the officer's resignation or removal.

Liam Butterworth, 47, is President and Chief Executive Officer of Delphi Technologies. Mr. Butterworth was previously Senior Vice President of Delphi Automotive PLC and President, Powertrain Systems since February 2014, and assumed responsibilities for Delphi Product & Service Solutions in September 2015. He previously was President of Delphi Connection Systems, a product business unit of Delphi E/EA, from October 2012. He joined Delphi Automotive PLC in 2012 after the company acquired FCI Holding SAS's ("FCI's") Motorized Vehicles Division, where he had been President and General Manager from 2009 through the acquisition by Delphi Automotive PLC. He joined FCI in 2000 and held positions in sales, marketing, purchasing and general management. Prior to FCI, Mr. Butterworth worked for Lucas Industries and TRW Automotive. He holds a master's degree in business administration from Lancaster University in England.

Vivid Sehgal, 49, is Chief Financial Officer of Delphi Technologies. Prior to joining the Company, he served as Chief Financial Officer of LivaNova PLC, a global medical technology company, from 2015 to 2017. Previously, Mr. Sehgal served as Senior Vice President, Treasury, Risk and Investor Relations at Allergan, Inc. a multi-specialty health care company, from 2014 to 2015. Prior to assuming his position as Senior Vice President, Mr. Sehgal served as Vice President and Regional Controller of Allergan's Europe, Middle East and Africa business from 2007 to 2014. Before Allergan, Mr. Sehgal worked for nine years in various roles with GlaxoSmithKline PLC and SmithKline Beecham PLC, where he eventually served as Group Controller for GSK's International Pharmaceutical Division. He brings additional financial leadership experience from other companies, including with Gillette Company, Inc. during its acquisition by Procter and Gamble, Inc. and Grand Metropolitan plc. Mr. Sehgal earned a master's degree in finance and investment from the University of Exeter, a bachelor's degree in economics from the University of Leicester and is a member of the Chartered Institute of Management Accountants.

James D. Harrington, 57, is Senior Vice President, General Counsel, Secretary and Chief Compliance Officer of Delphi Technologies. Prior to joining us, he was Senior Vice President, General Counsel and Corporate Secretary of Tenneco Inc., a global automotive supplier, from 2009 to 2017. Previously, he served as Vice President, Law. Before joining Tenneco in 2005 as corporate counsel, he worked at Mayer Brown LLP in the firm's corporate and securities practice from 1997 to 2005. Mr. Harrington earned a master's degree in business administration from the University of Chicago Graduate School of Business, a juris doctor degree from the Northwestern University School of Law, and a bachelor's degree in business administration from the University of Notre Dame. He is also a certified public accountant.

Michael J.P. Clarke, 56, is Senior Vice President and Chief Human Resources Officer of Delphi Technologies. Mr. Clarke was previously Vice President of Human Resources for Delphi Powertrain Systems and Delphi's Europe, Middle East and Africa business since June 2015. He previously served as Vice President, HR International at Hertz Corporation from 2009 to 2015. Mr. Clarke served as Senior Vice President of Human Resources at Fiat Group & CNH Europe in Italy from 2008 to 2009. He also held various human resources roles for Tenneco Automotive between 1999 and 2008, including Vice President HR International for its Ride Control Division, Clean Air Division and Aftermarket business. Mr. Clarke earned a bachelor's degree in mechanical and manufacturing engineering from John Moores University in Liverpool 1, United Kingdom.

Mary E. Gustanski, 55, is Senior Vice President and Chief Technology Officer of Delphi Technologies. Ms. Gustanski was previously Senior Vice President and Chief Technology Officer for Delphi Powertrain Systems since August 2017. She previously served as Vice President of Engineering, Operations and Customer Satisfaction in 2012 and was appointed to the corporate engineering team as Vice President of Engineering and Program Management in August 2014. In 2006, Ms. Gustanski was appointed as a member of the Powertrain Systems Executive Staff as the Divisional Director of Engineering, Customer Satisfaction and Program Management. She began her career at the Company in 1980 at the former AC Spark Plug Division of General Motors and has held several positions in engineering and manufacturing. Ms. Gustanski earned a master's degree in manufacturing management, as well as a bachelor's degree in mechanical engineering from Kettering University.

ITEM 1A. RISK FACTORS

Set forth below are certain risks and uncertainties that could adversely affect our results of operations or financial condition and cause our actual results to differ materially from those expressed in forward-looking statements made by the Company. Also refer to the Cautionary Statement Regarding Forward-Looking Information in this annual report.

Risks Related to Business Environment and Economic Conditions

The cyclical nature of automotive sales and production can adversely affect our business.

Our business is directly related to automotive sales and automotive vehicle production by our customers. Automotive sales and production are highly cyclical and, in addition to general economic conditions, also depend on other factors, such as consumer confidence and consumer preferences. Lower global automotive sales would be expected to result in substantially all of our automotive original equipment manufacturer (“OEM”) customers lowering vehicle production schedules, which would have a direct impact on our earnings and cash flows. In addition, automotive sales and production can be affected by labor relations issues, regulatory requirements, trade agreements, the availability of consumer financing and other factors. Economic declines that result in a significant reduction in automotive sales and production by our customers have in the past had, and may in the future have, an adverse effect on our business, results of operations and financial condition.

Our sales are also affected by inventory levels and OEMs’ production levels. We cannot predict when OEMs will decide to increase or decrease inventory levels or whether new inventory levels will approximate historical inventory levels. Uncertainty and other unexpected fluctuations could have a material adverse effect on our business and financial condition.

In addition to these factors, the sales of our aftermarket operations are also directly related to the level of vehicle aftermarket parts replacement activity, which may be affected by additional factors such as the average useful life of OEM parts and components, severity of regional weather conditions, highway and roadway infrastructure deterioration and the average number of miles vehicles are driven by owners. Improvements in technology and product quality are extending the longevity of vehicle component parts, which may result in delayed or reduced aftermarket sales. Our results of operations and financial condition could be adversely affected if we fail to respond in a timely and appropriate manner to changes in the demand for our aftermarket products.

A prolonged economic downturn or economic uncertainty could adversely affect our business and cause us to require additional sources of financing, which may not be available.

Our sensitivity to economic cycles and any related fluctuation in the businesses of our customers or potential customers may have a material adverse effect on our financial condition, results of operations or cash flows. Due to overall strong global economic conditions in 2017, the automotive industry experienced increased global customer sales and production schedules. Compared to 2016, vehicle production in 2017 increased by 4% in Europe, 3% in China and 21% in South America. However, after several years of increases, consumer demand for vehicles in North America receded, resulting in a 4% year-over-year decrease in North American production in 2017. As a result, we have experienced and may continue to experience reductions in orders from OEM customers in certain regions. Uncertainty relating to global or regional economic conditions may have an adverse impact on our business. A prolonged downturn in the global or regional automotive industry, or a significant change in product mix due to consumer demand, could require us to shut down plants or result in impairment charges, restructuring actions or changes in our valuation allowances against deferred tax assets, which could be material to our financial condition and results of operations. If global economic conditions deteriorate or economic uncertainty increases, our customers and potential customers may experience deterioration of their businesses, which may result in the delay or cancellation of plans to purchase our products. If vehicle production were to remain at low levels for an extended period of time or if cash losses for customer defaults rise, our cash flow could be adversely impacted, which could result in our needing to seek additional financing to continue our operations. There can be no assurance that we would be able to secure such financing on terms acceptable to us, or at all.

Any changes in consumer credit availability or cost of borrowing could adversely affect our business.

Declines in the availability of consumer credit and increases in consumer borrowing costs have negatively impacted global automotive sales and resulted in lower production volumes in the past. Substantial declines in automotive sales and production by our customers could have a material adverse effect on our business, results of operations and financial condition.

A drop in the market share and changes in product mix offered by our customers can impact our revenues.

We are dependent on the continued growth, viability and financial stability of our customers. Our customers generally are OEMs in the automotive industry. This industry is subject to rapid technological change, vigorous competition, short product life cycles and cyclical and reduced consumer demand patterns. When our customers are adversely affected by these factors, we may be similarly affected to the extent that our customers reduce the volume of orders for our products. As a result of changes

impacting our customers, sales mix can shift which may have either favorable or unfavorable impact on revenue and would include shifts in regional growth, shifts in OEM sales demand, as well as shifts in consumer demand related to vehicle segment purchases and content penetration. For instance, a shift in sales demand favoring a particular OEMs' vehicle model for which we do not have a supply contract may negatively impact our revenue. A shift in regional sales demand toward certain markets could favorably impact the sales of those of our customers that have a large market share in those regions, which in turn may be expected to have a favorable impact on our revenue.

The mix of vehicle offerings by our OEM customers also impacts our sales. A decrease in consumer demand for specific types of vehicles where we have traditionally provided significant components could have a significant effect on our business and financial condition. For example, a decrease in market demand for light-duty diesel-powered vehicles, or a decrease in OEM customer offerings in this vehicle segment, could adversely impact our ability to maintain or increase our revenues. In addition, our sales of products in the regions in which our customers operate also depend on the success of these customers in those regions.

The improved quality of vehicle components may adversely affect the demand for our aftermarket products.

The average useful lives of automotive parts, both OEM and aftermarket, have increased due to innovations in product technology and improved manufacturing processes. Longer product lives and improved durability may result in vehicle owners replacing components on their vehicles less frequently. If the demand for our aftermarket products is diminished as a result of this trend, our results of operations and financial condition may be adversely affected.

Declines in the market share or business of our five largest customers may have a disproportionate adverse impact on our revenues and profitability.

Our five largest customers accounted for approximately 40% of our total net sales in the year ended December 31, 2017. Accordingly, our revenues may be disproportionately affected by decreases in any of their businesses or market share. Because our customers typically have no obligation to purchase a specific quantity of parts, a decline in the production levels of any of our major customers, particularly with respect to models for which we are a significant supplier, could disproportionately reduce our sales and thereby adversely affect our financial condition, operating results and cash flows. See Item 1. Supply Relationships with Our Customers for more information.

We may not realize sales represented by awarded business.

We estimate awarded business using certain assumptions, including projected future sales volumes. Our customers generally do not guarantee volumes. In addition, awarded business may include business under arrangements that our customers have the right to terminate without penalty. Therefore, our actual sales volumes, and thus the ultimate amount of revenue that we derive from such sales, are not committed. If actual production orders from our customers are not consistent with the projections we use in calculating the amount of our awarded business, we could realize substantially less revenue over the life of these projects than the currently projected estimate.

Our inability to continue to achieve product cost reductions which offset customer price reductions could have a significant negative impact on our business.

Cost-cutting initiatives adopted by our customers result in increased downward pressure on pricing. Our customer supply agreements generally require step-downs in component pricing over the period of production, typically one to two percent per year. In addition, our customers often reserve the right to terminate their supply contracts for convenience, which enhances their ability to obtain price reductions. OEMs have also possessed significant leverage over their suppliers, including us, because the automotive component supply industry is highly competitive, serves a limited number of customers, has a high fixed cost base and historically has had excess capacity. Based on these factors, and the fact that our customers' product programs typically last a number of years and are anticipated to encompass large volumes, our customers are able to negotiate favorable pricing. Accordingly, as a Tier I supplier (one that supplies vehicle components directly to manufacturers), we are subject to substantial continuing pressure from OEMs to reduce the price of our products. For example, our customer supply agreements generally provide for annual reductions in pricing of our products over the period of production. It is possible that pricing pressures beyond our expectations could intensify as OEMs pursue restructuring and cost cutting initiatives. Our financial performance is therefore dependent on our ability to continue to achieve product cost reductions through obtaining price reductions from our suppliers, product design enhancement and improving production processes to increase manufacturing efficiency. If we are unable to generate sufficient production cost savings in the future to offset price reductions, our gross margin and profitability would be adversely affected. See Item 1. Supply Relationships with Our Customers for a detailed discussion of our supply agreements with our customers.

Our supply agreements with our OEM customers are generally requirements contracts, and a decline in the production requirements of any of our customers, and in particular our largest customers, could adversely impact our revenues and profitability.

We receive OEM purchase orders for specific components supplied for particular vehicles. In most instances our OEM customers agree to purchase their requirements for specific products but are not required to purchase any minimum amount of products from us. The contracts we have entered into with most of our customers have terms ranging from one year to the life of the model (usually three to seven years, although customers often reserve the right to terminate for convenience). Therefore, a significant decrease in demand for certain key models or group of related models sold by any of our major customers or the ability of a manufacturer to re-source and discontinue purchasing from us, for a particular model or group of models, could have a material adverse effect on us. To the extent that we do not maintain our existing level of business with our largest customers because of a decline in their production requirements or because the contracts expire or are terminated for convenience, we will need to attract new customers or win new business with existing customers, or our results of operations and financial condition will be adversely affected. See Item 1. Supply Relationships with Our Customers for a detailed discussion of our supply agreements with our customers.

We have invested substantial resources in markets where we expect growth and we may be unable to timely alter our strategies should such expectations not be realized.

Our future growth is dependent on our making the right investments at the right time to support product development and manufacturing capacity in geographic areas where we can support our customer base and in product areas of evolving vehicle technologies. We have identified the Asia Pacific region, and more specifically China, as a key geographic market, and have identified advanced electronics and software controls which deliver enhanced engine management systems that address demand for increased fuel efficiency and emission control through products such as turbo gasoline direct injection (“GDi”) fuel systems, variable valve actuation technologies such as dynamic skip fire software and evolving vehicle technologies such as electrification and hybridization as key product markets. We believe these markets are likely to experience substantial long term growth, and accordingly have made and expect to continue to make substantial investments, both directly and through participation in various partnerships and joint ventures, in numerous manufacturing operations, technical centers, research and development activities and other infrastructure to support anticipated growth in these areas. If we are unable to deepen existing and develop additional customer relationships or are unable to develop and introduce market-relevant product technologies we may not only fail to realize expected rates of return on our existing investments, but we may incur losses on such investments and be unable to timely redeploy the invested capital to take advantage of other markets or product categories, potentially resulting in lost market share to our competitors. Our results will also suffer if these areas, including market demand for evolving vehicle technologies, do not grow as quickly as we anticipate.

Our business in China is sensitive to economic and market conditions that impact automotive sales volumes in China.

Maintaining a strong position in the Chinese market is a key component of our global growth strategy. Our business is sensitive to economic and market conditions that impact automotive sales volumes and growth in China and may be affected if the pace of growth slows as the Chinese market matures or if there are reductions in vehicle demand in China. There have been periods of increased market volatility and moderations in the level of economic growth in China, which resulted in periods of lower automotive production growth rates in China than those previously experienced. For example, in 2016, automotive production in China increased 15% as compared to 2015, benefiting in part from a consumer vehicle tax reduction program. Following a partial increase in the consumer vehicle tax in 2017, vehicle production volumes in China increased by 3% in 2017. If we are unable to maintain our position in the Chinese market, the pace of growth slows or vehicle sales in China decrease or do not continue to increase, our business and financial results could be materially adversely affected.

Disruptions in the supply of raw materials and other supplies that we and our customers use in our products may adversely affect our profitability.

We and our customers use a broad range of materials and supplies, including various metals, petroleum-based resins, chemicals, electronic components and semiconductors. A significant disruption in the supply of these materials for any reason could decrease our production and shipping levels, which could materially increase our operating costs and materially decrease our profit margins.

We, as with other component manufacturers in the automotive industry, ship products to our customers’ vehicle assembly plants throughout the world so they are delivered on a “just-in-time” basis in order to maintain low inventory levels. Our suppliers also use a similar method. However, this “just-in-time” method makes the logistics supply chain in our industry very complex and very vulnerable to disruptions.

Such disruptions could be caused by any one of a myriad of potential problems, such as closures of one of our or our suppliers’ plants or critical manufacturing lines due to strikes, mechanical breakdowns, electrical outages, fires, explosions or political upheaval, as well as logistical complications due to weather, global climate change, volcanic eruptions, or other natural or

nuclear disasters, mechanical failures, delayed customs processing and more. Additionally, as we grow in best cost countries, the risk for such disruptions is heightened. The lack of even a small single subcomponent necessary to manufacture one of our products, for whatever reason, could force us to cease production, even for a prolonged period. Similarly, a potential quality issue could force us to halt deliveries while we validate the products. Even where products are ready to be shipped, or have been shipped, delays may arise before they reach our customer. Our customers may halt or delay their production for the same reason if one of their other suppliers fails to deliver necessary components. This may cause our customers, in turn to suspend their orders, or instruct us to suspend delivery, of our products, which may adversely affect our financial performance.

When we fail to make timely deliveries in accordance with our contractual obligations, we generally have to absorb our own costs for identifying and solving the “root cause” problem as well as expeditiously producing replacement components or products. Generally, we must also carry the costs associated with “catching up,” such as overtime and premium freight.

Additionally, if we are the cause for a customer being forced to halt production, the customer may seek to recoup all of its losses and expenses from us. These losses and expenses could be significant, and may include consequential losses such as lost profits. Any supply-chain disruption, however small, could potentially cause the complete shutdown of an assembly line of one of our customers, and any such shutdown that is due to causes that are within our control could expose us to material claims of compensation. Where a customer halts production because of another supplier failing to deliver on time, it is unlikely we will be fully compensated, if at all.

Adverse developments affecting one or more of our suppliers could harm our profitability.

Any significant disruption in our supplier relationships, particularly relationships with sole-source suppliers, could harm our profitability. Furthermore, some of our suppliers may not be able to handle commodity cost volatility and/or sharply changing volumes while still performing as we expect. To the extent our suppliers experience supply disruptions, there is a risk for delivery delays, production delays, production issues or delivery of non-conforming products by our suppliers. Even where these risks do not materialize, we may incur costs as we try to make contingency plans for such risks.

The loss of business with respect to, or the lack of commercial success of, a vehicle model for which we are a significant supplier could adversely affect our financial performance.

Although we receive purchase orders from our customers, these purchase orders generally provide for the supply of a customer’s requirements for a particular vehicle model and assembly plant, rather than for the purchase of a specific quantity of products. The loss of business with respect to, or the lack of commercial success of, a vehicle model for which we are a significant supplier could reduce our sales and thereby adversely affect our financial condition, operating results and cash flows.

We operate in the highly competitive automotive supply industry.

The global automotive component supply industry for both OEM and aftermarket components is highly competitive. Competition is based primarily on product quality, price, reliability and timeliness of delivery, product design capability, technical expertise and development capability, overall customer service and, in certain aftermarket product segments, brand recognition and perception. There can be no assurance that our products will be able to compete successfully with the products of our competitors. Furthermore, the rapidly evolving nature of the geographic markets in which we compete has attracted, and may continue to attract, new entrants, particularly in countries such as China or in areas of evolving vehicle technologies such as GDi systems. Additionally, consolidation in the automotive industry may lead to decreased product purchases from us. As a result, our sales levels and margins could be adversely affected by pricing pressures from OEMs and pricing actions of competitors. These factors led to selective resourcing of business to competitors in the past and may also do so in the future. In addition, any of our competitors may foresee the course of market development more accurately than us, develop products that are superior to our products, have the ability to produce similar products at a lower cost than us, adapt more quickly than us to new technologies or evolving customer requirements or develop or introduce new products or solutions before we do. As a result, our products may not be able to compete successfully with their products. There has also been a recent increase in consumer preferences for mobility on demand services, such as car- and ride-sharing, as opposed to automobile ownership, which may result in a long term reduction in the number of vehicles per capita. These trends may adversely affect our sales as well as the profit margins on our products. If we do not continue to innovate to develop or acquire new and compelling products that capitalize upon new technologies, this could have a material adverse impact on our results of operations.

Increases in costs of the materials and other supplies that we use in our products may have a negative impact on our business.

Significant changes in the markets where we purchase materials, components and supplies for the production of our products may adversely affect our profitability, particularly in the event of significant increases in demand where there is not a corresponding increase in supply, inflation or other pricing increases. In recent periods there have been significant fluctuations in the global prices of petroleum-based resin products, and fuel charges, which have had and may continue to have an unfavorable impact on our business, results of operations or financial condition. Continuing volatility may have adverse effects

on our business, results of operations or financial condition. We will continue efforts to pass some supply and material cost increases onto our customers, although competitive and market pressures have limited our ability to do that, and may prevent us from doing so in the future, because our customers are generally not obligated to accept price increases that we may desire to pass along to them. Even where we are able to pass price increases through to the customer, in some cases there is a lapse of time before we are able to do so. The inability to pass on price increases to our customers when raw material prices increase rapidly or to significantly higher than historic levels could adversely affect our operating margins and cash flow, possibly resulting in lower operating income and profitability. We expect to be continually challenged as demand for our principal raw materials and other supplies is significantly impacted by demand in emerging markets, particularly in China. We cannot provide assurance that fluctuations in commodity prices will not otherwise have a material adverse effect on our financial condition or results of operations, or cause significant fluctuations in quarterly and annual results of operations.

We may encounter manufacturing challenges.

The volume and timing of sales to our customers may vary due to: variation in demand for our customers' products; our customers' attempts to manage their inventory; design changes; changes in our customers' manufacturing strategy; and acquisitions of or consolidations among customers. Due in part to these factors, many of our customers do not commit to long-term production schedules. Our inability to forecast the level of customer orders with certainty makes it difficult to schedule production and maximize utilization of manufacturing capacity.

We rely on third-party suppliers for the components used in our products, and we rely on third-party manufacturers to manufacture certain of our assemblies and finished products. Our results of operations, financial condition and cash flows could be adversely affected if our third party suppliers lack sufficient quality control or if there are significant changes in their financial or business condition. If our third-party manufacturers fail to deliver products, parts and components of sufficient quality on time and at reasonable prices, we could have difficulties fulfilling our orders, sales and profits could decline, and our commercial reputation could be damaged.

From time to time, we have underutilized our manufacturing lines. This excess capacity means we incur increased fixed costs in our products relative to the net revenue we generate, which could have an adverse effect on our results of operations, particularly during economic downturns. If we are unable to improve utilization levels for these manufacturing lines and correctly manage capacity, the increased expense levels will have an adverse effect on our business, financial condition and results of operations. In addition, some of our manufacturing lines are located in China or other foreign countries that are subject to a number of additional risks and uncertainties, including increasing labor costs, which may result from market demand or other factors, and political, social and economic instability.

We may not be able to respond quickly enough to changes in regulations, technology and technological risks, and to develop our intellectual property into commercially viable products.

Changes in legislative, regulatory or industry requirements or in competitive technologies may render certain of our products obsolete or less attractive. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis are significant factors in our ability to remain competitive and to maintain or increase our revenues. For example, our products and technologies are designed to assist our OEM customers' needs to improve fuel economy and reduce vehicle emissions, in part to meet increasingly stringent regulatory requirements in various markets. However, if such efficiency standards are relaxed or eliminated, there could be reduced demand for our products that are focused on meeting these requirements, which could adversely affect our financial performance.

We cannot provide assurance that certain of our products will not become obsolete or that we will be able to achieve the technological advances that may be necessary for us to remain competitive and maintain or increase our revenues in the future. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development or production and failure of products to operate properly. The pace of our development and introduction of new and improved products depends on our ability to implement successfully improved technological innovations in design, engineering and manufacturing, which requires extensive capital investment. Any capital expenditure cuts in these areas that we may determine to implement in the future to reduce costs and conserve cash could reduce our ability to develop and implement improved technological innovations, which may materially reduce demand for our products.

To compete effectively in the automotive supply industry, we must be able to launch new products to meet changing consumer preferences and our customers' demand in a timely and cost-effective manner. Our ability to respond to competitive pressures and react quickly to other major changes in the marketplace, including the potential introduction of disruptive technologies such as autonomous driving solutions, increased gasoline prices, or consumer desire for and availability of vehicles which use alternative fuels is also a risk to our future financial performance.

We cannot provide assurance that we will be able to install and certify the equipment needed to produce products for new product programs in time for the start of production, or that the transitioning of our manufacturing facilities and resources to

full production under new product programs will not impact production rates or other operational efficiency measures at our facilities. Development and manufacturing schedules are difficult to predict, and we cannot provide assurance that our customers will execute on schedule the launch of their new product programs, for which we might supply products. Our failure to successfully launch new products, or a failure by our customers to successfully launch new programs, could adversely affect our results.

Changes in factors that impact the determination of our pension liabilities may adversely affect us.

Certain of our subsidiaries sponsor defined benefit pension plans, which generally provide benefits based on negotiated amounts for each year of service. Our primary funded plans are located in Mexico and the United Kingdom and were underfunded by \$480 million as of December 31, 2017. The funding requirements of these benefit plans, and the related expense reflected in our financial statements, are affected by several factors that are subject to an inherent degree of uncertainty and volatility, including governmental regulation. In addition to the defined benefit pension plans, we have retirement obligations driven by requirements in many of the countries in which we operate. These legally required plans require payments at the time benefits are due. Obligations, net of plan assets, related to the defined benefit pension plans and statutorily required retirement obligations totaled \$530 million, all of which was included in long-term liabilities. Key assumptions used to value these benefit obligations and the cost of providing such benefits, funding requirements and expense recognition include the discount rate and the expected long-term rate of return on pension assets. If the actual trends in these factors are less favorable than our assumptions, this could have an adverse effect on our results of operations and financial condition.

We may suffer future asset impairment and other restructuring charges, including write downs of long-lived assets.

We have taken, are taking, and may take future restructuring actions to realign and resize our production capacity and cost structure to meet current and projected operational and market requirements. Charges related to these actions or any further restructuring actions may have a material adverse effect on our results of operations and financial condition. We cannot assure that any current or future restructuring will be completed as planned or achieve the desired results.

Additionally, from time to time in the past, we have recorded asset impairment losses relating to specific plants and operations. Generally, we record asset impairment losses when we determine that our estimates of the future undiscounted cash flows from an operation will not be sufficient to recover the carrying value of that facility's building, fixed assets and production tooling. We cannot ensure that we will not incur such charges in the future as changes in economic or operating conditions impacting the estimates and assumptions could result in additional impairment.

Employee strikes and labor-related disruptions involving us or one or more of our customers or suppliers may adversely affect our operations.

Our business is labor-intensive and utilizes a number of work councils and other represented employees. A strike or other form of significant work disruption by our employees would likely have an adverse effect on our ability to operate our business. A labor dispute involving us or one or more of our customers or suppliers or that could otherwise affect our operations could reduce our sales and harm our profitability. A labor dispute involving another supplier to our customers that results in a slowdown or a closure of our customers' assembly plants where our products are included in the assembled parts or vehicles could also adversely affect our business and harm our profitability. In addition, our inability or the inability of any of our customers, our suppliers or our customers' suppliers to negotiate an extension of a collective bargaining agreement upon its expiration could reduce our sales and harm our profitability. Significant increases in labor costs as a result of the renegotiation of collective bargaining agreements could also adversely affect our business and harm our profitability.

We may lose or fail to attract and retain key salaried employees and management personnel.

An important aspect of our competitiveness is our ability to attract and retain key salaried employees and management personnel. Our ability to do so is influenced by a variety of factors, including the compensation we award and the competitive market position of our overall compensation package. We may not be as successful as competitors at recruiting, assimilating and retaining highly skilled personnel. The loss of the services of any member of senior management or a key salaried employee could have an adverse effect on our business.

Because some of our officers and directors live outside of the United States, you may have no effective recourse against them for misconduct and may not be able to receive compensation for damages to the value of your investment caused by wrongful actions by our directors and officers.

Some of our officers and directors live outside the U.S. As a result, it may be difficult for investors to enforce within the U.S. any judgments obtained against those officers and directors, or obtain judgments against them outside of the U.S. that are based on the civil liability provisions of the federal or state securities laws of the U.S. Investors may not be able to receive compensation for damages to the value of their investment caused by wrongful actions by our directors and officers.

We are exposed to foreign currency fluctuations as a result of our substantial global operations, which may affect our financial results.

We have currency exposures related to buying, selling and financing in currencies other than the local currencies of the countries in which we operate. Approximately 72% of our net revenue for the year ended December 31, 2017 came from sales outside the United States, which were primarily invoiced in currencies other than the U.S. dollar, and we expect net revenue from non-U.S. markets to continue to represent a significant portion of our net revenue. Accordingly, significant changes in currency exchange rates, particularly the Euro, Chinese Yuan (Renminbi), British Pound and Brazilian Real, could cause fluctuations in the reported results of our businesses' operations that could negatively affect our results of operations. Price increases caused by currency exchange rate fluctuations may make our products less competitive or have an adverse effect on our margins. Currency exchange rate fluctuations may also disrupt the business of our suppliers by making their purchases of raw materials more expensive and more difficult to finance.

Historically, we have reduced our exposure by aligning our costs in the same currency as our revenues or, if that is impracticable, through financial instruments that provide offsets or limits to our exposures, which are opposite to the underlying transactions. However, any measures that we may implement to reduce the effect of volatile currencies and other risks of our global operations may not be effective.

In addition, we have significant business in Europe and transact much of this business in the Euro currency, including sales and purchase contracts. Although not as prevalent currently, concerns over the stability of the Euro currency and the economic outlook for many European countries, including those that do not use the Euro as their currency, persist. Given the broad range of possible outcomes, it is difficult to fully assess the implications on our business. Some of the potential outcomes could significantly impact our operations. In the event of a country redenominating its currency away from the Euro, the potential impact could be material to operations. We cannot provide assurance that fluctuations in currency exposures will not have a material adverse effect on our financial condition or results of operations, or cause significant fluctuations in quarterly and annual results of operations.

We face risks associated with doing business in non-U.S. jurisdictions.

The majority of our manufacturing and distribution facilities are in countries outside of the U.S., including Mexico, China and other countries in Asia Pacific, Eastern and Western Europe and South America. We also purchase raw materials and other supplies from many different countries around the world. For the year ended December 31, 2017, approximately 72% of our net revenue came from sales outside the United States. International operations are subject to certain risks inherent in doing business abroad, including:

- exposure to local economic, political and labor conditions;
- unexpected changes in laws, regulations, trade or monetary or fiscal policy, including interest rates, foreign currency exchange rates and changes in the rate of inflation in the U.S. and other foreign countries;
- tariffs, quotas, customs and other import or export restrictions and other trade barriers;
- expropriation and nationalization;
- difficulty of enforcing agreements, collecting receivables and protecting assets through non-U.S. legal systems;
- reduced intellectual property protection;
- limitations on repatriation of earnings;
- withholding and other taxes on remittances and other payments by subsidiaries;
- investment restrictions or requirements;
- export and import restrictions;
- violence and civil unrest in local countries; and
- compliance with the requirements of an increasing body of applicable anti-bribery laws, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and similar laws of various other countries.

Additionally, our global operations may also be adversely affected by political events, domestic or international terrorist events and hostilities or complications due to natural or nuclear disasters. These uncertainties could have a material adverse effect on the continuity of our business and our results of operations and financial condition.

Existing free trade laws and regulations, such as the North American Free Trade Agreement, provide certain beneficial duties and tariffs for qualifying imports and exports, subject to compliance with the applicable classification and other requirements. Changes in laws or policies governing the terms of foreign trade, and in particular increased trade restrictions, tariffs or taxes on imports from countries where we manufacture products, such as China and Mexico, could have a material adverse effect on our business and financial results.

Increasing our manufacturing footprint in Asian markets, including China, and our business relationships with Asian automotive manufacturers are important elements of our long term strategy. In addition, our strategy includes increasing revenue and expanding our manufacturing footprint in lower-cost regions. As a result, our exposure to the risks described above may be greater in the future. The likelihood of such occurrences and their potential impact on us vary from country to country and are unpredictable.

The results of the referendum on the United Kingdom’s membership in the European Union may adversely affect global economic conditions, financial markets and our business and profitability.

The United Kingdom (“U.K.”) held a referendum on June 23, 2016 in which a majority of voters approved an exit from the European Union (“E.U.”), commonly referred to as “Brexit”, which resulted in increased market volatility and currency exchange rate fluctuations. As a result of the referendum, the British government formally initiated the process for withdrawal in March 2017. The terms of any withdrawal are subject to a negotiation period that could last at least two years from the initiation date. Nevertheless, the proposed withdrawal has created significant uncertainty about the future relationship between the U.K. and the E.U. These developments, or the perception that any of them could occur, may adversely affect European and worldwide economic and market conditions, significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets and could contribute to instability in global financial and foreign exchange markets, including increased volatility in interest rates and foreign exchange rates. The taxation policies of the U.K. and the E.U. nations in which we conduct business may also change as a result of Brexit, which could adversely impact our tax positions.

Although we are actively monitoring the ongoing potential impacts of Brexit and will seek to minimize its impact on our business, any of these effects of Brexit, among others, could adversely affect our business, business opportunities, results of operations, financial condition and cash flows. Approximately 15% of our annual net sales are generated in the U.K., and approximately 10% are denominated in British pounds.

If we fail to manage our growth effectively or to integrate successfully any new or future business ventures, acquisitions or strategic alliance into our business, our business could be materially adversely harmed.

We expect to pursue business ventures, acquisitions, and strategic alliances that leverage our capabilities, enhance our customer base, geographic penetration and scale to complement our current businesses and we regularly evaluate potential opportunities, some of which could be material. While we believe that such transactions are an integral part of our long-term strategy, there are risks and uncertainties related to these activities. Assessing a potential growth opportunity involves extensive due diligence. However, the amount of information we can obtain about a potential growth opportunity may be limited, and we can give no assurance that new business ventures, acquisitions, and strategic alliances will positively affect our financial performance or will perform as planned. We may not be able to successfully assimilate or integrate companies that we acquire, including their personnel, financial systems, distribution, operations and general operating procedures. We may also encounter challenges in achieving appropriate internal control over financial reporting in connection with the integration of an acquired company. If we fail to assimilate or integrate acquired companies successfully, our business, reputation and operating results could be materially impacted. Likewise, our failure to integrate and manage acquired companies successfully may lead to future impairment of any associated goodwill and intangible asset balances.

We depend on information technology to conduct our business. Any significant disruption could impact our business.

Our ability to keep our business operating effectively depends on the functional and efficient operation of information technology and telecommunications systems. We rely on these systems to make a variety of day-to-day business decisions as well as to track transactions, billings, payments and inventory. Our systems, as well as those of our customers, suppliers, partners, and service providers, are susceptible to interruptions (including those caused by systems failures, cyber attack, malicious computer software (malware), and other natural or man-made incidents or disasters), which may be prolonged. We are also susceptible to security breaches that may go undetected. Although we have taken precautions to mitigate such events, including geographically diverse data centers, redundant infrastructure and the implementation of security measures, a significant or large-scale interruption of our information technology could adversely affect our ability to manage and keep our operations running efficiently and effectively. An incident that results in a wider or sustained disruption to our business could have a material adverse effect on our business, financial condition and results of operations.

Challenges in the commercial and credit environment may materially adversely affect our access to capital.

Our ability to issue debt or enter into other financing arrangements on acceptable terms could be materially adversely affected if there is a material decline in the demand for our products or in the solvency of our customers or suppliers or if other significantly unfavorable changes in economic conditions occur. Volatility in the global financial markets could increase borrowing costs or affect our ability to gain access to the capital markets, all of which could have a material adverse effect on our financial position and financial results.

We have incurred debt obligations that could adversely affect our business and our ability to meet our obligations and pay dividends.

In connection with the Separation, we incurred \$1,550 million in principal amount of additional indebtedness. We may also incur additional indebtedness in the future. This significant amount of debt could have important, adverse consequences to us and our investors, including:

- requiring a substantial portion of our cash flow from operations to make interest payments;
- making it more difficult to satisfy other obligations;
- increasing the risk of a future credit ratings downgrade of our debt, which could increase future debt costs and limit the future availability of debt financing;
- increasing our vulnerability to general adverse economic and industry conditions;
- reducing the cash flow available to fund capital expenditures and other corporate purposes and to grow our businesses;
- limiting our flexibility in planning for, or reacting to, changes in our businesses and industries; and
- limiting our ability to borrow additional funds as needed or take advantage of business opportunities as they arise, pay cash dividends or repurchase or redeem ordinary shares.

To the extent that we incur additional indebtedness, the risks described above could increase. In addition, our actual cash requirements in the future may be greater than expected. Our cash flow from operations may not be sufficient to service our outstanding debt or to repay the outstanding debt as it becomes due, and we may not be able to borrow money, sell assets or otherwise raise funds on acceptable terms, or at all, to service or refinance our debt.

Risks Related to Legal, Regulatory, Tax and Accounting Matters

We may incur material losses and costs as a result of warranty claims, product recalls, product liability and intellectual property infringement actions that may be brought against us.

We face an inherent business risk of exposure to warranty claims and product liability in the event that our products fail to perform as expected and, in the case of product liability, such failure of our products results in bodily injury and/or property damage. The fabrication of the products we manufacture is a complex and precise process. Our customers specify quality, performance and reliability standards. If flaws in either the design or manufacture of our products were to occur, we could experience a rate of failure in our products that could result in significant delays in shipment and product re-work or replacement costs. Although we engage in extensive product quality programs and processes, these may not be sufficient to avoid product failures, which could cause us to:

- lose net revenue;
- incur increased costs such as warranty expense and costs associated with customer support;
- experience delays, cancellations or rescheduling of orders for our products;
- experience increased product returns or discounts; or
- damage our reputation,

all of which could negatively affect our financial condition and results of operations.

If any of our products are or are alleged to be defective, we may be required to participate in a recall involving such products. Each vehicle manufacturer has its own practices regarding product recalls and other product liability actions relating to its suppliers. However, as suppliers become more integrally involved in the vehicle design process and assume more of the vehicle assembly functions, OEMs continue to look to their suppliers for contribution when faced with recalls and product liability claims. A recall claim brought against us, or a product liability claim brought against us in excess of our available insurance, may have a material adverse effect on our business. OEMs also require their suppliers to guarantee or warrant their products and bear the costs of repair and replacement of such products under new vehicle warranties. Depending on the terms under which we supply products to a vehicle manufacturer, a vehicle manufacturer may attempt to hold us responsible for some or all of the repair or replacement costs of defective products under new vehicle warranties when the OEM asserts that the product supplied did not perform as warranted. Although we cannot assure that the future costs of warranty claims by our customers will not be material, we believe our established reserves are adequate to cover potential warranty settlements. Our warranty reserves are based on our best estimates of amounts necessary to settle future and existing claims. We regularly evaluate the level of these reserves and adjust them when appropriate. However, the final amounts determined to be due related to these matters could differ materially from our recorded estimates.

In addition, as we adopt new technology, we face an inherent risk of exposure to the claims of others that we have allegedly violated their intellectual property rights. We cannot assure that we will not experience any material warranty, product liability or intellectual property claim losses in the future or that we will not incur significant costs to defend such claims.

We may be adversely affected by laws or regulations, including environmental regulation, litigation or other liabilities.

We are subject to various U.S. federal, state and local, and non-U.S., laws and regulations, including those related to environmental, health and safety, financial and other matters.

We cannot predict the substance or impact of pending or future legislation or regulations, or the application thereof. The introduction of new laws or regulations or changes in existing laws or regulations, or the interpretations thereof, could increase the costs of doing business for us or our customers or suppliers or restrict our actions and adversely affect our financial condition, operating results and cash flows.

We are subject to regulation governing, among other things:

- the generation, storage, handling, use, transportation, presence of, or exposure to hazardous materials;
- the emission and discharge of hazardous materials into the ground, air or water;
- the incorporation of certain chemical substances into our products, including electronic equipment; and
- the health and safety of our employees.

We are also required to obtain permits from governmental authorities for certain operations. There is no assurance that we have been or will be at all times in complete compliance with such laws, regulations and permits. If we violate or fail to comply with these laws, regulations or permits, we could be fined or otherwise sanctioned by regulators. We could also be held liable for any and all consequences arising out of human exposure to hazardous substances or other environmental damage.

Certain environmental laws impose liability, sometimes regardless of fault, for investigating or cleaning up contamination on or emanating from our currently or formerly owned, leased or operated property, as well as for damages to property or natural resources and for personal injury arising out of such contamination. Some of these environmental laws may also assess liability on persons who arrange for hazardous substances to be sent to third party disposal or treatment facilities when such facilities are found to be contaminated. At this time, we are involved in various stages of investigation and cleanup related to environmental remediation matters at certain facilities. The ultimate cost to us of site cleanups is difficult to predict given the uncertainties regarding the extent of the required cleanup, the potential for ongoing environmental monitoring and maintenance that could be required for many years, the interpretation of applicable laws and regulations, alternative cleanup methods, and potential agreements that could be reached with governmental and third parties. While we have environmental reserves of approximately \$4 million at December 31, 2017 for the cleanup of presently-known environmental contamination conditions, it cannot be guaranteed that actual costs will not significantly exceed these reserves. We also could be named a potentially responsible party at additional sites in the future and the costs associated with such future sites may be material.

In addition, environmental laws are complex, change frequently and have tended to become more stringent over time. While we have budgeted for future capital and operating expenditures to maintain compliance with environmental laws, we cannot assure that environmental laws will not change or become more stringent in the future. Therefore, we cannot assure that our costs of complying with current and future environmental and health and safety laws, and our liabilities arising from past or future releases of, or exposure to, hazardous substances will not adversely affect our business, results of operations or financial condition. For example, adoption of greenhouse gas rules in jurisdictions in which we operate facilities could require installation of emission controls, acquisition of emission credits, emission reductions, or other measures that could be costly, and could also impact utility rates and increase the amount we spend annually for energy.

We may identify the need for additional environmental remediation or demolition obligations relating to facility divestiture, closure and decommissioning activities.

As we sell, close and/or demolish facilities around the world, environmental investigations and assessments will continue to be performed. We may identify previously unknown environmental conditions or further delineate known conditions that may require remediation or additional costs related to demolition or decommissioning, such as abatement of asbestos containing materials or removal of polychlorinated biphenyls or storage tanks. Such costs could exceed our reserves.

We are involved from time to time in legal proceedings and commercial or contractual disputes, which could have an adverse impact on our profitability and consolidated financial position.

We are involved in legal proceedings including lawsuits, arbitrations and investigations and commercial or contractual disputes that, from time to time, are significant. These are typically claims and proceedings that arise in the normal course of business including, without limitation, commercial or contractual disputes, including warranty claims and other disputes with customers and suppliers; intellectual property matters; personal injury claims; environmental issues; tax matters; employment matters; and legal compliance matters.

In addition, we conduct business operations in Brazil that are subject to the Brazilian federal labor, social security, environmental, tax and customs laws as well as a variety of state and local laws. While we believe we comply with such laws, they are complex, subject to varying interpretations, and we are often engaged in litigation regarding the application of these laws to particular circumstances. As of December 31, 2017, the majority of claims asserted against Delphi Technologies in Brazil relate to such litigation. The remaining claims relate to commercial and labor litigation with private parties in Brazil. As of December 31, 2017, claims totaling approximately \$20 million (using December 31, 2017 foreign currency rates) have been asserted against Delphi Technologies in Brazil. As of December 31, 2017, we maintained reserves for these asserted claims of approximately \$5 million (using December 31, 2017 foreign currency rates).

While we believe our reserves are adequate, the final amounts required to resolve these matters could differ materially from our recorded estimates and our results of operations could be materially affected.

Developments or assertions by us or against us relating to intellectual property rights could materially impact our business.

We own significant intellectual property, including a large number of patents and tradenames, and are involved in numerous licensing arrangements. Our intellectual property plays an important role in maintaining our competitive position in a number of the markets we serve. Developments or assertions by or against us relating to intellectual property rights could negatively impact our business. Significant technological developments by others also could materially and adversely affect our business and results of operations and financial condition.

Taxing authorities could challenge our historical and future tax positions.

Our future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory rates and changes in tax laws or their interpretation including changes related to tax holidays or tax incentives. Our taxes could increase if certain tax holidays or incentives are not renewed upon expiration, or if tax rates or regimes applicable to us in such jurisdictions are otherwise increased.

The amount of tax we pay is subject to our interpretation of applicable tax laws in the jurisdictions in which we file. We have taken and will continue to take tax positions based on our interpretation of such tax laws. In particular, we will seek to organize and operate ourselves in such a way that we are and remain tax resident in the United Kingdom. Additionally, in determining the adequacy of our provision for income taxes, we regularly assess the likelihood of adverse outcomes resulting from tax examinations. While it is often difficult to predict the final outcome or the timing of the resolution of a tax examination, our reserves for uncertain tax benefits reflect the outcome of tax positions that are more likely than not to occur. While we believe that we have complied with all applicable tax laws, there can be no assurance that a taxing authority will not have a different interpretation of the law and assess us with additional taxes. Should additional taxes be assessed, this may result in a material adverse effect on our results of operations and financial condition.

There could be significant liability if the Separation fails to qualify as a tax-free transaction for U.S. federal income tax purposes.

In connection with the distribution of 100% of our ordinary shares to the Aptiv shareholders, Aptiv received an opinion of Latham & Watkins LLP, tax counsel to Aptiv, substantially to the effect that, for U.S. federal income tax purposes, the distribution qualifies as a distribution under Section 355(a) of the Code, subject to certain qualifications and limitations. Based on this tax treatment, for U.S. federal income tax purposes, except with respect to cash received in lieu of a fractional Delphi Technologies ordinary share, no gain or loss was recognized by Aptiv's shareholders and no amount was included in their income, upon the receipt of Delphi Technologies ordinary shares in the distribution. The opinion was based on and relied on, among other things, certain facts, assumptions, representations and undertakings from Aptiv and Delphi Technologies, including those regarding the past and future conduct of the companies' respective businesses and other matters. If any of these facts, assumptions, representations or undertakings are incorrect or not satisfied, Aptiv may not be able to rely on the opinion, and Aptiv's shareholders could be subject to significant U.S. federal income tax liabilities. Notwithstanding the opinion of tax counsel, the Internal Revenue Service ("IRS") could determine on audit that the distribution is taxable to Aptiv's shareholders if it determines that any of these facts, assumptions, representations or undertakings are not correct or have been violated or if it disagrees with the conclusions in the opinion.

In addition, Aptiv expects that restructuring transactions undertaken in connection with the distribution will be taxed in a certain manner. If, contrary to Aptiv's expectations, such transactions are taxed in a different manner, Aptiv and/or Delphi Technologies may incur additional tax liabilities which may be substantial. If Delphi Technologies is required to pay any such liabilities, the payments could materially adversely affect Delphi Technologies' financial position.

Under the tax matters agreement between Aptiv and us, we are required to indemnify Aptiv against taxes incurred by Aptiv that arise as a result of our taking or failing to take, as the case may be, certain actions that result in the distribution failing to meet the requirements of a distribution under Section 355(a) of the Code, or that result in certain restructuring transactions in connection with the distribution failing to meet the requirements for tax-free treatment for U.S. federal income tax purposes.

Delphi Technologies may not be able to engage in desirable strategic or capital raising transactions as a stand-alone company.

Aptiv and Delphi Technologies have engaged in various restructuring transactions in connection with the Separation. To preserve the tax-free treatment of certain such restructuring transactions for U.S. federal income tax purposes, for the two-year period following the Separation, under the tax matters agreement that Delphi Technologies has entered into with Aptiv, Delphi Technologies may be prohibited, except in specific circumstances, from (i) entering into any transaction pursuant to which all or a portion of the Delphi Technologies ordinary shares would be acquired, whether by merger or otherwise, (ii) ceasing to actively conduct certain of its businesses or (iii) taking or failing to take any other action that would prevent certain of such restructuring transactions from qualifying as a transaction that is generally tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code. These restrictions may limit for a period of time Delphi Technologies' ability to pursue certain strategic transactions or other transactions that Delphi Technologies may believe to be in the best interests of its shareholders or that might increase the value of its business.

Risks Related to the Separation

Our historical financial information may not be representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.

The historical information about Delphi Technologies in this Annual Report on Form 10-K refers to Delphi Technologies' businesses as operated by and integrated with Aptiv. Our historical financial information included in this Annual Report on Form 10-K prior to the completion of the Separation is derived from the consolidated financial statements and accounting records of Aptiv. Accordingly, the historical financial information included in this Annual Report on Form 10-K does not necessarily reflect the financial condition, results of operations or cash flows that Delphi Technologies would have achieved as a separate, publicly traded company during the periods presented or those that Delphi Technologies will achieve in the future primarily as a result of the factors described below:

- prior to the Separation, Delphi Technologies' businesses were operated by Aptiv as part of its broader corporate organization, rather than as an independent company. Aptiv or one of its affiliates performed various corporate functions for Delphi Technologies such as treasury, accounting, auditing, human resources, senior management, corporate affairs and finance. Our historical financial results reflect allocations of corporate expenses from Aptiv for such functions, and are likely to be less than the expenses we would have incurred had we operated as a separate publicly traded company. As a result of the Separation, we are responsible for the costs related to such functions previously performed by Aptiv. Aptiv is providing some of these functions to us pursuant to a transition services agreement. We will need to make investments to replicate or outsource from other providers certain facilities, systems, infrastructure, and personnel to which we no longer have access to as a result of the Separation from Aptiv. These initiatives to develop our independent ability to operate without access to Aptiv's existing operational and administrative infrastructure will have a cost to implement. We may not be able to operate our business efficiently or at comparable costs, and our profitability may decline;
- prior to the Separation, Delphi Technologies' businesses were integrated with the other businesses of Aptiv. Historically, we shared economies of scale in costs, employees, vendor relationships and customer relationships. Although we have entered into a transition services agreement with Aptiv for certain services, these arrangements may not fully capture the benefits that we have enjoyed as a result of being integrated with Aptiv and may result in us paying higher amounts than in the past for certain products and services. This could have an adverse effect on our results of operations and financial condition as an independent, publicly traded company;
- generally, our working capital requirements and capital for our general corporate purposes, including investments and capital expenditures, were historically satisfied as part of Aptiv's corporate cash management strategies and capital structure. As a result of the Separation, we may need to obtain additional financing from sources which may include banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements; and
- our historical financial information does not reflect the debt or the associated interest expense that we have incurred as part of the Separation and distribution. As a result of the Separation, the cost of capital for our business will likely be higher than Aptiv's cost of capital prior to the Separation.

Other significant changes may occur in our cost structure, management, financing and business operations as a result of operating as a company separate from Aptiv. For additional information about the historical financial performance of our businesses and the basis of presentation of the historical consolidated financial statements of our businesses, see Item 6, "Selected Financial Data," Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 8, "Financial Statements and Supplementary Data."

We may be unable to achieve some or all of the benefits that we expect to achieve from our Separation from Aptiv, and we may no longer enjoy certain benefits from Aptiv as an independent, publicly traded company.

Delphi Technologies may not be able to achieve the full strategic and financial benefits expected to result from the Separation, or such benefits may be delayed or not occur at all. The Separation is expected to provide the following benefits, among others: (i) allowing Delphi Technologies to focus on its distinct product portfolios and unique opportunities for long-term growth and profitability; (ii) increased flexibility to pursue independent strategic and financial plans and strategic partnerships; and (iii) direct access by Delphi Technologies to the debt and equity capital markets.

We may not achieve these and other anticipated benefits for a variety of reasons, including, among others:

- certain costs and liabilities that were otherwise less significant to Aptiv as a whole will be more significant for Delphi Technologies as a stand-alone company;
- we have, and will continue to incur costs in connection with the transition to being a stand-alone public company, including accounting, tax, legal and other professional services costs, recruiting and relocation costs associated with hiring or reassigning personnel, costs related to establishing a brand identity in the marketplace and costs to separate information systems;
- we may be more susceptible to market fluctuations and other adverse events than if we were still a part of Aptiv; and
- our businesses will be less diversified than Aptiv's businesses prior to the Separation.

We incur increased costs and are subject to additional regulations and requirements as a public company, which could lower our profits or make it more difficult to run our business.

As a public company, we incur significant legal, accounting and other expenses, including costs associated with public company reporting requirements. We also have incurred and will continue to incur costs associated with the Sarbanes-Oxley Act of 2002, and related rules implemented by the Securities and Exchange Commission and the New York Stock Exchange. The expenses incurred by public companies generally for reporting and corporate governance purposes have been increasing. These rules and regulations have and will increase our legal and financial compliance costs and to make some activities more time-consuming and costly.

As we build our information technology infrastructure and transition our data to our own systems, we could incur substantial additional costs and experience temporary business interruptions.

We have begun to install and implement our information technology infrastructure to support certain of our business functions, including accounting and reporting, manufacturing process control, customer service, inventory control and distribution. We may incur temporary interruptions in business operations if we cannot fully transition effectively from Aptiv's existing transactional and operational systems, data centers and the transition services that support these functions. We may not be successful in implementing our new systems and transitioning our data, and we may incur substantially higher costs for implementation than currently anticipated. Our failure to avoid operational interruptions as we implement the new systems and replace Aptiv's information technology services, or our failure to implement the new systems and replace Aptiv's services successfully, could disrupt our business and have a material adverse effect on our profitability. In addition, if we are unable to replicate or transition certain systems, our ability to comply with regulatory requirements could be impaired.

Potential indemnification liabilities to Aptiv pursuant to the separation agreement could materially adversely affect Delphi Technologies.

The separation agreement with Aptiv provides for, among other things, the principal corporate transactions required to effect the Separation, certain conditions to the Separation and provisions governing the relationship between Delphi Technologies and Aptiv with respect to and resulting from the Separation. Among other things, the separation agreement provides for indemnification obligations designed to make us financially responsible for substantially all liabilities that may exist relating to our business activities, whether incurred prior to or after the Separation, as well as those obligations of Aptiv assumed by us pursuant to the separation agreement. We may be subject to substantial liabilities under these indemnifications.

We may have potential business conflicts of interest with Aptiv with respect to our past and ongoing relationships.

Conflicts of interest may arise between Aptiv and us in a number of areas relating to our past and ongoing relationships, including:

- labor, tax, employee benefit, indemnification and other matters arising from our Separation from Aptiv;
- intellectual property matters;
- employee recruiting and retention; and
- business combinations involving our company.

We may not be able to resolve any potential conflicts, and, even if we do so, the resolution may be less favorable to us than if we were dealing with an unaffiliated party

Certain of our executive officers and directors may have actual or potential conflicts of interest because of their equity interest in Aptiv.

Because of their current or former positions with Aptiv, certain of our executive officers and directors own equity interests in Aptiv. Continuing ownership of Aptiv ordinary shares and equity awards could create, or appear to create, potential conflicts of interest if Delphi Technologies faces decisions that could have implications for both Delphi Technologies and Aptiv.

We or Aptiv may fail to perform under various agreements that were executed as part of the Separation or we may fail to have the necessary systems and services in place when certain of the transaction agreements expire.

The Separation agreement and other agreements entered into in connection with the Separation determined the allocation of assets and liabilities between the companies following the Separation for those respective areas and include any necessary indemnifications related to liabilities and obligations. The transition services agreement provides for the performance of certain services for a period of time after the Separation. We are relying on Aptiv to satisfy its performance and payment obligations under these agreements. If Aptiv is unable to satisfy its obligations under these agreements, including its indemnification obligations, we could incur operational difficulties or losses. If we do not have in place our own systems and services, or if we do not have agreements with other providers of these services once certain transaction agreements expire, we may not be able to operate our businesses effectively and our profitability may decline. We are in the process of creating our own, or engaging third parties to provide, systems and services to replace many of the systems and services that Aptiv currently provides to us. However, we may not be successful in implementing these systems and services or in transitioning data from Aptiv's systems to ours.

Risks Related to Delphi Technologies' Ordinary Shares

Our share price may fluctuate significantly.

We cannot predict the prices at which shares of Delphi Technologies ordinary shares may trade. The market price of our ordinary shares may fluctuate significantly due to a number of factors, some of which may be beyond our control, including:

- our quarterly or annual earnings, or those of other companies in its industry;
- the failure of securities analysts to cover our ordinary shares as a stand-alone company;
- actual or anticipated fluctuations in our operating results;
- changes in earnings estimated by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of other comparable companies;
- changes to the regulatory and legal environment in which we operate;
- overall market fluctuations and domestic and worldwide economic conditions; and
- other factors described in these "Risk Factors" and elsewhere in this Annual Report on Form 10-K.

Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the trading price of our ordinary shares.

Provisions of our Articles of Association could delay or prevent a takeover of us by a third party.

Our Articles of Association could delay, defer or prevent a third party from acquiring us, despite any possible benefit to our shareholders, or otherwise adversely affect the price of our ordinary shares. For example, our Articles of Association will:

- permit our board of directors to issue one or more series of preferred shares with rights and preferences designated by our board;
- impose advance notice requirements for shareholder proposals and nominations of directors to be considered at shareholder meetings;
- limit the ability of shareholders to remove directors without cause; and
- require that all vacancies on our board of directors be filled by our directors.

These provisions may discourage potential takeover attempts, discourage bids for our ordinary shares at a premium over the market price or adversely affect the market price of, and the voting and other rights of the holders of, our ordinary shares. These provisions could also discourage proxy contests and make it more difficult for you and other shareholders to elect directors other than the candidates nominated by our board of directors.

ITEM 1B. UNRESOLVED STAFF COMMENTS

We have no unresolved SEC staff comments to report.

ITEM 2. PROPERTIES

As of December 31, 2017, we owned or leased 20 major manufacturing sites and 12 major technical centers. A manufacturing site may include multiple plants and may be wholly or partially owned or leased. We also have many smaller sales offices, warehouses, joint ventures and other investments strategically located throughout the world. We have a presence in 24 countries. The following table shows the regional distribution of the Company's major manufacturing sites and major technical centers, which are primarily dedicated to the Powertrain Systems operating segment:

	North America	Europe, Middle East & Africa	Asia Pacific	South America	Total
Manufacturing facilities	5	8	6	1	20
Technical centers	4	4	4	—	12

Of our 20 major manufacturing sites and 12 major technical centers, which include facilities owned or leased by our consolidated subsidiaries, 24 are primarily owned and 8 are primarily leased.

In addition, as part of the Separation we entered into Contract Manufacturing Services Agreements, as further described in Item 7. Management's Discussion and Analysis, pursuant to which the Former Parent will manufacture certain components for us at four facilities that were previously shared.

We frequently review our real estate portfolio and develop footprint strategies to support our customers' global plans, while at the same time supporting our technical needs and controlling operating expenses. We believe our evolving portfolio will meet current and anticipated future needs.

We have established a worldwide design and manufacturing footprint with a regional service model that enables us to efficiently and effectively serve our global customers from best cost countries. This regional model is structured primarily to service the North American market from Mexico, the South American market from Brazil, the European market from Eastern Europe, and the Asia Pacific market from China. Our global scale and regional service model enables us to engineer globally and execute regionally to serve the largest OEMs, which are seeking suppliers that can serve them on a worldwide basis. Our footprint also enables us to adapt to the regional design variations the global OEMs require and serve the emerging market OEMs.

ITEM 3. LEGAL PROCEEDINGS

The Company is, from time to time, subject to various legal actions and claims incidental to its business, including those arising out of alleged defects, alleged breaches of contracts, product warranties, intellectual property matters and employment-related matters. It is the opinion of Delphi Technologies that the outcome of such matters will not have a material adverse impact on the consolidated financial position, results of operations or cash flows of Delphi Technologies. With respect to product warranty matters, although Delphi Technologies cannot ensure that the future costs of warranty claims by customers will not be material, Delphi Technologies believes its established reserves are adequate to cover potential warranty settlements. However, the final amounts required to resolve these matters could differ materially from our recorded estimates.

Brazil Matters

Delphi Technologies conducts business operations in Brazil that are subject to the Brazilian federal labor, social security, environmental, tax and customs laws, as well as a variety of state and local laws. While Delphi Technologies believes it complies with such laws, they are complex, subject to varying interpretations, and the Company is often engaged in litigation regarding the application of these laws to particular circumstances. As of December 31, 2017, the majority of claims asserted against Delphi Technologies in Brazil relate to such litigation. The remaining claims in Brazil relate to commercial and labor litigation with private parties. As of December 31, 2017, claims totaling approximately \$20 million (using December 31, 2017 foreign currency rates) have been asserted against Delphi Technologies in Brazil. As of December 31, 2017, the Company maintains accruals for these asserted claims of approximately \$5 million (using December 31, 2017 foreign currency rates). The amounts accrued represent claims that are deemed probable of loss and are reasonably estimable based on the Company's analyses and assessment of the asserted claims and prior experience with similar matters. While the Company believes its

accruals are adequate, the final amounts required to resolve these matters could differ materially from the Company's recorded estimates and Delphi Technologies' results of operations could be materially affected. The Company estimates the reasonably possible loss in excess of the amounts accrued related to these claims to be zero to \$15 million .

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

Our ordinary shares have been publicly traded since December 5, 2017, when our ordinary shares were listed and began “regular way” trading on the New York Stock Exchange (“NYSE”) under the symbol “DLPH.” For the period of December 5, 2017 through December 31, 2017, the high and low sales price per share of our ordinary shares, as reported by the NYSE, was \$56.50 and \$49.00, respectively. As of February 15, 2018, there was one shareholder of record of our ordinary shares.

Dividends

The Company did not declare any cash dividends for the period of December 5, 2017 through December 31, 2017. However, in January 2018, the Board of Directors declared a quarterly cash dividend of \$0.17 per ordinary share, payable on February 14, 2018 to shareholders of record at the close of business on February 6, 2018.

Equity Compensation Plan Information

The table below contains information about securities authorized for issuance under equity compensation plans as of December 31, 2017. The features of these plans are discussed further in Note 19. Share-Based Compensation to the consolidated financial statements included herein.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	862,832 (1)	\$ — (2)	6,637,168 (3)
Equity compensation plans not approved by security holders	—	—	—
Total	862,832	—	6,637,168

- (1) Includes (a) 47,901 outstanding restricted stock units granted to our Board of Directors and (b) 814,931 outstanding time- and performance-based restricted stock units granted to our executives. All grants were made under the Delphi Technologies PLC Long-Term Incentive Plan (the "PLC LTIP"). Includes accrued dividend equivalents.
- (2) The restricted stock units have no exercise price.
- (3) Remaining shares available under the PLC LTIP.

ITEM 6. SELECTED FINANCIAL DATA

The following selected consolidated financial data were derived from our audited consolidated financial statements and should be read in conjunction with, and are qualified by reference to, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and notes thereto included elsewhere in this Annual Report. The selected historical financial data as of December 31, 2014 and 2013 and for the year ended December 31, 2013 are derived from our unaudited combined financial statements that are not included in this Annual Report. The unaudited combined financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of our management, include all adjustments, consisting of only ordinary recurring adjustments, necessary for a fair presentation of the data set forth.

Prior to the Separation on December 4, 2017, the historical financial statements of Delphi Technologies were prepared on a stand-alone combined basis and were derived from Delphi Automotive PLC's consolidated financial statements and accounting records as if the former Powertrain Systems segment, which historically included Delphi Technologies Aftermarket, of the Former Parent had been part of Delphi Technologies for all periods presented. The historical results do not necessarily indicate the results expected for any future period.

The Company's historical financial statements for periods prior to December 4, 2017 reflect an allocation of expenses related to certain corporate functions of the Former Parent, including senior management, legal, human resources, finance and accounting, treasury, information technology services and support, cash management, payroll processing, certain pension and benefit administration and other shared services. These costs were allocated using methodologies that management believes were reasonable for the item being allocated. Allocation methodologies included direct usage when identifiable, as well as the Company's relative share of revenues, headcount or functional spend as a percentage of the total. However, the allocations are not indicative of the actual expenses that would have been incurred had Delphi Technologies operated as a stand-alone publicly-traded company for the periods presented. Accordingly, the historical financial information presented for periods prior to December 4, 2017 may not be indicative of the results of operations or financial position that would have been achieved if Delphi Technologies had been a stand-alone publicly-traded company during the periods shown or of the Company's performance for periods subsequent to December 4, 2017. Refer to "Basis of Historical Presentation" included under Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations for additional information.

	Year Ended December 31,				
	2017	2016	2015	2014	2013 (unaudited)
(dollars and shares in millions, except per share data)					
Statement of operations data:					
Net sales	\$ 4,849	\$ 4,486	\$ 4,407	\$ 4,540	\$ 4,398
Operating income	446	320	403	442	378
Net income	319	268	306	342	278
Net income attributable to noncontrolling interest	34	32	34	36	31
Net income attributable to Delphi Technologies	\$ 285	\$ 236	\$ 272	\$ 306	\$ 247
Net income per share data (1):					
Basic	\$ 3.22	\$ 2.66	\$ 3.07	\$ 3.45	\$ 2.79
Diluted	\$ 3.21	\$ 2.66	\$ 3.07	\$ 3.45	\$ 2.79
Other financial data:					
Adjusted operating income (2)	\$ 637	\$ 512	\$ 526	\$ 494	\$ 432
Adjusted operating income margin (3)	13.1%	11.4%	11.9%	10.9%	9.8%

	As of December 31,				
	2017	2016	2015	2014 (unaudited)	2013 (unaudited)
(in millions)					
Balance sheet data:					
Total assets	\$ 3,793	\$ 2,899	\$ 3,001	\$ 3,141	\$ 3,205
Long-term debt	\$ 1,515	\$ 6	\$ 9	\$ 14	\$ 6

- (1) Net income per share for 2016, 2015, 2014 and 2013 were calculated using the number of shares that were distributed to Former Parent shareholders upon the Separation (88,613,262 shares).
- (2) Adjusted Operating Income represents net income before interest expense, other income (expense), net, income tax expense, equity income (loss), net of tax, restructuring, separation costs, other acquisition and portfolio project costs (which includes costs incurred to integrate acquired businesses and to plan and execute product portfolio transformation actions, including business and product acquisitions and divestitures) and asset impairments. Adjusted Operating Income is presented as a supplemental measure of the Company's financial performance which management believes is useful to investors in assessing the Company's ongoing financial performance that, when reconciled to the corresponding U.S. GAAP measure, provides improved comparability between periods through the exclusion of certain items that management believes are not indicative of the Company's core operating performance and which may obscure underlying business results and trends. Our management utilizes Adjusted Operating Income in its financial decision making process, to evaluate performance of the Company and for internal reporting, planning and forecasting purposes. Management also utilizes Adjusted Operating Income as the key performance measure of segment income or loss and for planning and forecasting purposes to allocate resources to our segments, as management also believes this measure is most reflective of the operational profitability or loss of our operating segments. Adjusted Operating Income should not be considered a substitute for results prepared in accordance with U.S. GAAP and should not be considered an alternative to net income attributable to Delphi Technologies, which is the most directly comparable financial measure to Adjusted Operating Income that is in accordance with U.S. GAAP. Adjusted Operating Income, as determined and measured by Delphi Technologies, should also not be compared to similarly titled measures reported by other companies.

The reconciliation of Adjusted Operating Income to Operating Income includes, as applicable, restructuring, separation costs related to the Separation, other acquisition and portfolio project costs (which includes costs incurred to integrate acquired businesses and to plan and execute product portfolio transformation actions, including business and product acquisitions and divestitures) and asset impairments. The reconciliation of Net income attributable to the Company to Adjusted Operating Income is as follows:

	Year Ended December 31,				
	2017	2016	2015	2014	2013
	(unaudited)				
	(in millions)				
Net income attributable to Delphi Technologies	\$ 285	\$ 236	\$ 272	\$ 306	\$ 247
Net income attributable to noncontrolling interest	34	32	34	36	31
Net income	319	268	306	342	278
Equity (income) loss, net of tax	(5)	—	—	1	—
Income tax expense	106	50	92	97	96
Other expense (income), net	11	1	2	(2)	(1)
Interest expense	15	1	3	4	5
Operating income	446	320	403	442	378
Restructuring	98	161	112	52	54
Separation costs	81	—	—	—	—
Other acquisition and portfolio project costs	—	2	2	—	—
Asset impairments	12	29	9	—	—
Adjusted operating income	<u>\$ 637</u>	<u>\$ 512</u>	<u>\$ 526</u>	<u>\$ 494</u>	<u>\$ 432</u>

- (3) Adjusted operating income margin is defined as adjusted operating income as a percentage of Net sales.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis of financial condition and results of operations ("MD&A") is intended to help you understand the business operations and financial condition of Delphi Technologies PLC ("Delphi Technologies") for the three year period ended December 31, 2017. This discussion should be read in conjunction with Item 8. Financial Statements and Supplementary Data. Our MD&A is presented in the following sections:

- Separation from Delphi Automotive PLC
- Basis of Historical Presentation
- Executive Overview
- Consolidated Results of Operations
- Liquidity and Capital Resources
- Off-Balance Sheet Arrangements and Other Matters
- Significant Accounting Policies and Critical Accounting Estimates
- Recently Issued Accounting Pronouncements

Within this MD&A, "Delphi Technologies," the "Company," "we," "us" and "our" refer to Delphi Technologies PLC.

Separation from Delphi Automotive PLC

On December 4, 2017, Delphi Technologies became an independent publicly traded company as a result of the distribution by Delphi Automotive PLC (the "Former Parent") of 100% of the ordinary shares of Delphi Technologies PLC to Delphi Automotive PLC's shareholders (the "Separation"). Following the Separation, Delphi Automotive PLC changed its name to Aptiv PLC ("Aptiv"). The Company previously operated substantially as the Former Parent's Powertrain Systems segment.

As part of the Separation, we entered into a number of agreements with the Former Parent to govern the Separation and our relationship with the Former Parent following the Separation. These agreements provided for the allocation between Delphi Technologies and Aptiv of the Former Parent's assets, employees, liabilities and obligations (including its investments, property and employee benefits and tax-related assets and liabilities) attributable to periods prior to, at and after the Separation and govern certain relationships between Delphi Technologies and Aptiv after the Separation. Following is a description of the material terms of the Separation and Distribution Agreement, Transition Services Agreement, Contract Manufacturing Services Agreements, Tax Matters Agreement and Employee Matters Agreement that were entered into in connection with the Separation.

Separation and Distribution Agreement

The Separation and Distribution Agreement sets forth the agreements between Delphi Technologies and the Former Parent regarding the principal transactions required to effect our Separation from the Former Parent. This agreement also addressed certain relationships between us and Aptiv with respect to matters relating to the Separation. The Separation and Distribution Agreement identified the assets transferred, the liabilities assumed and the contracts assigned to us and which assets, liabilities and contracts were retained by the Former Parent as part of the Separation, and provides for when and how these transfers, assumptions and assignments occurred. In particular, the Separation and Distribution Agreement provided, among other things, that, subject to the terms and conditions contained therein, (i) substantially all of the assets related to the businesses and operations of the Former Parent's Powertrain Systems segment were transferred to us or one of our subsidiaries, (ii) substantially all liabilities arising out of or resulting from such assets, and other liabilities related to the current or former business and operations of the Former Parent's Powertrain Systems segment, will be retained by or transferred to us or one of our subsidiaries, (iii) the assets related to the original equipment service business conducted by the Former Parent's Powertrain Systems segment prior to the Separation, to the extent related to the sale of products of other segments of the Former Parent to vehicle original equipment manufacturers or their affiliates, were retained by or transferred to the Former Parent or one of its subsidiaries, and (iv) all of the Former Parent's other assets and liabilities were retained by or transferred to the Former Parent or one of its subsidiaries. The original equipment service business that was retained by the Former Parent following the Separation had net sales of approximately \$75 million and corresponding costs of such sales of approximately \$65 million for the period of January 1, 2017 through December 4, 2017.

Delphi Technologies was responsible for paying all costs and expenses incurred in connection with the Separation and distribution, whether incurred or payable prior to, on or after the Separation, including costs and expenses relating to legal and tax counsel, financial advisors and accounting advisory work related to the Separation.

Transition Services Agreement

Delphi Technologies and the Former Parent entered into a Transition Services Agreement prior to the Separation pursuant to which Delphi Technologies and the Former Parent and each entity's respective subsidiaries will provide to each other, on an interim, transitional basis, certain services, including, but not limited to, services related to information technology, engineering, accounting, administrative, payroll, human resources and facilities to provide temporary assistance while developing stand-alone systems and processes. The charges for the transition services generally are intended to allow the transition services provider to fully recover the costs associated with providing the services plus a percentage of such costs and expenses. The Transition Services Agreement will terminate no later than 24 months after the distribution date, although most services will terminate earlier. The transition services recipient can generally terminate particular services prior to the scheduled expiration date for such service on 45 days' prior written notice. Due to interdependencies between services, certain services may be extended or terminated early only if other services are likewise extended or terminated. Based on the terms and pricing, the increase in costs to be incurred by Delphi Technologies for the services to be provided by the Former Parent under the Transition Services Agreement, as compared to the amounts recorded in the historical consolidated financial statements, is expected to be approximately \$10 million annually. No amounts were paid to the Former Parent pursuant to the Transition Services Agreement during the year ended December 31, 2017.

Pursuant to the Transition Services Agreement, we rely on financial, administrative and other resources of our Former Parent to operate our business, including information technology systems. In conjunction with the Separation, we will need to create our own financial, administrative and other support systems or contract with third parties to replace the Former Parent's systems. We expect the cost of creating this infrastructure to be approximately \$140 million, which includes approximately \$60 million in capital expenditures in 2018.

Contract Manufacturing Service Agreements

Delphi Technologies and the Former Parent entered into Contract Manufacturing Service Agreements pursuant to which the Former Parent will manufacture for Delphi Technologies certain electronic components that were previously manufactured at facilities that Delphi Technologies shared with the Former Parent. Delphi Technologies will purchase and consign to the Former Parent raw materials and components that the Former Parent will use to manufacture those products and Delphi Technologies will also own certain of the equipment the Former Parent uses to produce those products. The Former Parent will charge us a fee for its manufacturing services based on its costs and expenses plus a percentage of such costs. The Former Parent's services under the contract manufacturing service agreements will generally expire when we relocate manufacturing of our products. The Contract Manufacturing Service Agreements are expected to expire within four years. Based on currently expected volumes and pricing, the increase in costs to be incurred by Delphi Technologies for the components to be provided by the Former Parent under such contract manufacturing services agreements, as compared to the amounts recorded in the historical consolidated financial statements, is expected to be approximately \$10 million annually.

Tax Matters Agreement

The Tax Matters Agreement generally governs our and the Former Parent's respective rights, responsibilities and obligations after the distribution with respect to taxes for any tax period ending on or before the distribution date, as well as tax periods beginning before and ending after the distribution date. Generally, the Former Parent is liable for all pre-distribution U.S. federal income taxes, foreign income taxes and certain non-income taxes attributable to our business required to be reported on consolidated, unitary or similar returns that include one or more members of the Aptiv PLC group and one or more members of our group. Delphi Technologies is generally liable for all other taxes attributable to our business. In addition, the Tax Matters Agreement addresses the allocation of liability for taxes that are incurred as a result of restructuring activities undertaken to effectuate the Separation, requiring that \$180 million was paid to the Former Parent pursuant to the Tax Matters Agreement with respect to taxes incurred in connection with transactions comprising the Separation. As a general matter, any tax due on the movement of assets or people into Delphi Technologies was allocated and paid by Delphi Technologies. The Tax Matters Agreement also restricts our ability to take certain actions that could result in certain of the restructuring transactions undertaken in connection with the Separation failing to qualify as transactions that are generally tax-free, for U.S. federal income tax purposes, under Sections 355 and 368(a)(1)(D) of the Internal Revenue Code of 1986, as amended.

Employee Matters Agreement

Delphi Technologies and the Former Parent entered into the Employee Matters Agreement to allocate liabilities and responsibilities relating to employment matters, employee compensation, benefits plans and programs and other related matters.

The Employee Matters Agreement governs the Former Parent's and Delphi Technologies' compensation and employee benefit obligations with respect to the current and former employees and, with respect to equity award matters, non-employee directors

of each company. The Employee Matters Agreement provides that, in general, and subject to certain exceptions specified in the Employee Matters Agreement, the Former Parent will be responsible for liabilities associated with its employees and former employees whose last employment was not with our business, and we will be responsible for liabilities associated with our employees and former employees whose last employment was with our business.

In general, our employees participated in various retirement, health and welfare, and other employee benefit and compensation plans maintained by the Former Parent. Generally and subject to certain exceptions, we have and will create compensation and benefit plans that mirror the terms of corresponding compensation and benefit plans, and we will credit each of our employees with his or her service with the Former Parent prior to the Separation under our benefit plans to the same extent such service was recognized by the Former Parent and so long as such crediting does not result in a duplication of benefits.

With respect to Delphi Automotive PLC restricted stock units (“RSUs”) held by Delphi Technologies employees and the Former Parent’s non-employee directors, who became our non-employee directors, that were outstanding as of the Separation and for which the underlying security was Delphi Automotive PLC ordinary shares, each such outstanding Delphi Automotive PLC RSU was equitably adjusted and converted into an award with respect to Delphi Technologies ordinary shares in a manner intended to preserve the approximate intrinsic value of the equity award from directly before to directly after the Separation. Pursuant to the terms of the Employee Matters Agreement and the applicable Aptiv equity compensation plans, the performance achievement with respect to performance-based RSUs has been equitably adjusted in connection with the Separation.

Basis of Historical Presentation

Prior to the Separation on December 4, 2017, the historical financial statements of Delphi Technologies were prepared on a stand-alone combined basis and were derived from the Former Parent’s consolidated financial statements and accounting records as if the former Powertrain Systems segment, which historically included Delphi Technologies Aftermarket, of the Former Parent had been part of Delphi Technologies for all periods presented. Accordingly, for periods prior to December 4, 2017, our financial statements are presented on a combined basis and for the periods subsequent to December 4, 2017, our financial statements are presented on a consolidated basis (all periods hereinafter are referred to as “consolidated financial statements”). The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The Company’s historical financial statements for periods prior to December 4, 2017 reflect an allocation of expenses related to certain corporate functions of the Former Parent, including senior management, legal, human resources, finance and accounting, treasury, information technology services and support, cash management, payroll processing, pension and benefit administration and other shared services. These costs were allocated using methodologies that management believes were reasonable for the item being allocated. Allocation methodologies included direct usage when identifiable, as well as the Company’s relative share of revenues, headcount or functional spend as a percentage of the total. However, the allocations are not indicative of the actual expenses that would have been incurred had Delphi Technologies operated as a stand-alone publicly-traded company for the periods presented.

Prior to December 4, 2017, all intercompany transactions between the Company and the Former Parent were considered to be effectively settled in the historical financial statements at the time the transactions were recorded. As a result, the total net effect of the settlement of these intercompany transactions was reflected in the consolidated statements of cash flows as a financing activity and in the consolidated balance sheets as Former Parent’s net investment in Delphi Technologies. As of December 31, 2017, outstanding transactions between Delphi Technologies and the Former Parent were reflected in the consolidated balance sheet outside of Former Parent’s net investment. Related party allocations prior to the Separation are further described in Note 3. Related Party Transactions to the consolidated financial statements.

For periods prior to December 4, 2017, the consolidated financial statements principally represent the historical results of operations and assets and liabilities of the Former Parent’s Powertrain Systems segment. They may not be indicative of Delphi Technologies’ future performance and do not necessarily reflect what Delphi Technologies’ consolidated results of operations, financial condition and cash flows would have been had Delphi Technologies operated as a separate, publicly traded company during the periods presented.

Executive Overview

Our Business

Delphi Technologies is a leader in the development, design and manufacture of integrated powertrain technologies that optimize engine performance, increase vehicle efficiency, reduce emissions, improve driving performance and support increasing electrification of vehicles. We are a global supplier to original equipment manufacturers (“OEMs”) seeking to

manufacture vehicles that meet and exceed increasingly stringent global regulatory requirements and satisfy consumer demands for an enhanced user experience. Additionally, we offer a wide range of aftermarket products serving a global customer base.

Our product offerings include, advanced gas and diesel fuel injection systems (“FIS”), actuators, valvetrain products, sensors, electronic control modules and power electronics technologies. We believe our ability to meet regulatory requirements for reduced emissions and increased fuel economy, as well as to provide additional power to support consumer-driven demand for more in-vehicle electronics, will allow us to realize revenue growth in excess of vehicle production growth.

Our comprehensive portfolio of advanced technologies and solutions for all propulsion systems are sold to global OEMs of both light vehicles (passenger, cars, trucks and vans and sport-utility vehicles) and commercial vehicles (light-duty, medium-duty and heavy-duty trucks, commercial vans, buses and off-highway vehicles). The Company’s Delphi Technologies Aftermarket segment also manufactures and sells our technologies to leading aftermarket companies, including independent retailers and wholesale distributors. We supply a wide range of aftermarket products and services covering the fuel injection, electronics and engine management, maintenance, and test equipment and vehicle diagnostics categories. We also add aftermarket know-how in category management, logistics, training, marketing and other dedicated services to provide a full range of aftermarket solutions through vehicles’ lives.

Business Strategy

We believe the Company is well-positioned to benefit from increasing global vehicle production and has an established product portfolio sold to a diverse base of OEM and aftermarket customers.

Our achievements in 2017 included the following:

- Generating gross bookings of \$7.1 billion, based upon expected volumes and pricing;
- Generating \$389 million of cash from operations and net income of \$285 million ;
- Continuing our focus on diversifying our geographic and customer mix, resulting in:
 - 42% of our net sales generated in Europe, the Middle East and Africa (“EMEA”), 28% from North America, and 27% from Asia Pacific; and
 - 62% of our net sales to light vehicle OEM customers (within the Powertrain Systems segment), 19% to commercial vehicle OEM customers (within the Powertrain Systems segment) and 19% to aftermarket customers;
- Successfully issuing \$800 million in aggregate principal amount of 5.00% senior unsecured notes and entering into a credit agreement consisting of a senior secured five-year \$750 million term loan facility and a \$500 million five-year senior secured revolving credit facility.

Our strategy is to continue to accelerate the development of market-relevant technologies that solve our customers’ increasingly complex challenges and leverage our lean, flexible cost structure to deliver strong revenue and margin expansion and earnings and cash flow growth. We seek to grow our business through the execution of the following strategies, among others:

- *Expand Leadership in Technologies that Solve Our Customers’ Most Complex Challenges.* We are focused on providing technologies and solutions that solve some of our customers’ biggest propulsion-related challenges. Leveraging the breadth and depth of our engineering capabilities, we believe we have strong positions in fuel injectors, fuel pumps, variable valve timing and variable valve actuation. Additionally, we provide leading technology solutions in the areas of electronics and electrification, including engine control modules and power electronics, where we see above market growth driven by increasing levels of electrification. Our power electronics technologies include products such as high-voltage inverters, DC/DC converters and on-board chargers that convert electricity to enable hybrid and electric vehicle propulsion systems. Our comprehensive portfolio of powertrain products helps customers meet increasingly stringent global regulatory requirements while also enhancing vehicle performance.
- *Focused Regional Strategies To Best Serve Our Customers’ Needs.* The combination of our global operating capabilities and our portfolio of advanced technologies help us serve our global customers’ local needs. We have a presence in all major global regions and have positioned ourselves as a leading supplier of advanced vehicle propulsion technologies, including electrification, that are tailored to satisfy our customers’ needs in each region. We believe our focus on providing customer solutions to meet increasingly stringent emissions and fuel efficiency regulations will collectively drive greater demand for our products and enable us to experience above-market growth.
- *Continue to Enhance Aftermarket Position.* Globally, we plan to gain scale by focusing on higher value, faster growing product lines such as electronics, and services, which include diagnostics and remanufacturing. We also seek to accelerate growth by leveraging our regional product program strengths to expand our portfolio across

regions. In addition, we expect to benefit from aftermarket growth in key markets around the world, including China.

- *Leverage Our Lean and Flexible Cost Structure to Deliver Strong Earnings and Cash Flow Growth* . We recognize the importance of maintaining a lean and flexible business model in order to deliver earnings and cash flow growth. We intend to improve our cost competitiveness by leveraging our enterprise operating system, continuously increasing operational efficiency, maximizing manufacturing output and rotating our facilities to best-cost countries. We have ongoing processes and resources dedicated to further improvement of our operations and we expect to use our cash flow to reinvest in our business to drive growth.

Trends, Uncertainties and Opportunities

Economic conditions . Our business is directly related to automotive sales and automotive light and commercial vehicle production by our customers. Automotive sales depend on a number of factors, including global and regional economic conditions. Although global automotive vehicle production (including light and commercial vehicles) increased 3% from 2016 to 2017 , economic conditions and the resultant levels of automotive vehicle production were uneven from a regional perspective. Compared to 2016, vehicle production in 2017 increased by 4% in Europe, 3% in China and 21% in South America. However, after several years of increases, consumer demand for vehicles in North America receded, resulting in a 4% decrease year-over-year in North American production in 2017 .

Economic volatility or weakness in North America, Europe or China, or continued weakness in South America, could result in a significant reduction in automotive sales and production by our customers, which would have an adverse effect on our business, results of operations and financial condition. There is also potential that geopolitical factors could adversely impact the U.S. and other economies, and specifically the automotive sector. In particular, changes to international trade agreements such as the North American Free Trade Agreement or other political pressures could affect the operations of our OEM customers, resulting in reduced automotive production in certain regions or shifts in the mix of production to higher cost regions. Increases in interest rates could also negatively impact automotive production as a result of increased consumer borrowing costs or reduced credit availability. Additionally, economic weakness may result in shifts in the mix of future automotive sales (from vehicles with more content such as luxury vehicles, trucks and sport utility vehicles toward smaller passenger cars) or reductions in industrial production and the corresponding level of freight tonnage being transported. While our diversified customer and geographic revenue base, along with our flexible cost structure, have well positioned us to withstand the impact of industry downturns and benefit from industry upturns, shifts in the mix of global automotive production to higher cost regions or to vehicles with less content could adversely impact our profitability.

There have also been periods of increased market volatility and currency exchange rate fluctuations, both globally and most specifically within the United Kingdom (“U.K.”) and Europe, as a result of the U.K. referendum held on June 23, 2016 in which voters approved an exit from the European Union (“E.U.”), commonly referred to as “Brexit.” As a result of the referendum, the British government formally initiated the process for withdrawal in March 2017. The terms of any withdrawal are subject to a negotiation period that could last at least two years from the initiation date. Nevertheless, the proposed withdrawal has created significant uncertainty about the future relationship between the U.K. and the E.U. These developments, or the perception that any of them could occur, may adversely affect European and worldwide economic and market conditions, significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets and could contribute to instability in global financial and foreign exchange markets, including increased volatility in interest rates and foreign exchange rates. Although we are actively monitoring the ongoing potential impacts of Brexit and will seek to minimize its impact on our business, any of these effects of Brexit, among others, could adversely affect our business, business opportunities, results of operations, financial condition and cash flows. Approximately 15% of our annual net sales are generated in the U.K., and approximately 10% are denominated in British pounds.

Key growth markets . There have been periods of increased market volatility and moderations in the level of economic growth in China, which resulted in periods of lower automotive production growth rates in China than those previously experienced. Despite these recent moderations in the level of economic growth in China, rising income levels in China and other key growth markets have resulted and are expected to result in stronger growth rates in these markets over the long-term. We believe our strong global presence, and presence in these markets, has positioned us to experience above-market growth rates over the long-term. We continue to expand our established presence in key growth markets, positioning us to benefit from the expected long-term growth opportunities in these regions. We believe that increasing regulation in these markets related to emissions control and fuel efficiency will enable us to experience above-market growth as a result of increased demand for our products focused on meeting these regulations. We are capitalizing on our long-standing relationships with the global OEMs and further enhancing our positions with the key growth market OEMs to continue increasing our presence in these markets. We believe that our presence in best-cost countries positions us to realize incremental margin improvements as the global balance of automotive production shifts towards the key growth markets.

We have a strong local presence in China, including a major manufacturing base and well-established customer relationships, which we believe has positioned us to continue being a leading supplier of advanced engine technologies in this market. Our business in China is sensitive to economic and market conditions that impact automotive sales volumes and growth in China and may be affected if the pace of growth slows as the Chinese market matures or if there are reductions in vehicle demand in China. However, we continue to believe there is long-term growth potential in this market based on increasing long-term automotive and vehicle content demand.

Technologically advanced product portfolio . Our product offerings satisfy the OEMs' needs to meet increasingly stringent government regulations related to fuel efficiency and emissions control on a global basis, and to provide additional power to support consumer-driven demand for more in-vehicle electronics. Leveraging the breadth and depth of our engineering capabilities, we have strong positions in FIS technologies. Our injector portfolio maximizes engine uptime and reliability which is especially important for large, long-life commercial vehicle applications. Additionally, we expect continued growth in key technologies such as GDi, variable valve timing, variable valve actuation and power electronics to meet increasing consumer demand for greater performance and power needs. We are focused on providing technologies and solutions which we believe will result in growth rates in excess of vehicle production growth.

Global capabilities with focused regional strategies . Many OEMs are continuing to adopt global vehicle platforms to increase standardization, reduce per unit cost and increase capital efficiency and profitability. As a result, OEMs are selecting suppliers that have the capability to manufacture products on a worldwide basis, as well as the flexibility to adapt to regional variations. Suppliers with global scale and strong design, engineering and manufacturing capabilities, are best positioned to benefit from this trend. Our global manufacturing footprint enables us to serve our customers on a worldwide basis, with regional engineering teams that allow us to stay connected to local market requirements. This regional model principally services the North American market out of Mexico, the South American market out of Brazil, the European market out of Eastern Europe, and the Asia Pacific market out of China, and we have continued to rotate our manufacturing footprint to best-cost locations within these regions.

Our global operations are subject to certain risks inherent in doing business abroad, including unexpected changes in laws, regulations, trade or monetary or tax fiscal policy, including tariffs, quotas, customs and other import or export restrictions and other trade barriers. Existing free trade laws and regulations, such as the North American Free Trade Agreement, provide certain beneficial duties and tariffs for qualifying imports and exports, subject to compliance with the applicable classification and other requirements. Changes in laws or policies governing the terms of foreign trade, and in particular increased trade restrictions, tariffs or taxes on imports from countries where we manufacture products, such as China and Mexico, could have a material adverse effect on our business and financial results.

Product development . The automotive component supply industry is highly competitive, both domestically and internationally, and is characterized by rapidly changing technology, evolving industry standards and demand for improved vehicle performance and additional power needs. Our ability to anticipate changes in technology regulatory standards and to successfully develop and introduce new and enhanced products on a timely and cost competitive basis will be a significant factor in our ability to remain competitive. To compete effectively in the automotive supply industry, we must be able to develop new products that meet our customers' demands in a timely manner. Our advanced technologies and robust global engineering and development capabilities have well positioned us to meet increasingly stringent vehicle manufacturer demands.

OEMs are increasingly looking to their suppliers to simplify vehicle design and assembly processes to reduce costs. As a result, suppliers that sell vehicle components directly to manufacturers (Tier I suppliers) have assumed many of the design, engineering, research and development and assembly functions traditionally performed by vehicle manufacturers. Suppliers that can provide fully-engineered solutions, systems and pre-assembled combinations of component parts are positioned to leverage the trend toward system sourcing.

Engineering, design & development . Our history and culture of innovation have enabled us to develop significant intellectual property and design and development expertise to provide high-quality, technologically advanced products that meet and exceed our customers' demands for safety, durability and performance. We have a team of approximately 5,000 scientists, engineers and technicians across 12 major technical centers globally focused on innovating and developing market-relevant product solutions. We have invested approximately \$600 million (which includes approximately \$160 million of co-investment by customers and government agencies) annually in research and development, including engineering, to maintain our portfolio of innovative products and solutions. We have a strong track record of developing technologies focused on addressing consumer demands and industry trends, including GDi, powertrain domain controllers, two-step variable valve actuation and engine control algorithms. We benefit from the ability to provide the latest commercially available technologies to increase fuel economy, reduce emissions and improve engine performance. We also leverage our OEM product engineering capabilities across our aftermarket product lines to capture value over the lifetime of a vehicle.

In the past, suppliers often incurred the initial cost of engineering, designing and developing automotive component parts, and recovered their investments over time by including a cost recovery component in the price of each part based on expected

volumes. Recently, we and many other suppliers have negotiated for cost recovery payments independent of volumes. This trend reduces our economic risk.

Pricing . Cost-cutting initiatives adopted by our customers result in increased downward pressure on pricing. Our customer supply agreements generally require step-downs in component pricing over the periods of production and OEMs have historically possessed significant leverage over their outside suppliers because the automotive component supply industry is fragmented and serves a limited number of automotive OEMs. Our profitability depends in part on our ability to generate sufficient cost savings in the future to offset price reductions.

We maintain a low fixed cost structure which provides us with the flexibility to invest in new growth opportunities and remain profitable at all points of the traditional vehicle industry production cycle. As a result, approximately 84% of our hourly workforce is located in best-cost countries. Furthermore, we have substantial operational flexibility by leveraging a large workforce of contract workers, which represented approximately 16% of the hourly workforce as of December 31, 2017 . However, we will continue to adjust our cost structure and optimize our manufacturing footprint in response to changes in the global and regional automotive markets and in order to increase investment in advanced technologies and engineering, as evidenced by our on-going restructuring programs focused on the continued rotation of our manufacturing footprint to best-cost locations. As we continue to operate in a cyclical industry that is impacted by movements in the global and regional economies, we continually evaluate opportunities to further refine our cost structure.

OEM product recalls . The number of vehicles recalled globally by OEMs has increased above historical levels. These recalls can either be initiated by the OEMs or influenced by regulatory agencies. Although there are differing rules and regulations across countries governing recalls for safety issues, the overall transition towards global vehicle platforms may also contribute to increased recalls outside of the U.S., as automotive components are increasingly standardized across regions. Given the sensitivity to safety issues in the automotive industry, including increased focus from regulators and consumers, we anticipate the number of automotive recalls may remain above historical levels in the near future. Although we engage in extensive product quality programs and processes, and have not experienced any significant impacts to date as a result of the recalls that have been initiated, it is possible that we may be adversely affected in the future if the pace of these recalls continues.

Industry consolidation . Consolidation among worldwide suppliers is expected to continue as suppliers seek to achieve operating synergies and value stream efficiencies, acquire complementary technologies and build stronger customer relationships as OEMs continue to expand globally. Additionally, new entrants from outside the traditional automotive industry may seek to gain access to certain vehicle component markets. We believe companies with strong balance sheets and financial discipline are in the best position to take advantage of the industry consolidation trend.

Consolidated Results of Operations

Our total net sales during the year ended December 31, 2017 were \$4.8 billion , an increase of 8% compared to 2016 . This compares to total global OEM production increases of 3% in 2017. The increase in our total net sales is primarily attributable to continued increased volumes in the European and Asia Pacific regions. Our overall lean cost structure, along with above-market sales growth in Europe, Asia Pacific and South America, enabled us to improve gross margins in the year ended December 31, 2017 as compared to the prior year.

The increase in our total net sales of 2% during the year ended December 31, 2016 as compared to 2015 was primarily attributable to continued increased volumes in the North America and Asia Pacific regions, partially offset by contractual price reductions as well as unfavorable foreign currency impacts.

Delphi Technologies typically experiences fluctuations in revenue due to changes in OEM production schedules, vehicle sales mix and the net of new and lost business (which we refer to collectively as volume), fluctuations in foreign currency exchange rates (which we refer to as FX), contractual reductions of the sales price to the OEM (which we refer to as contractual price reductions) and engineering changes. Changes in sales mix can have either favorable or unfavorable impacts on revenue. Such changes can be the result of shifts in regional growth, shifts in OEM sales demand, as well as shifts in consumer demand related to vehicle segment purchases and content penetration. For instance, a shift in sales demand favoring a particular OEM's vehicle model for which we do not have a supply contract may negatively impact our revenue. A shift in regional sales demand toward certain markets could favorably impact the sales of those of our customers that have a large market share in those regions, which in turn would be expected to have a favorable impact on our revenue.

We typically experience (as described below) fluctuations in operating income due to:

- Volume, net of contractual price reductions—changes in volume offset by contractual price reductions (which typically range from 1% to 3% of net sales) and changes in mix;
- Operational performance—changes to costs for materials and commodities or manufacturing variances; and

- Other—including restructuring costs and any remaining variances not included in Volume, net of contractual price reductions or Operational performance.

The automotive component supply industry is traditionally subject to inflationary pressures with respect to raw materials and labor which may place operational and profitability burdens on the entire supply chain. We will continue to work with our customers and suppliers to mitigate the impact of these inflationary pressures in the future. In addition, we expect commodity cost volatility to have a continual impact on future earnings and/or operating cash flows. As such, we continually seek to mitigate both inflationary pressures and our material-related cost exposures using a number of approaches, including combining purchase requirements with customers and/or other suppliers, using alternate suppliers or product designs and negotiating cost reductions and/or commodity cost contract escalation clauses into our vehicle manufacturer supply contracts.

2017 versus 2016

The results of operations for the years ended December 31, 2017 and 2016 were as follows:

	Year Ended December 31,		
	2017	2016	Favorable/ (unfavorable)
	(dollars in millions)		
Net sales	\$ 4,849	\$ 4,486	\$ 363
Cost of sales	3,881	3,689	(192)
Gross margin	968 20.0%	797 17.8%	171
Selling, general and administrative	408	299	(109)
Amortization	16	17	1
Restructuring	98	161	63
Operating income	446	320	126
Interest expense	(15)	(1)	(14)
Other expense, net	(11)	(1)	(10)
Income before income taxes and equity income	420	318	102
Income tax expense	(106)	(50)	(56)
Income before equity income	314	268	46
Equity income, net of tax	5	—	5
Net income	319	268	51
Net income attributable to noncontrolling interest	34	32	2
Net income attributable to Delphi Technologies	\$ 285	\$ 236	\$ 49

Total Net Sales

Below is a summary of our total net sales for the years ended December 31, 2017 versus December 31, 2016 .

	Year Ended December 31,			Variance Due To:			
	2017	2016	Favorable/ (unfavorable)	Volume, net of contractual price reductions	FX	Other	Total
	(in millions)			(in millions)			
Total net sales	\$ 4,849	\$ 4,486	\$ 363	\$ 354	\$ 9	\$ —	\$ 363

Total net sales for the year ended December 31, 2017 increased 8% compared to the year ended December 31, 2016 . We experienced volume growth of 9% for the period, primarily as a result of increased sales in all regions, and favorable currency impacts, primarily related to the Euro. These increased volumes were partially offset by \$52 million of contractual price reductions.

Cost of Sales

Cost of sales is primarily comprised of material, labor, manufacturing overhead, freight, fluctuations in foreign currency exchange rates, product engineering, design and development expenses, depreciation and amortization, warranty costs and other operating expenses. Gross margin is revenue less cost of sales and gross margin percentage is gross margin as a percentage of net sales.

Cost of sales increased \$192 million for the year ended December 31, 2017 compared to the year ended December 31, 2016, as summarized below. The Company's material cost of sales was approximately 50% of net sales in the years ended December 31, 2017 and 2016.

	Year Ended December 31,			Variance Due To:				
	2017	2016	Favorable/ (unfavorable)	Volume (a)	FX	Operational performance	Other	Total
	(dollars in millions)			(in millions)				
Cost of sales	\$ 3,881	\$ 3,689	\$ (192)	\$ (317)	\$ 7	\$ 87	\$ 31	\$ (192)
Gross margin	\$ 968	\$ 797	\$ 171	\$ 37	\$ 16	\$ 87	\$ 31	\$ 171
Percentage of net sales	20.0%	17.8%						

(a) Presented net of \$52 million of contractual price reductions for gross margin variance.

The increase in cost of sales reflects increased volumes, partially offset by impacts from currency exchange, improved operational performance and the following items reflected in Other above:

- Decreased warranty costs of \$15 million, primarily related to a \$25 million settlement agreement reached in 2016 with one of our OEM customers regarding warranty claims related to certain components supplied by the Powertrain Systems segment; and
- In conjunction with a program cancellation by one of the Company's OEM customers during the year ended December 31, 2017, the Company entered into a commercial agreement for reimbursement of previously incurred development costs. As a result of this commercial agreement, the Company recorded a reduction of \$13 million to cost of sales during the year ended December 31, 2017.

Selling, General and Administrative Expense

	Year Ended December 31,		
	2017	2016	Favorable/ (unfavorable)
	(dollars in millions)		
Selling, general and administrative expense	\$ 408	\$ 299	\$ (109)
Percentage of net sales	8.4%	6.7%	

Selling, general and administrative expense ("SG&A") includes administrative expenses, information technology costs and incentive compensation related costs. The increase in SG&A for the year ended December 31, 2017 as compared to 2016 is primarily due to \$81 million of costs incurred related to the Separation.

Amortization

	Year Ended December 31,		
	2017	2016	Favorable/ (unfavorable)
	(in millions)		
Amortization	\$ 16	\$ 17	\$ 1

Amortization expense reflects the non-cash charge related to definite-lived intangible assets. The consistency in amortization during the year ended December 31, 2017 compared to 2016 reflects the continued amortization of our intangible assets.

In 2018, we expect to incur non-cash amortization charges of approximately \$14 million.

Restructuring

	Year Ended December 31,		
	2017	2016	Favorable/ (unfavorable)
	(dollars in millions)		
Restructuring	\$ 98	\$ 161	\$ 63
Percentage of net sales	2.0%	3.6%	

Restructuring charges recorded during the year ended December 31, 2017 were primarily focused on the continued rotation of our manufacturing footprint to best-cost locations in Europe and on reducing global overhead costs. The Company recorded employee-related and other restructuring charges related to these programs totaling approximately \$98 million during the year ended December 31, 2017. The charges recorded during the year ended December 31, 2017 included \$55 million of separation costs for approximately 500 employees due to the initiation of the closure of a Western European manufacturing site within the Powertrain Systems segment and approximately \$30 million related to other programs pursuant to the Company's on-going European footprint rotation strategy. Charges for the program have been substantially completed, and cash payments for this plant closure are expected to be principally completed by 2020.

The Company recorded employee-related and other restructuring charges totaling approximately \$161 million during the year ended December 31, 2016. These charges included \$131 million for programs focused on the continued rotation of our manufacturing footprint to best-cost locations in Europe, \$93 million of which related to the closure of a European manufacturing site within the Powertrain Systems segment, associated with separation costs for approximately 500 employees. Charges for the program have been substantially completed, and cash payments for this plant closure were principally completed in 2017. Additionally, the Company recognized non-cash asset impairment charges of \$25 million during the year ended December 31, 2016 related to this plant closure, which were recorded within cost of sales. Delphi Technologies also recorded restructuring costs of \$12 million in 2016 for programs implemented to reduce global overhead costs.

We expect to continue to incur additional restructuring expense in 2018, primarily related to programs focused on the continued rotation of our manufacturing footprint to best-cost locations in Europe and to reduce global overhead costs. Additionally, as we continue to operate in a cyclical industry that is impacted by movements in the global and regional economies, we continually evaluate opportunities to further adjust our cost structure and optimize our manufacturing footprint. The Company plans to implement additional restructuring activities in the future, if necessary, in order to align manufacturing capacity and other costs with prevailing regional automotive production levels and locations, to improve the efficiency and utilization of other locations and in order to increase investment in advanced technologies and engineering. Such future restructuring actions are dependent on market conditions, customer actions and other factors.

Refer to Note 10. Restructuring to the consolidated financial statements included herein for additional information.

Interest Expense

	Year Ended December 31,		
	2017	2016	Favorable/ (unfavorable)
	(in millions)		
Interest expense	\$ 15	\$ 1	\$ (14)

The increase in interest expense for the year ended December 31, 2017 as compared to the year ended December 31, 2016 reflects the interest related to the issuance of debt in connection with the Separation, consisting of a senior secured five-year \$750 million term loan facility and \$800 million of 5.00% senior secured notes.

Refer to Note 11. Debt to the consolidated financial statements included herein for additional information.

Other Expense, Net

	Year Ended December 31,		
	2017	2016	Favorable/ (unfavorable)
	(in millions)		
Other expense, net	\$ 11	\$ 1	\$ (10)

The increase in other expense for the year ended December 31, 2017 as compared to the year ended December 31, 2016 is primarily due to the components of net periodic benefit cost other than service costs related to the Company's defined benefit pension plans.

Refer to Note 18. Other expense, net to the consolidated financial statements included herein for additional information.

Income Taxes

	Year Ended December 31,		
	2017	2016	Favorable/ (unfavorable)
	(in millions)		
Income tax expense	\$ 106	\$ 50	\$ (56)

The Company's tax rate is affected by the fact that it is a U.K. resident taxpayer, the tax rates in the U.K. and other jurisdictions in which the Company operates, the relative amount of income earned by jurisdiction and the relative amount of losses or income for which no tax benefit or expense was recognized due to a valuation allowance. Prior to the Separation, our operating results were included in the Former Parent's various consolidated U.S. federal and certain state income tax returns, or tax returns of non-U.S. entities. For periods prior to the Separation, the provision for income taxes and related balance sheet accounts of such entities have been prepared and presented in the consolidated financial statements based on a separate return basis.

The Company's effective tax rate was impacted by the release of a valuation allowance in the United States in 2017, primarily due to changes in the underlying business operations, the enactment of a tax rate reduction in the United States in 2017, as well as the tax benefit recognized in the prior period due to the restructuring charges recorded in 2016, as more fully described in Note 10. Restructuring to the consolidated financial statements included herein.

The Company's tax rate in 2017 was impacted by the enactment of the Tax Cuts and Jobs Act in the United States on December 22, 2017, which provides for a reduction of the corporate income tax rate from 35% to 21% effective January 1, 2018. The income tax accounting effect, including any retroactive effect, of a tax law change is accounted for in the period of enactment. As a result, the effective tax rate was impacted by an increased tax expense of approximately \$7 million for the year ended December 31, 2017 due to the resultant impact on the net deferred tax asset balances. The Company was also impacted by the enactment of the French Finance (Budget) Law for 2018 (the "French Act") which was enacted December 21, 2017, when it was definitively adopted by the French Parliament. The French Act provides for a maximum corporate rate of 33.33% in calendar year 2018, 31% in 2019, 28% in 2020, 26.5% in 2021 and 25% in 2022. As a result, deferred tax asset balance and associated valuation allowance balance in France were both reduced \$17 million for the year ended December 31, 2017.

Results of Operations by Segment

We operate our core business along the following operating segments, which are grouped on the basis of similar product, market and operating factors:

- Powertrain Systems, which manufactures fuel injection systems as well as various other powertrain products including valvetrain, fuel delivery modules, ignition coils, canisters, sensors, valves and actuators. This segment also offers electronic control modules and corresponding software, algorithms and calibration that provide centralized and reliable management of various powertrain components. Additionally, we provide power electronics solutions that include supervisory controllers and software, along with the DC/DC converters and inverters.
- Delphi Technologies Aftermarket, which sells aftermarket products to independent aftermarket and original equipment service customers. This segment also supplies a wide range of aftermarket products and services covering the fuel injection, electronics and engine management, maintenance, and test equipment and vehicle diagnostics categories.
- Eliminations and Other, which includes the elimination of inter-segment transactions.

Our management utilizes segment Adjusted Operating Income as the key performance measure of segment income or loss and for planning and forecasting purposes, as management believes this measure is most reflective of the operational profitability or loss of our operating segments. Segment Adjusted Operating Income should not be considered a substitute for results prepared in accordance with U.S. GAAP and should not be considered an alternative to net income attributable to Delphi Technologies, which is the most directly comparable financial measure to Adjusted Operating Income that is prepared in accordance with U.S. GAAP. Segment Adjusted Operating Income, as determined and measured by Delphi Technologies, should also not be compared to similarly titled measures reported by other companies.

The reconciliation of Adjusted Operating Income to Operating Income includes, as applicable, restructuring, separation costs related to the Separation, other acquisition and portfolio project costs (which includes costs incurred to integrate acquired businesses and to plan and execute product portfolio transformation actions, including business and product acquisitions and divestitures) and asset impairments. The reconciliations of Adjusted Operating Income to net income attributable to Delphi Technologies for the years ended December 31, 2017 and 2016 are as follows:

	Powertrain Systems	Delphi Technologies Aftermarket	Eliminations and Other	Total
	(in millions)			
For the Year Ended December 31, 2017:				
Adjusted operating income	\$ 562	\$ 75	\$ —	\$ 637
Restructuring	(92)	(6)	—	(98)
Separation costs	(66)	(15)	—	(81)
Asset impairments	(12)	—	—	(12)
Operating income	<u>\$ 392</u>	<u>\$ 54</u>	<u>\$ —</u>	<u>\$ 446</u>
Interest expense				(15)
Other expense, net				(11)
Income before income taxes and equity income				420
Income tax expense				(106)
Equity income, net of tax				5
Net income				319
Net income attributable to noncontrolling interest				34
Net income attributable to Delphi Technologies				<u>\$ 285</u>

	Powertrain Systems	Delphi Technologies Aftermarket	Eliminations and Other	Total
	(in millions)			
For the Year Ended December 31, 2016:				
Adjusted operating income	\$ 418	\$ 94	\$ —	\$ 512
Restructuring	(151)	(10)	—	(161)
Other acquisition and portfolio project costs	—	(2)	—	(2)
Asset impairments	(28)	(1)	—	(29)
Operating income	<u>\$ 239</u>	<u>\$ 81</u>	<u>\$ —</u>	<u>320</u>
Interest expense				(1)
Other expense, net				(1)
Income before income taxes and equity income				318
Income tax expense				(50)
Equity income, net of tax				—
Net income				268
Net income attributable to noncontrolling interest				32
Net income attributable to Delphi Technologies				<u>\$ 236</u>

Net sales, gross margin as a percentage of net sales and Adjusted Operating Income by segment for the years ended December 31, 2017 and 2016 are as follows:

Net Sales by Segment

	Year Ended December 31,			Variance Due To:			
	2017	2016	Favorable/ (unfavorable)	Volume, net of contractual price reductions	FX	Other	Total
	(in millions)			(in millions)			
Powertrain Systems	\$ 4,222	\$ 3,837	\$ 385	\$ 370	\$ 15	\$ —	\$ 385
Delphi Technologies Aftermarket	947	924	23	31	(8)	—	23
Eliminations and Other	(320)	(275)	(45)	(47)	2	—	(45)
Total	\$ 4,849	\$ 4,486	\$ 363	\$ 354	\$ 9	\$ —	\$ 363

Gross Margin Percentage by Segment

	Year Ended December 31,	
	2017	2016
Powertrain Systems (1)	18.5%	15.8%
Delphi Technologies Aftermarket	19.6%	20.6%
Eliminations and Other	—%	—%
Total	20.0%	17.8%

(1) The year ended December 31, 2016 included asset impairment charges of \$28 million within Powertrain Systems.

Adjusted Operating Income by Segment

	Year Ended December 31,			Variance Due To:			
	2017	2016	Favorable/ (unfavorable)	Volume, net of contractual price reductions	Operational performance	Other	Total
	(in millions)			(in millions)			
Powertrain Systems	\$ 562	\$ 418	\$ 144	\$ 57	\$ 73	\$ 14	\$ 144
Delphi Technologies Aftermarket	75	94	(19)	(12)	14	(21)	(19)
Eliminations and Other	—	—	—	—	—	—	—
Total	\$ 637	\$ 512	\$ 125	\$ 45	\$ 87	\$ (7)	\$ 125

As noted in the table above, Adjusted Operating Income for the year ended December 31, 2017 as compared to the year ended 2016 was impacted by volumes, contractual price reductions and operational performance improvements, partially offset by the following items included in Other in the table above:

- \$28 million of increased SG&A expense, excluding costs related to the Separation, during the year ended December 31, 2017, primarily for increased information technology costs;
- Increased estimated cost accruals of \$2 million at our Delphi Technologies Aftermarket segment related to certain Brazilian legal matters;
- Adjusted for volume, Delphi Technologies Aftermarket incurred approximately \$2 million of increased costs due to a strategic repositioning of its EMEA warehousing footprint to better serve and support its customer base; and
- The absence of a \$3 million gain on the sale of unutilized land during the year ended December 31, 2016; offset by
- Decreased warranty costs of \$15 million, primarily related to a \$25 million settlement agreement reached in 2016 with one of our OEM customers regarding warranty claims related to certain components supplied by the Powertrain Systems segment; and
- In conjunction with a program cancellation by one of the Company's OEM customers during the year ended December 31, 2017, the Company entered into a commercial agreement for reimbursement of previously incurred

development costs. As a result of this commercial agreement, the Company recorded a reduction of \$13 million to cost of sales during the year ended December 31, 2017 .

Consolidated Results of Operations

2016 versus 2015

The results of operations for the years ended December 31, 2016 and 2015 were as follows:

	Year Ended December 31,		
	2016	2015	Favorable/ (unfavorable)
	(dollars in millions)		
Net sales	\$ 4,486	\$ 4,407	\$ 79
Cost of sales	3,689	3,557	(132)
Gross margin	797	850	(53)
Selling, general and administrative	299	312	13
Amortization	17	23	6
Restructuring	161	112	(49)
Operating income	320	403	(83)
Interest expense	(1)	(3)	2
Other expense, net	(1)	(2)	1
Income before income taxes and equity income	318	398	(80)
Income tax expense	(50)	(92)	42
Income before equity income	268	306	(38)
Equity income, net of tax	—	—	—
Net income	268	306	(38)
Net income attributable to noncontrolling interest	32	34	(2)
Net income attributable to Delphi Technologies	\$ 236	\$ 272	\$ (36)

Total Net Sales

Below is a summary of our total net sales for the years ended December 31, 2016 versus 2015 .

	Year Ended December 31,			Variance Due To:			
	2016	2015	Favorable/ (unfavorable)	Volume, net of contractual price reductions	FX	Other	Total
	(in millions)			(in millions)			
Total net sales	\$ 4,486	\$ 4,407	\$ 79	\$ 211	\$ (132)	\$ —	\$ 79

Total net sales for the year ended December 31, 2016 increased 2% compared to the year ended December 31, 2015 . We experienced volume growth of 6% for the period, primarily as a result of increased sales in North America and Asia Pacific. These increased volumes were partially offset by \$63 million of contractual price reductions, as well as decreases due to unfavorable currency impacts, primarily related to the British Pound and Chinese Yuan Renminbi.

Cost of Sales

Cost of sales is primarily comprised of material, labor, manufacturing overhead, freight, fluctuations in foreign currency exchange rates, product engineering, design and development expenses, depreciation and amortization, warranty costs and other operating expenses. Gross margin is revenue less cost of sales and gross margin percentage is gross margin as a percentage of net sales.

Cost of sales increase \$132 million for the year ended December 31, 2016 compared to the year ended December 31, 2015 , as summarized below. The Company's material cost of sales was approximately 50% of net sales in both the years ended December 31, 2016 and December 31, 2015 .

	Year Ended December 31,			Variance Due To:				
	2016	2015	Favorable/ (unfavorable)	Volume (a)	FX	Operational performance	Other	Total
	(dollars in millions)							
Cost of sales	\$ 3,689	\$ 3,557	\$ (132)	\$ (252)	\$ 77	\$ 128	\$ (85)	\$ (132)
Gross margin	\$ 797	\$ 850	\$ (53)	\$ (41)	\$ (55)	\$ 128	\$ (85)	\$ (53)
Percentage of net sales	17.8%	19.3%						

(a) Presented net of \$63 million of contractual price reductions for gross margin variance.

The increase in cost of sales reflects increased volumes, partially offset by improved operational performance and the impacts from currency exchange. The increase in cost of sales is also attributable to the following items in Other above:

- Increased warranty costs of \$28 million; which includes \$25 million pursuant to a settlement agreement reached in 2016 with one of our OEM customers regarding warranty claims related to certain components supplied by the Powertrain Systems segment; and
- \$29 million of asset impairments recognized in 2016 due to declines in the fair values of certain fixed assets, as compared to \$9 million recognized in 2015. The increase was primarily due to \$25 million recognized in 2016 related to the closure of a European manufacturing site within the Powertrain Systems segment, as further described in Note 10. Restructuring to the consolidated financial statements included herein.

Selling, General and Administrative Expense

	Year Ended December 31,		
	2016	2015	Favorable/ (unfavorable)
	(dollars in millions)		
Selling, general and administrative expense	\$ 299	\$ 312	\$ 13
Percentage of net sales	6.7%	7.1%	

Selling, general and administrative expense (“SG&A”) includes administrative expenses, information technology costs and incentive compensation related costs. The reduction in SG&A for the year ended December 31, 2016 as compared to 2015 was primarily due to reduced expenses as a result of cost reduction initiatives, including our continuing rotation to best-cost manufacturing locations in Europe.

Amortization

	Year Ended December 31,		
	2016	2015	Favorable/ (unfavorable)
	(in millions)		
Amortization	\$ 17	\$ 23	\$ 6

Amortization expense reflects the non-cash charge related to definite-lived intangible assets. The decrease in 2016 as compared to 2015 was due to certain Delphi Technologies Aftermarket customer relationship assets reaching the end of their amortizable lives during 2015.

Restructuring

	Year Ended December 31,		
	2016	2015	Favorable/ (unfavorable)
	(dollars in millions)		
Restructuring	\$ 161	\$ 112	\$ (49)
Percentage of net sales	3.6%	2.5%	

Restructuring charges recorded during 2016 were primarily attributable to our restructuring programs which focused on the continued rotation of our manufacturing footprint to best-cost locations in Europe and on reducing global overhead costs.

The Company recorded employee-related and other restructuring charges related to these programs totaling approximately \$161 million during the year ended December 31, 2016. These charges included \$131 million for programs focused on the continued rotation of our manufacturing footprint to best-cost locations in Europe, \$93 million of which related to the closure of a European manufacturing site within the Powertrain Systems segment, associated with separation costs for approximately 500 employees. Charges for the program have been substantially completed, and cash payments for this plant closure were principally completed in 2017. Additionally, the Company recognized non-cash asset impairment charges of \$25 million during the year ended December 31, 2016 related to this plant closure, which were recorded within cost of sales. Delphi Technologies also recorded restructuring costs of \$12 million in 2016 for programs implemented to reduce global overhead costs.

During the year ended December 31, 2015, Delphi Technologies recorded employee-related and other restructuring charges totaling approximately \$112 million, primarily related to on-going restructuring programs focused on aligning manufacturing capacity with the levels of automotive production in Europe and South America, and the continued rotation of our manufacturing footprint to best-cost locations within these regions. These charges included approximately \$68 million of employee-related and other costs related to the initiation of a workforce reduction at a European manufacturing site within the Powertrain Systems segment.

Refer to Note 10. Restructuring to the consolidated financial statements included herein for additional information.

Income Taxes

	Year Ended December 31,		
	2016	2015	Favorable/ (unfavorable)
	(in millions)		
Income tax expense	\$ 50	\$ 92	\$ 42

The Company's tax rate is affected by the fact that it is a U.K. resident taxpayer, the tax rates in the U.K. and other jurisdictions in which the Company operates, the relative amount of income earned by jurisdiction and the relative amount of losses or income for which no tax benefit or expense was recognized due to a valuation allowance. Prior to the Separation, our operating results were included in the Former Parent's various consolidated U.S. federal and certain state income tax returns, or tax returns of non-U.S. entities. For periods prior to the Separation, the provision for income taxes and related balance sheet accounts of such entities have been prepared and presented in the consolidated financial statements based on a separate return basis.

The effective tax rate in the year ended December 31, 2016 was impacted by favorable geographic income mix in 2016 as compared to 2015, primarily due to changes in the underlying operations of the business. These benefits were partially offset by \$5 million of reserve adjustments recorded for uncertain tax positions, which included reserves for ongoing audits in foreign jurisdictions, as well as for changes in estimates based on relevant new or additional evidence obtained related to certain of the Company's tax positions. Additionally, the Company's tax rate was impacted by the enactment of the U.K. Finance (No. 2) Act 2016 on September 15, 2016, which provides for a reduction of the corporate income tax rate from 18% to 17% effective April 1, 2020. The income tax accounting effect, including any retroactive effect, of a tax law change is accounted for in the period of enactment, which in this case was the third quarter of 2016. As a result, the effective tax rate was impacted by an increased tax expense of approximately \$4 million for the year ended December 31, 2016 due to the resultant impact on the net deferred tax asset balances.

The effective tax rate in the year ended December 31, 2015 was impacted by the enactment of the U.K. Finance (No. 2) Act 2015 on November 18, 2015, which provides for a reduction of the corporate income tax rate from 20% to 19% effective April 1, 2017, with a further reduction to 18% effective April 1, 2020. The income tax accounting effect, including any retroactive effect, of a tax law change is accounted for in the period of enactment, which in this case was the fourth quarter of 2015. As a result, the effective tax rate was impacted by an increased tax expense of approximately \$9 million for the year ended December 31, 2015 due to the resultant impact on the net deferred tax asset balances.

Results of Operations by Segment

The reconciliations of Adjusted Operating Income to net income attributable to Delphi Technologies for the years ended December 31, 2016 and 2015 are as follows:

	Powertrain Systems	Delphi Technologies Aftermarket	Eliminations and Other	Total
(in millions)				
For the Year Ended December 31, 2016:				
Adjusted operating income	\$ 418	\$ 94	\$ —	\$ 512
Restructuring	(151)	(10)	—	(161)
Other acquisition and portfolio project costs	—	(2)	—	(2)
Asset impairments	(28)	(1)	—	(29)
Operating income	<u>\$ 239</u>	<u>\$ 81</u>	<u>\$ —</u>	<u>320</u>
Interest expense				(1)
Other expense, net				(1)
Income before income taxes and equity income				<u>318</u>
Income tax expense				(50)
Equity income, net of tax				—
Net income				<u>268</u>
Net income attributable to noncontrolling interest				<u>32</u>
Net income attributable to Delphi Technologies				<u>\$ 236</u>

	Powertrain Systems	Delphi Technologies Aftermarket	Eliminations and Other	Total
(in millions)				
For the Year Ended December 31, 2015:				
Adjusted operating income	\$ 428	\$ 98	\$ —	\$ 526
Restructuring	(108)	(4)	—	(112)
Other acquisition and portfolio project costs	(2)	—	—	(2)
Asset impairments	(9)	—	—	(9)
Operating income	<u>\$ 309</u>	<u>\$ 94</u>	<u>\$ —</u>	<u>403</u>
Interest expense				(3)
Other expense, net				(2)
Income before income taxes and equity income				<u>398</u>
Income tax expense				(92)
Equity income, net of tax				—
Net income				<u>306</u>
Net income attributable to noncontrolling interest				<u>34</u>
Net income attributable to Delphi Technologies				<u>\$ 272</u>

Net sales, gross margin as a percentage of net sales and Adjusted Operating Income by segment for the years ended December 31, 2016 and 2015 are as follows:

Net Sales by Segment

	Year Ended December 31,			Variance Due To:			
	2016	2015	Favorable/ (unfavorable)	Volume, net of contractual price reductions	FX	Other	Total
	(in millions)			(in millions)			
Powertrain Systems	\$ 3,837	\$ 3,729	\$ 108	\$ 208	\$ (100)	\$ —	\$ 108
Delphi Technologies Aftermarket	924	963	(39)	6	(45)	—	(39)
Eliminations and Other	(275)	(285)	10	(3)	13	—	10
Total	\$ 4,486	\$ 4,407	\$ 79	\$ 211	\$ (132)	\$ —	\$ 79

Gross Margin Percentage by Segment

	Year Ended December 31,	
	2016	2015
Powertrain Systems (1)	15.8%	17.2%
Delphi Technologies Aftermarket	20.6%	21.5%
Eliminations and Other	—%	—%
Total	17.8%	19.3%

(1) The year ended December 31, 2016 included asset impairment charges of \$28 million within Powertrain Systems.

Adjusted Operating Income by Segment

	Year Ended December 31,			Variance Due To:			
	2016	2015	Favorable/ (unfavorable)	Volume, net of contractual price reductions	Operational performance	Other	Total
	(in millions)			(in millions)			
Powertrain Systems	\$ 418	\$ 428	\$ (10)	\$ (35)	\$ 114	\$ (89)	\$ (10)
Delphi Technologies Aftermarket	94	98	(4)	1	14	(19)	(4)
Eliminations and Other	—	—	—	—	—	—	—
Total	\$ 512	\$ 526	\$ (14)	\$ (34)	\$ 128	\$ (108)	\$ (14)

As noted in the table above, Adjusted Operating Income for the year ended December 31, 2016 as compared to the year ended December 31, 2015 was impacted by volume and contractual price reductions, including product mix, and operational performance improvements, as well as the following items included in Other in the table above:

- Increased warranty costs of \$28 million, which includes \$25 million pursuant to a settlement agreement reached in 2016 with one of our OEM customers regarding warranty claims related to certain components supplied by the Powertrain Systems segment, and
- Unfavorable foreign currency impacts of \$25 million, primarily related to the Chinese Yuan Renminbi and British Pound.

Liquidity and Capital Resources

Prior to the Separation, the Company was dependent upon the Former Parent for all of its working capital and financing requirements, as the Former Parent utilized a centralized approach to cash management and financing of its operations.

With the exception of cash, cash equivalents and borrowings specifically attributable to Delphi Technologies and related to the Separation, including the financial transactions described below, financial transactions relating to our business operations during the period prior to the Separation were accounted for as a component of Net Former Parent investment in the consolidated balance sheets and as a financing activity on the accompanying consolidated statements of cash flows.

Accordingly, none of our Former Parent's cash, cash equivalents or debt at the corporate level was assigned to the Company in the financial statements for the periods prior to the Separation. The only third-party debt obligations included in the consolidated financial statements for periods prior to the Separation are those for which the legal obligor was a legal entity within Delphi Technologies. None of the Company's assets were pledged as collateral under the Former Parent's debt obligations as of December 31, 2016. As a result of the Separation, we no longer participate in the Former Parent's cash management and financing operations.

During the years ended December 31, 2017, 2016 and 2015, the Company generated sufficient cash from operating activities to fund its operating and investing activities. Management assesses the Company's liquidity in terms of its ability to generate cash to fund its operating and investing activities, including capital expenditures, operational restructuring activities and separation activities.

Overview of Capital Structure

The Company's liquidity requirements are primarily to fund our business operations, including capital expenditures and working capital requirements, operational restructuring activities, separation activities, to meet debt service requirements, fund our pension obligations and dividends on ordinary shares. Our primary sources of liquidity are cash flows from operations, our existing cash balance, and as necessary, borrowings under available credit facilities and the issuance of long-term debt. To the extent we generate discretionary cash flow we may consider using this additional cash flow for optional prepayments of indebtedness, undertake new capital investment projects, strategic acquisitions, return capital to shareholders and/or general corporate purposes.

As of December 31, 2017, we had cash and cash equivalents of \$338 million. During 2017 we entered into the Credit Agreement and completed the offering of the Senior Notes, as defined below, such that we have a total principal amount of debt of approximately \$1,550 million outstanding as of December 31, 2017, primarily consisting of a \$750 million five-year term loan pursuant to the Credit Agreement and \$800 million of eight-year senior notes. As of December 31, 2017, there were no amounts drawn on the Revolving Credit Facility.

In connection with the Separation, approximately \$1.3 billion of the net proceeds from these borrowings were distributed to Aptiv upon the Separation, with the remaining net proceeds held by Delphi Technologies in order to fund operating cash requirements and to pay related taxes, fees and expenses.

We expect existing cash, available liquidity and cash flows from operations to continue to be sufficient to fund our global operating activities, including restructuring payments, any mandatory payments required under the Credit Agreement as described below and capital expenditures.

We also continue to expect to be able to move funds between different countries to manage our global liquidity needs without material adverse tax implications, subject to current monetary policies and to the terms of the Credit Agreement. While a substantial portion of our operating income is generated by our non-U.S. subsidiaries, and as of December 31, 2017, the Company's cash and cash equivalents held by our non-U.S. subsidiaries totaled \$286 million, we utilize a combination of strategies, including dividends, cash pooling arrangements, intercompany loan repayments and other distributions and advances to provide the funds necessary to meet our global liquidity needs. There are no significant restrictions on the ability of our subsidiaries to pay dividends or make other distributions to Delphi Technologies.

Based on these factors, we believe we possess sufficient liquidity to fund our global operations and capital investments in 2018 and beyond.

Credit Agreement

On September 7, 2017, Delphi Technologies and its wholly-owned subsidiary Delphi Powertrain Corporation entered into a credit agreement (the "Credit Agreement") with JPMorgan Chase Bank, N.A., as administrative agent (the "Administrative Agent"), with respect to \$1.25 billion in senior secured credit facilities. The Credit Agreement consists of a senior secured five-year \$750 million term loan facility (the "Term Loan A Facility") and a \$500 million five-year senior secured revolving credit facility (the "Revolving Credit Facility") (collectively, the "Credit Facilities") with the lenders party thereto and JPMorgan Chase Bank, N.A.

The Credit Facilities are subject to an interest rate, at our option, of either (a) the Administrative Agent’s Alternate Base Rate (“ABR” as defined in the Credit Agreement) or (b) the London Interbank Offered Rate (the “Adjusted LIBOR Rate” as defined in the Credit Agreement) (“LIBOR”), in each case, plus an applicable margin that is based on our corporate credit ratings, as more particularly described below (the “Applicable Rate”). In addition, the Credit Agreement requires payment of additional interest on certain overdue obligations on terms and conditions customary for financings of this type. The interest rate period with respect to LIBOR interest rate options can be set at one-, two-, three-, or six-months as selected by us in accordance with the terms of the Credit Agreement (or other period as may be agreed by the applicable lenders), but payable no less than quarterly. We may elect to change the selected interest rate over the term of the Credit Facilities in accordance with the provisions of the Credit Agreement. The Applicable Rates under the Credit Agreement on the specified date are set forth below:

	December 31, 2017	
	LIBOR plus	ABR plus
Term Loan A Facility	1.75%	0.75%

The applicable interest rate margins for the Term Loan A Facility will increase or decrease from time to time between 1.50% and 2.00% per annum (for LIBOR loans) and between 0.50% and 1.00% per annum (for ABR loans), in each case based upon changes to our corporate credit ratings. The applicable interest rate margins for the Revolving Credit Facility will increase or decrease from time to time between 1.30% and 1.55% per annum (for LIBOR loans) and between 0.30% and 0.55% per annum (for ABR loans), in each case based upon changes to our corporate credit ratings. Accordingly, the interest rates for the Credit Facilities will fluctuate during the term of the Credit Agreement based on changes in the ABR, LIBOR or future changes in our corporate credit ratings. The Credit Agreement also requires that we pay certain facility fees on the aggregate commitments under the Revolving Credit Facility and certain letter of credit issuance and fronting fees.

	Applicable Rate	Borrowings as of December 31, 2017 (in millions)	Rates effective as of December 31, 2017
Term Loan A Facility	LIBOR plus 1.75%	\$ 750	3.13%

Letters of credit are available for issuance under the Credit Agreement on terms and conditions customary for financings of this type, which issuances reduce availability under the Revolving Credit Facility. No such letters of credit were outstanding as of December 31, 2017.

We are obligated to make quarterly principal payments throughout the term of the Term Loan A Facility according to the amortization provisions in the Credit Agreement, as such payments may be reduced from time to time in accordance with the terms of the Credit Agreement as a result of the application of loan prepayments made by us, if any, prior to the scheduled date of payment thereof.

Borrowings under the Credit Agreement are prepayable at our option without premium or penalty. We may request that all or a portion of the Credit Facilities be converted to extend the scheduled maturity date(s) with respect to all or a portion of any principal amount of such Credit Facilities under certain conditions customary for financings of this type. The Credit Agreement also contains certain mandatory prepayment provisions in the event that we receive net cash proceeds from certain non-ordinary course asset sales, casualty events and debt offerings, in each case subject to terms and conditions customary for financings of this type.

The Credit Agreement contains certain affirmative and negative covenants customary for financings of this type that, among other things, limit our and our subsidiaries’ ability to incur additional indebtedness or liens, to dispose of assets, to make certain fundamental changes, to designate subsidiaries as unrestricted, to make certain investments, to prepay certain indebtedness and to pay dividends, or to make other distributions or redemptions/repurchases, in respect of the our and our subsidiaries’ equity interests. In addition, the Credit Agreement requires that we maintain a consolidated net leverage ratio (the ratio of Consolidated Total Indebtedness to Consolidated Adjusted EBITDA, each as defined in the Credit Agreement) of not greater than 3.5 to 1.0. The Credit Agreement also contains events of default customary for financings of this type, including certain customary change of control events. The Company was in compliance with the Credit Agreement covenants as of December 31, 2017.

The borrowers under the Credit Agreement comprise Delphi Technologies and its wholly-owned Delaware-organized subsidiary, Delphi Powertrain Corporation. Additional subsidiaries of Delphi Technologies may be added as co-borrowers or guarantors under the Credit Agreement from time to time on the terms and conditions set forth in the Credit Agreement. The obligations of each borrower under the Credit Agreement will be jointly and severally guaranteed by each other borrower and by certain of our existing and future direct and indirect subsidiaries, subject to certain exceptions customary for financings of this type. All obligations of the borrowers and the guarantors are secured by certain assets of such borrowers and guarantors, including a perfected first-priority pledge of all of the capital stock in Delphi Powertrain Corporation.

In addition, the Credit Agreement contains provisions pursuant to which, based upon our achievement of certain corporate credit ratings, certain covenants and/or our obligation to provide collateral to secure the Credit Facilities, will be suspended.

Unsecured Senior Notes

On September 28, 2017, Delphi Technologies PLC issued \$800 million in aggregate principal amount of 5.00% senior unsecured notes due 2025 in a transaction exempt from registration under the Securities Act (the "Senior Notes"). The Senior Notes were priced at 99.5% of par, resulting in a yield to maturity of 5.077%. Approximately \$14 million of issuance costs were incurred in connection with the Senior Notes offering. Interest is payable semi-annually on April 1 and October 1 of each year to holders of record at the close of business on March 15 or September 15 immediately preceding the interest payment date. The proceeds received from the Senior Notes offering were deposited into escrow and subsequently released to Delphi Technologies PLC upon satisfaction of certain conditions, including completion of the Separation, in December 2017. From the date of the satisfaction of the escrow conditions, the notes are guaranteed, jointly and severally, on an unsecured basis, by each of our current and future domestic subsidiaries that guarantee our Credit Facilities, as described above. The proceeds from the Senior Notes, together with the proceeds from the borrowings under the Credit Agreement, were used to fund a dividend to the Former Parent, fund operating cash and pay taxes and related fees and expenses.

The Senior Notes indenture contains certain restrictive covenants, including with respect to Delphi Technologies' (and subsidiaries) ability to incur liens, enter into sale and leaseback transactions and merge with or into other entities. The Company was in compliance with the Senior Notes covenants as of December 31, 2017.

Receivable factoring—Beginning in 2015, the Company has entered into arrangements with various financial institutions to sell eligible trade receivables from certain aftermarket customers in North America. These arrangements can be terminated at any time subject to prior written notice. The receivables under these arrangements are sold without recourse to the Company and are therefore accounted for as true sales. During the years ended December 31, 2017 and 2016, \$92 million and \$123 million of receivables were sold under these arrangements, and expenses of \$3 million and \$3 million, respectively, were recognized within interest expense.

In addition, in 2016 one of the Company's European subsidiaries factored, without recourse, receivables related to certain foreign research tax credits to a financial institution. These transactions were accounted for as true sales of the receivables, and the Company therefore derecognized approximately \$22 million from other long-term assets in the consolidated balance sheet as of December 31, 2016, as a result of these transactions.

Capital leases—There were approximately \$1 million of capital lease obligations outstanding as of December 31, 2017. As of December 31, 2016 there were no capital lease obligations outstanding.

Interest—Cash paid for interest totaled \$2 million, \$1 million and \$3 million for the years ended December 31, 2017, 2016 and 2015, respectively.

Contractual Obligations

The following table summarizes our expected cash outflows resulting from financial contracts and commitments as of December 31, 2017, with amounts denominated in foreign currencies translated using foreign currency rates as of December 31, 2017. We have not included information on our recurring purchases of materials for use in our operations. These amounts are generally consistent from year to year, closely reflect our levels of production, and are not long-term in nature. The amounts below exclude the gross liability for uncertain tax positions of \$22 million as of December 31, 2017. We do not expect a significant payment related to these obligations to be made within the next twelve months. We are not able to provide a reasonably reliable estimate of the timing of future payments relating to the non-current portion of obligations associated with uncertain tax positions. For more information, refer to Note 14. Income Taxes to the consolidated financial statements included herein.

	Payments due by Period				
	Total	2018	2019 & 2020	2021 & 2022	Thereafter
	(in millions)				
Debt and capital lease obligations (excluding interest)	\$ 1,558	\$ 20	\$ 81	\$ 656	\$ 801
Estimated interest costs related to debt and capital lease obligations	414	66	138	130	80
Operating lease obligations	85	17	28	22	18
Contractual commitments for capital expenditures	77	77	—	—	—
Other contractual purchase commitments, including information technology	131	90	38	3	—
Total	\$ 2,265	\$ 270	\$ 285	\$ 811	\$ 899

In addition to the obligations discussed above, certain of the Company's non-U.S. subsidiaries sponsor defined benefit pension plans, some of which are funded. There are minimum funding requirements with respect to certain of the pension obligations and we may periodically elect to make discretionary contributions to the plans in support of risk management initiatives. We will also have payments due with respect to our other postretirement benefit obligations. We do not fund our other postretirement benefit obligations and payments are made as costs are incurred by covered retirees. Refer to Note 12. Pension Benefits to the consolidated financial statements included herein for additional detail regarding our expected contributions to our pension plans and expected distributions to participants in future periods.

Capital Expenditures

Supplier selection in the auto industry is generally finalized several years prior to the start of production of the vehicle. Therefore, current capital expenditures are based on customer commitments entered into previously, generally several years ago when the customer contract was awarded. As of December 31, 2017, we had approximately \$77 million in outstanding cancellable and non-cancellable capital commitments. Capital expenditures by operating segment and geographic region for the periods presented were:

	Year Ended December 31,		
	2017	2016	2015
	(in millions)		
Powertrain Systems	\$ 189	\$ 169	\$ 197
Delphi Technologies Aftermarket	3	2	4
Eliminations and Other (1)	5	—	—
Total capital expenditures	\$ 197	\$ 171	\$ 201
North America	\$ 53	\$ 50	\$ 61
Europe, Middle East & Africa	72	82	96
Asia Pacific	70	34	42
South America	2	5	2
Total capital expenditures	\$ 197	\$ 171	\$ 201

(1) Eliminations and Other includes capital expenditures amounts attributable to corporate administrative and support functions, including corporate headquarters and certain technical centers.

Cash Flows

Operating activities —Net cash provided by operating activities totaled \$389 million and \$372 million for the years ended December 31, 2017 and 2016, respectively. Cash flow from operating activities for the year ended December 31, 2017 consisted primarily of net earnings of \$319 million, increased by \$248 million for non-cash charges for depreciation and amortization, pension and other postretirement benefit expenses, partially offset by \$183 million related to changes in operating assets and liabilities, net of restructuring and pension contributions. Cash flow from operating activities for the year ended December 31, 2016 consisted primarily of net earnings of \$268 million, increased by \$240 million for non-cash charges for depreciation and amortization, pension and other postretirement benefit expenses, partially offset by \$139 million related to changes in operating assets and liabilities, net of restructuring and pension contributions.

Net cash provided by operating activities totaled \$429 million for the year ended December 31, 2015, which consisted of net earnings of \$306 million, increased by \$228 million for non-cash charges for depreciation and amortization, pension and other

postretirement benefit expenses, partially offset by \$131 million related to changes in operating assets and liabilities, net of restructuring and pension contributions.

Investing activities —Net cash used in investing activities totaled \$189 million and \$162 million for the years ended December 31, 2017 and 2016, respectively. The increase was primarily due to \$26 million of increased capital expenditures during the year ended December 31, 2017 as compared to 2016.

Net cash used in investing activities totaled \$201 million for the year ended December 31, 2015, which was primarily attributable to capital expenditures of \$201 million.

Financing activities —Net cash provided by financing activities totaled \$25 million for the year ended December 31, 2017 and net cash used in financing activities totaled \$210 million for the year ended December 31, 2016. Cash flows provided by financing activities for the year ended December 31, 2017 was primarily due to net proceeds of \$782 million received from the issuance of the Senior Notes, as well as the proceeds of \$741 million from the issuance of the senior secured term loan, which was partially offset by the dividend payment to Former Parent of approximately \$1,148 million, as well as the payment of \$180 million to the Former Parent pursuant to the Tax Matters Agreement. Cash flows used in financing activities for the year ended December 31, 2016 primarily includes \$195 million of net transfers to the Former Parent.

Net cash used in financing activities totaled \$273 million for the year ended December 31, 2015, primarily attributable to \$255 million of net transfers to the Former Parent.

Off-Balance Sheet Arrangements and Other Matters

We do not engage in any off-balance sheet financial arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Pension Benefits

Certain of the Company's non-U.S. subsidiaries sponsor defined-benefit pension plans, which generally provide benefits based on negotiated amounts for each year of service. The primary non-U.S. plans are located in the United Kingdom ("U.K"), France and Mexico. The U.K. and certain Mexican plans are funded. In addition, the Company has defined benefit plans in South Korea and Italy for which amounts are payable to employees immediately upon separation. The obligations for these plans are recorded over the requisite service period. Delphi Technologies does not have any U.S. pension assets or liabilities.

In addition, prior to the Separation certain of the Company's employees in Germany and the U.S. participated in defined benefit pension plans (collectively, the "Shared Plans") sponsored by the Former Parent that included Delphi Technologies employees as well as employees of other subsidiaries of the Former Parent. Under the guidance in ASC 715, *Compensation-Retirement Benefits*, the Company accounted for the Shared Plans as multiemployer plans, and accordingly did not record an asset or liability to recognize the funded status of the Shared Plans in periods prior to the Separation. The related pension and other postemployment expenses of the Shared Plans were charged to Delphi Technologies based primarily on the service cost of active participants.

We anticipate making pension contributions and benefit payments of approximately \$40 million for non-U.S. plans in 2018.

Refer to Note 12. Pension Benefits to the consolidated financial statements included herein for further information on (1) historical benefit costs of the pension plans, (2) the principal assumptions used to determine the pension benefit expense and the actuarial value of the projected benefit obligation for the pension plans, (3) a sensitivity analysis of potential changes to pension obligations and expense that would result from changes in key assumptions and (4) funding obligations.

Environmental Matters

We are subject to the requirements of environmental and safety and health laws and regulations in each country in which we operate. These include laws regulating air emissions, water discharge, hazardous materials and waste management. We have an environmental management structure designed to facilitate and support our compliance with these requirements globally. Although it is our intent to comply with all such requirements and regulations, we cannot provide assurance that we are at all times in compliance. Environmental requirements are complex, change frequently and have tended to become more stringent over time. Accordingly, we cannot assure that environmental requirements will not change or become more stringent over time or that our eventual environmental remediation costs and liabilities will not be material.

Certain environmental laws assess liability on current or previous owners or operators of real property for the cost of removal or remediation of hazardous substances. At this time, we are involved in various stages of investigation and cleanup related to environmental remediation matters at certain of our facilities. In addition, there may be soil or groundwater contamination at several of our properties resulting from historical, ongoing or nearby activities.

As of December 31, 2017 and 2016, the undiscounted reserve for environmental investigation and remediation was approximately \$4 million (of which \$3 million was recorded in other long-term liabilities and \$1 million was recorded in accrued liabilities) and \$1 million (which was recorded in other long-term liabilities), respectively. The Company cannot assure that our eventual environmental remediation costs and liabilities will not exceed the amount of our current reserves. In the event that such liabilities were to significantly exceed the amounts recorded, our results of operations could be materially affected.

Legal Proceedings

For a description of our legal proceedings, see Note 13. Commitments and Contingencies to the consolidated financial statements included herein.

Significant Accounting Policies and Critical Accounting Estimates

Our significant accounting policies are described in Note 2. Significant Accounting Policies to the consolidated financial statements included herein. Certain of our accounting policies require the application of significant judgment by management in selecting the appropriate assumptions for calculating financial estimates. By

their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, terms of existing contracts, our evaluation of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate.

We consider an accounting estimate to be critical if:

- it requires us to make assumptions about matters that were uncertain at the time we were making the estimate, and
- changes in the estimate or different estimates that we could have selected would have had a material impact on our financial condition or results of operations.

Warranty Obligations and Product Recall Costs

Estimating warranty obligations requires us to forecast the resolution of existing claims and expected future claims on products sold. We base our estimate on historical trends of units sold and payment amounts, combined with our current understanding of the status of existing claims and discussions with our customers. The key factors which impact our estimates are (1) the stated or implied warranty period; (2) OEM source; (3) OEM policy decisions regarding warranty claims; and (4) OEMs seeking to hold suppliers responsible for product warranties. These estimates are re-evaluated on an ongoing basis. Actual warranty obligations could differ from the amounts estimated requiring adjustments to existing reserves in future periods. Due to the uncertainty and potential volatility of the factors contributing to developing these estimates, changes in our assumptions could materially affect our results of operations.

In addition to our ordinary warranty provisions with customers, we are also at risk for product recall costs, which are costs incurred when a customer or the Company recalls a product through a formal campaign soliciting return of that product. In addition, the National Highway Traffic Safety Administration (“NHTSA”) has the authority, under certain circumstances, to require recalls to remedy safety concerns. Product recall costs typically include the cost of the product being replaced as well as the customer’s cost of the recall, including labor to remove and replace the recalled part. The Company accrues for costs related to product recalls as part of our warranty accrual at the time an obligation becomes probable and can be reasonably estimated. Actual costs incurred could differ from the amounts estimated, requiring adjustments to these reserves in future periods. It is possible that changes in our assumptions or future product recall issues could materially affect our financial position, results of operations or cash flows.

Refer to Note 9. Warranty Obligations to the consolidated financial statements included herein for additional information.

Legal and Other Contingencies

We are involved from time to time in various legal proceedings and claims, including commercial or contractual disputes, product liability claims, government investigations, product warranties and environmental and other matters, that arise in the normal course of business. We routinely assess the likelihood of any adverse judgments or outcomes related to these matters, as well as ranges of probable losses, by consulting with internal personnel involved with such matters and, as appropriate, with outside legal counsel handling such matters. We have accrued for estimated losses for those matters where we believe that the likelihood of a loss has occurred, is probable and the amount of the loss is reasonably estimable. The determination of the amount of such reserves is based on knowledge and experience with regard to past and current matters and consultation with internal personnel involved with such matters and, where applicable, with outside legal counsel handling such matters. The amount of such reserves may change in the future due to new developments or changes in circumstances. The inherent uncertainty related to the outcome of these matters can result in amounts materially different from any provisions made with respect to their resolution.

Restructuring

Accruals have been recorded in conjunction with our restructuring actions. These accruals include estimates primarily related to employee termination costs, contract termination costs and other related exit costs in conjunction with workforce reduction and programs related to the rationalization of manufacturing and engineering processes. Actual costs may vary from these estimates. These accruals are reviewed on a quarterly basis and changes to restructuring actions are appropriately recognized when identified.

Pensions

We use actuarial estimates and related actuarial methods to calculate our obligation and expense. We are required to select certain actuarial assumptions, which are determined based on current market conditions, historical information and consultation with and input from our actuaries and asset managers. Refer to Note 12. Pension Benefits to the consolidated financial statements included herein for additional details. The key factors which impact our estimates are (1) discount rates; (2) asset return assumptions; and (3) actuarial assumptions such as retirement age and mortality which are determined as of the current year measurement date. We review our actuarial assumptions on an annual basis and make modifications to the assumptions based on current rates and trends when appropriate. Experience gains and losses, as well as the effects of changes in actuarial assumptions and plan provisions are recognized in other comprehensive income. Cumulative actuarial gains and losses in excess of 10% of the projected benefit obligation ("PBO") for a particular plan are amortized over the average future service period of the employees in that plan.

Delphi Technologies does not have any U.S. pension assets or liabilities. The principal assumptions used to determine the pension expense and the actuarial value of the projected benefit obligation for the non-U.S. pension plans were:

Assumptions used to determine benefit obligations at December 31:

	Pension Benefits	
	Non-U.S. Plans	
	2017	2016
Weighted-average discount rate	2.46%	2.58%
Weighted-average rate of increase in compensation levels	3.98%	3.97%

Assumptions used to determine net expense for years ended December 31:

	Pension Benefits		
	Non-U.S. Plans		
	2017	2016	2015
Weighted-average discount rate	2.58%	3.72%	3.63%
Weighted-average rate of increase in compensation levels	3.97%	3.73%	3.72%
Weighted-average expected long-term rate of return on plan assets	5.50%	5.75%	6.24%

We select discount rates by analyzing the results of matching each plan's projected benefit obligations with a portfolio of high-quality fixed income investments rated AA- or higher by Standard and Poor's.

The primary funded plans are in the United Kingdom and Mexico. For the determination of 2017 expense, we assumed a long-term expected asset rate of return of approximately 5.50% and 7.50% for the United Kingdom and Mexico, respectively. We

evaluated input from local actuaries and asset managers, including consideration of recent fund performance and historical returns, in developing the long-term rate of return assumptions. The assumptions for the United Kingdom and Mexico are primarily long-term, prospective rates. To determine the expected return on plan assets, the market-related value of approximately 25% of our plan assets is actual fair value. The expected return on the remainder of our plan assets is determined by applying the expected long-term rate of return on assets to a calculated market-related value of these plan assets, which recognizes changes in the fair value of the plan assets in a systematic manner over five years.

Our pension expense for 2018 is determined at the December 31, 2017 measurement date. For purposes of analysis, the following table highlights the sensitivity of our pension obligations and expense to changes in key assumptions:

Change in Assumption	Impact on Pension Expense	Impact on PBO
25 basis point (“bp”) decrease in discount rate	+ \$4 million	+ \$84 million
25 bp increase in discount rate	- \$6 million	- \$79 million
25 bp decrease in long-term expected return on assets	+ \$2 million	—
25 bp increase in long-term expected return on assets	- \$2 million	—

The above sensitivities reflect the effect of changing one assumption at a time. It should be noted that economic factors and conditions often affect multiple assumptions simultaneously and the effects of changes in key assumptions are not necessarily linear. The above sensitivities also assume no changes to the design of the pension plans and no major restructuring programs.

Based on information provided by our actuaries and asset managers, we believe that the assumptions used are reasonable; however, changes in these assumptions could impact our financial position, results of operations or cash flows. Refer to Note 12. Pension Benefits to the consolidated financial statements included herein for additional information.

Valuation of Long-Lived Assets, Intangible Assets and Investments in Affiliates and Expected Useful Lives

We monitor our long-lived and definite-lived assets for impairment indicators on an ongoing basis based on projections of anticipated future cash flows, including future profitability assessments of various manufacturing sites when events and circumstances warrant such a review. If impairment indicators exist, we perform the required impairment analysis by comparing the undiscounted cash flows expected to be generated from the long-lived assets to the related net book values. If the net book value exceeds the undiscounted cash flows, an impairment loss is measured and recognized. An impairment loss is measured as the difference between the net book value and the estimated fair value of the long-lived assets. Even if an impairment charge is not required, a reassessment of the useful lives over which depreciation or amortization is being recognized may be appropriate based on our assessment of the recoverability of these assets. We estimate cash flows and fair value using internal budgets based on recent sales data, independent automotive production volume estimates and customer commitments and review of appraisals. The key factors which impact our estimates are (1) future production estimates; (2) customer preferences and decisions; (3) product pricing; (4) manufacturing and material cost estimates; and (5) product life / business retention. Any differences in actual results from the estimates could result in fair values different from the estimated fair values, which could materially impact our future results of operations and financial condition. We believe that the projections of anticipated future cash flows and fair value assumptions are reasonable; however, changes in assumptions underlying these estimates could affect our valuations.

Income Taxes

Deferred tax assets and liabilities reflect temporary differences between the amount of assets and liabilities for financial and tax reporting purposes. Such amounts are adjusted, as appropriate, to reflect changes in tax rates expected to be in effect when the temporary differences reverse. A valuation allowance is recorded to reduce our deferred tax assets to the amount that is more likely than not to be realized. Changes in tax laws or accounting standards and methods may affect recorded deferred taxes in future periods.

When establishing a valuation allowance, we consider future sources of taxable income such as “future reversals of existing taxable temporary differences, future taxable income exclusive of reversing temporary differences and carryforwards” and “tax planning strategies.” A tax planning strategy is defined as “an action that is prudent and feasible; an enterprise ordinarily might not take, but would take to prevent an operating loss or tax credit carryforward from expiring unused; and would result in realization of deferred tax assets.” In the event we determine it is more likely than not that the deferred tax assets will not be realized in the future, the valuation adjustment to the deferred tax assets will be charged to earnings in the period in which we make such a determination. The valuation of deferred tax assets requires judgment and accounting for the deferred tax effect of events that have been recorded in the consolidated financial statements or in tax returns and our future projected profitability. Changes in our estimates, due to unforeseen events or otherwise, could have a material impact on our financial condition and results of operations.

We calculate our current and deferred tax provision based on estimates and assumptions that could differ from the actual results reflected in income tax returns filed in subsequent years. Adjustments based on filed returns are recorded when identified. The amount of income taxes we pay is subject to ongoing audits by federal, state and foreign tax authorities. Our estimate of the potential outcome of any uncertain tax issue is subject to management's assessment of relevant risks, facts, and circumstances existing at that time. We use a more-likely-than-not threshold for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. We record a liability for the difference between the benefit recognized and measured and tax position taken or expected to be taken on our tax return. To the extent that our assessment of such tax positions changes, the change in estimate is recorded in the period in which the determination is made. We report tax-related interest and penalties as a component of income tax expense. We do not believe there is a reasonable likelihood that there will be a material change in the tax related balances or valuation allowance balances. However, due to the complexity of some of these uncertainties, the ultimate resolution may be materially different from the current estimate. Refer to Note 14. Income Taxes to the consolidated financial statements included herein for additional information.

Recently Issued Accounting Pronouncements

Refer to Note 2. Significant Accounting Policies to the consolidated financial statements included herein for a complete description of recent accounting standards which we have not yet been required to implement which may be applicable to our operations. Additionally, the significant accounting standards that have been adopted during the year ended December 31, 2017 are described.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks from changes in currency exchange rates and certain commodity prices. These exposures may impact future earnings and/or operating cash flows. In order to manage these risks, Delphi Technologies centrally manages its exposure to fluctuations in currency exchange rates by entering into a variety of forward contracts with various counterparties. Such financial exposures are managed in accordance with the policies and procedures of Delphi Technologies and accounted for in accordance with ASC Topic 815, *Derivatives and Hedging*. Delphi Technologies does not enter into derivative transactions for speculative or trading purposes. Prior to the Separation, we managed certain of these exposures through participation in the Former Parent's hedging program, which utilized financial instruments (hedges) to provide offsets or limits to our exposures. Delphi Technologies did not enter into any derivative transactions, contracts, options, or swaps prior to December 31, 2017.

Currency Exchange Rate Risk

Delphi Technologies has currency exposures related to buying, selling and financing in currencies other than the local currencies in which we operate. Prior to the Separation, we reduced our exposure through participation in the Former Parent's hedging program, which utilized financial instruments (hedges) that provide offsets or limits to our exposures, which are opposite to the underlying transactions. We have currency exposures related to buying, selling and financing in currencies other than the local functional currencies in which we operate ("transactional exposure"). We also have currency exposures related to the translation of the financial statements of our foreign subsidiaries that use the local currency as their functional currency into U.S. dollars, the Company's reporting currency ("translational exposure"). The impact of translational exposure is recorded within currency translation adjustment in the consolidated statements of comprehensive income.

As of December 31, 2017 and 2016 the net fair value asset of cash and other financial instruments with exposure to currency risk was approximately \$210 million and \$88 million, respectively. The potential loss or gain in fair value for such financial instruments from a hypothetical 10% adverse or favorable change in quoted currency exchange rates would be approximately \$21 million and \$9 million at December 31, 2017 and 2016, respectively. The model assumes a parallel shift in currency exchange rates; however, currency exchange rates rarely move in the same direction. The assumption that currency exchange rates change in a parallel fashion may overstate the impact of changing currency exchange rates on assets and liabilities denominated in currencies other than the U.S. dollar.

Commodity Price Risk

We also face an inherent business risk of exposure to commodity price risk. Prior to the Separation, certain of these exposures were managed through participation in the Former Parent's hedging program, which utilized commodity swaps and option contracts. Subsequent to the Separation, we have not entered into any hedges of commodities.

Interest Rate Risk

Our exposure to market risk associated with changes in interest rates relates primarily to our debt obligations. We do not use interest rate swaps or other derivative contracts to manage our exposure to fluctuations in interest rates. As of December 31, 2017, we had approximately \$750 million of floating rate debt related to the Credit Agreement.

The Credit Facilities are subject to an interest rate, at our option, of either (a) the Administrative Agent's Alternate Base Rate ("ABR" as defined in the Credit Agreement) or (b) the London Interbank Offered Rate (the "Adjusted LIBOR Rate" as defined in the Credit Agreement) ("LIBOR"), in each case, plus an applicable margin that is based on our corporate credit ratings. The applicable interest rate margins for the Term Loan A Facility will increase or decrease from time to time between 1.50% and 2.00% per annum (for LIBOR loans) and between 0.50% and 1.00% per annum (for ABR loans), in each case based upon changes to our corporate credit ratings. The applicable interest rate margins for the Revolving Credit Facility will increase or decrease from time to time between 1.30% and 1.55% per annum (for LIBOR loans) and between 0.30% and 0.55% per annum (for ABR loans), in each case based upon changes to our corporate credit ratings. Accordingly, the interest rates for the Credit Facilities will fluctuate during the term of the Credit Agreement based on changes in the ABR, LIBOR or future changes in our corporate credit ratings. The interest rate period with respect to the LIBOR interest rate option can be set at one-, two-, three-, or six-months as selected by us in accordance with the terms of the Credit Agreement.

The table below indicates interest rate sensitivity on interest expense to floating rate debt based on amounts outstanding as of December 31, 2017.

Change in Rate	Credit Agreement (impact to annual interest expense, in millions)
25 bps decrease	- \$2
25 bps increase	+\$2

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Delphi Technologies PLC

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Delphi Technologies PLC (the Company) as of December 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2017, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2017 and 2016, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 26, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

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

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

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2016.

Detroit, Michigan

February 26, 2018

DELPHI TECHNOLOGIES PLC
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31,		
	2017	2016	2015
	(in millions)		
Net sales	\$ 4,849	\$ 4,486	\$ 4,407
Operating expenses:			
Cost of sales	3,881	3,689	3,557
Selling, general and administrative	408	299	312
Amortization	16	17	23
Restructuring (Note 10)	98	161	112
Total operating expenses	4,403	4,166	4,004
Operating income	446	320	403
Interest expense	(15)	(1)	(3)
Other expense, net (Note 18)	(11)	(1)	(2)
Income before income taxes and equity income	420	318	398
Income tax expense	(106)	(50)	(92)
Income before equity income	314	268	306
Equity income, net of tax	5	—	—
Net income	319	268	306
Net income attributable to noncontrolling interest	34	32	34
Net income attributable to Delphi Technologies	\$ 285	\$ 236	\$ 272
Net income per share attributable to Delphi Technologies:			
Basic	\$ 3.22	\$ 2.66	\$ 3.07
Diluted	\$ 3.21	\$ 2.66	\$ 3.07
Weighted average ordinary shares outstanding:			
Basic	88.61	88.61	88.61
Diluted	88.66	88.61	88.61

See notes to consolidated financial statements.

DELPHI TECHNOLOGIES PLC
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended December 31,		
	2017	2016	2015
	(in millions)		
Net income	\$ 319	\$ 268	\$ 306
Other comprehensive income (loss):			
Currency translation adjustments	72	(84)	(151)
Employee benefit plans adjustment, net of tax (Note 16)	6	(135)	15
Other comprehensive income (loss), net of tax	78	(219)	(136)
Comprehensive income	397	49	170
Comprehensive income attributable to noncontrolling interests	38	28	29
Comprehensive income attributable to Delphi Technologies	\$ 359	\$ 21	\$ 141

See notes to consolidated financial statements.

DELPHI TECHNOLOGIES PLC
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2017	2016
	(in millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 338	\$ 101
Restricted cash	1	—
Accounts receivable, net:		
Outside customers	1,090	803
Related parties	—	16
Inventories, net (Note 4)	498	374
Other current assets (Note 5)	131	108
Total current assets	<u>2,058</u>	<u>1,402</u>
Long-term assets:		
Property, net (Note 6)	1,316	1,142
Investments in affiliates	37	34
Intangible assets and goodwill, net (Note 7)	82	98
Deferred income taxes (Note 14)	178	146
Other long-term assets (Note 5)	122	77
Total long-term assets	<u>1,735</u>	<u>1,497</u>
Total assets	<u>\$ 3,793</u>	<u>\$ 2,899</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt (Note 11)	\$ 20	\$ 2
Accounts payable:		
Outside vendors	931	671
Related parties	—	78
Accrued liabilities (Note 8)	445	331
Total current liabilities	<u>1,396</u>	<u>1,082</u>
Long-term liabilities:		
Long-term debt (Note 11)	1,515	6
Pension and other postretirement benefit obligations (Note 12)	531	526
Other long-term liabilities (Note 8)	119	103
Total long-term liabilities	<u>2,165</u>	<u>635</u>
Total liabilities	<u>3,561</u>	<u>1,717</u>
Commitments and contingencies (Note 13)		
Shareholders' equity:		
Preferred shares, \$0.01 par value per share, 50,000,000 shares authorized, none issued and outstanding	—	—
Ordinary shares, \$0.01 par value per share, 1,200,000,000 shares authorized, 88,613,262 issued and outstanding as of December 31, 2017	1	—
Additional paid-in-capital	431	—
Retained earnings	7	—
Former Parent's net investment	—	1,737
Accumulated other comprehensive loss (Note 16)	(371)	(711)
Total Delphi Technologies shareholders' equity	<u>68</u>	<u>1,026</u>
Noncontrolling interest	164	156
Total shareholders' equity	<u>232</u>	<u>1,182</u>
Total liabilities and shareholders' equity	<u>\$ 3,793</u>	<u>\$ 2,899</u>

See notes to consolidated financial statements.

DELPHI TECHNOLOGIES PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2017	2016	2015
	(in millions)		
Cash flows from operating activities:			
Net income	\$ 319	\$ 268	\$ 306
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	185	193	166
Amortization	16	17	23
Restructuring expense, net of cash paid	10	(4)	60
Deferred income taxes	(7)	(12)	3
Pension and other postretirement benefit expenses	47	30	39
Income from equity method investments, net of dividends received	(5)	—	—
(Gain) loss on sale of assets	—	(4)	1
Share-based compensation	17	19	22
Changes in operating assets and liabilities:			
Accounts receivable, net	(271)	8	(23)
Inventories	(124)	(8)	(25)
Other assets	(82)	(23)	(5)
Accounts payable	201	(4)	52
Accrued and other long-term liabilities	148	(25)	(59)
Other, net	(17)	(31)	(77)
Pension contributions	(48)	(52)	(54)
Net cash provided by operating activities	389	372	429
Cash flows from investing activities:			
Capital expenditures	(197)	(171)	(201)
Proceeds from sale of property	10	9	20
Cost of technology investments	(1)	—	(20)
Increase in restricted cash	(1)	—	—
Net cash used in investing activities	(189)	(162)	(201)
Cash flows from financing activities:			
Net (repayments) proceeds under other short-term debt agreements	—	(2)	(5)
Proceeds from issuance of senior notes, net of discount and issuance costs	782	—	—
Proceeds from issuance of credit agreement, net of issuance costs	741	—	—
Dividend payments of consolidated affiliates to minority shareholders	(10)	(13)	(13)
Cash distributions paid to Former Parent	(1,328)	—	—
Other net transfers to Former Parent	(160)	(195)	(255)
Net cash provided by (used in) financing activities	25	(210)	(273)
Effect of exchange rate fluctuations on cash and cash equivalents	12	(7)	(8)
Increase (decrease) in cash and cash equivalents	237	(7)	(53)
Cash and cash equivalents at beginning of the year	101	108	161
Cash and cash equivalents at end of the year	\$ 338	\$ 101	\$ 108

See notes to consolidated financial statements.

DELPHI TECHNOLOGIES PLC
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Ordinary Shares		Additional Paid in Capital	Retained Earnings	Former Parent's Net Investment	Accumulated Other Comprehensive Loss	Total Delphi Technologies Shareholders' Equity	Noncontrolling Interest	Total Shareholders' Equity
	Number of Shares	Amount							
(in millions)									
Balance at December 31, 2014	—	\$ —	\$ —	\$ —	\$ 1,638	\$ (365)	\$ 1,273	\$ 167	\$ 1,440
Net income	—	—	—	—	272	—	272	34	306
Other comprehensive loss	—	—	—	—	—	(131)	(131)	(5)	(136)
Dividend payments of consolidated affiliates to minority shareholders	—	—	—	—	—	—	—	(35)	(35)
Share-based compensation	—	—	—	—	22	—	22	—	22
Net transfers to Former Parent	—	—	—	—	(255)	—	(255)	—	(255)
Balance at December 31, 2015	—	\$ —	\$ —	\$ —	\$ 1,677	\$ (496)	\$ 1,181	\$ 161	\$ 1,342
Net income	—	—	—	—	236	—	236	32	268
Other comprehensive loss	—	—	—	—	—	(215)	(215)	(4)	(219)
Dividend payments of consolidated affiliates to minority shareholders	—	—	—	—	—	—	—	(33)	(33)
Share-based compensation	—	—	—	—	19	—	19	—	19
Net transfers to Former Parent	—	—	—	—	(195)	—	(195)	—	(195)
Balance at December 31, 2016	—	\$ —	\$ —	\$ —	\$ 1,737	\$ (711)	\$ 1,026	\$ 156	\$ 1,182
Net income	—	—	—	7	278	—	285	34	319
Currency translation adjustments, net of tax	—	—	—	—	—	68	68	4	72
Employee benefit plans adjustment, net of tax	—	—	—	—	—	6	6	—	6
Reclassification of Former Parent's net investment and issuance of ordinary shares in connection with separation	89	1	430	—	(431)	—	—	—	—
Dividend payments of consolidated affiliates to minority shareholders	—	—	—	—	—	—	—	(30)	(30)
Share-based compensation	—	—	1	—	16	—	17	—	17
Net other change in Former Parent's net investment	—	—	—	—	(272)	266	(6)	—	(6)
Cash distributions to Former Parent	—	—	—	—	(1,328)	—	(1,328)	—	(1,328)
Balance at December 31, 2017	89	\$ 1	\$ 431	\$ 7	\$ —	\$ (371)	\$ 68	\$ 164	\$ 232

See notes to consolidated financial statements.

DELPHI TECHNOLOGIES PLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

References herein to “Delphi Technologies,” the “Company,” “we,” “us” and “our” refer to Delphi Technologies PLC, a public limited company formed under the laws of Jersey.

The Separation

On December 4, 2017, Delphi Technologies PLC became an independent, publicly traded company as a result of the separation of the Powertrain Systems segment, which included the aftermarket operations, from Delphi Automotive PLC (the “Former Parent”). The separation was completed in the form of a pro rata distribution to Delphi Automotive PLC shareholders of record on November 22, 2017 of 100% of the outstanding ordinary shares of Delphi Technologies PLC held by Delphi Automotive PLC (the “Separation”). Following the Separation, Delphi Automotive PLC changed its name to Aptiv PLC (“Aptiv”). Delphi Technologies’ ordinary shares began “regular way” trading on the New York Stock Exchange under the ticker symbol “DLPH” on December 5, 2017 (references hereinafter to “Delphi Technologies,” “we,” “us,” “our” or the “Company” include the results of the Former Parent’s Powertrain Systems segment).

Nature of Operations

Delphi Technologies is a leader in the development, design and manufacture of integrated powertrain technologies that optimize engine performance, increase vehicle efficiency, reduce emissions, improve driving performance, and support increasing electrification of vehicles. The Company is a global supplier to original equipment manufacturers (“OEMs”) seeking to manufacture vehicles that meet and exceed increasingly stringent global regulatory requirements and satisfy consumer demands for an enhanced user experience. We provide advanced fuel injection systems (“FIS”), actuators, valvetrain products, sensors, electronic control modules and power electronics technologies. Additionally, the Company offers a full spectrum of aftermarket products serving a global customer base.

Our comprehensive portfolio of advanced technologies and solutions for all propulsion systems are sold to global OEMs of both light vehicles (passenger cars, trucks and vans and sport-utility vehicles) and commercial vehicles (light-duty, medium-duty and heavy-duty trucks, commercial vans, buses and off-highway vehicles). The Delphi Technologies Aftermarket segment also manufactures and sells our technologies to leading aftermarket companies, including independent retailers and wholesale distributors. We supply a wide range of aftermarket products and services covering the fuel injection, electronics and engine management, maintenance, and test equipment and vehicle diagnostics categories. We also add aftermarket know-how in category management, logistics, training, marketing and other dedicated services to provide a full range of aftermarket solutions through vehicles’ lives.

Basis of Presentation

Prior to the Separation on December 4, 2017, the historical financial statements of Delphi Technologies were prepared on a stand-alone combined basis and were derived from Delphi Automotive PLC’s consolidated financial statements and accounting records as if the Powertrain Systems segment, which historically included Delphi Technologies Aftermarket, of the Former Parent had been part of Delphi Technologies for all periods presented. Accordingly, for periods prior to December 4, 2017, our financial statements are presented on a combined basis and for the periods subsequent to December 4, 2017 are presented on a consolidated basis (all periods hereinafter are referred to as “consolidated financial statements”). The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The Company’s historical financial statements for periods prior to December 4, 2017 reflect an allocation of expenses related to certain corporate functions of the Former Parent, including senior management, legal, human resources, finance and accounting, treasury, information technology services and support, cash management, payroll processing, pension and benefit administration and other shared services. These costs were allocated using methodologies that management believes were reasonable for the item being allocated. Allocation methodologies included direct usage when identifiable, as well as the Company’s relative share of revenues, headcount or functional spend as a percentage of the total. However, the allocations are not indicative of the actual expenses that would have been incurred had Delphi Technologies operated as a stand-alone publicly-traded company for the periods presented. Accordingly, the historical financial information presented for periods prior to December 4, 2017 may not be indicative of the results of operations or financial position that would have been achieved if Delphi Technologies had been a stand-alone publicly-traded company during the periods shown or of the Company’s performance for periods subsequent to December 4, 2017. Related party allocations are further described in Note 3. Related Party Transactions.

Prior to the Separation, transfers of cash to and from the Former Parent were reflected as a component of the Former Parent’s net investment in the consolidated financial statements. Cash and cash equivalents held by the Former Parent were not attributable to Delphi Technologies for any of the prior periods presented. Only cash amounts specifically attributable to Delphi

Technologies are reflected in the accompanying consolidated financial statements. Financing transactions related to the Company, prior to the Separation, are accounted for as a component of the Former Parent's net investment in the consolidated balance sheets and as a financing activity on the accompanying consolidated statements of cash flows.

Third-party debt obligations of the Former Parent and the corresponding interest costs related to those debt obligations, specifically those that relate to senior notes, term loans and revolving credit facilities, were not attributed to Delphi Technologies, as Delphi Technologies was not the legal obligor of such debt obligations. The only third-party debt obligations included in the consolidated financial statements are those for which the legal obligor is a legal entity within Delphi Technologies. None of the Company's assets were pledged as collateral under the Former Parent's debt obligations as of December 31, 2017 and December 31, 2016.

Prior to December 4, 2017, all intercompany transactions between the Company and the Former Parent were considered to be effectively settled in the historical financial statements at the time the transactions were recorded. As a result, the total net effect of the settlement of these intercompany transactions was reflected in the consolidated statements of cash flows as a financing activity and in the consolidated balance sheets as Former Parent's net investment in Delphi Technologies. As of December 31, 2017, outstanding transactions between Delphi Technologies and the Former Parent were reflected in the consolidated balance sheet outside of Former Parent's net investment.

In connection with the Separation, the Former Parent's net investment was reclassified within shareholders' equity and allocated between ordinary shares and additional paid-in capital based on the number of our ordinary shares outstanding at the distribution date.

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation —The consolidated financial statements as of and for the year ended December 31, 2017 include the accounts of Delphi Technologies' U.S. and non-U.S. subsidiaries and operations in which the Company holds a controlling financial or management interest and variable interest entities of which Delphi has determined that it is the primary beneficiary. All significant intercompany transactions and accounts within the Company's consolidated businesses have been eliminated. For periods prior to December 4, 2017, transactions between the Company and the Former Parent have been included in the financial statements within Former Parent net investment. Prior to December 4, 2017, expenses related to corporate allocations from the Former Parent to the Company were considered to be effectively settled for cash in the financial statements at the time the transaction was recorded. Prior to the Separation, transactions between the Company and the Former Parent's other subsidiaries were classified as related party, rather than intercompany, transactions within the consolidated financial statements.

Delphi Technologies' share of the earnings or losses of Delphi-TVS Diesel Systems Ltd (of which Delphi Technologies owns approximately 50%), a non-controlled affiliate located in India over which the Company exercises significant influence, is included in the consolidated operating results of Delphi Technologies using the equity method of accounting.

During the year ended December 31, 2015, Delphi Technologies made a \$20 million investment in Tula Technology, Inc. ("Tula"), an engine control software company, over which the Company does not exert significant influence. During the year ended December 31, 2017, Delphi Technologies made an additional \$1 million investment in Tula. The Company's investment in Tula is accounted for under the cost method, and is classified within other long-term assets in the consolidated balance sheets.

The Company monitors its investments in affiliates for indicators of other-than-temporary declines in value on an ongoing basis. If the Company determines that such a decline has occurred, an impairment loss is recorded, which is measured as the difference between carrying value and estimated fair value. Estimated fair value is generally determined using an income approach based on discounted cash flows or negotiated transaction values.

Use of estimates —The preparation of financial statements in conformity with U.S. GAAP requires the use of estimates and assumptions that affect amounts reported therein. Generally, matters subject to estimation and judgment include amounts related to accounts receivable realization, inventory obsolescence, asset impairments, useful lives of intangible and fixed assets, deferred tax asset valuation allowances, income taxes, pension benefit plan assumptions, accruals related to litigation, warranty costs, environmental remediation costs, worker's compensation accruals and healthcare accruals. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be based upon amounts that differ from those estimates.

Revenue recognition —Sales are recognized when there is evidence of a sales agreement, the delivery of goods has occurred, the sales price is fixed or determinable and the collectability of revenue is reasonably assured. Sales are generally recorded upon shipment of product to customers and transfer of title under standard commercial terms. In addition, if Delphi Technologies enters into retroactive price adjustments with its customers, these reductions to revenue are recorded when they

are determined to be probable and estimable. From time to time, Delphi Technologies enters into pricing agreements with its customers that provide for price reductions, some of which are conditional upon achieving certain criteria. In these instances, revenue is recognized based on the agreed-upon price at the time of shipment.

Sales incentives and allowances are recognized as a reduction to revenue at the time of the related sale. In addition, from time to time, Delphi Technologies makes payments to customers in conjunction with ongoing and future business. These payments to customers are generally recognized as a reduction to revenue at the time of the commitment to make these payments.

Shipping and handling fees billed to customers are included in net sales, while costs of shipping and handling are included in cost of sales.

Delphi Technologies collects and remits taxes assessed by different governmental authorities that are both imposed on and concurrent with a revenue-producing transaction between the Company and the Company's customers. These taxes may include, but are not limited to, sales, use, value-added, and some excise taxes. Delphi Technologies reports the collection of these taxes on a net basis (excluded from revenues).

Net income per share —Basic net income per share is computed by dividing net income attributable to Delphi Technologies by the weighted-average number of ordinary shares outstanding during the period. Diluted net income per share reflects the weighted average dilutive impact of all potentially dilutive securities from the date of issuance and is computed using the treasury stock method by dividing net income attributable to Delphi Technologies by the diluted weighted-average number of ordinary shares outstanding. For periods prior to the Separation, the denominator for basic and diluted net income per share was calculated using the 88.61 million Delphi Technologies ordinary shares outstanding immediately following the Separation. The same number of shares was used to calculate basic and diluted earnings per share in those periods since no Delphi Technologies equity awards were outstanding prior to the Separation. Refer to Note 15. Shareholders' Equity and Net Income Per Share for additional information including the calculation of basic and diluted net income per share.

Rebates —The Company accrues for rebates pursuant to specific arrangements primarily with certain of its aftermarket customers. Rebates generally provide for price reductions based upon the achievement of specified purchase volumes and are recorded as a reduction of sales as earned by such customers.

Research and development —Costs are incurred in connection with research and development programs that are expected to contribute to future earnings. Such costs are charged against income as incurred. Total research and development expenses, including engineering, net of customer reimbursements, were approximately \$420 million, \$424 million and \$443 million for the years ended December 31, 2017, 2016 and 2015, respectively.

Cash and cash equivalents —Cash and cash equivalents are defined as short-term, highly liquid investments with original maturities of three months or less.

Restricted cash —Restricted cash includes balances on deposit at financial institutions that have issued letters of credit in favor of Delphi Technologies.

Accounts receivable —Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company generally does not require collateral for its trade receivables.

Sales of receivables are accounted for in accordance with the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 860, *Transfers and Servicing* ("ASC 860"). Agreements which result in true sales of the transferred receivables, as defined in ASC 860, which occur when receivables are transferred without recourse to the Company, are excluded from amounts reported in the consolidated balance sheets. Cash proceeds received from such sales are included in operating cash flows. Agreements that allow the Company to maintain effective control over the transferred receivables and which do not qualify as a sale, as defined in ASC 860, are accounted for as secured borrowings and recorded in the consolidated balance sheets within accounts receivable, net and short-term debt. The expenses associated with receivables factoring are recorded in the consolidated statements of operations within interest expense.

The Company exchanges certain amounts of accounts receivable, primarily in the Asia Pacific region, for bank notes with original maturities greater than three months. The collection of such bank notes are included in operating cash flows based on the substance of the underlying transactions, which are operating in nature. Bank notes held by the Company with original maturities of three months or less are classified as cash and cash equivalents within the consolidated balance sheet, and those with original maturities of greater than three months are classified as notes receivable within other current assets. The Company may hold such bank notes until maturity, exchange them with suppliers to settle liabilities, or sell them to third party financial institutions in exchange for cash.

The allowance for doubtful accounts is established based upon analysis of trade receivables for known collectability issues, the aging of the trade receivables at the end of each period and, generally, all accounts receivable balances greater than 90 days past due are fully reserved. As of December 31, 2017 and 2016, the allowance for doubtful accounts was \$16 million and \$9

million , respectively, and the provision for doubtful accounts was \$8 million , \$2 million , and \$5 million for the years ended December 31, 2017 , 2016 and 2015 , respectively.

Inventories —Inventories are stated at the lower of cost, determined on a first-in, first-out basis, or net realizable value, including direct material costs and direct and indirect manufacturing costs. Refer to Note 4. Inventories for additional information. Obsolete inventory is identified based on analysis of inventory for known obsolescence issues, and, generally, the market value of inventory on hand in excess of one year's supply is fully-reserved.

From time to time, payments may be received from suppliers. These payments from suppliers are recognized as a reduction of the cost of the material acquired during the period to which the payments relate. In some instances, supplier rebates are received in conjunction with or concurrent with the negotiation of future purchase agreements and these amounts are amortized over the prospective agreement period.

Property —Major improvements that materially extend the useful life of property are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred. Depreciation is determined based on a straight-line method over the estimated useful lives of groups of property. Leasehold improvements under capital leases are depreciated over the period of the lease or the life of the property, whichever is shorter. Refer to Note 6. Property, Net for additional information.

Pre-production costs related to long-term supply agreements —The Company incurs pre-production engineering, development and tooling costs related to products produced for its customers under long-term supply agreements. Engineering, testing and other costs incurred in the design and development of production parts are expensed as incurred, unless the costs are reimbursable, as specified in a customer contract. As of December 31, 2017 and 2016 , \$20 million and \$16 million of such contractually reimbursable costs were capitalized, respectively. These amounts are recorded within other current and other long-term assets in the consolidated balance sheets, as further detailed in Note 5. Assets.

Special tools represent Delphi Technologies-owned tools, dies, jigs and other items used in the manufacture of customer components that will be sold under long-term supply arrangements, the costs of which are capitalized within property, plant and equipment if the Company has title to the assets. Special tools also include capitalized unreimbursed pre-production tooling costs related to customer-owned tools for which the customer has provided Delphi Technologies a non-cancellable right to use the tool. Delphi Technologies-owned special tools balances are depreciated over the expected life of the special tool or the life of the related vehicle program, whichever is shorter. The unreimbursed costs incurred related to customer-owned special tools that are not subject to reimbursement are capitalized and depreciated over the expected life of the special tool or the life of the related vehicle program, whichever is shorter. At December 31, 2017 and 2016 , the special tools balance, net of accumulated depreciation, was \$113 million and \$110 million , respectively, included within property, net in the consolidated balance sheets. As of December 31, 2017 and 2016 , the Delphi Technologies-owned special tools balances were \$103 million and \$94 million , respectively, and the customer-owned special tools balances were \$10 million and \$16 million , respectively.

Valuation of long-lived assets —The carrying value of long-lived assets held for use, including definite-lived intangible assets, is periodically evaluated when events or circumstances warrant such a review. The carrying value of a long-lived asset held for use is considered impaired when the anticipated separately identifiable undiscounted cash flows from the asset are less than the carrying value of the asset. In that event, a loss is recognized based on the amount by which the carrying value exceeds the estimated fair value of the long-lived asset. Impairment losses on long-lived assets held for sale are recognized if the carrying value of the asset is in excess of the asset's estimated fair value, reduced for the cost to dispose of the asset. Fair value of long-lived assets is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved (an income approach), and in certain situations the Company's review of appraisals (a market approach). Refer to Note 6. Property, Net for additional information.

Fair value measurements —The fair values of cash and cash equivalents, accounts and notes receivable, accounts payable, and debt approximates book value. Refer to Note 17. Fair Value of Financial Instruments for the fair values of other financial instruments and obligations.

Intangible assets —The Company has definite-lived intangible assets related to patents and developed technology, customer relationships and trade names. The Company amortizes definite-lived intangible assets over their estimated useful lives. Costs to renew or extend the term of acquired intangible assets are recognized as expense as incurred. No intangible asset impairments were recorded in 2017 , 2016 or 2015 . Refer to Note 7. Intangible Assets and Goodwill for additional information.

Goodwill —Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired in business combinations. The Company tests goodwill for impairment annually in the fourth quarter, or more frequently when indications of potential impairment exist. The Company monitors the existence of potential impairment indicators throughout the fiscal year. The Company tests for goodwill impairment at the reporting unit level. Our reporting units are the components of operating segments which constitute businesses for which discrete financial information is available and is regularly reviewed by segment management.

The impairment test involves first qualitatively assessing goodwill for impairment. If the qualitative assessment is not met we then perform a quantitative assessment by first comparing the estimated fair value of each reporting unit to its carrying value, including goodwill. Fair value reflects the price a market participant would be willing to pay in a potential sale of the reporting unit. If the estimated fair value exceeds carrying value, then we conclude that no goodwill impairment has occurred. If the carrying value of the reporting unit exceeds its estimated fair value, a second step is required to measure possible goodwill impairment loss. The second step includes hypothetically valuing the tangible and intangible assets and liabilities of the reporting unit as if the reporting unit had been acquired in a business combination. Then, the implied fair value of the reporting unit's goodwill is compared to the carrying value of that goodwill. If the carrying value of the reporting unit's goodwill exceeds the implied fair value of the goodwill, we recognize an impairment loss in an amount equal to the excess, not to exceed the carrying value. Refer to Note 7. Intangible Assets and Goodwill for additional information.

Goodwill impairment—In the fourth quarter of 2017 and 2016, the Company completed a qualitative goodwill impairment assessment, and after evaluating the results, events and circumstances of the Company, the Company concluded that sufficient evidence existed to assert qualitatively that it was more likely than not that the estimated fair value of each reporting unit remained in excess of its carrying values. Therefore, a two-step impairment assessment was not necessary. No goodwill impairments were recorded in 2017, 2016 or 2015. Refer to Note 7. Intangible Assets and Goodwill for additional information.

Warranty and product recalls—Expected warranty costs for products sold are recognized at the time of sale of the product based on an estimate of the amount that eventually will be required to settle such obligations. These accruals are based on factors such as past experience, production changes, industry developments and various other considerations. Costs of product recalls, which may include the cost of the product being replaced as well as the customer's cost of the recall, including labor to remove and replace the recalled part, are accrued as part of our warranty accrual at the time an obligation becomes probable and can be reasonably estimated. These estimates are adjusted from time to time based on facts and circumstances that impact the status of existing claims. Refer to Note 9. Warranty Obligations for additional information.

Income taxes—As described in Note 14. Income Taxes, prior to the Separation the Company's domestic and foreign operating results were included in the income tax returns of the Former Parent, and the Company accounted for income taxes under the separate return method. Under this approach, the Company determined its deferred tax assets and liabilities and related tax expense as if it were filing separate tax returns.

Deferred tax assets and liabilities reflect temporary differences between the amount of assets and liabilities for financial and tax reporting purposes. Such amounts are adjusted, as appropriate, to reflect changes in tax rates expected to be in effect when the temporary differences reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date. A valuation allowance is recorded to reduce deferred tax assets to the amount that is more likely than not to be realized. In the event the Company determines it is more likely than not that the deferred tax assets will not be realized in the future, the valuation allowance adjustment to the deferred tax assets will be charged to earnings in the period in which we make such a determination. In determining the provision for income taxes for financial statement purposes, the Company makes certain estimates and judgments which affect its evaluation of the carrying value of its deferred tax assets, as well as its calculation of certain tax liabilities. Refer to Note. 14. Income Taxes for additional information.

Foreign currency translation—Assets and liabilities of non-U.S. subsidiaries that use a currency other than U.S. dollars as their functional currency are translated to U.S. dollars at end-of-period currency exchange rates. The consolidated statements of operations of non-U.S. subsidiaries are translated to U.S. dollars at average-period currency exchange rates. The effect of translation for non-U.S. subsidiaries is generally reported in other comprehensive income ("OCI"). The effect of remeasurement of assets and liabilities of non-U.S. subsidiaries that use the U.S. dollar as their functional currency is primarily included in cost of sales. Also included in cost of sales are gains and losses arising from transactions denominated in a currency other than the functional currency of a particular entity. Net foreign currency transaction (gains) and losses of \$(9) million, \$11 million and \$5 million were included as a component of cost of goods sold and other income (expense) in the consolidated statements of operations for the years ended December 31, 2017, 2016 and 2015, respectively.

Restructuring—The Company continually evaluates alternatives to align the business with the changing needs of its customers and to lower operating costs. This includes the realignment of its existing manufacturing capacity, facility closures, or similar actions, either in the normal course of business or pursuant to significant restructuring programs. These actions may result in employees receiving voluntary or involuntary employee termination benefits, which are mainly pursuant to union or other contractual agreements. Voluntary termination benefits are accrued when an employee accepts the related offer. Involuntary termination benefits are accrued upon the commitment to a termination plan and when the benefit arrangement is communicated to affected employees, or when liabilities are determined to be probable and estimable, depending on the existence of a substantive plan for severance or termination. Contract termination costs are recorded when contracts are terminated or when Delphi Technologies ceases to use the leased facility and no longer derives economic benefit from the contract. All other exit costs are expensed as incurred. Refer to Note 10. Restructuring for additional information.

Environmental liabilities —Environmental remediation liabilities are recognized when a loss is probable and can be reasonably estimated. Such liabilities generally are not subject to insurance coverage. The cost of each environmental remediation is estimated by engineering, financial, and legal specialists based on current law and considers the estimated cost of investigation and remediation required and the likelihood that, where applicable, other responsible parties will be able to fulfill their commitments. The process of estimating environmental remediation liabilities is complex and dependent primarily on the nature and extent of historical information and physical data relating to a contaminated site, the complexity of the site, the uncertainty as to what remediation and technology will be required, and the outcome of discussions with regulatory agencies and, if applicable, other responsible parties at multi-party sites. In future periods, new laws or regulations, advances in remediation technologies and additional information about the ultimate remediation methodology to be used could significantly change estimates by Delphi Technologies. Refer to Note 13. Commitments and Contingencies for additional information.

Customer concentrations —There were no customers with greater than 10% of our net sales for the years ended December 31, 2017 and 2016. For the year ended December 31, 2015, Hyundai Motor Company and Daimler AG accounted for 11% and 10% of net sales, respectively.

Derivative financial instruments —Prior to the Separation, the Former Parent centrally managed its exposure to fluctuations in currency exchange rates and certain commodity prices by entering into a variety of forward contracts and swaps with various counterparties. Such financial exposures were managed in accordance with the policies and procedures of the Former Parent and accounted for in accordance with ASC Topic 815, *Derivatives and Hedging*. Delphi Technologies has not entered into any derivative transactions, contracts, options, or swaps. Due to the Company's participation in the Former Parent's hedging program, the Company was allocated a portion of the impact from these activities. Based on the exposure levels related to Delphi Technologies, the Company recorded gains (losses) of \$16 million, \$6 million and \$(16) million in cost of sales for the years ended December 31, 2017, 2016 and 2015, respectively.

Asset retirement obligations —Asset retirement obligations are recognized in accordance with FASB ASC 410, *Asset Retirement and Environmental Obligations*. Conditional retirement obligations have been identified primarily related to asbestos abatement at certain sites. To a lesser extent, conditional retirement obligations also exist at certain sites related to the removal of storage tanks and other disposal costs. Asset retirement obligations were \$2 million at December 31, 2017 and 2016.

Extended disability benefits —Costs associated with extended disability benefits provided to inactive employees are accrued throughout the duration of their active employment. Workforce demographic data and historical experience are utilized to develop projections of time frames and related expense for postemployment benefits. Prior to the Separation, the estimated costs associated with extended disability benefits provided to inactive employees were allocated to Delphi Technologies based on its relative portion of participants.

Workers' compensation benefits —Workers' compensation benefit accruals are actuarially determined and are subject to the existing workers' compensation laws that vary by location. Accruals for workers' compensation benefits represent the discounted future cash expenditures expected during the period between the incidents necessitating the employees to be idled and the time when such employees return to work, are eligible for retirement or otherwise terminate their employment.

Share-based compensation —The Delphi Technologies PLC Long-Term Incentive Plan (the "PLC LTIP") allows for the grant of share-based awards for long-term compensation to the employees, directors, consultants and advisors of the Company. The Company had no share-based compensation plans prior to the Separation; however certain of our employees and non-employee directors participated in the Former Parent's share-based compensation arrangement, the Delphi Automotive PLC Long-Term Incentive Plan, as amended and restated effective April 23, 2015 (the "Former Parent Plan"). Grants of restricted stock units ("RSUs") to executives and non-employee directors were made under the Former Parent Plan in each year from 2012 to 2017. Outstanding awards at the time of the Separation were converted to awards under the PLC LTIP as further discussed in Note 19. Share-Based Compensation.

Share-based compensation expense within the consolidated financial statements for periods prior to the Separation was allocated to Delphi Technologies based on the awards and terms previously granted to Delphi Technologies employees while part of the Former Parent, and includes the cost of Delphi Technologies employees who participated in the Former Parent's Plan, as well as an allocated portion of the cost of the Former Parent's senior management awards.

The RSU awards to executives include a time-based vesting portion and a performance-based vesting portion. The performance-based vesting portion includes performance and market conditions in addition to service conditions. The grant date fair value of the RSUs is determined based on the closing price of the underlying ordinary shares on the date of the grant of the award, including an estimate for forfeitures, and a contemporaneous valuation performed by an independent valuation specialist with respect to awards with market conditions. The Company accounts for compensation expense based upon the grant date fair value of the awards applied to the best estimate of ultimate performance against the respective targets on a straight-line basis over the requisite vesting period of the awards. The performance conditions require management to make assumptions regarding the likelihood of achieving certain performance goals. Changes in these performance assumptions, as

well as differences in actual results from management's estimates, could result in estimated or actual values different from previously estimated fair values.

Modifications to the terms of share-based awards are treated as an exchange of the original award for a new award resulting in total compensation cost equal to the grant-date fair value of the original award plus any incremental value of the modification to the award. The calculation of the incremental value is based on the excess of the fair value of the new (modified) award based on current circumstances over the fair value of the original award measured immediately before its terms are modified based on current circumstances. To the extent there is incremental compensation cost relating to the newly modified award, it is recognized ratably over the requisite service period. Refer to Note 19. Share-Based Compensation for additional information.

Pension and Other Post-Retirement Benefits (OPEB)—Certain of the Company's non-U.S. subsidiaries sponsor defined-benefit plans, which generally provide benefits based on negotiated amounts for each year of service. Certain Delphi Technologies employees, primarily in the United Kingdom ("U.K."), France, Mexico and Turkey, participate in these plans (collectively, the "Direct Plans"). The Direct Plans, which relate solely to the Company, are included within the consolidated financial statements. In addition to the Direct Plans, prior to the Separation certain of the Company's employees in Germany and the U.S. participated in defined benefit pension plans (collectively, the "Shared Plans") sponsored by the Former Parent that included Delphi Technologies employees as well as employees of other subsidiaries of the Former Parent. Under the guidance in ASC 715, *Compensation—Retirement Benefits*, the Company accounted for the Shared Plans as multiemployer plans, and accordingly did not record an asset or liability to recognize the funded status of the Shared Plans in periods prior to the Separation. The related pension and other postemployment expenses of the Shared Plans were charged to Delphi Technologies based primarily on the service cost of active participants. These expenses were funded through transactions with the Former Parent that are reflected within the Former Parent net investment in the consolidated financial statements. Following the Separation, Delphi Technologies' portion of the defined-benefit pension plans were separated from the Former Parent's defined benefit pension plans. As a result, the funded status for each plan is reflected in the Company's consolidated balance sheet as of December 31, 2017. Refer to Note 12. Pension Benefits for additional information.

Recently adopted accounting pronouncements—Delphi Technologies adopted ASU 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*, in the first quarter of 2017 on a prospective basis. This guidance requires an entity to measure inventory at the lower of cost and net realizable value, rather than at the lower of cost or market. The adoption of this guidance did not have a significant impact on the Company's consolidated financial statements.

Delphi Technologies adopted ASU 2016-05, *Derivatives and Hedging (Topic 815): Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships* ("ASU 2016-05") and ASU 2016-06, *Derivatives and Hedging (Topic 815): Contingent Put and Call Options in Debt Instruments* ("ASU 2016-06") in the first quarter of 2017 on a prospective basis. ASU 2016-05 clarifies that a change in the counterparty to a derivative instrument that has been designated as a hedging instrument does not, in and of itself, require dedesignation of that hedging relationship provided that all other hedge accounting criteria continue to be met. ASU 2016-06 also clarifies the steps required to determine bifurcation of an embedded derivative. The adoption of this guidance did not have a significant impact on the Company's consolidated financial statements.

Delphi Technologies adopted ASU 2016-09, *Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09") in the first quarter of 2017. This guidance contains multiple updates related to the accounting and financial statement presentation of share-based payment transactions. The provisions of ASU 2016-09 related to the timing of when excess tax benefits are recognized were adopted using a modified retrospective transition method by means of an immaterial cumulative-effect adjustment to Former Parent's net investment as of January 1, 2017. On a prospective basis, excess tax benefits will be recognized as income tax expense in the period in which the awards vest, as opposed to being recognized in additional paid-in capital when the deduction reduces taxes payable. Such excess tax benefits will be classified as an operating activity within the consolidated statement of cash flows prospectively, as opposed to a financing activity. The adoption of ASU 2016-09 did not materially impact the Company's financial position, results of operations, equity or cash flows.

Delphi Technologies adopted ASU 2017-07, *Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* ("ASU 2017-07") in the first quarter of 2017. ASU 2017-07 changes the presentation of net periodic pension and postretirement benefit cost in the income statement. Under the new guidance, employers present the service cost component of the net periodic benefit cost in the same income statement line items as other employee compensation costs for services rendered during the period. In addition, only the service cost component is eligible for capitalization as an asset. Employers present the other components of net periodic benefit cost separately from the line items that include the service cost component and outside of operating income. The new guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted as of the beginning of an annual period. The new guidance related to the presentation of the components of net periodic benefit cost within the income statement will be applied retrospectively. The new guidance limiting the capitalization of net periodic benefit cost in assets to the service cost component will be applied prospectively. As permitted, the Company elected to early adopt this guidance effective January 1, 2017, and has reclassified the components of net periodic pension and

postretirement benefit cost other than service costs from cost of goods sold and selling, general and administrative expense to other expense within the consolidated statement of operations for all periods presented. The adoption of this guidance resulted in the reclassification of \$1 million and \$1 million of net periodic benefit cost components other than service cost from operating expense to other expense for the years ended December 31, 2016 and 2015, respectively, and had no impact on net income attributable to Delphi Technologies. Approximately \$13 million of net periodic benefit cost components other than service cost are included within other expense for the year ended December 31, 2017. Refer to Note 12. Pension Benefits for further detail of the components of net periodic benefit costs.

Recently issued accounting pronouncements not yet adopted—In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. This ASU supersedes most of the existing guidance on revenue recognition in Accounting Standards Codification (“ASC”) Topic 605, *Revenue Recognition* and establishes a broad principle that would require an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve this principle, an entity identifies the contract with a customer, identifies the separate performance obligations in the contract, determines the transaction price, allocates the transaction price to the separate performance obligations and recognizes revenue when each separate performance obligation is satisfied. The FASB has subsequently issued additional ASUs to clarify certain elements of the new revenue recognition guidance. The guidance is effective for fiscal years beginning after December 15, 2017, and is to be applied retrospectively using one of two transition methods at the entity’s election. The full retrospective method requires companies to recast each prior reporting period presented as if the new guidance had always existed. Under the modified retrospective method, companies would recognize the cumulative effect of initially applying the standard as an adjustment to opening retained earnings at the date of initial application.

The Company has continued to monitor FASB activity related to the new standard, and has worked with various non-authoritative industry groups to assess certain interpretative issues and the associated implementation of the new revenue standard. The Company has drafted its accounting policy for the new revenue standard based on a detailed review of its business and contracts. While the Company continues to assess all potential impacts of the new standard, we do not currently expect that the adoption of the new revenue standard will have a material impact on our revenues, results of operations or financial position. As a result of the adoption of this standard, the Company expects to make additional disclosures related to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers as required by the new standard. The Company plans to adopt the new revenue standard effective January 1, 2018. The Company currently intends to adopt the new standard using the modified retrospective method and continues to evaluate the effect of the standard on our ongoing financial reporting.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. This guidance makes targeted improvements to existing U.S. GAAP for financial instruments, including requiring equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income as opposed to other comprehensive income; requiring entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes; requiring separate presentation of financial assets and financial liabilities by measurement category and form of financial asset and requiring entities to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk (also referred to as “own credit”) when the organization has elected to measure the liability at fair value in accordance with the fair value option. The new guidance is effective for public companies for fiscal years beginning after December 15, 2017 by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year adoption. Early adoption of the own credit provision is permitted. The Company is currently evaluating the impact that the adoption of this guidance will have on its consolidated financial statements; however, based on the nature of financial instruments held by Delphi Technologies as of December 31, 2017, the Company does not currently expect that the adoption of ASU 2016-01 will have a material impact on its financial position, results of operations or cash flows. The Company will continue to evaluate any changes in its investments or market conditions, and the related potential impacts of the adoption of ASU 2016-01.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. Under this guidance, lessees will be required to recognize on the balance sheet a lease liability and a right-of-use asset for all leases, with the exception of short-term leases. The lease liability represents the lessee’s obligation to make lease payments arising from a lease, and will be measured as the present value of the lease payments. The right-of-use asset represents the lessee’s right to use a specified asset for the lease term, and will be measured at the lease liability amount, adjusted for lease prepayment, lease incentives received and the lessee’s initial direct costs. The standard also requires a lessee to recognize a single lease cost allocated over the lease term, generally on a straight-line basis. The new guidance is effective for fiscal years beginning after December 15, 2018. ASU 2016-02 is required to be applied using the modified retrospective approach for all leases existing as of the effective date and provides for certain practical expedients. Early adoption is permitted. The Company is currently evaluating the effects that the adoption of ASU 2016-02 will have on the Company’s consolidated financial statements, and anticipates the new guidance will

significantly impact its consolidated financial statements as the Company has a significant number of operating leases. As further described in Note 13. Commitments and Contingencies, as of December 31, 2017, the Company had minimum lease commitments under non-cancellable operating leases totaling \$85 million.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This guidance requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions and reasonable and supportable forecasts. This guidance also requires enhanced disclosures regarding significant estimates and judgments used in estimating credit losses. The new guidance is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. The Company is currently evaluating the impact that the adoption of this guidance will have on its consolidated financial statements.

In September 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. This guidance clarifies the presentation requirements of eight specific issues within the statement of cash flows. The new guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted. The adoption of this guidance is not expected to have a significant impact on the Company's financial statements, as the Company's treatment of the relevant affected items within its consolidated statement of cash flows is consistent with the requirements of this guidance.

In October 2016, the FASB issued ASU 2016-16, *Accounting for Income Taxes: Intra-Entity Asset Transfers of Assets Other than Inventory*. This guidance requires that the tax effects of all intra-entity sales of assets other than inventory be recognized in the period in which the transaction occurs. The new guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption as of the beginning of an annual reporting period is permitted. The guidance is to be applied on a modified retrospective basis through a cumulative-effect adjustment to retained earnings as of the beginning of the period of adoption. The adoption of this guidance is not expected to have a significant impact on the Company's consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. This guidance requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and restricted cash. As a result, restricted cash will be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The new guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, and the new guidance is to be applied retrospectively. The adoption of this guidance is not expected to have a significant impact on the Company's consolidated financial statements, other than the classification of restricted cash within the beginning-of-period and end-of-period totals on the consolidated cash flows, as opposed to being excluded from these totals.

In January 2017, the FASB issued ASU 2017-04, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. This guidance simplifies how an entity is required to test goodwill for impairment by eliminating step two from the goodwill impairment test, which measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount. Under the new guidance, if a reporting unit's carrying amount exceeds its fair value, an entity will record an impairment charge based on that difference. The impairment charge will be limited to the amount of goodwill allocated to that reporting unit. The standard will be applied prospectively and is effective for annual and interim impairment tests performed in periods beginning after December 15, 2019. Early adoption is permitted. The Company is currently evaluating the impact of adopting this standard on its financial statements, but does not anticipate a material impact. As this standard is prospective in nature, the impact to the Company's consolidated financial statements of not performing a step two in order to measure the amount of any potential goodwill impairment will depend on various factors associated with the Company's assessment of goodwill for impairment in those future periods.

In August 2017, the FASB issued ASU 2017-12, *Derivatives and Hedging—Targeted Improvements to Accounting for Hedging Activities* ("ASU 2017-12") in the fourth quarter of 2017. This guidance expands and refines the application of hedge accounting for both non-financial and financial risk components and aligns the recognition and presentation of the effects of the hedging instrument and the hedged item in the financial statements. The standard is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The adoption of this guidance is not expected to have a significant impact on the Company's consolidated financial statements as the Company has not entered into any derivative transactions. The Company will continue to evaluate the need for derivative instruments and the related potential impacts that the adoption of this guidance will have on its consolidated financial statements.

3. RELATED PARTY TRANSACTIONS

Prior to the Separation, our transactions with the Former Parent were considered related party transactions. In connection with the Separation, we entered into a number of agreements with the Former Parent to govern the Separation and provide a framework for the relationship between the parties going forward, including a Transition Services Agreement, Contract Manufacturing Services Agreements, a Tax Matters Agreement and an Employee Matters Agreement.

In connection with the Separation, the Company paid a dividend of approximately \$1,148 million to the Former Parent. Also in connection with the Separation, the Company paid \$180 million to the Former Parent pursuant to the Tax Matters Agreement with respect to taxes incurred in connection with transactions comprising the Separation.

Related Party Sales and Purchases in the Ordinary Course of Business

Prior to the Separation, in the ordinary course of business, the Company entered into transactions with the Former Parent and certain of its subsidiaries for the sale or purchase of goods, as well as other arrangements, such as providing engineering services for other subsidiaries of the Former Parent. Subsequent to the Separation, transactions with the Former Parent and its affiliates represent third-party transactions.

Net sales of products from Delphi Technologies to other affiliates of the Former Parent totaled \$1 million, \$1 million and \$1 million for the years ended December 31, 2017, 2016 and 2015, respectively.

Total purchases from other affiliates of the Former Parent totaled \$29 million, prior to the Separation \$102 million and \$126 million for the years ended December 31, 2017, 2016 and 2015, respectively.

As of December 31, 2017 and 2016, the net amount due to affiliates of the Former Parent from related party transactions was \$0 million and \$62 million, respectively.

Allocation of Expenses Prior to the Separation

Prior to the Separation, certain services and functions including, but not limited to, senior management, legal, human resources, finance and accounting, treasury, information technology services and support, cash management, payroll processing, pension and benefit administration and other shared services were provided by the Former Parent. These costs were allocated using methodologies that management believes were reasonable for the item being allocated. Allocation methodologies included direct usage when identifiable, as well as the Company's relative share of revenues, headcount or functional spend as a percentage of the total. However, the expenses reflected are not indicative of the actual expenses that would have been incurred during the periods presented if the Company had operated as a stand-alone publicly-traded company. In addition, the expenses reflected in the financial statements may not be indicative of expenses the Company will incur in the future.

The total costs for services and functions allocated to the Company from the Former Parent for periods prior to the Separation were as follows:

	Year Ended December 31,		
	2017	2016	2015
		(in millions)	
Cost of sales	\$ 27	\$ 44	\$ 28
Selling, general and administrative	116	137	158
Total allocated cost from Former Parent	\$ 143	\$ 181	\$ 186

Additionally, prior to the Separation, the Company participated in a global cash pooling arrangement operated by the Former Parent, under which arrangement the working capital needs of the Company were managed. The majority of the Company's cash during these periods was transferred to the Former Parent, and the Former Parent funded the Company's operating and investing activities as necessary. The cumulative net transfers related to these transactions are recorded in Former Parent net investment in the consolidated financial statements.

4. INVENTORIES, NET

Inventories, net are stated at the lower of cost, determined on a first-in, first-out basis, or net realizable value, including direct material costs and direct and indirect manufacturing costs. A summary of inventories is shown below:

	December 31, 2017	December 31, 2016
	(in millions)	
Productive material	\$ 217	\$ 158
Work-in-process	35	41
Finished goods	246	175
Total	<u>\$ 498</u>	<u>\$ 374</u>

5. ASSETS

Other current assets consisted of the following:

	December 31, 2017	December 31, 2016
	(in millions)	
Value added tax receivable	\$ 59	\$ 48
Prepaid insurance and other expenses	6	4
Reimbursable engineering costs	20	16
Notes receivable	39	36
Income and other taxes receivable	5	1
Deposits to vendors	2	3
Total	<u>\$ 131</u>	<u>\$ 108</u>

Other long-term assets consisted of the following:

	December 31, 2017	December 31, 2016
	(in millions)	
Debt issuance costs	\$ 4	\$ —
Income and other taxes receivable	57	26
Value added tax receivable	1	—
Investment in Tula Technology, Inc. (Note 2)	21	20
Other	39	31
Total	<u>\$ 122</u>	<u>\$ 77</u>

6. PROPERTY, NET

Property, net is stated at cost less accumulated depreciation and amortization, and consisted of:

	Estimated Useful Lives (Years)	December 31,	
		2017	2016
		(in millions)	
Land	—	\$ 76	\$ 62
Land and leasehold improvements	3-20	26	30
Buildings	40	283	214
Machinery, equipment and tooling	3-20	1,810	1,541
Furniture and office equipment	3-10	64	48
Construction in progress	—	132	100
Total		2,391	1,995
Less: accumulated depreciation		(1,075)	(853)
Total property, net		\$ 1,316	\$ 1,142

For the year ended December 31, 2017, Delphi Technologies recorded asset impairment charges of \$12 million in cost of sales related to declines in the fair values of certain fixed assets. For the year ended December 31, 2016, Delphi Technologies recorded asset impairment charges of \$29 million in cost of sales related to declines in the fair values of certain fixed assets, \$25 million of which related to the closure of a European manufacturing site within the Powertrain Systems segment, as further described in Note 10. Restructuring. For the year ended December 31, 2015, \$9 million of asset impairment charges were recorded in costs of sales related to declines in the fair value of certain fixed assets.

7. INTANGIBLE ASSETS AND GOODWILL

The changes in the carrying amount of intangible assets and goodwill were as follows:

	Estimated Useful Lives (Years)	As of December 31, 2017			As of December 31, 2016		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
		(in millions)			(in millions)		
Amortized intangible assets:							
Patents and developed technology	6-12	\$ 135	\$ 96	\$ 39	\$ 139	\$ 90	\$ 49
Customer relationships	4-10	97	90	7	115	104	11
Trade names	5-20	48	19	29	48	16	32
Total		280	205	75	302	210	92
Unamortized intangible assets:							
Goodwill	—	7	—	7	6	—	6
Total		\$ 287	\$ 205	\$ 82	\$ 308	\$ 210	\$ 98

Estimated amortization expense for the years ending December 31, 2018 through 2022 is presented below:

	Year Ending December 31,				
	2018	2019	2020	2021	2022
	(in millions)				
Estimated amortization expense	\$ 14	\$ 13	\$ 12	\$ 9	\$ 2

A roll-forward of the gross carrying amounts of intangible assets for the years ended December 31, 2017 and 2016 is presented below.

	2017	2016
	(in millions)	
Balance at January 1	\$ 308	\$ 317
Net Former Parent transfer	(22)	—
Foreign currency translation	1	(9)
Balance at December 31	<u>\$ 287</u>	<u>\$ 308</u>

A roll-forward of the accumulated amortization for the years ended December 31, 2017 and 2016 is presented below:

	2017	2016
	(in millions)	
Balance at January 1	\$ 210	\$ 197
Amortization	16	17
Net Former Parent transfer	(22)	—
Foreign currency translation	1	(4)
Balance at December 31	<u>\$ 205</u>	<u>\$ 210</u>

8. LIABILITIES

Accrued liabilities consisted of the following:

	December 31, 2017	December 31, 2016
	(in millions)	
Payroll-related obligations	\$ 49	\$ 39
Employee benefits, including current pension obligations	29	28
Income and other taxes payable	63	39
Warranty obligations (Note 9)	64	51
Restructuring (Note 10)	54	62
Customer deposits	7	8
Freight	19	10
Outside services	14	10
Accrued interest	12	—
Deferred revenue	10	11
Accrued rebates	30	24
Other	94	49
Total	<u>\$ 445</u>	<u>\$ 331</u>

Other long-term liabilities consisted of the following:

	December 31, 2017	December 31, 2016
	(in millions)	
Environmental (Note 13)	\$ 3	\$ 1
Warranty obligations (Note 9)	33	45
Restructuring (Note 10)	47	21
Accrued income taxes	15	—
Deferred income taxes (Note 14)	14	17
Other	7	19
Total	\$ 119	\$ 103

9. WARRANTY OBLIGATIONS

Expected warranty costs for products sold are recognized principally at the time of sale of the product based on an estimate of the amount that will eventually be required to settle such obligations. These accruals are based on factors such as past experience, production changes, industry developments and various other considerations. The estimated costs related to product recalls based on a formal campaign soliciting return of that product are accrued at the time an obligation becomes probable and can be reasonably estimated. These estimates are adjusted from time to time based on facts and circumstances that impact the status of existing claims. Delphi Technologies has recognized its best estimate for its total aggregate warranty reserves, including product recall costs, across all of its operating segments as of December 31, 2017. The Company estimates the reasonably possible amount to ultimately resolve all matters in excess of the recorded reserves as of December 31, 2017 to be zero to \$15 million.

The table below summarizes the activity in the product warranty liability for the years ended December 31, 2017 and 2016:

	Year Ended December 31,	
	2017	2016
	(in millions)	
Accrual balance at beginning of year	\$ 96	\$ 100
Provision for estimated warranties incurred during the year	37	42
Changes in estimate for pre-existing warranties	6	16
Settlements made during the year (in cash or in kind)	(50)	(59)
Foreign currency translation and other	8	(3)
Accrual balance at end of year	\$ 97	\$ 96

During the year ended December 31, 2016, the Company recorded \$25 million pursuant to a settlement agreement reached with one of the Company's OEM customers regarding warranty claims related to certain components supplied by our Powertrain Systems segment.

10. RESTRUCTURING

The Company's restructuring activities are undertaken as necessary to implement management's strategy, streamline operations, take advantage of available capacity and resources, and ultimately achieve net cost reductions. These activities generally relate to the realignment of existing manufacturing capacity and closure of facilities and other exit or disposal activities, as it relates to executing Delphi Technologies' strategy, either in the normal course of business or pursuant to significant restructuring programs.

As part of the Company's continued efforts to optimize its cost structure, it has undertaken several restructuring programs which include workforce reductions as well as plant closures. These programs are primarily focused on the continued rotation of our manufacturing footprint to best-cost locations in Europe and on reducing global overhead costs. The Company recorded

employee-related and other restructuring charges related to these programs totaling approximately \$98 million during the year ended December 31, 2017 . These charges included approximately \$55 million of separation costs for approximately 500 employees due to the initiation of the closure of a Western European manufacturing site within the Powertrain Systems segment and approximately \$30 million related to other programs pursuant to the Company’s on-going European footprint rotation strategy. Cash payments for this restructuring action are expected to be principally completed by 2020.

During the year ended December 31, 2016 , the Company recorded employee-related and other restructuring charges related to these programs totaling approximately \$161 million . These charges included \$131 million for programs focused on the continued rotation of our manufacturing footprint to best-cost locations in Europe, \$93 million of which related to the closure of a European manufacturing site within the Powertrain Systems segment, associated with separation costs for approximately 500 employees. Charges for the program have been substantially completed, and cash payments for this plant closure were principally completed in 2017 . Additionally, the Company recognized non-cash asset impairment charges of \$25 million during the year ended December 31, 2016 related to this plant closure, which were recorded within cost of sales. Delphi Technologies also recorded restructuring costs of \$12 million in 2016 for programs implemented to reduce global overhead costs.

During the year ended December 31, 2015 , Delphi Technologies recorded employee-related and other restructuring charges totaling approximately \$112 million , primarily related to on-going restructuring programs focused on aligning manufacturing capacity with the levels of automotive production in Europe and South America, and the continued rotation of our manufacturing footprint to best-cost locations within these regions. These charges included the recognition of approximately \$68 million of employee-related and other costs related to the initiation of a workforce reduction at a European manufacturing site.

Restructuring charges for employee separation and termination benefits are paid either over the severance period or in a lump sum in accordance with either statutory requirements or individual agreements. Delphi Technologies incurred cash expenditures related to its restructuring programs of approximately \$88 million and \$165 million in the years ended December 31, 2017 and December 31, 2016 , respectively.

The following table summarizes the restructuring charges recorded for the years ended December 31, 2017 , 2016 and 2015 by operating segment:

	Year Ended December 31,		
	2017	2016	2015
	(in millions)		
Powertrain Systems	\$ 92	\$ 151	\$ 108
Delphi Technologies Aftermarket	6	10	4
Total	\$ 98	\$ 161	\$ 112

The table below summarizes the activity in the restructuring liability for the years ended December 31, 2017 and 2016 :

	Employee Termination Benefits Liability	Other Exit Costs Liability	Total
	(in millions)		
Accrual balance at January 1, 2016	\$ 92	\$ 2	\$ 94
Provision for estimated expenses incurred during the year	156	5	161
Payments made during the year	(162)	(3)	(165)
Foreign currency and other	(7)	—	(7)
Accrual balance at December 31, 2016	<u>\$ 79</u>	<u>\$ 4</u>	<u>\$ 83</u>
Provision for estimated expenses incurred during the year	\$ 90	\$ 8	\$ 98
Payments made during the year	(80)	(8)	(88)
Foreign currency and other	9	(1)	8
Accrual balance at December 31, 2017	<u>\$ 98</u>	<u>\$ 3</u>	<u>\$ 101</u>

11. DEBT

The following is a summary of debt outstanding, net of unamortized issuance costs and discounts, as of December 31, 2017 and December 31, 2016, respectively:

	December 31,	
	2017	2016
	(in millions)	
\$750 million Term Loan A Facility, due 2022 (net of \$5 and \$0 unamortized issuance costs)	\$ 745	\$ —
\$800 million Senior Notes at 5.00%, due 2025 (net of \$14 and \$0 unamortized issuance costs and \$4 and \$0 discount, respectively)	782	—
Other	8	8
Total debt	1,535	8
Less: current portion	(20)	(2)
Long-term debt	\$ 1,515	\$ 6

The principal maturities of debt, at nominal value, are as follows:

	Debt Obligations	
	(in millions)	
2018	\$	20
2019		43
2020		38
2021		75
2022		581
Thereafter		801
Total	\$	1,558

Credit Agreement

On September 7, 2017, Delphi Technologies and its wholly-owned subsidiary Delphi Powertrain Corporation entered into a credit agreement (the "Credit Agreement") with JPMorgan Chase Bank, N.A., as administrative agent (the "Administrative Agent"), with respect to \$1.25 billion in senior secured credit facilities. The Credit Agreement consists of a senior secured five-year \$750 million term loan facility (the "Term Loan A Facility") and a \$500 million five-year senior secured revolving credit facility (the "Revolving Credit Facility") (collectively, the "Credit Facilities") with the lenders party thereto and JPMorgan Chase Bank, N.A. Approximately \$9 million of issuance costs were incurred in connection with the Credit Agreement. As of December 31, 2017, there were no amounts drawn on the Revolving Credit Facility.

The Credit Facilities are subject to an interest rate, at our option, of either (a) the Administrative Agent's Alternate Base Rate ("ABR" as defined in the Credit Agreement) or (b) the London Interbank Offered Rate (the "Adjusted LIBOR Rate" as defined in the Credit Agreement) ("LIBOR"), in each case, plus an applicable margin that is based on our corporate credit ratings, as more particularly described below (the "Applicable Rate"). In addition, the Credit Agreement requires payment of additional interest on certain overdue obligations on terms and conditions customary for financings of this type. The interest rate period with respect to LIBOR interest rate options can be set at one-, two-, three-, or six-months as selected by us in accordance with the terms of the Credit Agreement (or other period as may be agreed by the applicable lenders), but payable no less than quarterly. We may elect to change the selected interest rate over the term of the Credit Facilities in accordance with the provisions of the Credit Agreement. The Applicable Rates under the Credit Agreement on the specified date are set forth below:

	December 31, 2017	
	LIBOR plus	ABR plus
Revolving Credit Facility	1.45%	0.45%
Term Loan A Facility	1.75%	0.75%

The applicable interest rate margins for the Term Loan A Facility will increase or decrease from time to time between 1.50% and 2.00% per annum (for LIBOR loans) and between 0.50% and 1.00% per annum (for ABR loans), in each case based upon changes to our corporate credit ratings. The applicable interest rate margins for the Revolving Credit Facility will increase or

decrease from time to time between 1.30% and 1.55% per annum (for LIBOR loans) and between 0.30% and 0.55% per annum (for ABR loans), in each case based upon changes to our corporate credit ratings. Accordingly, the Applicable Rates for the Credit Facilities will fluctuate during the term of the Credit Agreement based on changes in the ABR, LIBOR or future changes in our corporate credit ratings. The Credit Agreement also requires that we pay certain facility fees on the aggregate commitments under the Revolving Credit Facility and certain letter of credit issuance and fronting fees.

	<u>Applicable Rate</u>	<u>Borrowings as of December 31, 2017 (in millions)</u>	<u>Rates effective as of December 31, 2017</u>
Term Loan A Facility	LIBOR plus 1.75%	\$ 750	3.125%

Letters of credit are available for issuance under the Credit Agreement on terms and conditions customary for financings of this type, which issuances reduce availability under the Revolving Credit Facility. No such letters of credit were outstanding as of December 31, 2017.

We are obligated to make quarterly principal payments throughout the term of the Term Loan A Facility according to the amortization provisions in the Credit Agreement, as such payments may be reduced from time to time in accordance with the terms of the Credit Agreement as a result of the application of loan prepayments made by us, if any, prior to the scheduled date of payment thereof.

Borrowings under the Credit Agreement are prepayable at our option without premium or penalty. We may request that all or a portion of the Credit Facilities be converted to extend the scheduled maturity date(s) with respect to all or a portion of any principal amount of such Credit Facilities under certain conditions customary for financings of this type. The Credit Agreement also contains certain mandatory prepayment provisions in the event that we receive net cash proceeds from certain non-ordinary course asset sales, casualty events and debt offerings, in each case subject to terms and conditions customary for financings of this type.

The Credit Agreement contains certain affirmative and negative covenants customary for financings of this type that, among other things, limit our and our subsidiaries' ability to incur additional indebtedness or liens, to dispose of assets, to make certain fundamental changes, to designate subsidiaries as unrestricted, to make certain investments, to prepay certain indebtedness and to pay dividends, or to make other distributions or redemptions/repurchases, in respect of the our and our subsidiaries' equity interests. In addition, the Credit Agreement requires that we maintain a consolidated net leverage ratio (the ratio of Consolidated Total Indebtedness to Consolidated Adjusted EBITDA, each as defined in the Credit Agreement) of not greater than 3.5 to 1.0. The Credit Agreement also contains events of default customary for financings of this type, including certain customary change of control events. The Company was in compliance with the Credit Agreement covenants as of December 31, 2017.

The borrowers under the Credit Agreement comprise Delphi Technologies and its wholly-owned Delaware-organized subsidiary, Delphi Powertrain Corporation. Additional subsidiaries of Delphi Technologies may be added as co-borrowers or guarantors under the Credit Agreement from time to time on the terms and conditions set forth in the Credit Agreement. The obligations of each borrower under the Credit Agreement will be jointly and severally guaranteed by each other borrower and by certain of our existing and future direct and indirect subsidiaries, subject to certain exceptions customary for financings of this type. All obligations of the borrowers and the guarantors are secured by certain assets of such borrowers and guarantors, including a perfected first-priority pledge of all of the capital stock in Delphi Powertrain Corporation.

In addition, the Credit Agreement contains provisions pursuant to which, based upon our achievement of certain corporate credit ratings, certain covenants and/or our obligation to provide collateral to secure the Credit Facilities, will be suspended.

Senior Notes

On September 28, 2017, Delphi Technologies PLC issued \$800 million in aggregate principal amount of 5.00% senior unsecured notes due 2025 in a transaction exempt from registration under the Securities Act (the "Senior Notes"). The Senior Notes were priced at 99.5% of par, resulting in a yield to maturity of 5.077%. Approximately \$14 million of issuance costs were incurred in connection with the Senior Notes offering. Interest is payable semi-annually on April 1 and October 1 of each year to holders of record at the close of business on March 15 or September 15 immediately preceding the interest payment date. The proceeds received from the Senior Notes offering were deposited into escrow and subsequently released to Delphi Technologies PLC upon satisfaction of certain conditions, including completion of the Separation, in December 2017. From the date of the satisfaction of the escrow conditions, the notes are guaranteed, jointly and severally, on an unsecured basis, by each of our current and future domestic subsidiaries that guarantee our Credit Facilities, as described above. The proceeds from the Senior Notes, together with the proceeds from the borrowings under the Credit Agreement, were used to fund a dividend to the Former Parent, fund operating cash and pay taxes and related fees and expenses.

The Senior Notes indenture contains certain restrictive covenants, including with respect to Delphi Technologies' (and subsidiaries) ability to incur liens, enter into sale and leaseback transactions and merge with or into other entities. The Company was in compliance with the Senior Notes covenants as of December 31, 2017.

Other Financing

Receivable factoring —The Company entered into arrangements with various financial institutions to sell eligible trade receivables from certain aftermarket customers in North America. These arrangements can be terminated at any time subject to prior written notice. The receivables under these arrangements are sold without recourse to the Company and are therefore accounted for as true sales. During the years ended December 31, 2017 and 2016, \$92 million and \$123 million of receivables were sold under these arrangements, and expenses of \$3 million and \$3 million, respectively, were recognized within interest expense.

In addition, in 2016 one of the Company's European subsidiaries factored, without recourse, receivables related to certain foreign research tax credits to a financial institution. These transactions were accounted for as true sales of the receivables, and the Company therefore derecognized approximately \$22 million from other long-term assets in the consolidated balance sheet as of December 31, 2016, as a result of these transactions.

Capital leases —There were approximately \$1 million capital lease obligations outstanding as of December 31, 2017. As of December 31, 2016 there were no capital lease obligations outstanding.

Interest —Cash paid for interest totaled \$2 million, \$1 million and \$3 million for the years ended December 31, 2017, 2016 and 2015, respectively.

12. PENSION BENEFITS

The Company sponsors defined benefit pension plans for certain employees and retirees outside of the U.S. Using appropriate actuarial methods and assumptions, the Company's defined benefit pension plans are accounted for in accordance with FASB ASC Topic 715, *Compensation—Retirement Benefits*. The Company's primary non-U.S. plans are located in the U.K., France and Mexico. The U.K. and certain Mexican plans are funded. In addition, the Company has defined benefit plans in South Korea, Turkey and Italy for which amounts are payable to employees immediately upon separation. The obligations for these plans are recorded over the requisite service period. Delphi Technologies does not have any U.S. pension assets or liabilities.

In connection with the Separation, certain plans were separated and therefore Delphi Technologies transferred net benefit plan obligations of approximately \$10 million to the Former Parent that were previously recorded by Delphi Technologies legal entities.

Funded Status

The amounts shown below reflect the change in the non-U.S. defined benefit pension obligations during 2017 and 2016.

	Year Ended December 31,	
	2017	2016
	(in millions)	
Benefit obligation at beginning of year	\$ 1,405	\$ 1,277
Service cost	34	29
Interest cost	34	38
Actuarial loss	68	315
Benefits paid	(43)	(50)
Impact of curtailments	(20)	3
Transfer of plan obligations to Former Parent	(8)	—
Exchange rate movements and other	134	(207)
Benefit obligation at end of year	1,604	1,405
Change in plan assets:		
Fair value of plan assets at beginning of year	880	864
Actual return on plan assets	103	157
Contributions	48	52
Benefits paid	(43)	(50)
Net transfers from Former Parent	2	—
Exchange rate movements and other	84	(143)
Fair value of plan assets at end of year	1,074	880
Underfunded status	(530)	(525)
Amounts recognized in the consolidated balance sheets consist of:		
Non-current assets	—	1
Non-current liabilities	(530)	(526)
Total	(530)	(525)
Amounts recognized in accumulated other comprehensive income consist of (pre-tax):		
Actuarial loss	356	360
Prior service cost	—	1
Total	\$ 356	\$ 361

The projected benefit obligation (“PBO”), accumulated benefit obligation (“ABO”), and fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets and with plan assets in excess of accumulated benefit obligations are as follows:

	December 31,	
	2017	2016
(in millions)		
Plans with ABO in Excess of Plan Assets		
PBO	\$ 1,580	\$ 1,387
ABO	1,422	1,209
Fair value of plan assets at end of year	1,051	862
Plans with Plan Assets in Excess of ABO		
PBO	\$ 24	\$ 18
ABO	18	13
Fair value of plan assets at end of year	23	18
Total		
PBO	\$ 1,604	\$ 1,405
ABO	1,440	1,222
Fair value of plan assets at end of year	1,074	880

Benefit costs presented below were determined based on actuarial methods and included the following:

	Year Ended December 31,		
	2017	2016	2015
(in millions)			
Service cost	\$ 34	\$ 29	\$ 38
Interest cost	34	38	47
Expected return on plan assets	(47)	(46)	(54)
Curtailment loss	—	3	—
Amortization of actuarial losses	26	6	8
Net periodic benefit cost	<u>\$ 47</u>	<u>\$ 30</u>	<u>\$ 39</u>

As described in Note 2. Significant Accounting Policies, during the first quarter of 2017, the Company elected to early adopt ASU 2017-07. As a result, service costs are classified as employee compensation costs within cost of sales and selling, general and administrative expense within the consolidated statement of operations. All other components of net periodic benefit cost are classified within other expense for all periods presented.

The Company had less than \$1 million in other postretirement benefit obligations as of December 31, 2017 and 2016 .

Experience gains and losses, as well as the effects of changes in actuarial assumptions and plan provisions are recognized in other comprehensive income. Cumulative gains and losses in excess of 10% of the PBO for a particular plan are amortized over the average future service period of the employees in that plan. The estimated actuarial loss for the defined benefit pension plans that will be amortized from accumulated other comprehensive income into net periodic benefit cost in 2018 is \$25 million .

The principal assumptions used to determine the pension expense and the actuarial value of the projected benefit obligation for the non-U.S. pension plans were:

Assumptions used to determine benefit obligations at December 31:

	Pension Benefits	
	2017	2016
Weighted-average discount rate	2.46%	2.58%
Weighted-average rate of increase in compensation levels	3.98%	3.97%

Assumptions used to determine net expense for years ended December 31:

	Pension Benefits		
	2017	2016	2015
Weighted-average discount rate	2.58%	3.72%	3.63%
Weighted-average rate of increase in compensation levels	3.97%	3.73%	3.72%
Weighted-average expected long-term rate of return on plan assets	5.50%	5.75%	6.24%

Delphi Technologies selects discount rates by analyzing the results of matching each plan's projected benefit obligations with a portfolio of high-quality fixed income investments rated AA-or higher by Standard and Poor's.

The primary funded plans are in the U.K. and Mexico. For the determination of 2017 expense, Delphi Technologies assumed a long-term expected asset rate of return of approximately 5.50% and 7.50% for the U.K. and Mexico, respectively. Delphi Technologies evaluated input from local actuaries and asset managers, including consideration of recent fund performance and historical returns, in developing the long-term rate of return assumptions. The assumptions for the U.K. and Mexico are primarily long-term, prospective rates. To determine the expected return on plan assets, the market-related value of approximately 25% of our plan assets is actual fair value. The expected return on the remainder of our plan assets is determined by applying the expected long-term rate of return on assets to a calculated market-related value of these plan assets, which recognizes changes in the fair value of the plan assets in a systematic manner over five years.

Delphi Technologies' pension expense for 2018 is determined at the 2017 year end measurement date. For purposes of analysis, the following table highlights the sensitivity of the Company's pension obligations and expense to changes in key assumptions:

Change in Assumption	Impact on Pension Expense	Impact on PBO
25 basis point ("bp") decrease in discount rate	+ \$4 million	+ \$84 million
25 bp increase in discount rate	- \$6 million	- \$79 million
25 bp decrease in long-term expected return on assets	+ \$2 million	—
25 bp increase in long-term expected return on assets	- \$2 million	—

The above sensitivities reflect the effect of changing one assumption at a time. It should be noted that economic factors and conditions often affect multiple assumptions simultaneously and the effects of changes in key assumptions are not necessarily linear. The above sensitivities also assume no changes to the design of the pension plans and no major restructuring programs.

Pension Funding

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	Projected Pension Benefit Payments (in millions)
2018	\$ 40
2019	42
2020	42
2021	47
2022	47
2023 – 2027	271

Delphi Technologies anticipates making pension contributions and benefit payments of approximately \$40 million in 2018 .

Plan Assets

Certain pension plans sponsored by Delphi Technologies invest in a diversified portfolio consisting of an array of asset classes that attempts to maximize returns while minimizing volatility. These asset classes include developed market equities, emerging market equities, private equity, global high quality and high yield fixed income, real estate and absolute return strategies.

The fair values of Delphi Technologies' pension plan assets weighted-average asset allocations at December 31, 2017 and 2016 , by asset category, are as follows:

Asset Category	Fair Value Measurements at December 31, 2017			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in millions)			
Cash	\$ 69	\$ 69	\$ —	\$ —
Time deposits	9	—	9	—
Equity mutual funds	444	—	444	—
Bond mutual funds	385	—	385	—
Real estate trust funds	50	—	—	50
Hedge funds	102	—	2	100
Debt securities	9	9	—	—
Equity securities	6	6	—	—
Total	\$ 1,074	\$ 84	\$ 840	\$ 150

Asset Category	Fair Value Measurements at December 31, 2016			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in millions)			
Cash	\$ 50	\$ 50	\$ —	\$ —
Time deposits	7	—	7	—
Equity mutual funds	334	—	334	—
Bond mutual funds	371	—	371	—
Real estate trust funds	22	—	—	22
Hedge funds	85	—	—	85
Debt securities	5	5	—	—
Equity securities	6	6	—	—
Total	\$ 880	\$ 61	\$ 712	\$ 107

Following is a description of the valuation methodologies used for pension assets measured at fair value.

Time deposits —The fair value of fixed-maturity certificates of deposit was estimated using the rates offered for deposits of similar remaining maturities.

Equity mutual funds —The fair value of the equity mutual funds is determined by the indirect quoted market prices on regulated financial exchanges of the underlying investments included in the fund.

Bond mutual funds —The fair value of the bond mutual funds is determined by the indirect quoted market prices on regulated financial exchanges of the underlying investments included in the fund.

Real estate —The fair value of real estate properties is estimated using an annual appraisal provided by the administrator of the property investment. Management believes this is an appropriate methodology to obtain the fair value of these assets.

Hedge funds —The fair value of the hedge funds is accounted for by a custodian. The custodian obtains valuations from the underlying hedge fund managers based on market quotes for the most liquid assets and alternative methods for assets that do not have sufficient trading activity to derive prices. Management and the custodian review the methods used by the underlying managers to value the assets. Management believes this is an appropriate methodology to obtain the fair value of these assets.

Debt securities —The fair value of debt securities is determined by direct quoted market prices on regulated financial exchanges.

Equity securities —The fair value of equity securities is determined by direct quoted market prices on regulated financial exchanges.

The following table summarizes the changes in Level 3 defined benefit pension plan assets measured at fair value on a recurring basis:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	
	Real Estate Trust Fund	Hedge Funds
	(in millions)	
Beginning balance at January 1, 2016	\$ 30	\$ 79
Actual return on plan assets:		
Relating to assets still held at the reporting date	4	19
Purchases, sales and settlements	(7)	—
Foreign currency translation and other	(5)	(13)
Ending balance at December 31, 2016	\$ 22	\$ 85
Actual return on plan assets:		
Relating to assets still held at the reporting date	\$ 3	\$ 7
Purchases, sales and settlements	23	—
Foreign currency translation and other	2	8
Ending balance at December 31, 2017	\$ 50	\$ 100

Defined Contribution Plans

Prior to the Separation, certain hourly and salaried employees of Delphi Technologies participated in defined contribution plans sponsored by the Former Parent. In connection with the Separation, Delphi Technologies has established plans with substantially similar terms. Expense related to the contributions for these plans recorded by Delphi Technologies was approximately \$11 million, \$9 million, and \$10 million for the years ended December 31, 2017, 2016 and 2015, respectively.

Multiemployer Pension Plans

Prior to the Separation, certain of the Company's employees in Germany and the U.S. participate in defined benefit pension plans (collectively, "Shared Plans") sponsored by the Former Parent. The Company has recorded expense of approximately \$1 million, \$1 million, and \$1 million for the years ended December 31, 2017, 2016 and 2015, respectively, to record its allocation of pension benefit costs related to the Shared Plans.

13. COMMITMENTS AND CONTINGENCIES

Ordinary Business Litigation

Delphi Technologies is from time to time subject to various legal actions and claims incidental to its business, including those arising out of alleged defects, alleged breaches of contracts, product warranties, intellectual property matters, and employment-related matters. It is the opinion of Delphi Technologies that the outcome of such matters will not have a material adverse impact on the consolidated financial position, results of operations, or cash flows of Delphi Technologies. With respect to warranty matters, although Delphi Technologies cannot ensure that the future costs of warranty claims by customers will not be material, Delphi Technologies believes its established reserves are adequate to cover potential warranty settlements.

Brazil Matters

Delphi Technologies conducts business operations in Brazil that are subject to the Brazilian federal labor, social security, environmental, tax and customs laws, as well as a variety of state and local laws. While Delphi Technologies believes it complies with such laws, they are complex, subject to varying interpretations, and the Company is often engaged in litigation regarding the application of these laws to particular circumstances. As of December 31, 2017, the majority of claims asserted against Delphi Technologies in Brazil relate to such litigation. The remaining claims in Brazil relate to commercial and labor litigation with private parties. As of December 31, 2017, claims totaling approximately \$20 million (using December 31, 2017 foreign currency rates) have been asserted against Delphi Technologies in Brazil. As of December 31, 2017, the Company maintains accruals for these asserted claims of approximately \$5 million (using December 31, 2017 foreign currency rates). The amounts accrued represent claims that are deemed probable of loss and are reasonably estimable based on the Company's analyses and assessment of the asserted claims and prior experience with similar matters. While the Company believes its

accruals are adequate, the final amounts required to resolve these matters could differ materially from the Company's recorded estimates and Delphi Technologies' results of operations could be materially affected. The Company estimates the reasonably possible loss in excess of the amounts accrued related to these claims to be zero to \$15 million .

Environmental Matters

Delphi Technologies is subject to the requirements of U.S. federal, state, local and non-U.S. environmental and safety and health laws and regulations. As of December 31, 2017 and December 31, 2016 , the undiscounted reserve for environmental investigation and remediation was approximately \$4 million (of which \$3 million was recorded in other long-term liabilities and \$1 million was recorded in accrued liabilities) and \$1 million (which was recorded in other long-term liabilities), respectively. Delphi Technologies cannot ensure that environmental requirements will not change or become more stringent over time or that its eventual environmental remediation costs and liabilities will not exceed the amount of its current reserves. In the event that such liabilities were to significantly exceed the amounts recorded, Delphi Technologies' results of operations could be materially affected. At December 31, 2017 the difference between the recorded liabilities and the reasonably possible range of potential loss was not material.

Leases and Other Financing Charges

Operating leases —Rental expense totaled \$14 million , \$11 million and \$13 million for the years ended December 31, 2017 , 2016 and 2015 , respectively. As of December 31, 2017 , Delphi Technologies had minimum lease commitments under non-cancellable operating leases totaling \$85 million , which become due as follows:

	Minimum Future Operating Lease Commitments	
	(in millions)	
2018	\$	17
2019		15
2020		13
2021		11
2022		11
Thereafter		18
Total	\$	85

14. INCOME TAXES

Prior to the Separation, our operating results were included in the Former Parent's various consolidated and separate income tax returns. For periods prior to the Separation, the provision for income taxes and related balance sheet accounts of such entities have been prepared and presented in the consolidated financial statements based on a separate return basis. Therefore, cash tax payments and items of current and deferred taxes in prior periods may not be reflective of the actual tax balances of Delphi Technologies prior to or subsequent to the Separation.

The following table summarizes Delphi Technologies' tax expense:

	Year Ended December 31,		
	2017	2016	2015
	(in millions)		
Current income tax expense	\$ 113	\$ 62	\$ 96
Deferred income tax benefit, net	(7)	(12)	(4)
Total income tax provision	\$ 106	\$ 50	\$ 92

Cash paid or withheld for income taxes by Delphi Technologies was \$46 million , \$59 million and \$61 million for the years ended December 31, 2017 , 2016 and 2015 , respectively.

The applicable tax rate to determine Delphi Technologies theoretical income tax expense for 2017 was 19.25% , as compared to 20% in 2016 and 20.25% in 2015. The Company applies the weighted average rate in the United Kingdom (“U.K.”), the tax jurisdiction where Delphi Technologies is resident. A reconciliation of the provision for income taxes compared with the amounts at the theoretical rate:

	Year Ended December 31,		
	2017	2016	2015
	(in millions)		
Theoretical income taxes at the U.K. weighted average rate	\$ 81	\$ 64	\$ 81
Income taxed at other rates	(10)	(54)	(17)
Losses not benefitted	28	24	9
Other change in tax reserves	4	5	1
Valuation allowance releases	(12)	—	—
Withholding taxes	11	5	7
Change in tax law	7	4	9
Other adjustments	(3)	2	2
Total income tax expense	<u>\$ 106</u>	<u>\$ 50</u>	<u>\$ 92</u>
Effective tax rate	25%	16%	23%

The Company’s tax rate is affected by the fact that its parent entity is a U.K. resident taxpayer, the tax rates in the other jurisdictions in which the Company operates, the relative amount of income earned by jurisdiction and the relative amount of losses or income for which no tax benefit or expense was recognized due to a valuation allowance. Included in the income taxed at other rates are tax incentives obtained in various countries, primarily the High and New Technology Enterprise (“HNTE”) status in China and the Special Economic Zone exemption in Turkey of \$7 million in 2017 , \$13 million in 2016 , and \$16 million in 2015 , as well as tax benefit for income earned in jurisdictions where a valuation allowance has been recorded. The Company currently benefits from tax holidays in various non-U.S. jurisdictions with expiration dates from 2016 through 2026. The income tax benefits attributable to these tax holidays are approximately \$1 million in 2017 , \$1 million in 2016 and \$2 million in 2015 .

The effective tax rate in the year ended December 31, 2017 was impacted by the release of valuation allowances in the United States of \$9 million and in Hungary of \$3 million , in 2017 as compared to 2016, primarily due to changes in the underlying operations of the business. These benefits were partially offset by unfavorable geographic income mix and \$4 million of reserve adjustments recorded for uncertain tax positions, which included reserves for ongoing audits in foreign jurisdictions, as well as for changes in estimates based on relevant new or additional evidence obtained related to certain of the Company’s tax positions.

Additionally, the Company’s tax rate was impacted by the enactment of the Tax Cuts and Jobs Act (the “Act”) in the United States on December 22, 2017, which provides for a reduction of the corporate income tax rate from 35% to 21% effective January 1, 2018. The income tax accounting effect, including any retroactive effect, of a tax law change is accounted for in the period of enactment. As a result, the effective tax rate was impacted by an increased tax expense of approximately \$7 million for the year ended December 31, 2017 for the provisional effects of the Act pursuant to the guidance in SEC Staff Accounting Bulletin No. 118. We consider our calculation to be provisional due to lack of clarity at the balance sheet date related to state tax impacts of federal tax reform, which resulted in our use of estimates to compute our future blended tax rate. If we are required to change this amount based on further analysis and regulatory guidance at the federal and state level issued subsequent to the issuance of these statements, we will record such adjustments to income tax expense in the period that the amounts are determined. The Company was not affected by the Transition Tax provisions of the “Act”, which impose a U.S. tax upon unremitted earnings of non-U.S. subsidiaries which would have been subject to U.S. tax when remitted under the law in effect prior to the Act. The Company’s U.S. subsidiary does not hold any investments in non-U.S. operations. The Company was also impacted by the enactment of the French Finance (Budget) Law for 2018 (the “French Act”) which was enacted December 21, 2017, when it was definitively adopted by the French Parliament. The French Act provides for a maximum corporate rate of 33.33% in calendar year 2018, 31% in 2019, 28% in 2020, 26.5% in 2021 and 25% in 2022. As a result, the Company’s deferred tax asset balance and associated valuation allowance balance in France were both reduced \$17 million for the year ended December 31, 2017.

The effective tax rate in the year ended December 31, 2016 was impacted by favorable geographic income mix in 2016 as compared to 2015, primarily due to changes in the underlying operations of the business. These benefits were partially offset by

\$5 million of reserve adjustments recorded for uncertain tax positions, which included reserves for ongoing audits in foreign jurisdictions, as well as for changes in estimates based on relevant new or additional evidence obtained related to certain of the Company's tax positions. Additionally, the Company's tax rate was impacted by the enactment of the U.K. Finance (No. 2) Act 2016 on September 15, 2016, which provides for a reduction of the corporate income tax rate from 18% to 17% effective April 1, 2020. The income tax accounting effect, including any retroactive effect, of a tax law change is accounted for in the period of enactment, which in this case was the third quarter of 2016. As a result, the effective tax rate was impacted by an increased tax expense of approximately \$4 million for the year ended December 31, 2016 due to the resultant impact on the net deferred tax asset balances.

The effective tax rate in the year ended December 31, 2015 was impacted by the enactment of the U.K. Finance (No. 2) Act 2015 on November 18, 2015, which provides for a reduction of the corporate income tax rate from 20% to 19% effective April 1, 2017, with a further reduction to 18% effective April 1, 2020. The income tax accounting effect, including any retroactive effect, of a tax law change is accounted for in the period of enactment, which in this case was the fourth quarter of 2015. As a result, the effective tax rate was impacted by an increased tax expense of approximately \$9 million for the year ended December 31, 2015 due to the resultant impact on the net deferred tax asset balances.

Deferred Income Taxes

The Company accounts for income taxes and the related accounts under the liability method. Deferred income tax assets and liabilities reflect the impact of temporary differences between amounts of assets and liabilities for financial reporting purposes and the basis of such assets and liabilities as measured by tax laws. Significant components of the deferred tax assets and liabilities are as follows:

	December 31,	
	2017	2016
	(in millions)	
Deferred tax assets:		
Pension	\$ 94	\$ 95
Employee benefits	6	1
Net operating loss carryforwards	177	54
Warranty and other liabilities	44	46
Intangible assets	6	—
Fixed assets	1	—
Other	38	20
Total gross deferred tax assets	366	216
Less: valuation allowances	(196)	(70)
Total deferred tax assets (1)	\$ 170	\$ 146
Deferred tax liabilities:		
Fixed assets	\$ —	\$ 1
Tax on unremitted profits of certain foreign subsidiaries	6	2
Intangible assets	—	14
Total gross deferred tax liabilities	6	17
Net deferred tax assets	\$ 164	\$ 129

(1) Reflects gross amount before jurisdictional netting of deferred tax assets and liabilities.

Deferred tax liabilities and assets are classified as long-term in the consolidated balance sheet. Net deferred tax assets and liabilities are included in the consolidated balance sheets as follows:

	December 31,	
	2017	2016
	(in millions)	
Long-term assets	\$ 178	\$ 146
Long-term liabilities	(14)	(17)
Total deferred tax asset	\$ 164	\$ 129

The net deferred tax assets of \$164 million as of December 31, 2017 are primarily comprised of deferred tax asset amounts in the United States, U.K. and China.

Net Operating Loss and Tax Credit Carryforwards

As of December 31, 2017, the Company has gross deferred tax assets of approximately \$177 million for net operating loss (“NOL”) carryforwards with recorded valuation allowances of \$160 million. These NOL’s are available to offset future taxable income and realization is dependent on generating sufficient taxable income prior to expiration of the loss carryforwards. The NOL’s primarily relate to France, China and Spain. The NOL carryforwards have expiration dates ranging from one year to an indefinite period.

Deferred tax assets include \$2 million and \$2 million of tax credit carryforwards with recorded valuation allowances of \$2 million and \$2 million at December 31, 2017 and 2016, respectively. These tax credit carryforwards expire in 2018 through 2021.

Cumulative Undistributed Foreign Earnings

As of December 31, 2017, deferred income tax liabilities of \$6 million have been established with respect to the undistributed earnings of foreign subsidiaries whose parent entities are also included within the consolidated financial statements.

Uncertain Tax Positions

The Company recognizes tax benefits only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. Unrecognized tax benefits are tax benefits claimed in the Company’s tax returns that do not meet these recognition and measurement standards.

A reconciliation of the gross change in the unrecognized tax benefits balance, excluding interest and penalties is as follows:

	Year Ended December 31,		
	2017	2016	2015
	(in millions)		
Balance at beginning of year	\$ 9	\$ 16	\$ 18
Additions related to current year	3	3	1
Additions (reductions) related to prior years	2	(10)	(3)
Transfers to/from Former Parent	8	—	—
Balance at end of year	\$ 22	\$ 9	\$ 16

A portion of the Company’s unrecognized tax benefits would, if recognized, reduce its effective tax rate. The remaining unrecognized tax benefits relate to tax positions for which only the timing of the benefit is uncertain. Recognition of these tax benefits would reduce the Company’s effective tax rate only through a reduction of accrued interest and penalties. As of December 31, 2017 and 2016, the amounts of unrecognized tax benefit that would reduce the Company’s effective tax rate were \$15 million and \$13 million, respectively. In addition, \$8 million and \$2 million for 2017 and 2016, respectively, would be offset by the write-off of a related deferred tax asset, if recognized.

The Company recognizes interest and penalties relating to unrecognized tax benefits as part of income tax expense. Total accrued liabilities for interest and penalties were \$2 million and \$6 million at December 31, 2017 and 2016, respectively. Total interest and penalties recognized as part of income tax expense was \$1 million, \$2 million and \$1 million for the years ended December 31, 2017, 2016 and 2015, respectively.

The Company files tax returns in multiple jurisdictions and is subject to examination by taxing authorities throughout the world. Taxing jurisdictions significant to Delphi Technologies include China, Romania, Turkey, South Korea, Mexico, the U.K. the U.S., Luxembourg, Brazil, France, Singapore and Poland. Pursuant to the Tax Matters Agreement, the Former Parent is generally liable for all pre-distribution U.S. federal income taxes, foreign income taxes and certain non-income taxes attributable to our business required to be reported on combined, consolidated, unitary or similar returns that include one or more members of the Former Parent group and one or more members of our group. Delphi Technologies will generally be liable for all other taxes attributable to our business. Open tax years related to these taxing jurisdictions remain subject to examination and could result in additional tax liabilities. In general, our affiliates are no longer subject to income tax examinations by foreign tax authorities for years before 2007. It is reasonably possible that audit settlements, the conclusion of current examinations or the expiration of the statute of limitations in several jurisdictions could impact the Delphi Technologies’ unrecognized tax benefits.

15. SHAREHOLDERS' EQUITY AND NET INCOME PER SHARE**Net Income Per Share**

Basic net income per share is computed by dividing net income attributable to Delphi Technologies by the weighted average number of ordinary shares outstanding during the period. Diluted net income per share reflects the weighted average dilutive impact of all potentially dilutive securities from the date of issuance and is computed using the treasury stock method by dividing net income attributable to Delphi Technologies by the diluted weighted average number of ordinary shares outstanding. For periods prior to the Separation, the denominator for basic and diluted net income per share was calculated using the 88.61 million Delphi Technologies ordinary shares outstanding immediately following the Separation. The same number of shares was used to calculate basic and diluted earnings per share in those periods since no Delphi Technologies equity awards were outstanding prior to the Separation. For periods subsequent to the Separation, the calculation of net income per share contemplates the dilutive impacts, if any, of the Company's share-based compensation plans. Refer to Note 19. Share-Based Compensation for additional information.

The following table illustrates net income per share attributable to Delphi Technologies and the weighted average shares outstanding used in calculating basic and diluted income per share:

	Year Ended December 31,		
	2017	2016	2015
	(in millions, except per share data)		
Numerator:			
Net income attributable to Delphi Technologies	\$ 285	\$ 236	\$ 272
Denominator:			
Weighted average ordinary shares outstanding, basic	88.61	88.61	88.61
Dilutive shares related to RSUs	0.05	—	—
Weighted average ordinary shares outstanding, including dilutive shares	88.66	88.61	88.61
Net income per share attributable to Delphi Technologies:			
Basic	\$ 3.22	\$ 2.66	\$ 3.07
Diluted	\$ 3.21	\$ 2.66	\$ 3.07
Anti-dilutive securities share impact	—	—	—

16. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The changes in accumulated other comprehensive income (loss) attributable to Delphi Technologies (net of tax) are shown below.

	Year Ended December 31,		
	2017	2016	2015
(in millions)			
Foreign currency translation adjustments:			
Balance at beginning of year	\$ (419)	\$ (339)	\$ (193)
Aggregate adjustment for the year	68	(80)	(146)
Net transfers from Former Parent	266	—	—
Balance at end of year	(85)	(419)	(339)
Pension and postretirement plans:			
Balance at beginning of year	\$ (292)	\$ (157)	\$ (172)
Other comprehensive income before reclassifications (net tax effect of \$8, \$29 and \$4)	(15)	(140)	9
Reclassification to income (net tax effect of \$5, \$1 and \$2)	21	5	6
Balance at end of year	(286)	(292)	(157)
Accumulated other comprehensive loss, end of year	\$ (371)	\$ (711)	\$ (496)

Reclassifications from accumulated other comprehensive income (loss) to income were as follows:

Reclassification Out of Accumulated Other Comprehensive Income (Loss)				
Details About Accumulated Other Comprehensive Income Components	Year Ended December 31,			Affected Line Item in the Statement of Operations
	2017	2016	2015	
(in millions)				
Pension and postretirement plans:				
Actuarial loss	\$ (26)	\$ (6)	\$ (8)	Other expense (1)
	(26)	(6)	(8)	Income before income taxes
	5	1	2	Income tax expense
	(21)	(5)	(6)	Net income
	—	—	—	Net income attributable to noncontrolling interest
	\$ (21)	\$ (5)	\$ (6)	Net income attributable to Delphi Technologies
Total reclassifications for the year	\$ (21)	\$ (5)	\$ (6)	

(1) These accumulated other comprehensive loss components are components of net periodic pension cost (see Note 12. Pension Benefits for additional details).

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Delphi Technologies uses the following fair value hierarchy prescribed by U.S. GAAP, which prioritizes the inputs used to measure fair value as follows:

Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 — Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Typically, assets and liabilities are considered to be fair valued on a recurring basis if fair value is measured regularly. Additionally, certain assets and liabilities are subject to fair value adjustments on a nonrecurring basis in certain circumstances. This generally occurs when accounting guidance requires assets and liabilities to be recorded at the lower of cost or fair value, or assessed for impairment.

Fair Value Measurements on a Recurring Basis

Delphi Technologies' financial instruments include cash and cash equivalents, accounts and notes receivable, accounts payable, as well as debt, which consists of the Senior Notes, the Term Loan A Facility, borrowings on the Revolving Credit Facility and other debt issued by Delphi Technologies' non-U.S. subsidiaries. The fair value of debt is based on quoted market prices for instruments with public market data or significant other observable inputs for instruments without a quoted public market price (Level 2). As of December 31, 2017, total debt was recorded at \$1,535 million, and had an estimated fair value of \$1,566 million. For all other financial instruments recorded at December 31, 2017 and December 31, 2016, fair value approximates book value.

Fair Value Measurements on a Nonrecurring Basis

In addition to items that are measured at fair value on a recurring basis, Delphi Technologies also has items in its balance sheet that are measured at fair value on a nonrecurring basis. Nonfinancial assets and liabilities that are measured at fair value on a nonrecurring basis include long-lived assets, equity and cost method investments, intangible assets, asset retirement obligations, share-based compensation and liabilities for exit or disposal activities measured at fair value upon initial recognition. During the year ended December 31, 2017, Delphi Technologies recorded non-cash asset impairment charges of \$12 million within cost of sales related to declines in the fair values of certain fixed assets. During the year ended December 31, 2016, Delphi Technologies recorded non-cash asset impairment charges of \$29 million in cost of sales related to declines in the fair values of certain fixed assets, \$25 million of which related to the closure of a European manufacturing site within the Powertrain Systems segment in 2016. During the year ended December 31, 2015, Delphi Technologies recorded non-cash asset impairment charges of \$9 million in cost of sales related to declines in the fair value of certain fixed assets. Fair value of long-lived assets is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved and a review of appraisals. As such, Delphi Technologies has determined that the fair value measurements of long-lived assets fall in Level 3 of the fair value hierarchy.

18. OTHER EXPENSE, NET

Other income (expense), net included:

	Year Ended December 31,		
	2017	2016	2015
	(in millions)		
Interest income	\$ 4	\$ —	\$ —
Components of net periodic benefit cost other than service cost (Note 12)	(13)	(1)	(1)
Other	(2)	—	(1)
Other expense, net	<u>\$ (11)</u>	<u>\$ (1)</u>	<u>\$ (2)</u>

19. SHARE-BASED COMPENSATION

Long Term Incentive Plan

The Delphi Technologies PLC Long-Term Incentive Plan (the "PLC LTIP") allows for the grant of share-based awards (up to 7,500,000 ordinary shares) for long-term compensation to the employees, directors, consultants and advisors of the Company. The Company had no share-based compensation plans prior to the Separation; however certain of our employees participated in the Former Parent's share-based compensation arrangement, the Delphi Automotive PLC Long Term Incentive Plan, as amended and restated effective April 23, 2015 (the "Former Parent Plan"). Grants of restricted stock units ("RSUs") to executives and non-employee directors were made under the Former Parent Plan in each year from 2012 to 2017. As discussed further below, outstanding awards under the Former Parent Plan were adjusted and converted into Delphi Technologies equity awards.

Share-based compensation expense within the consolidated financial statements for periods prior to the Separation was allocated to Delphi Technologies based on the awards and terms previously granted to Delphi Technologies employees while part of the Former Parent, and includes the cost of Delphi Technologies employees who participated in the Former Parent's Plan, as well as an allocated portion of the cost of the Former Parent's corporate employee awards.

In connection with the Separation, outstanding equity awards to executives and non-employee directors under the Former Parent Plan were adjusted and converted into Delphi Technologies equity awards using a formula designed to maintain the economic value of the awards immediately before and after the Separation. Accordingly, the number of RSUs underlying each unvested award outstanding as of the date of the Separation was multiplied by a factor of 2.02, which resulted in no increase in the intrinsic value of awards outstanding. The RSUs continue to vest in accordance with their original vesting period. These adjustments to the Company's share-based compensation awards did not result in additional compensation expense.

Board of Director Awards

On December 31, 2017, Delphi Technologies granted 7,506 RSUs to the non-employee members of the Board of Directors who were not members of the Former Parent's Board of Directors at a grant date fair value of approximately \$0.4 million. The grant date fair value was determined based on the closing price of the Company's ordinary shares on December 29, 2017. The awards are time-based vesting RSUs and vest in April 2018.

In addition, on December 31, 2017, Delphi Technologies granted 119,921 RSUs to the employee and non-employee members of the Board of Directors at a grant date fair value of approximately \$7 million. The awards include a time-based RSUs and performance-based RSUs. The time-based RSUs vest at various points through February 2021. The performance-based RSUs will be measured based on relative total shareholder return (as described further below) and vest in December 2020. The grant date fair value was determined based on the closing price of the Company's ordinary shares on December 31, 2017 and a contemporaneous valuation performed by an independent valuation specialist with respect to the relative total shareholder return awards.

Executive Awards

The executive awards include a time-based vesting portion and a performance-based vesting portion, as well as continuity awards in certain years. The time-based RSUs, which make up 25% of the awards for the Company's officers and 50% for other executives, vest ratably over three years beginning on the first anniversary of the grant date. The performance-based RSUs, which make up 75% of the awards for the Company's officers and 50% for other executives, vest at the completion of a three-year performance period if certain targets are met. Each executive will receive between 0% and 200% of his or her target performance-based award based on the Company's performance against established company-wide performance metrics, which are:

Metric	2016 - 2017 Former Parent Grants	2013 - 2015 Former Parent Grants
Average return on net assets (1)	50%	50%
Cumulative net income	25%	N/A
Cumulative earnings per share (2)	N/A	30%
Relative total shareholder return (3)	25%	20%

- (1) Average return on net assets is measured by the Company's tax-affected operating income divided by average net working capital plus average net property, plant and equipment for each calendar year during the respective performance period.
- (2) Cumulative earnings per share is measured by net income attributable to Delphi Technologies divided by the weighted average number of diluted shares outstanding for the respective three-year performance period.
- (3) Relative total shareholder return is measured by comparing the average closing price per share of the Company's ordinary shares for all available trading days in the fourth quarter of the end of the performance period to the average closing price per share of the Company's ordinary shares for all available trading days in the fourth quarter of the year preceding the grant, including dividends, and assessed against a comparable measure of competitor and peer group companies.

Any new executives hired after the annual executive RSU grant date may be eligible to participate in the PLC LTIP. Any off cycle grants made for new hires are valued at their grant date fair value based on the closing price of the Company's ordinary shares on the date of such grant. The Company has competitive and market-appropriate ownership requirements. All of the RSUs granted under the PLC LTIP are eligible to receive dividend equivalents for any dividend paid from the grant date through the vesting date.

The grant date fair value of the RSUs is determined based on the target number of awards issued, the closing price of the Company's ordinary shares on the date of the grant of the award, including an estimate for forfeitures, and a contemporaneous valuation performed by an independent valuation specialist with respect to the relative total shareholder return awards.

A summary of activity, including award grants, vesting and forfeitures for Delphi Technologies employees is provided below. All prior period award amounts disclosed within the following table were converted in accordance with the factor related to the conversion of the awards following the Separation as described above.

	RSUs	Weighted Average Grant Date Fair Value
	(in thousands)	
Nonvested, January 1, 2015	289	\$ 50.38
Granted	214	72.30
Vested	(226)	42.45
Forfeited	(26)	64.75
Nonvested, December 31, 2015	251	74.66
Granted	155	68.35
Vested	(158)	65.91
Forfeited	(28)	74.10
Nonvested, December 31, 2016	220	76.54
Granted	312	63.71
Vested	(183)	44.93
Forfeited	(25)	76.18
Conversion and employee transfers (1)	388	
Nonvested, December 31, 2017 (2)	712	37.34

(1) Reflects the conversion of outstanding equity awards to executives and non-employee directors under the Former Parent Plan into Delphi Technologies equity awards in conjunction with the Separation, along with the transfer of certain corporate employees to Delphi Technologies.

(2) Nonvested RSUs and the corresponding weighted average grant date fair value as of December 31, 2017 are presented on a Delphi Technologies basis using the conversion factor described above in connection with the Separation.

As of December 31, 2017, there were approximately 137,000 performance-based RSUs, with a weighted average grant date fair value of \$41.95, that were vested but not yet distributed.

Share-based compensation expense recorded within the consolidated statement of operations, which for periods prior to the Separation includes the cost of Delphi Technologies employees who participated in the Former Parent's Plan as well as an allocated portion of the cost of the Former Parent's senior management awards, was \$17 million (\$14 million, net of tax), \$19 million (\$16 million, net of tax) and \$22 million (\$19 million net of tax) based on the Company's best estimate of ultimate performance against the respective targets during the years ended December 31, 2017, 2016 and 2015, respectively.

The Company will continue to recognize compensation expense, based on the grant date fair value of the awards applied to the Company's best estimate of ultimate performance against the respective targets, over the requisite vesting periods of the awards. Based on the grant date fair value of the awards and the Company's best estimate of ultimate performance against the respective targets as of December 31, 2017, unrecognized compensation expense on a pretax basis of approximately \$21 million is anticipated to be recognized over a weighted average period of approximately 2 years.

20. SEGMENT REPORTING

Delphi Technologies operates its core business along the following operating segments, which are grouped on the basis of similar product, market and operating factors:

- Powertrain Systems, which manufactures fuel injection systems as well as various other powertrain products including valvetrain, fuel delivery modules, ignition coils, canisters, sensors, valves and actuators. This segment also offers electronic control modules and corresponding software, algorithms and calibration that provide centralized and reliable management of various powertrain components. Additionally, we provide power electronics solutions that include supervisory controllers and software, along with DC/DC converters and inverters.

- Delphi Technologies Aftermarket, which sells aftermarket products to independent aftermarket and original equipment service customers. This segment also supplies a wide range of aftermarket products and services covering the fuel injection, electronics and engine management, maintenance, and test equipment and vehicle diagnostics categories.
- Eliminations and Other, which includes the elimination of inter-segment transactions.

The accounting policies of the segments are the same as those described in Note 2. Significant Accounting Policies, except that the disaggregated financial results for the segments have been prepared using a management approach, which is consistent with the basis and manner in which management internally disaggregates financial information for which Delphi Technologies' chief operating decision maker regularly reviews financial results to assess performance of, and make internal operating decisions about allocating resources to the segments.

Generally, Delphi Technologies evaluates segment performance based on stand-alone segment net income before interest expense, other income (expense), net, income tax expense, equity income (loss), net of tax, restructuring, costs related to the Separation, other acquisition and portfolio project costs (which includes costs incurred to integrate acquired businesses and to plan and execute product portfolio transformation actions, including business and product acquisitions and divestitures), and asset impairments ("Adjusted Operating Income") and accounts for inter-segment sales and transfers as if the sales or transfers were to third parties, at current market prices. Delphi Technologies' management utilizes Adjusted Operating Income as the key performance measure of segment income or loss to evaluate segment performance, and for planning and forecasting purposes to allocate resources to the segments, as management believes this measure is most reflective of the operational profitability or loss of Delphi Technologies' operating segments. Segment Adjusted Operating Income should not be considered a substitute for results prepared in accordance with U.S. GAAP and should not be considered an alternative to net income attributable to Delphi Technologies, which is the most directly comparable financial measure to Adjusted Operating Income that is prepared in accordance with U.S. GAAP. Segment Adjusted Operating Income, as determined and measured by Delphi Technologies, should also not be compared to similarly titled measures reported by other companies.

In connection with the Separation, Delphi Technologies reorganized its management reporting structure by consolidating its Fuel Injection Systems ("FIS") product line with its Powertrain Products ("PTP") product line into one global Internal Combustion Engine ("ICE") product line within the Powertrain Systems segment. This reorganization was made to better align the product offerings with the Company's approach to managing the markets and customers served by the ICE product line. There were no changes made to the reporting structure of the electronics and electrification product line, which remains within the Powertrain Systems segment. Consistent with this change in the Company's management reporting structure and basis of financial information used by the chief operating decision maker, the prior period revenues related FIS and PTP product lines have been consolidated within the ICE product line included in the net sales by major product group table presented below. This change had no impact on the consolidated financial statements.

Included below are sales and operating data for the Company's segments for the years ended December 31, 2017, 2016 and 2015, as well as balance sheet data as of December 31, 2017 and 2016.

	Powertrain Systems	Delphi Technologies Aftermarket	Eliminations and Other (1)	Total
	(in millions)			
For the Year Ended December 31, 2017:				
Net sales	\$ 4,222	\$ 947	\$ (320)	\$ 4,849
Depreciation and amortization (2)	\$ 194	\$ 7	\$ —	\$ 201
Adjusted operating income	\$ 562	\$ 75	\$ —	\$ 637
Operating income (3)	\$ 392	\$ 54	\$ —	\$ 446
Equity income	\$ 5	\$ —	\$ —	\$ 5
Net income attributable to noncontrolling interest	\$ 34	\$ —	\$ —	\$ 34
Capital expenditures	\$ 189	\$ 3	\$ 5	\$ 197

	Powertrain Systems	Delphi Technologies Aftermarket	Eliminations and Other (1)	Total
	(in millions)			
For the Year Ended December 31, 2016:				
Net sales	\$ 3,837	\$ 924	\$ (275)	\$ 4,486
Depreciation and amortization (4)	\$ 202	\$ 8	\$ —	\$ 210
Adjusted operating income	\$ 418	\$ 94	\$ —	\$ 512
Operating income (5)	\$ 239	\$ 81	\$ —	\$ 320
Net income attributable to noncontrolling interest	\$ 32	\$ —	\$ —	\$ 32
Capital expenditures	\$ 169	\$ 2	\$ —	\$ 171

	Powertrain Systems	Delphi Technologies Aftermarket	Eliminations and Other (1)	Total
	(in millions)			
For the Year Ended December 31, 2015:				
Net sales	\$ 3,729	\$ 963	\$ (285)	\$ 4,407
Depreciation and amortization (6)	\$ 178	\$ 11	\$ —	\$ 189
Adjusted operating income	\$ 428	\$ 98	\$ —	\$ 526
Operating income (7)	\$ 309	\$ 94	\$ —	\$ 403
Net income attributable to noncontrolling interest	\$ 34	\$ —	\$ —	\$ 34
Capital expenditures	\$ 197	\$ 4	\$ —	\$ 201

- (1) Eliminations and Other includes the elimination of inter-segment transactions. Capital expenditures amounts are attributable to corporate administrative and support functions, including corporate headquarters and certain technical centers.
- (2) Includes asset impairment charges of \$12 million within Powertrain Systems.
- (3) Includes charges recorded in 2017 related to costs associated with employee termination benefits and other exit costs of \$92 million for Powertrain Systems and \$6 million for Delphi Technologies Aftermarket.
- (4) Includes asset impairment charges of \$28 million within Powertrain Systems.
- (5) Includes charges recorded in 2016 related to costs associated with employee termination benefits and other exit costs of \$151 million for Powertrain Systems and \$10 million for Delphi Technologies Aftermarket.
- (6) Includes asset impairment charges of \$9 million within Powertrain Systems.
- (7) Includes charges recorded in 2015 related to costs associated with employee termination benefits and other exit costs of \$108 million for Powertrain Systems and \$4 million for Delphi Technologies Aftermarket.

	Powertrain Systems	Delphi Technologies Aftermarket	Eliminations and Other (1)	Total
	(in millions)			
Balance as of December 31, 2017:				
Investment in affiliates	\$ 37	\$ —	\$ —	\$ 37
Goodwill	\$ —	\$ 7	\$ —	\$ 7
Total segment assets	\$ 4,451	\$ 794	\$ (1,452)	\$ 3,793
Balance as of December 31, 2016:				
Investment in affiliates	\$ 34	\$ —	\$ —	\$ 34
Goodwill	\$ —	\$ 6	\$ —	\$ 6
Total segment assets	\$ 2,555	\$ 655	\$ (311)	\$ 2,899

- (1) Eliminations and Other includes the elimination of inter-segment transactions.

The reconciliation of Adjusted Operating Income to Operating Income includes, as applicable, restructuring, separation costs, other acquisition and portfolio project costs (which includes costs incurred to integrate acquired businesses and to plan and execute product portfolio transformation actions, including business and product acquisitions and divestitures) and asset impairments. The reconciliation of Adjusted Operating Income to net income attributable to Delphi Technologies for the years ended December 31, 2017, 2016 and 2015 are as follows:

	Powertrain Systems	Delphi Technologies Aftermarket	Eliminations and Other	Total
	(in millions)			
For the Year Ended December 31, 2017:				
Adjusted operating income	\$ 562	\$ 75	\$ —	\$ 637
Restructuring	(92)	(6)	—	(98)
Separation costs	(66)	(15)	—	(81)
Asset impairments	(12)	—	—	(12)
Operating income	<u>\$ 392</u>	<u>\$ 54</u>	<u>\$ —</u>	446
Interest expense				(15)
Other expense, net				(11)
Income before income taxes and equity income				420
Income tax benefit				(106)
Equity income, net of tax				5
Net income				319
Net income attributable to noncontrolling interest				34
Net income attributable to Delphi Technologies				<u>\$ 285</u>

	Powertrain Systems	Delphi Technologies Aftermarket	Eliminations and Other	Total
	(in millions)			
For the Year Ended December 31, 2016:				
Adjusted operating income	\$ 418	\$ 94	\$ —	\$ 512
Restructuring	(151)	(10)	—	(161)
Other acquisition and portfolio project costs	—	(2)	—	(2)
Asset impairments	(28)	(1)	—	(29)
Operating income	<u>\$ 239</u>	<u>\$ 81</u>	<u>\$ —</u>	320
Interest expense				(1)
Other expense, net				(1)
Income before income taxes and equity income				318
Income tax expense				(50)
Equity income, net of tax				—
Net income				268
Net income attributable to noncontrolling interest				32
Net income attributable to Delphi Technologies				<u>\$ 236</u>

	Powertrain Systems	Delphi Technologies Aftermarket	Eliminations and Other	Total
(in millions)				
For the Year Ended December 31, 2015:				
Adjusted operating income	\$ 428	\$ 98	\$ —	\$ 526
Restructuring	(108)	(4)	—	(112)
Other acquisition and portfolio project costs	(2)	—	—	(2)
Asset impairments	(9)	—	—	(9)
Operating income	<u>\$ 309</u>	<u>\$ 94</u>	<u>\$ —</u>	<u>403</u>
Interest expense				(3)
Other income, net				(2)
Income before income taxes and equity income				398
Income tax expense				(92)
Equity income, net of tax				—
Net income				306
Net income attributable to noncontrolling interest				34
Net income attributable to Delphi Technologies				<u>\$ 272</u>

Information concerning principal geographic areas is set forth below. Net sales data reflects the manufacturing location for the years ended December 31, 2017, 2016 and 2015. Net property data is as of December 31, 2017, 2016 and 2015.

	Year Ended December 31, 2017		Year Ended December 31, 2016		Year Ended December 31, 2015	
	Net Sales	Net Property (1)	Net Sales	Net Property (1)	Net Sales	Net Property (1)
(in millions)						
United States (2)	\$ 1,340	\$ 263	\$ 1,297	\$ 214	\$ 1,132	\$ 189
Other North America	5	25	6	22	7	20
Europe, Middle East & Africa (3)	2,030	677	1,995	613	2,087	704
Asia Pacific (4)	1,335	328	1,071	270	1,045	272
South America	139	23	117	23	136	17
Total	<u>\$ 4,849</u>	<u>\$ 1,316</u>	<u>\$ 4,486</u>	<u>\$ 1,142</u>	<u>\$ 4,407</u>	<u>\$ 1,202</u>

(1) Net property data represents property, plant and equipment, net of accumulated depreciation.

(2) Includes net sales and machinery, equipment and tooling that relate to the Company's maquiladora operations located in Mexico. These assets are utilized to produce products sold to customers located in the United States.

(3) Includes the Company's country of domicile, Jersey, and the country of the Company's principal executive offices, the United Kingdom. The Company had no sales in Jersey in any period. The Company had net sales of \$733 million, \$674 million, and \$728 million in the United Kingdom for the years ended December 31, 2017, 2016 and 2015, respectively. The Company had net property in the United Kingdom of \$157 million, \$146 million, and \$188 million as of December 31, 2017, 2016 and 2015, respectively. The largest portion of net sales in the Europe, Middle East & Africa region was \$733 million in the United Kingdom, \$674 million in the United Kingdom and \$728 million in the United Kingdom for the years ended December 31, 2017, 2016 and 2015, respectively.

(4) Net sales and net property in Asia Pacific are primarily attributable to China.

Net sales to outside customers by major product group were as follows:

	Year Ended December 31,		
	2017	2016	2015
	(in millions)		
Internal Combustion Engine Products	\$ 2,860	\$ 2,634	\$ 2,677
Electronics & Electrification	1,042	928	767
Independent Aftermarket	621	594	617
Original Equipment Service	326	330	346
Net sales	<u>\$ 4,849</u>	<u>\$ 4,486</u>	<u>\$ 4,407</u>

21. QUARTERLY DATA (UNAUDITED)

The following is a condensed summary of the Company's unaudited quarterly results for 2017 and 2016 .

	Three Months Ended				Total
	March 31,	June 30,	September 30,	December 31,	
(in millions, except per share amounts)					
2017					
Net sales	\$ 1,168	\$ 1,187	\$ 1,205	\$ 1,289	\$ 4,849
Cost of sales (1)	926	947	976	1,032	3,881
Gross profit	\$ 242	\$ 240	\$ 229	\$ 257	\$ 968
Operating income (2)	\$ 148	\$ 79	\$ 113	\$ 106	\$ 446
Net income	111	56	87	\$ 65	\$ 319
Net income attributable to noncontrolling interest	8	8	9	\$ 9	34
Net income attributable to Delphi Technologies	\$ 103	\$ 48	\$ 78	\$ 56	\$ 285
Basic net income per share attributable to Delphi Technologies (3)	\$ 1.16	\$ 0.54	\$ 0.88	\$ 0.63	\$ 3.22
Weighted average number of basic shares outstanding (4)	88.61	88.61	88.61	88.61	88.61
Diluted net income per share attributable to Delphi Technologies (3)	\$ 1.16	\$ 0.54	\$ 0.88	\$ 0.63	\$ 3.21
Weighted average number of diluted shares outstanding (4)	88.61	88.61	88.61	88.79	88.66
2016					
Net sales	\$ 1,117	\$ 1,146	\$ 1,077	\$ 1,146	\$ 4,486
Cost of sales	916	953	882	938	3,689
Gross profit	\$ 201	\$ 193	\$ 195	\$ 208	\$ 797
Operating income (loss) (5)	\$ 116	\$ (9)	\$ 101	\$ 112	\$ 320
Net income (loss)	101	(5)	84	88	268
Net income attributable to noncontrolling interest	8	7	7	10	32
Net income (loss) attributable to Delphi Technologies	\$ 93	\$ (12)	\$ 77	\$ 78	\$ 236
Basic net income (loss) per share attributable to Delphi Technologies (3)	\$ 1.05	\$ (0.14)	\$ 0.87	\$ 0.88	\$ 2.66
Weighted average number of basic shares outstanding (4)	88.61	88.61	88.61	88.61	88.61
Diluted net income (loss) per share attributable to Delphi Technologies (3)	\$ 1.05	\$ (0.14)	\$ 0.87	\$ 0.88	\$ 2.66
Weighted average number of diluted shares outstanding (4)	88.61	88.61	88.61	88.61	88.61

(1) In the first quarter of 2017, as a result of a commercial agreement entered into for the reimbursement of previously incurred development costs, the Company recorded a reduction of \$13 million to cost of sales during the three months ended March 31, 2017.

(2) In the second quarter of 2017, the Company recorded restructuring charges totaling \$66 million, which includes employee-related and other costs, \$53 million of which related to the closure of a European manufacturing site.

(3) Due to the use of the weighted average shares outstanding for each quarter for computing earnings per share, the sum of the quarterly per share amounts may not equal the per share amount for the year.

(4) Net income per share for periods prior to the Distribution Date were calculated using the number of shares that were distributed to Former Parent shareholders upon the Separation (88,613,262 shares).

(5) In the second quarter of 2016, the Company recorded restructuring charges totaling \$124 million, which includes employee-related and other costs, \$88 million of which related to the closure of a European manufacturing site.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Management of the Company, under the supervision and with the participation of the Chief Executive Officer and the Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of December 31, 2017. As defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), disclosure controls and procedures are controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported on a timely basis, and that such information is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Company's disclosure controls and procedures include components of the Company's internal control over financial reporting. Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of December 31, 2017.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f), for the Company. Under the supervision of the Chief Executive Officer and Chief Financial Officer, management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2017 based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "Internal Control-Integrated Framework (2013)." Based on that evaluation, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2017.

Ernst & Young LLP, an independent registered public accounting firm, has issued an attestation report on the effectiveness of internal control over financial reporting as of December 31, 2017 which is included herein.

Changes in Internal Control over Financial Reporting

There were no material changes in the Company's internal control over financial reporting, identified in connection with management's evaluation of internal control over financial reporting, that occurred during the quarter ended December 31, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Delphi Technologies PLC

Opinion on Internal Control over Financial Reporting

We have audited Delphi Technologies PLC's internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Delphi Technologies PLC (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Delphi Technologies PLC as of December 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2017 and related notes and financial statement schedule listed in the Index at Item 15(a)(2) and our report dated February 26, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

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

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

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

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ Ernst & Young LLP
Detroit, Michigan
February 26, 2018

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The information called for by Item 10, as to compliance with Section 16(a) of the Exchange Act, is incorporated by reference to the Company's Definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A in connection with the Company's 2018 Annual Meeting of Shareholders (the "Proxy Statement") under the heading "Other Information—Section 16(a) Beneficial Ownership Reporting Compliance." The information called for by Item 10, as to the audit committee and the audit committee financial expert, is incorporated by reference to the Company's Proxy Statement under the headings "Board Practices" and "Board Committees." The information called for by Item 10, as to executive officers, is set forth under Executive Officers of the Registrant in the Supplementary Item in Part I of this Annual Report on Form 10-K. The information called for by Item 10, as to directors, is incorporated by reference to the Company's Proxy Statement under the headings "Election of Directors" and "Board Practices."

The Company has adopted a code of ethics, the Code of Ethical Business Conduct, which applies to its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, and all other employees and non-employee directors of the Company. The Code of Ethical Business Conduct is posted on the Company's website (delphi.com). The Company intends to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of the code of ethics that applies to the Company's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, by posting such information on the Company's website, at the address specified above.

The Company's Corporate Governance Guidelines and charters for each Committee of its Board of Directors are also available on the Company's website. The Code of Ethical Business Conduct, Corporate Governance Guidelines and charters are also available in print to any shareholder who submits a request to: Corporate Secretary, Delphi Technologies PLC, 1 Angel Court, 10th Floor, London, EC2R 7HJ, United Kingdom.

Information on the Company's website is not deemed to be incorporated by reference into this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information called for by Item 11 is incorporated by reference to the Company's Proxy Statement under the headings "Director Compensation," "Compensation Discussion and Analysis" and "Compensation Committee Report."

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information called for by Item 12, as to security ownership of certain beneficial owners, directors and management, is incorporated by reference to the Company's Proxy Statement under the headings "Security Ownership of Certain Beneficial Owners" and "Security Ownership of Management."

Information as of December 31, 2017 about the Company's ordinary shares that may be issued under all of its equity compensation plans is set forth in Part II Item 5 of this Annual Report on Form 10-K.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information called for by Item 13, as to director independence, is incorporated by reference to the Company's Proxy Statement under the heading "Board Practices." The information called for by Item 13, as to related person transactions, is incorporated by reference to the Company's Proxy Statement under the heading "Relationships and Related Party Transactions."

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information called for by Item 14 is incorporated by reference to the Company's Proxy Statement under the heading "Independent Registered Public Accounting Firm's Fees."

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Form 10-K.

(1) Financial Statements:

	Page No.
— Report of Independent Registered Public Accounting Firm	60
— Consolidated Statements of Operations for the Years Ended December 31, 2017, 2016 and 2015	61
— Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2017, 2016 and 2015	62
— Consolidated Balance Sheets as of December 31, 2017 and 2016	63
— Consolidated Statements of Cash Flows for the Years Ended December 31, 2017, 2016 and 2015	64
— Consolidated Statements of Shareholders' Equity for the Years Ended December 31, 2017, 2016 and 2015	65
— Notes to Consolidated Financial Statements	66

(2) Financial Statement Schedule:

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Deductions (in millions)	Other Activity	Balance at End of Period
December 31, 2017					
Allowance for doubtful accounts	\$ 9	\$ 8	\$ (1)	\$ —	\$ 16
Tax valuation allowance (a)(b)	\$ 70	\$ 20	\$ (12)	\$ 118	\$ 196
December 31, 2016:					
Allowance for doubtful accounts	\$ 8	\$ 2	\$ (1)	\$ —	\$ 9
Tax valuation allowance (a)	\$ 77	\$ —	\$ (4)	\$ (3)	\$ 70
December 31, 2015:					
Allowance for doubtful accounts	\$ 7	\$ 5	\$ (4)	\$ —	\$ 8
Tax valuation allowance (a)	\$ 66	\$ 18	\$ —	\$ (7)	\$ 77

(a) Additions Charged to Costs and Expenses are primarily related to taxable losses for which the tax benefit has been reserved.

(b) Other Activity primarily represents the transfer of certain deferred tax assets and the related valuation allowance from the Former Parent as a result of the Separation.

The other schedules have been omitted because they are not applicable, not required or the information to be set forth therein is included in the Consolidated Financial Statements or notes thereto.

(3) Exhibits: (including those incorporated by reference)

Exhibit Number	Description
*2.1	Separation and Distribution Agreement dated November 15, 2017 between the Company and Delphi Automotive PLC (renamed Aptiv PLC)
3.1	Memorandum and Articles of Association of the Company
4.1	Senior Notes Indenture, dated as of September 28, 2017, among Delphi Jersey Holdings plc (renamed Delphi Technologies PLC), the guarantors named therein, U.S. Bank National Association as Trustee, and U.S. Bank National Association as Registrar, Paying Agent and Authenticating Agent (incorporated by reference to Exhibit 4.1 to Amendment No. 3 to the Company's Registration Statement on Form 10, as filed on October 16, 2017, File No. 001-38110)
4.2	Supplemental Indenture, dated December 4, 2017, by and between Delphi Technologies PLC, the Guaranteeing Parties (as defined in the Supplemental Indenture) and U.S. Bank National Association (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K, as filed on December 8, 2017, File No. 001-38110)
10.1	Credit Agreement, dated as of September 7, 2017, among Delphi Jersey Holdings plc (renamed Delphi Technologies PLC), Delphi Powertrain Corporation, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other lenders and agents party thereto (incorporated by reference to Exhibit 10.5 to Amendment No. 3 to the Company's Registration Statement on Form 10, as filed on October 16, 2017, File No. 001-38110)
*+10.2	Contract of Employment, dated as of December 6, 2017, between the Company and Mr. Liam Butterworth
+10.3	Offer letter for Vivid Sehgal, dated September 19, 2017 (incorporated by reference to Exhibit 10.7 to Amendment No. 3 to the Company's Registration Statement on Form 10, as filed on October 16, 2017)
+10.4	Offer letter for James Harrington, dated September 1, 2017 (incorporated by reference to Exhibit 10.8 to Amendment No. 3 to the Company's Registration Statement on Form 10, as filed on October 16, 2017)
*+10.5	Contract of Employment, dated December 6, 2017, between the Company and Mr. Mike Clarke
*+10.6	Long-Term Incentive Plan
*+10.7	Annual Incentive Plan
*+10.8	Leadership Incentive Plan
*+10.9	Executive Severance Plan
*+10.10	Change in Control Severance Plan
+10.11	Form of Performance-Based RSU Award for annual grants pursuant to the Delphi Technologies PLC Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, as filed on January 30, 2018, File No. 001-38110)
+10.12	Form of Performance-Based RSU Award for founders grants pursuant to the Delphi Technologies PLC Long-Term Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, as filed on January 30, 2018, File No. 001-38110)
+10.13	Form of Time-Based RSU Award for annual grants pursuant to the Delphi Technologies PLC Long-Term Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, as filed on January 30, 2018, File No. 001-38110)
+10.14	Form of Time-Based RSU Award for founders grants pursuant to the Delphi Technologies PLC Long-Term Incentive Plan (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K, as filed on January 30, 2018, File No. 001-38110)
+10.15	Form of Time-Based RSU Award for new hires pursuant to the Delphi Technologies PLC Long-Term Incentive Plan (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K, as filed on January 30, 2018, File No. 001-38110)
*10.16	Transition Services Agreement dated December 4, 2017 between the Company and Delphi Automotive PLC (renamed Aptiv PLC)
*10.17	Employee Matters Agreement dated December 4, 2017 between the Company and Delphi Automotive PLC (renamed Aptiv PLC)
*10.18	Form of Contract Manufacturing Services Agreement, dated December 4, 2017, between certain subsidiaries of Aptiv PLC (fka Delphi Automotive PLC) and certain subsidiaries of Delphi Technologies PLC
*10.19	Tax Matters Agreement dated December 4, 2017 between the Company and Delphi Automotive PLC (renamed Aptiv PLC)
+10.20	Form of Non-Employee Director RSU Award Agreement for Converted Awards, subject to the Conversion Adjustments (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of Aptiv PLC for the quarter ended June 30, 2012, File No. 001-35346)
+10.21	Form of Officer Performance-Based RSU Award for Converted Awards, subject to the Conversion Adjustments (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q of Aptiv PLC for the quarter ended March 31, 2015, File No. 001-35346)

+10.22	Form of Officer Performance-Based RSU Award for Converted Awards, subject to the Conversion Adjustments (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of Aptiv PLC for the quarter ended March 31, 2016, File No. 001-35346)
+10.23	Form of Officer Time-Based RSU Award for Converted Awards, subject to the Conversion Adjustments (incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q of Aptiv PLC for the quarter ended March 31, 2015, File No. 001-35346)
+10.24	Form of Continuity Performance-Based RSU Award for Converted Awards, subject to the Conversion Adjustments (incorporated by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q of Aptiv PLC for the quarter ended March 31, 2015, File No. 001-35346)
+10.25	Form of Continuity Time-Based RSU for Converted Awards, subject to the Conversion Adjustments (incorporated by reference to Exhibit 10.6 to the Quarterly Report on Form 10-Q of Aptiv PLC for the quarter ended March 31, 2015, File No. 001-35346)
*12.1	Computation of Ratio of Earnings to Fixed Charges
*21.1	Subsidiaries of the Registrant
*23.1	Consent of Ernst & Young LLP
*31.1	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer
*31.2	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer
*32.1	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*32.2	Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

**Exhibit
Number**

Description

*101.INS	XBRL Instance Document#
*101.SCH	XBRL Taxonomy Extension Schema Document#
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document#
*101.DEF	XBRL Taxonomy Extension Definition Linkbase Document#
*101.LAB	XBRL Taxonomy Extension Label Linkbase Document#
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document#

* Filed herewith.

+ Management contract or compensatory plan or arrangement.

SIGNATURES

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

DELPHI TECHNOLOGIES PLC

/s/ Vivid Sehgal

By: Vivid Sehgal
Chief Financial Officer

Dated: February 26, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below as of February 26, 2018, by the following persons on behalf of the registrant and in the capacities indicated:

<u>Signature</u>	<u>Title</u>
<u>/s/ Liam Butterworth</u> Liam Butterworth	President, Chief Executive Officer & Director (Principal Executive Officer)
<u>/s/ Vivid Sehgal</u> Vivid Sehgal	Chief Financial Officer (Principal Financial Officer)
<u>/s/ Jeffrey Sesplankis</u> Jeffrey Sesplankis	Chief Accounting Officer (Principal Accounting Officer)
<u>/s/ Timothy M. Manganello</u> Timothy M. Manganello	Chairman of the Board of Directors
<u>/s/ Robin J. Adams</u> Robin J. Adams	Director
<u>/s/ Joseph S. Cantie</u> Joseph S. Cantie	Director
<u>/s/ Nelda J. Connors</u> Nelda J. Connors	Director
<u>/s/ Gary L. Cowger</u> Gary L. Cowger	Director
<u>/s/ David S. Haffner</u> David S. Haffner	Director
<u>/s/ Helmut Leube</u> Helmut Leube	Director
<u>/s/ Hari N. Nair</u> Hari N. Nair	Director
<u>/s/ MaryAnn Wright</u> MaryAnn Wright	Director

SEPARATION AND DISTRIBUTION AGREEMENT

BY AND BETWEEN

DELPHI AUTOMOTIVE PLC

AND

DELPHI TECHNOLOGIES PLC

DATED AS OF NOVEMBER 15, 2017

TABLE OF CONTENTS

ARTICLE I. DEFINITIONS	2
1.1 Definitions	2
1.2 Interpretation	14
ARTICLE II. SEPARATION	14
2.1 Transfers of Assets and Assumptions of Liabilities; Delphi Technologies Assets; Aptiv Assets	14
2.2 Nonassignable Contracts and Permits	19
2.3 Termination of Intercompany Agreements	19
2.4 Treatment of Shared Contracts and Shared Permits	20
2.5 Bank Accounts; Cash Balances; Misdirected Payments	21
2.6 Delphi Technologies Financing Arrangements; Cash Distribution	23
2.7 Misallocated Assets and Liabilities	23
2.8 Disclaimer of Representations and Warranties	24
ARTICLE III. COMPLETION OF THE DISTRIBUTION	25
3.1 Actions Prior to the Distribution	25
3.2 Effecting the Distribution	26
3.3 Conditions to the Distribution	27
3.4 Sole Discretion	28
ARTICLE IV. DISPUTE RESOLUTION	28
4.1 General Provisions	28
4.2 Negotiation by Senior Executives	29
4.3 Arbitration	30
ARTICLE V. MUTUAL RELEASES; INDEMNIFICATION; COOPERATION; INSURANCE	31
5.1 Release of Claims Prior to Distribution	31
5.2 Indemnification by Aptiv	33
5.3 Indemnification by Delphi Technologies	34
5.4 Indemnification Obligations Net of Insurance Proceeds	35
5.5 Procedures for Indemnification of Third-Party Claims	36
5.6 Additional Matters	39
5.7 Survival of Indemnities	40
5.8 Right of Contribution	41
5.9 Covenant Not to Sue (Liabilities and Indemnity)	41
5.10 No Impact on Third Parties	42
5.11 No Cross-Claims or Third-Party Claims	42
5.12 Severability	42
5.13 Specified Ancillary Agreements	42

5.14 Exclusivity	42
5.15 Cooperation in Defense and Settlement	43
5.16 Insurance Matters	43
5.17 Guarantees, Letters of Credit and Other Obligations	45
ARTICLE VI. EXCHANGE OF INFORMATION; CONFIDENTIALITY	46
6.1 Agreement for Exchange of Information	46
6.2 Ownership of Information	46
6.3 Compensation for Providing Information	47
6.4 Record Retention	47
6.5 Limitations of Liability	48
6.6 Other Agreements Providing for Exchange of Information	48
6.7 Auditors and Audits	49
6.8 Privileged Matters	49
6.9 Confidentiality	52
6.10 Protective Arrangements	53
ARTICLE VII. FURTHER ASSURANCES AND ADDITIONAL COVENANTS	54
7.1 Further Assurances	54
7.2 Performance	54
7.3 No Restrictions on Post-Closing Competitive Activities; Corporate Opportunities	55
7.4 Mail Forwarding	56
7.5 Non-Disparagement	56
7.6 Non-Solicitation Covenant	56
7.7 Order of Precedence	56
ARTICLE VIII. INTELLECTUAL PROPERTY MATTERS	56
8.1 License to Delphi Technologies	56
8.2 License to Aptiv	58
8.3 Aptiv-Formative Trademarks	60
ARTICLE IX. TERMINATION	61
9.1 Termination	61
9.2 Effect of Termination	61
ARTICLE X. MISCELLANEOUS	61
10.1 Counterparts; Entire Agreement; Corporate Power	61
10.2 Governing Law	62
10.3 Assignability	62
10.4 Third-Party Beneficiaries	62
10.5 Notices	63

10.6 Severability	64
10.7 Force Majeure	64
10.8 Press Release	64
10.9 Expenses	64
10.10 Late Payments	65
10.11 Headings	65
10.12 Survival of Covenants	65
10.13 Waivers of Default	65
10.14 Specific Performance	65
10.15 Amendments	65
10.16 Construction	66
10.17 Performance	66
10.18 Limited Liability	66
10.19 Exclusivity of Tax Matters	66
10.20 Limitations of Liability	66

Schedules

Schedule 1.1A	Ancillary Agreements
Schedule 1.1B	Delphi Technologies Permits
Schedule 1.1C	Delphi Technologies Properties
Schedule 1.1D	Excluded Intellectual Property
Schedule 1.1E	Specified Ancillary Agreements
Schedule 1.1F	Trade Intercompany Accounts
Schedule 2.1(b)(iii)	Delphi Technologies Equity Interests
Schedule 2.1(c)(ix)	Other Aptiv Assets
Schedule 2.1(d)(xiv)	Other Delphi Technologies Liabilities
Schedule 2.3(b)(iv)	Intercompany Agreements
Schedule 2.4(b)	Shared Permits

The registrant will furnish supplementally a copy of any omitted schedule to the Commission upon request.

Exhibits

Exhibit A	Amended and Restated Articles of Association
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SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT is entered into effective as of November 15, 2017 (this “*Agreement*”), by and between Delphi Automotive PLC, a public limited company formed under the laws of Jersey (“*Aptiv*”) and Delphi Technologies PLC, a public limited company formed under the laws of Jersey and wholly owned subsidiary of Aptiv (“*Delphi Technologies*”). Aptiv and Delphi Technologies are each a “*Party*” and are sometimes referred to herein collectively as the “*Parties*.” Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article I.

RECITALS

WHEREAS, Aptiv owns 100% of the ordinary shares, par value \$0.01 per share, of Delphi Technologies (the “*Delphi Technologies Stock*”);

WHEREAS, the Board of Directors of Aptiv (the “*Aptiv Board*”) determined on careful review and consideration that the separation of Delphi Technologies from the rest of Aptiv and the establishment of Delphi Technologies as a separate, publicly traded company to operate the Delphi Technologies Business is in the best interests of Aptiv;

WHEREAS, the Board of Directors of Delphi Technologies (the “*Delphi Technologies Board*”) determined on careful review and consideration that the separation of Delphi Technologies from the rest of Aptiv and the establishment of Delphi Technologies as a separate, publicly traded company to operate the Delphi Technologies Business is in the best interests of Delphi Technologies;

WHEREAS, in furtherance of the foregoing, the Aptiv Board has determined that it is appropriate and desirable to separate the Delphi Technologies Business from the Aptiv Business (the “*Separation*”) and, following the Separation, to make a distribution of the Delphi Technologies Business to the holders of ordinary shares, par value \$0.01 per share, of Aptiv (the “*Aptiv Stock*”) on the Record Date through the distribution of ordinary shares of Delphi Technologies to holders of Aptiv on the Record Date on a pro rata basis (the “*Distribution*”), in each case, on the terms and conditions set forth in this Agreement;

WHEREAS, Aptiv and Delphi Technologies have prepared, and Delphi Technologies has filed with the SEC, the Form 10, which includes the Information Statement, and which sets forth certain disclosure concerning Delphi Technologies, the Separation and the Distribution;

WHEREAS, each of Aptiv and Delphi Technologies has determined that it is appropriate and desirable to set forth in this Agreement certain agreements that will govern certain matters relating to the Separation and the Distribution and the relationship of Aptiv, Delphi Technologies and the members of their respective Groups following the Distribution; and

WHEREAS, the Parties intend that the Distribution will qualify as a distribution under Section 355(a) of the Code.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements, provisions and covenants contained in this Agreement, the Parties hereby agree as follows:

**ARTICLE I.
DEFINITIONS**

1.1 **Definitions**. For the purpose of this Agreement, the following terms shall have the following meanings:

“**Action**” means any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any Governmental Authority or in any arbitration or mediation.

“**Affiliate**” means, when used with respect to a specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition, “control” (including with correlative meanings, “controlled by” and “under common control with”), when used with respect to any specified Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. It is expressly agreed that for purposes of this Agreement and the Ancillary Agreements, from and after the Effective Time, (i) no member of the Delphi Technologies Group shall be deemed to be an Affiliate of any member of the Aptiv Group, (ii) no member of the Aptiv Group shall be deemed to be an Affiliate of any member of the Delphi Technologies Group and (iii) no joint venture formed after the Effective Time solely between one or more members of the Delphi Technologies Group, on the one hand, and one or more members of the Aptiv Group, on the other hand, shall be deemed to be an Affiliate of, or owned or controlled by, any member of the Delphi Technologies Group or the Aptiv Group for the purposes of this Agreement.

“**Agent**” means Computershare Trust Company, N.A., as the distribution agent appointed by Aptiv to distribute to the shareholders of Aptiv all of the outstanding shares of Delphi Technologies Stock pursuant to the Distribution.

“**Agreement**” shall have the meaning set forth in the Preamble.

“**Amended Financial Report**” shall have the meaning set forth in Section 6.7(b).

“**Ancillary Agreements**” means all Contracts entered into by the Parties or the members of their respective Groups (but to which no Third Party is a party) in connection with the Separation, the Distribution and the other transactions contemplated by this Agreement, including, the Employee Matters Agreement, the Contract Manufacturing Services Agreements, the Tax Matters Agreement, the Transition Services Agreement, the Transfer Documents and the agreements set forth on Schedule 1.1A.

“**Approvals or Notifications**” means any consents, waivers, approvals, permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any third Person, including any Governmental Authority.

“***Aptiv-Formative Marks***” means all Trademarks and domain names owned by Aptiv or any of its Subsidiaries that contain the “Delphi” name, either alone or in combination with other words or elements.

“***Aptiv***” shall have the meaning set forth in the Preamble.

“***Aptiv Accounts***” shall have the meaning set forth in Section 2.5(a).

“***Aptiv Assets***” shall have the meaning set forth in Section 2.1(c).

“***Aptiv Board***” shall have the meaning set forth in the Recitals.

“***Aptiv Business***” means all businesses and operations (whether or not such businesses or operations are or have been terminated, divested or discontinued) conducted by Aptiv and its Subsidiaries prior to the Effective Time that are not included in the Delphi Technologies Business.

“***Aptiv Group***” means, immediately after the Effective Time, (a) Aptiv and (b) each Subsidiary of Aptiv.

“***Aptiv Indemnitees***” shall have the meaning set forth in Section 5.3.

“***Aptiv Liabilities***” shall have the meaning set forth in Section 2.1(e).

“***Aptiv Specified Marks***” means (a) all Aptiv-Formative Marks, (b) any other Trademarks and domain names of Aptiv or any of its Subsidiaries (other than the Delphi Technologies Group) that are not used or held for use primarily in the Delphi Technologies Business, and (c) all Trademarks and domain names confusingly similar to or embodying any of the foregoing either alone or in combination with other words or elements, together with the goodwill associated with any of the foregoing; in each case, excluding the Delphi Technologies Specified Marks.

“***Aptiv Stock***” shall have the meaning set forth in the Recitals.

“***Assets***” means assets, properties, claims and rights (including goodwill), wherever located (including in the possession of vendors or other third parties or elsewhere), of every kind, character and description, whether real, personal or mixed, tangible, intangible or contingent, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of the applicable Person, including rights and benefits pursuant to any contract, license, permit, indenture, note, bond, mortgage, agreement, concession, franchise, instrument, undertaking, commitment, understanding or other arrangement.

“***Business Day***” means any day that is not a Saturday, Sunday or any other day on which banking institutions located in New York, New York are required or authorized by Law to be closed.

“ **Business Records** ” means all files, documents, instruments, papers, books, reports, records, tapes, microfilms, photographs, letters, ledgers, journals, financial statements, technical documentation (design specifications, functional requirements, operating instructions, logic manuals, flow charts, etc.), user documentation (installation guides, user manuals, training materials, release notes, working papers, etc.), Tax Returns, other Tax work papers and files and other documents in whatever form, physical, electronic or otherwise.

“ **Code** ” means the Internal Revenue Code of 1986, as amended.

“ **Contract** ” means any written, oral, implied or other contract, agreement, covenant, lease, license, guaranty, indemnity, representation, warranty, assignment, sales order, purchase order, power of attorney, instrument or other commitment, assurance, undertaking or arrangement that is binding on any Person or entity or any part of its property under applicable Law.

“ **Contract Manufacturing Services Agreements** ” means those certain Contract Manufacturing Services Agreements to be entered into between Aptiv and Delphi Technologies or any members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, as such agreements may be modified or amended from time to time in accordance with their respective terms.

“ **Covered Matter** ” shall have the meaning set forth in Section 5.16(i).

“ **Delphi Technologies** ” shall have the meaning set forth in the Preamble.

“ **Delphi Technologies Accounts** ” shall have the meaning set forth in Section 2.5(a).

“ **Delphi Technologies Articles of Association** ” shall have the meaning set forth in Section 3.1(f).

“ **Delphi Technologies Assets** ” shall have the meaning set forth in Section 2.1(b).

“ **Delphi Technologies Balance Sheet** ” means the unaudited pro forma condensed combined balance sheet of the Delphi Technologies Group as of September 30, 2017, including the notes thereto, included in the Information Statement.

“ **Delphi Technologies Borrowing** ” shall have the meaning set forth in Section 2.6(a).

“ **Delphi Technologies Business** ” means (a) Aptiv’s global “Powertrain Systems” business segment, consisting of (i) the design, manufacture, sale and distribution of fuel injection systems, including injectors, rails, pumps and electronic engine control modules, powertrain products, including variable valve timing, variable valve actuation, smart remote actuators, powertrain sensors, ignition products, canisters, and fuel handling products and power electronics products, including supervisory controllers and software, and DC/DC converters and inverters, and (ii) the sale of aftermarket products, including engine control modules, pumps, injectors, fuel modules, ignition coils, smart remote actuators, exhaust gas recirculation valves, brakes, steering, suspension, and other products, and (b) without limiting the foregoing clause (a) any terminated, divested or discontinued businesses, Assets or operations that were of such a

nature that they would have been part of the Delphi Technologies Business (as described in the foregoing clause (a)) had they not been terminated, divested or discontinued (regardless of whether they ever operated under the “Delphi Technologies” name); *provided, however*, that the Delphi Technologies Business shall exclude the original equipment service business conducted by Aptiv’s “Powertrain Systems” segment prior to the Effective Time to the extent related to the sale of products of other Aptiv segments to vehicle original equipment manufacturers or their Affiliates.

“**Delphi Technologies Business Records**” shall have the meaning set forth in Section 2.1(b)(x).

“**Delphi Technologies Cash Distribution**” means \$1,148,000,000.

“**Delphi Technologies Contracts**” shall mean any Contract to which either Party or any member of its Group is a party or by which it or any member of its Group or any of their respective Assets is bound, whether or not in writing, used or held for use exclusively in the conduct of the Delphi Technologies Business; *provided* that Delphi Technologies Contracts shall not include (a) any Contract that is contemplated to be retained by Delphi or any member of the Delphi Group from and after the Effective Time pursuant to any provision of this Agreement or any Ancillary Agreement or (b) any Contract referenced in Section 2.3(b).

“**Delphi Technologies DEG Business**” means the Delphi Electronics Group business that manufactures electronic components at facilities in Suzhou, China, Szombathely, Hungary, Reynosa, Mexico, Singapore and Kokomo, Indiana, U.S. that are sold by the Delphi Technologies Business.

“**Delphi Technologies Financing Arrangements**” means (a) that certain Credit Agreement, dated as of September 7, 2017, among Delphi Technologies and Delphi Powertrain Corporation, a U.S. corporation, as borrowers, J.P. Morgan Chase Bank, N.A., as administrative agent, and the other parties thereto, pursuant to which Delphi Technologies shall borrow \$750,000,000 of term loans and enter into a \$500,000,000 revolving credit facility and (b) the issuance by Delphi Technologies of \$800,000,000 aggregate principal amount of 5% notes due 2025 pursuant to that certain Indenture, dated as of September 28, 2017, among Delphi Technologies, as issuer, U.S. Bank National Association, as trustee, and U.S. Bank National Association, as registered agent, paying agent and authenticating agent.

“**Delphi Technologies Group**” means, immediately after the Effective Time, (a) Delphi Technologies and (b) each Subsidiary of Delphi Technologies.

“**Delphi Technologies Indemnitees**” shall have the meaning set forth in Section 5.2.

“**Delphi Technologies Intellectual Property**” means (a) the Intellectual Property (other than any Aptiv-Formative Marks) registered with any Governmental Authority owned by Aptiv or any of its Affiliates that is primarily used or primarily held for use in connection with the Delphi Technologies Business as of the Effective Time as documented by the books and records of Aptiv, (b) the Delphi Technologies Specified Marks, (c) all rights in any unregistered Intellectual Property, including Trademarks, that is related to the registered Intellectual Property described in (a), and (d) all other Intellectual Property owned or licensed by Aptiv or any of its

Affiliates and exclusively used or exclusively held for use in connection with the Delphi Technologies Business as of the Effective Time, in each case together with all rights, priorities and privileges accruing thereunder or pertaining thereto throughout the world (including all rights to sue or otherwise recover for past, present and future infringement thereof), but excluding the Excluded Intellectual Property.

“**Delphi Technologies Leases**” means the leases covering the Leased Real Property.

“**Delphi Technologies Liabilities**” shall have the meaning set forth in Section 2.1(d).

“**Delphi Technologies Permits**” means all Permits owned or licensed by either Party or member of its respective Group (a) exclusively used in the operation of the Delphi Technologies Business as of the Effective Time or (b) set forth on Schedule 1.1B.

“**Delphi Technologies Properties**” means the real property set forth on Schedule 1.1C under the heading “Delphi Technologies Properties”.

“**Delphi Technologies Specified Marks**” means the Aptiv-Formative Marks that are owned and used (or the subject of an intent-to-use application) by Aptiv or any of its Subsidiaries immediately prior to the Separation, but only to the extent such Trademarks are used (or the subject of an intent-to-use application) in connection with the goods and services included in the Delphi Technologies Business.

“**Delphi Technologies Stock**” shall have the meaning set forth in the Recitals.

“**Director**” shall mean, with respect to any member of the Delphi Technologies Group or the Aptiv Group, a member of the board of directors or managers, as applicable, of such entity.

“**Disclosure Document**” shall mean any registration statement (including the Form 10) filed with the SEC by or on behalf of any Party or any member of its Group, and also includes any information statement (including the Information Statement), prospectus, offering memorandum, offering circular, periodic report or similar disclosure document, whether or not filed with the SEC or any other Governmental Authority, in each case which describes the Separation or the Distribution or the Delphi Technologies Group or primarily relates to the transactions contemplated hereby, including the Separation, the Distribution, the Delphi Technologies Financing Arrangements or the Delphi Technologies Cash Distribution.

“**Dispute**” shall have the meaning set forth in Section 4.1(a).

“**Dispute Committee**” shall have the meaning set forth in Section 4.2.

“**Distribution**” shall have the meaning set forth in the Recitals.

“**Distribution Date**” means the date on which Aptiv, through the Agent, distributes all of the issued and outstanding shares of Delphi Technologies Stock to holders of Aptiv Stock in the Distribution.

“**Effective Time**” means 11:59 p.m. New York time, or such other time as Aptiv may determine, on the Distribution Date.

“**Employee Matters Agreement**” means that certain Employee Matters Agreement to be entered into between Aptiv and Delphi Technologies or any members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, as such agreement may be modified or amended from time to time in accordance with its terms.

“**Environmental Law**” means any Law relating to pollution, protection or restoration of or prevention of harm to the environment or natural resources, including the use, handling, transportation, treatment, storage, disposal, Release or discharge of Hazardous Materials or the protection of or prevention of harm to human health and safety.

“**Environmental Liabilities**” means all Liabilities relating to, arising out of or resulting from any Hazardous Materials, Environmental Law or Contract relating to environmental, health or safety matters (including all removal, remediation or cleanup costs, investigatory costs, response costs, natural resources damages, property damages, personal injury damages, costs of compliance, including with any product take-back requirements, or with any settlement, judgment or other determination of Liability and indemnity, contribution or similar obligations) and all costs and expenses, interest, fines, penalties or other monetary sanctions in connection therewith.

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder, as the same shall be in effect at the time reference is made thereto.

“**Excluded Intellectual Property**” means the Intellectual Property licensed pursuant to Shared Contracts, the Aptiv Specified Marks and any Intellectual Property listed on Schedule 1.1D.

“**Force Majeure**” means, with respect to a Party, an event beyond the control of such Party (or any Person acting on its behalf), which by its nature could not have been reasonably foreseen by such Party (or such Person) or, if it could have been reasonably foreseen, was unavoidable, and includes acts of God, storms, floods, riots, labor unrest, pandemics, nuclear incidents, fires, sabotage, civil commotion or civil unrest, interference by civil or military authorities, acts of war (declared or undeclared) or armed hostilities, or other national or international calamity or one or more acts of terrorism or failure of energy sources or distribution or transportation facilities. Notwithstanding the foregoing, the receipt by a Party of an unsolicited takeover offer or other acquisition proposal, even if unforeseen or unavoidable, and such Party’s response thereto shall not be deemed an event of Force Majeure.

“**Form 10**” means the registration statement on Form 10-12B (File No. 001-38110) filed by Delphi Technologies with the SEC to effect the registration of the Delphi Technologies Stock pursuant to Section 12(b) of the Exchange Act in connection with the Distribution, including any amendments or supplements thereto.

“ **Governmental Approvals** ” means any notices or reports to be submitted to, or other filings to be made with, or any consents, registrations, approvals, permits or authorizations to be obtained from, any Governmental Authority.

“ **Governmental Authority** ” means any nation or government, any state, province, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, provincial, regional, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any official thereof.

“ **Group** ” means either the Delphi Technologies Group or the Aptiv Group, as the context requires.

“ **Hazardous Materials** ” means any chemical, material, substance, waste, pollutant, emission, discharge, release or contaminant that could result in liability under, or that is prohibited, limited or regulated by or pursuant to, any Environmental Law, and any natural or artificial substance (whether solid, liquid or gas, noise, ion, vapor or electromagnetic) that could cause harm to human health or the environment, including petroleum, petroleum products and byproducts, asbestos and asbestos-containing materials, urea formaldehyde foam insulation, electronic, medical or infectious wastes, polychlorinated biphenyls, radon gas, radioactive substances, chlorofluorocarbons and all other ozone-depleting substances.

“ **ICC Rules** ” shall have the meaning set forth in Section 4.3(a).

“ **Indebtedness** ” means (a) all obligations of such specified Person for borrowed money or arising out of any extension of credit to or for the account of such specified Person (including reimbursement or payment obligations with respect to surety bonds, letters of credit, bankers’ acceptances and similar instruments), (b) all obligations of such specified Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such specified Person upon which interest charges are customarily paid, (d) all obligations of such specified Person under conditional sale or other title retention agreements relating to Assets purchased by such specified Person, (e) all obligations of such specified Person issued or assumed as the deferred purchase price of property or services, (f) all liabilities secured by (or for which any Person to which any such liability is owed has an existing right, contingent or otherwise, to be secured by) any mortgage, lien, pledge or other encumbrance on property owned or acquired by such specified Person (or upon any revenues, income or profits of such specified Person therefrom), whether or not the obligations secured thereby have been assumed by the specified Person or otherwise become liabilities of the specified Person, (g) all capital lease obligations of such specified Person, (h) all securities or other similar instruments convertible or exchangeable into any of the foregoing, but excluding daily cash overdrafts associated with routine cash operations, and (i) any liability of others of a type described in any of the preceding clauses (a) through (h) in respect of which the specified Person has incurred, assumed or acquired a liability by means of a guaranty, excluding any obligations related to Taxes.

“ **Indemnifying Party** ” shall have the meaning set forth in Section 5.4(a).

“ **Indemnitee** ” shall have the meaning set forth in Section 5.4(a).

“ **Indemnity Payment** ” shall have the meaning set forth in Section 5.4(a).

“ **Information** ” means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium and regardless of location, including (a) Technology and (b) to the extent not described by clause (a), technical, financial, employee or business information or data, studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names and records, supplier names and records, customer and supplier lists, customer and vendor data or correspondence, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other financial employee or business information or data, files, papers, tapes, keys, correspondence, plans, invoices, forms, product data and literature, promotional and advertising materials, operating manuals, instructional documents, quality records and regulatory and compliance records.

“ **Information Statement** ” means the Information Statement attached as an exhibit to the Form 10 and any related documents to be provided to the holders of Aptiv Stock in connection with the Distribution, including any amendment or supplement thereto.

“ **Initial Notice** ” shall have the meaning set forth in Section 4.2.

“ **Insurance Proceeds** ” means those monies: (a) received by an insured Person from any insurer, insurance underwriter, mutual protection and indemnity club or other risk collective; or (b) paid on behalf of an insured Person by any insurer, insurance underwriter, mutual protection and indemnity club or other risk collective, on behalf of the insured, in either such case net of any costs or expenses incurred in the collection thereof; *provided, however,* that with respect to a captive insurance arrangement, Insurance Proceeds shall only include net amounts received by the captive insurer from a Third Party in respect of any captive reinsurance arrangement.

“ **Intellectual Property** ” means all intellectual property and industrial property in any and all jurisdictions throughout the world, including all: (a) patents, patent applications (including patents issued thereon) and statutory invention registrations, including reissues, divisions, continuations, continuations in part, substitutions, renewals, extensions and reexaminations of any of the foregoing, and all rights in any of the foregoing provided by international treaties or conventions, (b) Trademarks, (c) Internet domain names, (d) copyrights, mask works, database rights and design rights, whether or not registered, and all registrations and applications for registration of any of the foregoing, and all rights in and to any of the foregoing provided by international treaties or conventions, (e) any intellectual property rights in unpatented technology, and inventions (whether or not patentable and whether or not reduced to practice), invention disclosures, ideas, formulas, compositions, inventor’s notes, discoveries and improvements, manufacturing and production processes and techniques, testing information, research and development information, drawings, specifications, designs, plans, proposals and technical data, trade secrets, confidential information, data, know-how, product designs and development, methods and processes, testing tools and materials, customer information, marketing materials and market surveys and (f) intellectual property rights arising from or in respect of any Software or technology.

“ **Intended Transferee** ” shall have the meaning set forth in Section 2.2.

“ **Intended Transferor** ” shall have the meaning set forth in Section 2.2.

“ **Intercompany** ” means, with respect to any Contract, balance, arrangement or other legal or financial relationship, established at or prior to the Effective Time, that such Contract, balance, arrangement or other legal or financial relationship is (a) between or among one or more members of the Delphi Technologies Group and one or more members of the Aptiv Group, as applicable, or (b) between or among the Delphi Technologies Business and the Aptiv Business, even if within the same legal entity (in which case the applicable Contract, balance, arrangement or other legal or financial relationship shall be deemed to be binding as if it was between separate legal entities).

“ **Joint Claims** ” means any claim or series of related claims under any insurance policy that results or could reasonably be expected to result in the payment of Insurance Proceeds to or for the benefit of both one or more members of the Aptiv Group and one or more members of the Delphi Technologies Group.

“ **Law** ” means any national, supranational, federal, state, provincial, regional, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any income tax treaty), license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other legally enforceable requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

“ **Leased Real Property** ” means (a) the real property leased by Aptiv or any other member of the Aptiv Group and used exclusively in the Delphi Technologies Business and (b) the real property leased by any member of the Delphi Technologies Group, in each case as tenant.

“ **Liabilities** ” means any and all Indebtedness, guarantees, assurances, commitments, liabilities, responsibilities, Losses, remediation, deficiencies, reimbursement obligations in respect of letters of credit, damages, payments, fines, penalties, claims, settlements, judgments, sanctions, costs, expenses, interest and obligations of any nature or kind, whether accrued or fixed, absolute or contingent, matured or unmatured, accrued or not accrued, asserted or unasserted, liquidated or unliquidated, foreseen or unforeseen, known or unknown, reserved or unreserved, reflected on a balance sheet or otherwise, or determined or determinable, including those arising under any Law, claim (including any Third-Party Claim), demand, Action, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority or arbitration tribunal, and those arising under any Contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking or terms of employment, whether imposed or sought to be imposed by a Governmental Authority, another third Person, or a Party, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute, or otherwise, in each case, including all costs, expenses, interest, attorneys’ fees, disbursements and expenses of counsel, expert and consulting fees and costs related thereto or to the investigation or defense thereof, in each case (a) including any fines, damages or equitable relief that is imposed in connection therewith and (b) other than Taxes.

“**Licensed Intellectual Property**” means Intellectual Property (other than Trademarks) owned by the Aptiv Group and used or held for use as of the Effective Time in connection with the Delphi Technologies Business, but excluding, for the avoidance of doubt, any Delphi Technologies Intellectual Property.

“**Losses**” means any and all damages, losses (including diminution in value), deficiencies, Liabilities, obligations, penalties, judgments, settlements, claims, payments, interest costs, fines and expenses (including the costs and expenses of any and all Actions and demands, assessments, judgments, settlements and compromises relating thereto and attorneys’, accountants’, consultants’ and other professionals’ fees and expenses incurred in the investigation or defense thereof or the enforcement rights hereunder), whether or not involving a Third-Party Claim, other than Taxes.

“**Misdirected Payment**” shall have the meaning set forth in Section 2.5(g).

“**NYSE**” means the New York Stock Exchange, Inc.

“**Parties**” or “**Party**” shall have the meaning set forth in the Preamble.

“**Permit**” means all permits, licenses, franchises, authorizations, concessions, certificates, consents, exemptions, approvals, variances, registrations, or similar authorizations from any Governmental Authority.

“**Person**” means any individual, general or limited partnership, corporation, business trust, joint venture, association, company, limited liability company, unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

“**Prime Rate**” shall mean the rate that Bloomberg displays as “Prime Rate by Country United States” on a Bloomberg terminal at PRIMBB Index.

“**Privileged Information**” means any information, in written, oral, electronic or other tangible or intangible forms, including any communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), as to which a party or its respective Subsidiaries would be entitled to assert or have a privilege, including the attorney-client and attorney work product privileges.

“**Record Date**” means 5:00 p.m. New York time on the date to be determined by the Aptiv Board as the record date for determining shareholders of Aptiv entitled to receive shares of Delphi Technologies Stock in the Distribution.

“**Record Holders**” means the holders of record of Aptiv Stock as of the Record Date.

“**Records Facility**” shall have the meaning set forth in Section 6.4(a).

“**Release**” means any release, spill, emission, discharge, leaking, pumping, pouring, dumping, injection, deposit, disposal, dispersal, leaching or migration of Hazardous Materials into the environment (including ambient air, surface water, groundwater and surface or subsurface strata).

“**Representatives**” means, with respect to any Person, any of such Person’s directors, officers, employees, agents, consultants, advisors, accountants, attorneys or other representatives.

“**SEC**” means the U.S. Securities and Exchange Commission.

“**Securities Act**” means the U.S. Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder, as the same shall be in effect at the time reference is made thereto.

“**Separation**” shall have the meaning set forth in the Recitals.

“**Shared Contract**” shall have the meaning set forth in Section 2.4.

“**Shared Permit**” shall have the meaning set forth in Section 2.4.

“**Software**” means any and all (a) computer programs, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, (b) databases and compilations, including any and all data and collections of data, whether machine-readable or otherwise, (c) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, (d) screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons and (e) documentation, including user manuals and other training documentation, relating to any of the foregoing.

“**Specified Ancillary Agreements**” means the agreements set forth on Schedule 1.1E.

“**Specified Party**” shall have the meaning set forth in Section 2.5(g).

“**Stored Records**” means Tangible Information held in a Records Facility maintained or arranged for by the party other than the party that owns such Tangible Information.

“**Subsidiary**” means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns or controls, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities of such Person, (ii) the total combined equity interests of such Person or (iii) the capital or profit interests, in the case of a partnership of such Person, or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body of such Person.

“**Tangible Information**” means Information that is contained in written, electronic or other tangible forms.

“**Tax**” shall have the meaning set forth in the Tax Matters Agreement.

“ **Tax Matters Agreement** ” means that certain Tax Matters Agreement to be entered into between Aptiv and Delphi Technologies in connection with the Separation, the Distribution and the other transactions contemplated by this Agreement, as such agreement may be modified or amended from time to time in accordance with its terms.

“ **Tax Returns** ” shall have the meaning set forth in the Tax Matters Agreement.

“ **Technology** ” shall mean all technology, designs, formulae, algorithms, procedures, methods, discoveries, processes, techniques, ideas, know-how, research and development, technical data, tools, materials, specifications, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), apparatus, creations, improvements, works of authorship in any media, confidential, proprietary or nonpublic information, and other similar materials, all customized applications, completely developed applications and modifications to commercial applications, and all recordings, graphs, drawings, reports, analyses and other writings, and other tangible embodiments of the foregoing in any form, in each case, other than Software.

“ **Third Party** ” shall have the meaning set forth in Section 5.5(a).

“ **Third-Party Claim** ” shall have the meaning set forth in Section 5.5(a).

“ **Trade Intercompany Accounts** ” means any Intercompany accounts with respect to (a) payables or receivables for goods with respect to the Trade Intercompany Arrangements, (b) the Delphi Electronics Group business or (c) any payables or receivables for (i) aftermarket or original equipment service sales or (ii) services except as set forth on Schedule 1.1F.

“ **Trade Intercompany Arrangements** ” means Intercompany transactions for the purchase or sale of products by or to the Delphi Technologies Business entered into in the ordinary course of business consistent with past practice and on arms’ length terms, excluding Intercompany transactions related to aftermarket or original equipment service sales.

“ **Trademarks** ” means all trademarks, service marks, trade names, trade dress, logos and other source or business identifiers, including all goodwill associated with any of the foregoing and any and all common law rights in and to any of the foregoing, registrations and applications for registration of any of the foregoing, all rights in and to any of the foregoing provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing.

“ **Transfer Documents** ” means transfer, contribution, distribution or other similar agreements, bills of sale, special warranty deeds, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment entered into, as of or prior to the Effective Time, between one or more members of the Aptiv Group, on the one hand, and one or more members of the Delphi Technologies Group, on the other hand, as and to the extent necessary to evidence: (a) the transfer, conveyance and assignment of all of such Party’s and the applicable members of its Group’s right, title and interest in and to the Assets to the other Party and the applicable members of its Group in accordance with Section 2.1(a); and (b) the valid and effective assumption of the Liabilities by such Party or the applicable members of its Group in accordance with Section 2.1(a).

“ **Transition Services Agreement** ” means that certain Transition Services Agreement to be entered into between Delphi Technologies and Aptiv or any members of their respective Groups in connection with the Distribution or the other transactions contemplated by this Agreement, as such agreement may be modified or amended from time to time in accordance with its terms.

1.2 **Interpretation**. In this Agreement and any Ancillary Agreement, (a) words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires; (b) the terms “hereof,” “herein,” “herewith” and words of similar import, and the terms “Agreement” and “Ancillary Agreement” shall, unless otherwise stated, be construed to refer to this Agreement or the applicable Ancillary Agreement as a whole (including all of the Schedules, Exhibits, Annexes and Appendices hereto and thereto) and not to any particular provision of this Agreement or such Ancillary Agreement; (c) Article, Section, Exhibit, Schedule and Appendix references are to the Articles, Sections, Exhibits, Schedules and Appendices to this Agreement (or the applicable Ancillary Agreement) unless otherwise specified; (d) the word “including” and words of similar import when used in this Agreement (or the applicable Ancillary Agreement) shall mean “including, without limitation”; (e) the word “or” shall not be exclusive; (f) unless expressly stated to the contrary in this Agreement, all references to “the date hereof,” “the date of this Agreement,” and words of similar import shall all be references to the date first stated in the preamble to this Agreement, regardless of any amendment or restatement hereof; (g) unless otherwise provided, all references to “\$” or “dollars” are to United States dollars; and (h) references to the performance, discharge or fulfillment of any Liability in accordance with its terms shall have meaning only to the extent such Liability has terms, and if the Liability does not have terms, the reference shall mean performance, discharge or fulfillment of such Liability.

ARTICLE II. SEPARATION

2.1 Transfers of Assets and Assumptions of Liabilities; Delphi Technologies Assets; Aptiv Assets.

(a) In order to effect the Separation, the Parties shall cause, and shall cause the members of their respective Groups to cause, (i) the Delphi Technologies Group to own, to the extent it does not already own, all of the Delphi Technologies Assets and none of the Aptiv Assets, and (ii) the Delphi Technologies Group to be liable for, to the extent it is not already liable for all of the Delphi Technologies Liabilities.

(b) For purposes of this Agreement, “ **Delphi Technologies Assets** ” shall mean:

(i) all Assets of either Party or any member of its Group included or reflected as Assets of the Delphi Technologies Group on the Delphi Technologies Balance Sheet, subject to any dispositions of such Assets subsequent to the date of the Delphi Technologies Balance Sheet; *provided*, that the amounts set forth on the Delphi Technologies Balance Sheet with respect to any Assets shall not be treated as minimum amounts or limitations on the amount of such Assets that are included in the definition of Delphi Technologies Assets pursuant to this clause (i);

(ii) all Assets of either Party or any member of its Group as of the Effective Time that are of a nature or type that would have resulted in such Assets being included as Assets of Delphi Technologies or members of the Delphi Technologies Group as of the Effective Time if a balance sheet, notes and subledgers were to be prepared on a basis consistent with the determination of the Assets included on the Delphi Technologies Balance Sheet, it being understood that (x) the Delphi Technologies Balance Sheet shall be used to determine the types of, and methodologies used to determine, those Assets that are included in the definition of Delphi Technologies Assets pursuant to this clause (ii) and (y) the amounts set forth on the Delphi Technologies Balance Sheet with respect to any Assets shall not be treated as minimum amounts or limitations on the amount of such Assets that are included in the definition of Delphi Technologies Assets pursuant to this clause (ii);

(iii) all issued and outstanding capital stock or other equity securities of the Persons set forth on Schedule 2.1(b)(iii) owned by either Party or a member of its respective Group as of the Effective Time;

(iv) all Delphi Technologies Contracts and all rights, interests or claims of either Party or any member of its respective Group thereunder as of the Effective Time;

(v) all Delphi Technologies Intellectual Property and all rights, interests or claims of either Party or any member of its respective Group thereunder as of the Effective Time;

(vi) all Delphi Technologies Leases and all rights, interests or claims of either Party or any member of its respective Group thereunder as of the Effective Time;

(vii) all Delphi Technologies Permits and all rights, interests or claims of either Party or any member of its respective Group thereunder as of the Effective Time;

(viii) without limiting the generality of clauses (i) and (ii), all Delphi Technologies Properties, together with all buildings, fixtures and improvements erected thereon;

(ix) all rights, claims, demands, causes of action, judgments, decrees and rights to indemnity or contribution, whether absolute or contingent, contractual or otherwise, in favor of Aptiv or any of its Subsidiaries exclusively related to the Delphi Technologies Business, including the right to sue, recover and retain such recoveries and the right to continue in the name of Delphi Technologies and its Subsidiaries any pending actions relating to the foregoing, and to recover and retain any damages therefrom;

(x) all Business Records exclusively related to the Delphi Technologies Business (the “***Delphi Technologies Business Records***”);

(xi) all of the Delphi Technologies Business’s interest in the Trade Intercompany Arrangements and the Trade Intercompany Accounts; and

(xii) all Assets of either Party or any member of its respective Group as of the Effective Time that are expressly provided by this Agreement or any Ancillary Agreement as Assets to be transferred to any member of the Delphi Technologies Group.

Notwithstanding the foregoing, the Delphi Technologies Assets shall not in any event include any Asset referred to in Section 2.1(c).

(c) For purposes of this Agreement, “**Aptiv Assets**” shall mean all Assets of either Party or the members of its Group as of the Effective Time, other than the Delphi Technologies Assets, including:

(i) all Assets of either Party or any member of its respective Group as of the Effective Time that are expressly contemplated by this Agreement or any Ancillary Agreement as Assets to be retained by any member of the Aptiv Group;

(ii) all Contracts of either Party or any member of its respective Group and all rights, interests or claims of either Party or any member of its respective Group thereunder as of the Effective Time other than the Delphi Technologies Contracts;

(iii) all Intellectual Property of either Party or any member of its respective Group and all rights, interests or claims of either Party or any member of its respective Group thereunder as of the Effective Time, including the Excluded Intellectual Property other than the Delphi Technologies Intellectual Property;

(iv) all Permits of either Party or any member of its Group and all rights, interests or claims of either Party or any member of its respective Group thereunder as of the Effective Time other than the Delphi Technologies Permits;

(v) any Contract related to the leasing or subleasing of real property and all rights, interests or claims of either Party or any member of its respective Group thereunder as of the Effective Time other than the Delphi Technologies Leases;

(vi) all of the Aptiv Business’s interest in the Trade Intercompany Arrangements and the Trade Intercompany Accounts;

(vii) all cash, cash equivalents and marketable securities on hand or in banks;

(viii) all Business Records other than the Delphi Technologies Business Records; and

(ix) all assets set forth on Schedule 2.1(c)(ix).

(d) For the purposes of this Agreement, “**Delphi Technologies Liabilities**” shall mean all Liabilities relating to, arising out of or resulting from the actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to, at or after the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent that such Liabilities relate to, arise out of or result from the Delphi Technologies Business or a Delphi Technologies Asset, including:

(i) all Liabilities included or reflected as liabilities or obligations of Delphi Technologies or the members of the Delphi Technologies Group on the Delphi Technologies Balance Sheet, subject to any discharge of such Liabilities subsequent to the date of the Delphi Technologies Balance Sheet; *provided*, that the amounts set forth on the Delphi Technologies Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of Delphi Technologies Liabilities pursuant to this clause (i);

(ii) all Liabilities as of the Effective Time that are of a nature or type that would have resulted in such Liabilities being included or reflected as liabilities or obligations of Delphi Technologies or the members of the Delphi Technologies Group as of the Effective Time if a balance sheet, notes and subledgers were to be prepared on a basis consistent with the determination of the Liabilities included on the Delphi Technologies Balance Sheet, it being understood that (x) the Delphi Technologies Balance Sheet shall be used to determine the types of, and methodologies used to determine, those Liabilities that are included in the definition of Delphi Technologies Liabilities pursuant to this clause (ii) and (y) the amounts set forth on the Delphi Technologies Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of Delphi Technologies Liabilities pursuant to this clause (ii);

(iii) any and all Liabilities that are expressly provided by this Agreement or any Ancillary Agreement as Liabilities to be assumed by Delphi Technologies or any other member of the Delphi Technologies Group, and all agreements, obligations and Liabilities of any member of the Delphi Technologies Group under this Agreement or any of the Ancillary Agreements;

(iv) all Liabilities based upon, relating to or arising from the Delphi Technologies Contracts;

(v) all Liabilities based upon, relating to or arising from Intellectual Property to the extent used or held for use in the Delphi Technologies Business;

(vi) all Liabilities based upon, relating to or arising from the Delphi Technologies Permits;

(vii) all Liabilities with respect to terminated, divested or discontinued businesses, Assets or operations that were of such a nature that they would be or would have been part of the Delphi Technologies Business had they not been terminated, divested or discontinued (regardless of whether they ever operated under the “Delphi Technologies” name), and all Liabilities of Aptiv related thereto unless such Liabilities are expressly retained by Aptiv pursuant to the terms of this Agreement or the Ancillary Agreements;

(viii) all Liabilities based upon, relating to or arising from all Delphi Technologies Leases;

(ix) all Environmental Liabilities arising at, prior to or after the Effective Time to the extent based upon, relating to or arising from the conduct of the Delphi Technologies Business as currently or formerly conducted (including at any properties that were previously owned or operated in connection with the Delphi Technologies Business) or the Delphi Technologies Assets or the Delphi Technologies Properties;

(x) all Liabilities based upon, relating to or arising from the Delphi Technologies DEG Business;

(xi) all Liabilities arising out of claims made by any Third Party (including Aptiv's or Delphi Technologies's respective directors, officers, shareholders, employees and agents) against any member of the Aptiv Group or the Delphi Technologies Group to the extent relating to, arising out of or resulting from the Delphi Technologies Business or the Delphi Technologies Assets or the other business, operations, activities or Liabilities referred to in clauses (i) through (x) above;

(xii) all Liability based upon, relating to or arising from the Delphi Technologies Business's interest in the Trade Intercompany Arrangements and the Trade Intercompany Accounts; and

(xiii) all Liabilities based upon, relating to or arising from the original equipment service business as conducted by the Aptiv Group's "Powertrain Systems" segment prior to the Effective Time, including to the extent related to the sale of products of other Aptiv segments to vehicle original equipment manufacturers or their Affiliates;

(xiv) all Liabilities set forth on Schedule 2.1(d)(xiv).

(e) For the purposes of this Agreement, "**Aptiv Liabilities**" means the following Liabilities of either Party or the members of its respective Group:

(i) all Liabilities that are expressly provided by this Agreement or any Ancillary Agreement as Liabilities to be assumed or retained by Aptiv or any other member of the Aptiv Group, and all agreements, obligations and Liabilities of any member of the Aptiv Group under this Agreement or any of the Ancillary Agreements;

(ii) all Liabilities to the extent (and only to the extent) based upon, relating to or arising from the operation or conduct of the Aptiv Business, but excluding in all circumstances the Delphi Technologies Liabilities; and

(iii) all Liabilities arising out of claims made by any Third Party (including Aptiv's or Delphi Technologies's respective directors, officers, shareholders, current and former employees and agents) against any member of the Aptiv Group or the Delphi Technologies Group to the extent relating to, arising out of or resulting from the Aptiv Business or the Aptiv Assets or the Liabilities referred to in clauses (i) and (ii) above (whether such claims arise, in each case before, at or after the Effective Time).

(f) Aptiv and its Subsidiaries hereby waive compliance by each and every member of the Aptiv Group with the requirements and provisions of any “bulk-sale” or “bulk-transfer” Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the Delphi Technologies Assets to any member of the Delphi Technologies Group.

2.2 Nonassignable Contracts and Permits. Notwithstanding anything to the contrary contained herein, this Agreement shall not constitute an agreement to assign any Asset or Liability if an assignment or attempted assignment of the same without the consent of another Person would constitute a breach thereof or in any way impair the rights of a Party thereunder or give to any third party any rights with respect thereto. If any such consent is not obtained or if an attempted assignment would be ineffective or would impair such party’s rights under any such Asset or Liability so that the party entitled to the benefits and responsibilities of such purported transfer (the “*Intended Transferee*”) would not receive all such rights and responsibilities, then (a) the party purporting to make such transfer (the “*Intended Transferor*”) shall use commercially reasonable efforts to provide or cause to be provided to the Intended Transferee, to the extent permitted by Law, the benefits of any such Asset or Liability and the Intended Transferor shall promptly pay or cause to be paid to the Intended Transferee when received all moneys received by the Intended Transferor with respect to any such Asset and (b) in consideration thereof the Intended Transferee shall pay, perform and discharge on behalf of the Intended Transferor all of the Intended Transferor’s Liabilities thereunder in a timely manner and in accordance with the terms thereof which it may do without breach and, at the Intended Transferor’s request, the Intended Transferee shall promptly reimburse or prepay (at the Intended Transferor’s election) the Intended Transferor for all amounts paid or due by the Intended Transferor on behalf of the Intended Transferee with respect to such non-assignable Asset or Liability. In addition, the Intended Transferor and the Intended Transferee shall each take such other actions as may be reasonably requested by the other Party in order to place the other Party, insofar as reasonably possible, in the same position as if such Asset had been transferred as contemplated hereby and so all the benefits and burdens relating thereto, including possession, use, risk of loss, Liability, potential for gain and dominion, control and command, shall inure to the Intended Transferee. If and when such consents and approvals are obtained, the transfer of the applicable Asset shall be effected in accordance with the terms of this Agreement.

2.3 Termination of Intercompany Agreements.

(a) Except as set forth in Section 2.3(b), in furtherance of the releases and other provisions set forth in Article III, Aptiv and each member of the Aptiv Group, on the one hand, and Delphi Technologies and each member of the Delphi Technologies Group, on the other hand, hereby terminate any and all (i) Intercompany balances and accounts arising out of Intercompany Indebtedness, whether or not in writing, between or among Aptiv or any member of the Aptiv Group or any entity that shall be a member of the Aptiv Group as of the Effective Time, on the one hand, and Delphi Technologies or any other member of the Delphi Technologies Group, on the other hand, effective as of the Effective Time, such that no Party or any member of its Group shall have any continuing obligation with respect thereto and otherwise in such a manner as Aptiv shall determine in good faith (including by means of dividends, distributions, contribution, the creation or repayment of intercompany debt, increasing or decreasing of cash pool balances or otherwise), and (ii) all Intercompany

agreements, arrangements, commitments or understandings, including all obligations to provide goods, services or other benefits, whether or not in writing, between or among Aptiv or any member of the Aptiv Group, on the one hand, and Delphi Technologies or any member of the Delphi Technologies Group, on the other hand (other than as set forth in Section 2.3(b)), without further payment or performance such that no party thereto shall have any further obligations therefor or thereunder. No such terminated balance, account, agreement, arrangement, commitment or understanding (including any provision thereof which purports to survive termination) shall be of any further force or effect after the Effective Time. Each Party shall, at the reasonable request of any other Party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.3(a) shall not apply to any of the following agreements, arrangements, commitments or understandings (or to any of the provisions thereof): (i) this Agreement and the Ancillary Agreements (and each other agreement or instrument expressly contemplated by this Agreement or any Ancillary Agreement to be entered into by any of the Parties or any of the members of their respective Groups, including, for the avoidance of doubt, those agreements and instruments entered into in connection with the Delphi Technologies Financing Arrangements); (ii) any Trade Intercompany Arrangements or Trade Intercompany Accounts; (iii) any Intercompany balances and accounts arising other than out of Intercompany Indebtedness; (iv) any agreements, arrangements, commitments or understandings filed as an exhibit, whether in preliminary or final form, to the Form 10 or otherwise listed or described on Schedule 2.3(b)(iv); (v) any agreements, arrangements, commitments or understandings to which any Person other than the Parties and the members of their respective Groups is a party (it being understood that to the extent that the rights and obligations of the Parties and the members of their respective Groups under any such agreements, arrangements, commitments or understandings constitute Delphi Technologies Assets, Aptiv Assets, Delphi Technologies Liabilities or Aptiv Liabilities, they shall be assigned pursuant to Section 2.1(a) to the extent they are not already held by a member of the applicable Group); (vi) any Shared Contracts; and (vii) any other agreements, arrangements, commitments or understandings that this Agreement or any Ancillary Agreement expressly contemplates shall survive the Effective Time.

(c) Each Intercompany balance and account (other than such balances and accounts arising out of Intercompany Indebtedness, which are cancelled pursuant to Section 2.3(a)) outstanding immediately prior to the Effective Time shall be net settled and paid as of the Effective Time within ninety (90) days of the Effective Time by the Party (or the member of its Group) owing such net amount; *provided, however*, that any receivable or payable arising pursuant to an agreement, arrangement or understanding described in clauses (i), (ii) or (iv) of Section 2.3(b) shall not be included in such net settlement and shall instead be settled in accordance with the terms of such agreement, arrangement or understanding (but in no event later than ninety (90) days after the Effective Time) by the Party (or the member of its Group) owing such net amount.

2.4 Treatment of Shared Contracts and Shared Permits. Subject to applicable Law and except as otherwise provided in any Ancillary Agreement, and without limiting the generality of the obligations set forth in Section 2.1, unless the Parties otherwise agree or the benefits of any Contract or Permit described in this Section 2.4 are expressly conveyed to the

applicable Party pursuant to this Agreement or an Ancillary Agreement, (a) any Contract entered into by a member of the Aptiv Group or the Delphi Technologies Group with a third party that is not a Delphi Technologies Asset, but pursuant to which a member of the Delphi Technologies Group, as of the Effective Time, has been provided certain revenues or other benefits or incurred any Liability (any such Contract, a “**Shared Contract**”) and (b) any Permit set forth on Schedule 2.4(b) (any such permit, a “**Shared Permit**”), in each case, shall not be assigned in relevant part to the applicable members of the Delphi Technologies Group or amended to give the relevant members of the Delphi Technologies Group any entitlement to such rights and benefits thereunder; *provided, however*, that the Parties shall, and shall cause each of the members of their respective Groups to, take such other reasonable and permissible actions to cause to the extent permitted under applicable Law: (i) the relevant member of the Delphi Technologies Group to receive the rights and benefits previously provided in the ordinary course of business, consistent with past practice, pursuant to such Shared Contract or Shared Permit; and (ii) the relevant member of the Delphi Technologies Group to bear the burden of the applicable Liabilities under such Shared Contract or Shared Permit. Notwithstanding the foregoing, no member of the Aptiv Group shall be required by this Section 2.4 to maintain in effect any Shared Contract or Shared Permit, and no member of the Delphi Technologies Group shall have any approval or other rights with respect to any amendment, termination or other modification of any Shared Contract or Shared Permit.

2.5 Bank Accounts; Cash Balances; Misdirected Payments.

(a) Each Party agrees to take, or cause the applicable members of its respective Group to take, at the Effective Time (or such earlier time as the Parties may agree), all actions necessary to amend all Contracts governing each bank and brokerage account, including lockbox accounts, owned by Aptiv or any other member of the Aptiv Group (collectively, the “**Aptiv Accounts**”) so that such Aptiv Accounts, if currently linked (whether by automatic withdrawal, automatic deposit or any other authorization to transfer funds from or to, hereinafter “linked”) to any bank or brokerage account, including lockbox accounts, owned by any member of the Delphi Technologies Group (collectively, the “**Delphi Technologies Accounts**”) are de-linked from the Delphi Technologies Accounts.

(b) Each Party agrees to take, or cause the applicable members of its respective Group to take, at the Effective Time (or such earlier time as the Parties may agree), all actions necessary to amend all Contracts governing the Delphi Technologies Accounts so that such Delphi Technologies Accounts, if currently linked to an Aptiv Account, are de-linked from the Aptiv Accounts.

(c) It is intended that, following consummation of the actions contemplated by Sections 2.5(a) and 2.5(b), there shall be in place a centralized cash management process pursuant to which (i) the Aptiv Accounts shall be managed centrally and funds collected shall be transferred into one or more centralized accounts maintained by Aptiv and (ii) the Delphi Technologies Accounts shall be managed centrally and funds collected shall be transferred into one or more centralized accounts maintained by Delphi Technologies. Notwithstanding Section 2.1, all cash on hand at any member of the Aptiv Group or the Delphi Technologies Group as of the Effective Time shall be assigned, transferred or paid over to or retained by Aptiv. Any cash in the Delphi Technologies Accounts after the Effective Time that belongs to any member of the Aptiv Group shall be transferred by the applicable member of the Delphi Technologies Group to any member of the Aptiv Group designated by Aptiv.

(d) With respect to any outstanding checks issued or payments initiated by Aptiv, Delphi Technologies or any of their respective Group members prior to the Effective Time, such outstanding checks and payments shall be honored following the Effective Time by the Person or Group owning the account on which the check is drawn or from which the payment was initiated. In addition, any outstanding checks or payments issued by a third party for the benefit of Aptiv, Delphi Technologies or any of their respective Group members prior to the Effective Time shall be honored following the Effective Time and payment shall be made to the party to whom the check or payment was issued.

(e) With respect to the payments described in Section 2.5(d), in the event that:

(i) Delphi Technologies or one of its Group members initiates a payment prior to the Effective Time that is honored following the Effective Time, and to the extent such payment relates to the Aptiv Business, then Aptiv shall reimburse Delphi Technologies for such payment as soon as reasonably practicable and in no event later than seven (7) days after such payment is honored; or

(ii) Aptiv or one of its Group members initiates a payment prior to the Effective Time that is honored following the Effective Time, and to the extent such payment relates to the Delphi Technologies Business, then Delphi Technologies shall reimburse Aptiv for such payment as soon as reasonably practicable and in no event later than seven (7) days after such payment is honored.

(f) Prior to or concurrently with the Effective Time, (i) Aptiv shall cause all Aptiv employees to be removed as authorized signatories on all bank accounts maintained by the Delphi Technologies Group and (ii) Delphi Technologies shall cause all Delphi Technologies employees to be removed as authorized signatories on all bank accounts maintained by the Aptiv Group.

(g) As between Delphi Technologies and Aptiv (for purposes of this Section 2.5(g), each a “**Specified Party**”) (and the members of their respective Groups), all payments made to and reimbursements received by either Specified Party (or any member of its Group), in each case after the Effective Time, that relate to a business, Asset or Liability of the other Specified Party (or any member of such other Specified Party’s Group) (each, a “**Misdirected Payment**”), shall be held in trust by the recipient Specified Party for the use and benefit of the other Specified Party (or member of such other Specified Party’s Group entitled thereto) (at the expense of the party entitled thereto). Each Specified Party shall maintain an accounting of any such Misdirected Payments received by such Specified Party or any member of its Group, and the Specified Parties shall have a weekly reconciliation, whereby all such Misdirected Payments received by each Specified Party are calculated and the net amount owed to the other Specified Party (or members of the other Specified Party’s Group) shall be paid over to the other Specified Party (for further distribution to the applicable members of such other Specified Party’s Group). If at any time the net amount in respect of Misdirected Payments owed to either Specified Party exceeds \$10,000,000, an interim payment of such net

amount owed shall be made to the Specified Party entitled thereto within three (3) Business Days of such amount exceeding \$10,000,000. Notwithstanding the foregoing, neither Specified Party (nor any of the members of its Group) shall act as collection agent for the other Specified Party (or any of the members of its Group), nor shall either Specified Party (or any members of its Group) act as surety or endorser with respect to non-sufficient funds checks, or funds to be returned in a bankruptcy or fraudulent conveyance action.

2.6 Delphi Technologies Financing Arrangements; Cash Distribution

(a) Prior to the Effective Time, Delphi Technologies entered into the Delphi Technologies Financing Arrangements (the “*Delphi Technologies Borrowing*”). Delphi Technologies shall cause all conditions to the availability of the funding and release of funds from escrow under the Delphi Technologies Financing Agreements to be satisfied concurrently with the Effective Time. Aptiv and Delphi Technologies agree to take all necessary actions to assure the full release and discharge of Aptiv and the other members of the Aptiv Group from all obligations pursuant to the Delphi Technologies Financing Arrangements as of no later than the Effective Time.

(b) Prior to the Effective Time, Delphi Technologies shall distribute the Delphi Technologies Cash Distribution to Aptiv in consideration of the transfer of the Delphi Technologies Assets to Delphi Technologies pursuant to the Separation. In order to effectuate the Delphi Technologies Cash Distribution, Delphi Technologies shall, sufficiently prior to the Effective Time, (i) issue irrevocable instructions to each Person necessary to cause the lenders to the Delphi Technologies Borrowing to fund, on behalf of Delphi Technologies, the amount of the Delphi Technologies Cash Distribution from the proceeds of the Delphi Technologies Borrowing directly to an account of Aptiv designated by Aptiv and (ii) cause its board of directors (subject to the board of directors being able to give the solvency statement as required by Jersey Law) to take all corporate and other action, and issue irrevocable instructions to any Person, as may be necessary to declare and pay the Delphi Technologies Cash Distribution to Aptiv. From and after the Effective Time, Delphi Technologies shall, to the fullest extent not prohibited by Law, be precluded from asserting in any judicial proceeding, arbitration or otherwise that the foregoing actions and procedures regarding the Delphi Technologies Cash Distribution are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator or otherwise that Delphi Technologies is bound to have made the Delphi Technologies Cash Distribution and use best efforts to pay the Delphi Technologies Cash Distribution amount to Aptiv if such amount is not received by Aptiv prior to or at the Effective Time.

2.7 Mis allocated Assets and Liabilities

(a) In the event that, at any time from and after the Effective Time, either Party discovers that it or another member of its Group is the owner of, receives or otherwise comes to possess or benefit from any Asset (including the receipt of payments made pursuant to Contracts and proceeds from accounts receivable with respect to such Asset) that should have been allocated to a member of the other Group pursuant to this Agreement or any Ancillary Agreement (except in the case of any deliberate acquisition of Assets from a member of the other Group for value subsequent to the Effective Time), such Party shall promptly transfer,

or cause to be transferred, such Asset to such member of the other Group, and such member of the other Group shall accept such Asset for no further consideration other than that set forth in this Agreement and such Ancillary Agreement. Prior to any such transfer, such Asset shall be held in accordance with Section 2.2.

(b) In the event that, at any time from and after the Effective Time, either Party discovers that it or another member of its Group is liable for any Liability that should have been allocated to a member of the other Group pursuant to this Agreement or any Ancillary Agreement (except in the case of any deliberate assumption of Liabilities from a member of the other Group for value subsequent to the Effective Time), such Party shall promptly transfer, or cause to be transferred, such Liability to such member of the other Group and such member of the other Group shall assume such Liability for no further consideration than that set forth in this Agreement and such Ancillary Agreement. Prior to any such assumption, such Liabilities shall be held in accordance with Section 2.2.

2.8 Disclaimer of Representations and Warranties. EACH OF APTIV (ON BEHALF OF ITSELF AND EACH MEMBER OF THE APTIV GROUP) AND DELPHI TECHNOLOGIES (ON BEHALF OF ITSELF AND EACH MEMBER OF THE DELPHI TECHNOLOGIES GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, NO PARTY TO THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED, ASSUMED OR LICENSED AS CONTEMPLATED HEREBY OR THEREBY (INCLUDING, WITHOUT LIMITATION, ANY ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED, ASSUMED OR LICENSED UNDER THIS ARTICLE II AND ARTICLE VIII), AS TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AS TO ANY CONSENTS OR APPROVALS REQUIRED IN CONNECTION THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, AS TO, IN THE CASE OF INTELLECTUAL PROPERTY, NON-INFRINGEMENT OR ANY WARRANTY THAT ANY SUCH INTELLECTUAL PROPERTY IS "ERROR FREE," OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SET-OFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED OR LICENSED, AS APPLICABLE, ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, EXCEPT AS OTHERWISE AGREED, BY MEANS OF A QUITCLAIM DEED OR CONVEYANCE) AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE WILL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

ARTICLE III.
COMPLETION OF THE DISTRIBUTION

3.1 Actions Prior to the Distribution. Following the Separation and prior to the Effective Time, subject to the terms and conditions set forth herein, the Parties shall take, or cause to be taken, the following actions in connection with the Distribution:

(a) *Notice to NYSE.* Aptiv shall, to the extent possible, give the NYSE not less than ten (10) days' advance notice of the Record Date in compliance with Rule 10b-17 under the Exchange Act.

(b) *Securities Law Matters.* Delphi Technologies shall file with the SEC any amendments or supplements to the Form 10 as may be necessary or advisable in order to cause the Form 10 to become and remain effective as required by the SEC or federal, state or other applicable securities Laws. Aptiv and Delphi Technologies shall cooperate in preparing, filing with the SEC and causing to become effective registration statements or amendments thereof which are required to reflect the establishment of, or amendments to, any employee benefit and other plans necessary or advisable in connection with the transactions contemplated by this Agreement and the Ancillary Agreements. Aptiv and Delphi Technologies shall take all such action as may be necessary or advisable under the securities or "blue sky" Laws of the United States (and any comparable Laws under any non-U.S. jurisdiction) in connection with the transactions contemplated by this Agreement and the Ancillary Agreements.

(c) *Availability of Information Statement.* Aptiv shall, as soon as is reasonably practicable after the Form 10 is declared effective under the Exchange Act and the Aptiv Board has approved the Distribution, cause the Information Statement to be mailed to the Record Holders or, in connection with the delivery of a notice of Internet availability of the Information Statement to such holders, posted on the Internet.

(d) *The Distribution Agent.* Aptiv shall enter into a distribution agent agreement with the Agent or otherwise provide instructions to the Agent regarding the Distribution.

(e) *Stock-Based Employee Benefit Plans.* At or prior to the Effective Time, Aptiv and Delphi Technologies shall take all actions as may be necessary to approve the stock-based employee benefit plans of Delphi Technologies in order to satisfy the requirements of Rule 16b-3 under the Exchange Act and the applicable rules and regulations of the NYSE.

(f) *Amended and Restated Articles of Association.* Aptiv and Delphi Technologies shall take all necessary action that may be required to provide for the adoption by Delphi Technologies of the Amended and Restated Articles of Association of Delphi Technologies substantially in the form attached hereto as Exhibit A (the "Delphi Technologies Articles of Association").

(g) *Officers and Directors.* At the Effective Time, the Parties shall take all necessary action so that, as of the Effective Time, the executive officers and directors of Delphi Technologies will be as set forth in the Information Statement.

(h) *Financings.* Prior to or on the Distribution Date, Delphi Technologies and each member of the Delphi Technologies Group designated by Delphi Technologies shall cause all conditions to the availability of the funding and release of funds from escrow under the Delphi Technologies Financing Arrangements to be satisfied.

(i) *Satisfying Conditions to the Distribution.* Aptiv and Delphi Technologies shall cooperate to cause the conditions to the Distribution set forth in Section 3.3 to be satisfied and to effect the Distribution at the Effective Time.

3.2 **Effecting the Distribution.**

(a) *Delivery of Delphi Technologies Stock.* On or prior to the Distribution Date, Aptiv shall deliver to the Agent, for the benefit of the Record Holders, duly executed transfer forms for such number of the outstanding shares of Delphi Technologies Stock as is necessary to effect the Distribution.

(b) *Distribution of Shares and Cash.* Aptiv shall instruct the Agent to distribute, as soon as practicable following the Effective Time, to each Record Holder the following: (i) one (1) share of Delphi Technologies Stock for every three (3) shares of Aptiv Stock held by such Record Holder as of the Record Date and (ii) cash, if applicable, in lieu of fractional shares obtained in the manner provided in Section 3.2(c). All of the shares of Delphi Technologies Stock distributed will be validly issued, fully paid and non-assessable.

(c) *No Fractional Shares.* No fractional shares shall be distributed or credited to book-entry accounts in connection with the Distribution. As soon as practicable after the Effective Time, Aptiv shall direct the Agent to determine the number of whole shares and fractional shares of Delphi Technologies Stock allocable to each holder of record or beneficial owner of Aptiv Stock as of the Record Date, to aggregate all such fractional shares and to sell the whole shares obtained thereby in open market transactions (with the Agent, in its sole and absolute discretion, determining when, how and through which broker-dealer and at what price to make such sales), and to cause to be distributed to each such holder or for the benefit of each such beneficial owner, in lieu of any fractional share, such holder's or owner's ratable share of the proceeds of such sale, after deducting any taxes required to be withheld and after deducting an amount equal to all brokerage charges, commissions and transfer taxes attributed to such sale. Neither Aptiv nor Delphi Technologies shall be required to guarantee any minimum sale price for the fractional shares of Delphi Technologies Stock. Neither Aptiv nor Delphi Technologies shall be required to pay any interest on the proceeds from the sale of fractional shares.

(d) *Beneficial Owners.* Solely for purposes of computing fractional share interests pursuant to Section 3.2(c), the beneficial owner of Aptiv Stock held of record in the name of a nominee in any nominee account shall be treated as the holder of record with respect to such shares.

(e) *Transfer Authorizations*. Delphi Technologies agrees to update its register of members in relation to the transfers of Delphi Technologies Stock that Aptiv or the Agent shall require in order to effect the Distribution.

(f) *Treatment of Delphi Technologies Stock*. Until the Delphi Technologies Stock is duly transferred in accordance with this Section 3.2 and applicable Law, from and after the Effective Time, Delphi Technologies will regard the Persons entitled to receive such Delphi Technologies Stock as record holders of Delphi Technologies Stock in accordance with the terms of the Distribution without requiring any action on the part of such Persons. Delphi Technologies and Aptiv agree that from and after the Effective Time each such holder will be entitled to receive all dividends payable on, and exercise voting rights and all other rights and privileges with respect to, the Delphi Technologies Stock then deemed to be held by such holder.

3.3 **Conditions to the Distribution**. The consummation of the Distribution shall be subject to the satisfaction or waiver by Aptiv in its sole and absolute discretion, of the following conditions:

(a) *Approval by Aptiv Board*. This Agreement and the transactions contemplated hereby, including the declaration of the Distribution (and the giving of the associated solvency statement as required by Jersey Law) shall have been approved by the Aptiv Board, and such approval shall not have been withdrawn.

(b) *Approval by Delphi Technologies Board*. This Agreement and the transactions contemplated hereby, including the Distribution and the declaration of the Delphi Technologies Cash Distribution (and the giving of the associated solvency statement as required by Jersey Law), shall have been approved by the Delphi Technologies Board, and such approval shall not have been withdrawn.

(c) *Effectiveness of Form 10; Mailing of Information Statement*. The Form 10 registering the Delphi Technologies Stock shall be effective under the Exchange Act, with no stop order in effect with respect thereto, and the Information Statement included therein shall have been mailed to Aptiv's shareholders as of the Record Date.

(d) *Listing on NYSE*. The Delphi Technologies Stock to be distributed to the Aptiv shareholders in the Distribution shall have been accepted for listing on the NYSE, subject to official notice of distribution.

(e) *Securities Laws*. The actions and filings necessary or appropriate under applicable securities Laws in connection with the Distribution shall have been taken or made, and, where applicable, have become effective or been accepted by the applicable Governmental Authority.

(f) *Completion of the Separation*. The Separation shall have been completed and Aptiv shall be satisfied in its sole discretion that, as of the Effective Time, it shall have no further Liability whatsoever under the Delphi Technologies Financing Arrangements (including in connection with any guarantees provided by any member of the Aptiv Group).

(g) *Payment of the Delphi Technologies Cash Distribution.* The Delphi Technologies Cash Distribution shall have been validly declared and paid by Delphi Technologies.

(h) *Delphi Officer and Director Resignations.* Aptiv will have requested the resignation of each person who is an officer or director of Delphi Technologies prior to the Distribution Date and who will continue solely as an officer or director of Aptiv following the Distribution Date.

(i) *Distribution Agent Agreement.* Aptiv will have entered into a Distribution Agent Agreement with, or provided instructions regarding the Distribution to, the Agent.

(j) *Execution of Ancillary Agreements.* Each of the Ancillary Agreements shall have been duly executed and delivered by the parties thereto.

(k) *Governmental Approvals.* All material Governmental Approvals necessary to consummate the Distribution and to permit the operation of the Delphi Technologies Business after the Effective Time substantially as it is conducted at the date hereof shall have been obtained and be in full force and effect.

(l) *No Order or Injunction.* No order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Distribution or any of the related transactions shall be in effect, and no other event outside the control of Aptiv shall have occurred or failed to occur that prevents the consummation of the Distribution or any of the related transactions.

(m) *No Circumstances Making Distribution Inadvisable.* No events or developments shall have occurred or exist that, in the judgment of the Aptiv Board, in its sole and absolute discretion, make it inadvisable to effect the Distribution or the other transactions contemplated hereby, or would result in the Distribution or the other transactions contemplated hereby not being in the best interest of Aptiv or its shareholders.

3.4 **Sole Discretion.** The foregoing conditions are for the sole benefit of Aptiv and shall not give rise to or create any duty on the part of Aptiv or the Aptiv Board to waive or not waive such conditions or in any way limit Aptiv's right to terminate this Agreement as set forth in Article IX or alter the consequences of any such termination from those specified in such Article. Any determination made by the Aptiv Board prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in Section 3.3 shall be conclusive.

ARTICLE IV. DISPUTE RESOLUTION

4.1 General Provisions.

(a) Any dispute, controversy or claim arising out of or relating to this Agreement or the Ancillary Agreements, including with respect to (i) the validity, interpretation, performance, breach or termination thereof or (ii) whether any Asset or Liability not specifically characterized in this Agreement or its Schedules, whose proper characterization is

disputed, is a Delphi Technologies Asset, Aptiv Asset, Delphi Technologies Liability or Aptiv Liability, shall be resolved in accordance with the procedures set forth in this Article IV (a “ *Dispute* ”), which shall be the sole and exclusive procedures for the resolution of any such Dispute unless otherwise specified in this Article IV or Article V; *provided, however*, notwithstanding the foregoing, this Article IV shall not apply to any Ancillary Agreement regarding the lease or sublease of real property following an assignment of such agreement or any of the rights or obligations thereunder to a Third Party.

(b) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE ANCILLARY AGREEMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY BASED UPON, RELATING TO OR ARISING FROM THIS AGREEMENT AND ANY OF THE ANCILLARY AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE SUCH WAIVER, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (III) IT MAKES SUCH WAIVER VOLUNTARILY AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 4.1(B).

(c) The specific procedures set forth in this Article IV, including the time limits referenced herein, may be modified by agreement of both of the Parties in writing.

(d) Commencing with the Initial Notice contemplated by Section 4.2, all applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified in this Article IV are pending. The Parties shall take any necessary or appropriate action required to effectuate such tolling.

(e) Commencing with the Initial Notice contemplated by Section 4.2, any communications between the Parties or their representatives in connection with the attempted negotiation of any Dispute shall be deemed to have been delivered in furtherance of a Dispute settlement and shall be exempt from disclosure and production, and shall not be admissible into evidence for any reason (whether as an admission or otherwise), in any arbitral or other proceeding for the adjudication of any Dispute; *provided*, that evidence that is otherwise subject to disclosure or admissible shall not be rendered outside the scope of disclosure or inadmissible as a result of its use in the negotiation.

4.2 Negotiation by Senior Executives. The Parties shall seek to settle amicably all Disputes by negotiation. The Parties shall first attempt in good faith to resolve the Dispute by negotiation in the normal course of business at the operational level within thirty (30) days after written notice is received by either Party regarding the existence of a Dispute (the “ *Initial Notice* ”). If the Parties are unable to resolve the Dispute within such thirty (30)-day period, the

Parties shall then attempt in good faith to resolve the Dispute by negotiation between executives designated by the Parties who hold, at a minimum, the office of Senior Vice President and/or General Counsel (such designated executives, the “ **Dispute Committee** ”). The Parties agree that the members of the Dispute Committee shall have full and complete authority on behalf of their respective Parties to resolve any Disputes submitted pursuant to this Section 4.2. Such Dispute Committee members and other applicable executives shall meet in person or by teleconference or video conference within forty (40) days of the date of the Initial Notice to seek a resolution of the Dispute. In the event that the Dispute Committee and other applicable executives are unable to agree to a format for such meeting, the meeting shall be convened in person at a mutually acceptable location in New York, New York.

4.3 Arbitration.

(a) Any Dispute not finally resolved pursuant to Section 4.2 within sixty (60) days from the delivery of the Initial Notice shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (the “ **ICC Rules** ”).

(b) Unless otherwise agreed by the Parties in writing, any Dispute to be decided in arbitration hereunder shall be decided (i) before a sole arbitrator if the amount in dispute, inclusive of all claims and counterclaims, totals less than \$10,000,000; or (ii) by an arbitral tribunal of three (3) arbitrators if the amount in dispute, inclusive of all claims and counterclaims, is equal to or greater than \$10,000,000.

(c) The language of the arbitration shall be English. The place of arbitration shall be New York, New York. Unless the Parties agree otherwise in writing, the Parties shall conduct the arbitration as quickly as is reasonably practicable and shall use commercially reasonable efforts to ensure that the time between the date on which the sole arbitrator is confirmed or the tribunal is constituted, as the case may be, and the date of the commencement of the evidentiary hearing does not exceed one-hundred and eighty (180) days. Failure to meet the foregoing timeline will not render the award invalid, unenforceable or subject to being vacated, but the arbitrators may impose appropriate sanctions and draw appropriate adverse inferences against the Party primarily responsible for such failure.

(d) The sole arbitrator or arbitral tribunal shall not award any relief not specifically requested by the Parties and, in any event, shall not award any damages of the types prohibited under Section 10.20.

(e) In addition to the ICC Rules, the Parties agree that the arbitration shall be conducted according to the IB A Rules of Evidence.

(f) The agreement to arbitrate any Dispute set forth in this Section 4.3 shall continue in full force and effect subsequent to, and notwithstanding the completion, expiration or termination of, this Agreement.

(g) Without prejudice to this binding arbitration agreement, each Party to this Agreement irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the State of New York and the federal courts sitting within the State of New York in connection with any post-award proceedings or court

proceedings in aid of arbitration that are authorized by the Federal Arbitration Act (9 U.S.C. §§ 1-16) or Article 75 of the New York Civil Practice Law and Rules. Judgment upon any awards rendered by the arbitrator may be entered in any court having jurisdiction thereof. The Parties waive all objections that they may have at any time to the laying of venue of any proceedings brought in such courts, waive any claim that such proceedings have been brought in an inconvenient forum and further waive the right to object with respect to such proceedings that any such court does not have jurisdiction over such Party.

(h) It is the intent of the Parties that the agreement to arbitrate any Dispute set forth in this Section 4.3 shall be interpreted and applied broadly such that all reasonable doubts as to arbitrability of a Dispute shall be decided in favor of arbitration.

(i) The Parties agree that any Dispute submitted to arbitration shall be governed by, and construed and interpreted in accordance with Laws of the State of New York, as provided in Section 7.2 and, except as otherwise provided in this Article IV or mutually agreed to in writing by the Parties, the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., shall govern any arbitration between the Parties pursuant to this Section 4.3.

(j) The sole arbitrator or arbitral tribunal shall award to the prevailing Party, if any, the costs of the arbitrator or tribunal, expert witness fees, and attorneys' fees reasonably incurred by such prevailing Party or its Affiliates in connection with the arbitration.

(k) The Parties undertake to keep confidential all awards in their arbitration, together with all materials in the proceedings created for the purpose of the arbitration and all other documents produced by another Party in the proceedings not otherwise in the public domain, save and to the extent that disclosure may be required of a Party by legal duty, to protect or pursue a legal right or to enforce or challenge an award in legal proceedings before a court or other judicial authority.

ARTICLE V.

MUTUAL RELEASES; INDEMNIFICATION; COOPERATION; INSURANCE

5.1 Release of Claims Prior to Distribution.

(a) Except as provided in Section 5.1(c), effective as of the Effective Time, Aptiv does hereby, for itself and each other member of the Aptiv Group, their respective Affiliates, successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been shareholders, directors, officers, agents or employees of any member of the Aptiv Group (in each case, in their respective capacities as such), surrender, relinquish, release and forever discharge (i) Delphi Technologies, the respective members of the Delphi Technologies Group, their respective Affiliates, successors and assigns, and (ii) all Persons who at any time prior to the Effective Time have been shareholders, directors, officers, agents or employees of any member of the Delphi Technologies Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, in each case from (A) all Aptiv Liabilities whatsoever, (B) all Liabilities arising from, or in connection with, the transactions and all other activities to implement the Separation and Distribution and (C) all Liabilities arising from or in connection

with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent relating to, arising out of or resulting from the Aptiv Business, the Aptiv Assets or Aptiv Liabilities.

(b) Except as provided in Section 5.1(c), effective as of the Effective Time, Delphi Technologies does hereby, for itself and each other member of the Delphi Technologies Group, their respective Affiliates, successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been shareholders, directors, officers, agents or employees of any member of the Delphi Technologies Group (in each case, in their respective capacities as such), surrender, relinquish, release and forever discharge (i) Aptiv, the respective members of the Aptiv Group, their respective Affiliates (other than any member of the Delphi Technologies Group), successors and assigns, and (ii) all Persons who at any time prior to the Effective Time have been shareholders, directors, officers, agents or employees of any member of the Aptiv Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, in each case from (A) all Delphi Technologies Liabilities whatsoever, (B) all Liabilities arising from, or in connection with, the transactions and all other activities to implement the Separation and Distribution and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case of this clause (C), to the extent relating to, arising out of or resulting from the Delphi Technologies Business, the Delphi Technologies Assets or the Delphi Technologies Liabilities.

(c) Nothing contained in Section 5.1(a) or (b) shall impair any right of any Person to enforce this Agreement, any Ancillary Agreement or any agreements, arrangements, commitments or understandings that are specified in Section 2.3(b) or (c) or the applicable schedules hereto as not to terminate as of the Effective Time, in each case in accordance with its terms. Nothing contained in Section 5.1(a) or (b) shall release any Person from:

(i) any Liability provided in or resulting from any agreement among any members of the Delphi Technologies Group or the Aptiv Group that is specified in Section 2.3(b) or (c) as not to terminate as of the Effective Time, or any other Liability specified in such Section 2.3(b) or (c) as not to terminate as of the Effective Time, including, for the avoidance of doubt, resulting from the Trade Intercompany Accounts and Trade Intercompany Arrangements;

(ii) any Liability provided in or resulting from any Contract or understanding that is entered into after the Effective Time between any member of the Aptiv Group, on the one hand, and any member of the Delphi Technologies Group, on the other hand;

(iii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with this Agreement or any Ancillary Agreement (including any Aptiv Liability and any Delphi Technologies Liability, as applicable); or

(iv) any Liability that the Parties may have with respect to indemnification or contribution pursuant to this Agreement, any Specified Ancillary Agreement or otherwise for claims brought against the Parties by third Persons, which Liability shall be governed by the provisions of this Article V and Article VI and any other applicable provisions of this Agreement or the applicable Specified Ancillary Agreement.

(d) In addition, nothing contained in Section 5.1(a) or (b) shall release Aptiv from honoring its obligations to indemnify any person who was a director, officer or employee of a member of the Aptiv Group or the Delphi Technologies Group on or prior to the Effective Time, to the extent that such director, officer or employee becomes a named defendant in any Action with respect to which such director, officer or employee was entitled to indemnification by Aptiv immediately prior to the Effective Time pursuant to indemnification obligations existing as of the Effective Time; it being understood that, if the underlying obligation giving rise to such Action is a Delphi Technologies Liability, Delphi Technologies shall indemnify Aptiv for such Liability (including Aptiv's costs to indemnify the director, officer or employee) in accordance with the provisions set forth in this Article V.

(e) Aptiv shall not make, and shall not permit any member of the Aptiv Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Delphi Technologies or any member of the Delphi Technologies Group, or any other Person released pursuant to Section 5.1(a), with respect to any Liabilities released pursuant to Section 5.1(a). Delphi Technologies shall not make, and shall not permit any member of the Delphi Technologies Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Aptiv or any member of the Aptiv Group, or any other Person released pursuant to Section 5.1(b), with respect to any Liabilities released pursuant to Section 5.1(b).

(f) Notwithstanding Section 4.3(j), any breach of the provisions of this Section 5.1 by either Aptiv or Delphi Technologies shall entitle the other Party to recover reasonable fees and expenses of counsel in connection with such breach or any Action resulting from such breach.

5.2 Indemnification by Aptiv. Except as otherwise specifically set forth in this Agreement or any Specified Ancillary Agreement, to the fullest extent permitted by Law, Aptiv shall, and shall cause the other members of the Aptiv Group to, indemnify, defend and hold harmless Delphi Technologies, each member of the Delphi Technologies Group and each of their respective past, present and future directors, officers, employees and agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "*Delphi Technologies Indemnitees*"), from and against any and all Liabilities of the Delphi Technologies Indemnitees relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

(a) any Aptiv Liabilities, including any failure of Aptiv or any other member of the Aptiv Group or any other Person to pay, perform or otherwise promptly discharge any Aptiv Liabilities in accordance with their respective terms, whether prior to or after the Effective Time or the date hereof;

(b) any breach by Aptiv or any member of the Aptiv Group of this Agreement or any of the Ancillary Agreements (other than the Specified Ancillary Agreements);

(c) any third-party claims that the use of the Delphi Technologies Intellectual Property by any member of the Aptiv Group (or their permitted sublicensees) infringes the Intellectual Property rights of such third party, other than any such claims in connection with the performance by the Aptiv Group under the Contract Manufacturing Services Agreements or other Ancillary Agreements;

(d) except to the extent that it relates to a Delphi Technologies Liability, any guarantee, indemnification or contribution obligation, letter of credit reimbursement obligations, surety, bond or other credit support agreement, arrangement, commitment or understanding for the benefit of Aptiv or any member of the Aptiv Group by Delphi Technologies or any member of the Delphi Technologies Group that survives following the Effective Time; and

(e) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in the Form 10, the Information Statement (as amended or supplemented if Delphi Technologies shall have furnished any amendments or supplements thereto) or any other Disclosure Document specifically relating to (i) the Aptiv Business, Aptiv Assets or Aptiv Liabilities or (ii) the Aptiv Group as of and after the Effective Time.

Notwithstanding the foregoing, in no event shall Aptiv or any other member of the Aptiv Group have any obligations under this Section 5.2 with respect to Liabilities subject to indemnification pursuant to Section 5.3.

5.3 Indemnification by Delphi Technologies. Except as otherwise specifically set forth in this Agreement or any Specified Ancillary Agreement, to the fullest extent permitted by Law, Delphi Technologies shall, and shall cause the other members of the Delphi Technologies Group to, indemnify, defend and hold harmless Aptiv, each member of the Aptiv Group and each of their respective past, present and future directors, officers, employees and agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the “*Aptiv Indemnitees*”), from and against any and all Liabilities of the Aptiv Indemnitees relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

(a) any Delphi Technologies Liabilities, including any failure of Delphi Technologies or any other member of the Delphi Technologies Group or any other Person to pay, perform or otherwise promptly discharge any Delphi Technologies Liabilities in accordance with their respective terms, whether prior to or after the Effective Time or the date hereof;

(b) any breach by Delphi Technologies or any member of the Delphi Technologies Group of this Agreement or any Ancillary Agreements, including the failure by Delphi Technologies to pay the Delphi Technologies Cash Distribution to Aptiv (other than the Specified Ancillary Agreements);

(c) any third-party claims that the use of the Licensed Intellectual Property by any member of the Delphi Technologies Group (or their permitted sublicensees) infringes the Intellectual Property rights of such third party;

(d) any guarantee, indemnification or contribution obligation, letter of credit reimbursement obligations, surety, bond or other credit support agreement, arrangement, commitment or understanding for the benefit of Delphi Technologies or any member of the Delphi Technologies Group by Aptiv or any member of the Aptiv Group that survives following the Effective Time; and

(e) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in the Form 10, the Information Statement (as amended or supplemented if Delphi Technologies shall have furnished any amendments or supplements thereto) or any other Disclosure Document, other than the matters described in Section 5.2(e).

5.4 Indemnification Obligations Net of Insurance Proceeds.

(a) The Parties intend that any Liability subject to indemnification or contribution pursuant to this Article V shall be net of Insurance Proceeds that actually reduce the amount of the Liability. Accordingly, the amount that any Party (an “**Indemnifying Party**”) is required to pay to any Person entitled to indemnification or contribution hereunder (an “**Indemnitee**”) shall be reduced by any Insurance Proceeds theretofore actually recovered by or on behalf of the Indemnitee in respect of the related Liability. If an Indemnitee receives a payment (an “**Indemnity Payment**”) required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds, then the Indemnitee shall pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds had been received, realized or recovered before the Indemnity Payment was made.

(b) It is expressly agreed and understood that all rights to indemnification, contribution and reimbursement pursuant to this Article V are in excess of all available insurance. Without limiting the foregoing, the Parties agree that an insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of any provision contained in this Agreement or any Ancillary Agreement, have any subrogation rights with respect thereto, it being expressly understood and agreed that no insurer or any other Third Party shall be entitled to a “windfall” (i.e., a benefit they would not be entitled to receive in the absence of the indemnification provisions

hereof) by virtue of the Liability allocation, indemnification and contribution provisions hereof. Accordingly, any provision herein that could have the result of giving any insurer or other Third Party such a “windfall” shall be suspended or amended to the extent necessary to not provide such “windfall.” Each Party shall, and shall cause the members of its Group to, use commercially reasonable efforts (taking into account the probability of success on the merits and the cost of expending such efforts, including attorney’s fees and expenses) to collect or recover, or allow the Indemnifying Party to collect or recover, any Insurance Proceeds that may be collectible or recoverable respecting the Liabilities for which indemnification or contribution may be available under this Article V. The Indemnitee shall make available to the Indemnifying Party and its counsel all employees, books and records, communications, documents, items or matters within its knowledge, possession or control that are necessary, appropriate or reasonably deemed relevant by the Indemnifying Party with respect to the recovery of such Insurance Proceeds; *provided, however*, that nothing in this sentence shall be deemed to require a Party to make available books and records, communications, documents or items that (i) in such Party’s good faith judgment could result in a waiver of any privilege even if the Parties cooperated to protect such privilege as contemplated by this Agreement or (ii) such Party is not permitted to make available because of any Law or any confidentiality obligation to a Third Party, in which case such Party shall use commercially reasonable efforts to seek a waiver of or other relief from such confidentiality restriction. Notwithstanding the foregoing, an Indemnifying Party may not delay making any indemnification payment required under the terms of this Agreement, or otherwise satisfying any indemnification obligation, pending the outcome of any Action to collect or recover Insurance Proceeds, and an Indemnitee need not attempt to collect any Insurance Proceeds prior to making a claim for indemnification or contribution or receiving any Indemnity Payment otherwise owed to it under this Agreement or any Ancillary Agreement.

(c) Each of Delphi Technologies and Aptiv shall, and shall cause the members of its Group to, when appropriate, use commercially reasonable efforts to obtain waivers of subrogation for each of the insurance policies described in Section 5.16. Each of Delphi Technologies and Aptiv hereby waives, for itself and each member of its Group, its rights to recover against the other Party in subrogation or as subrogee for a third Person.

(d) For all claims as to which indemnification is provided under Section 5.2 or 5.3 other than Third-Party Claims (as to which Section 5.5 shall apply), the reasonable fees and expenses of counsel to the Indemnitee for the enforcement of the indemnity obligations shall be borne by the Indemnifying Party.

5.5 Procedures for Indemnification of Third-Party Claims.

(a) If, at or after the date of this Agreement, an Indemnitee shall receive written notice from, or otherwise learn of the assertion by, a Person (including any Governmental Authority) who is not a member of the Aptiv Group or the Delphi Technologies Group (a “**Third Party**”) of any claim or of the commencement by any such Person of any Action (collectively, a “**Third-Party Claim**”) with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to Section 5.2 or 5.3, or any other Section of this Agreement or, subject to Section 5.13, any Specified Ancillary

Agreement, such Indemnitee shall give such Indemnifying Party written notice thereof within fourteen (14) days of receipt of such written notice. Any such notice shall describe the Third-Party Claim in reasonable detail and include copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third-Party Claim. Notwithstanding the foregoing, the failure of an Indemnitee to provide notice in accordance with this Section 5.5(a) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent to which the Indemnifying Party shall demonstrate that it was materially prejudiced by the Indemnitee's failure to provide notice in accordance with this Section 5.5(a).

(b) Subject to the terms and conditions of any applicable insurance policy in place after the Effective Time, an Indemnifying Party may elect to defend (and to seek to settle or compromise), at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel; *provided*, that the Indemnifying Party will not select counsel without the Indemnitee's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed); *provided, further*, an Indemnifying Party may not elect to defend such Third-Party Claim in the event that defense of such Third Party Claim would void or otherwise adversely impact the Indemnitee's insurance policy. Within thirty (30) days after the receipt of notice from an Indemnitee in accordance with Section 5.5(a) (or sooner, if the nature of such Third-Party Claim so requires), the Indemnifying Party shall notify the Indemnitee of its election whether the Indemnifying Party shall assume responsibility for defending such Third-Party Claim. After notice from an Indemnifying Party to an Indemnitee of its election to assume the defense of a Third-Party Claim, such Indemnitee shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the fees and expenses of such counsel shall be the expense of such Indemnitee except as otherwise expressly set forth herein.

(c) If an Indemnifying Party has elected to assume the defense of a Third-Party Claim, then such Indemnifying Party shall be solely liable for all fees and expenses incurred by it in connection with the defense of such Third-Party Claim and shall not be entitled to seek any indemnification or reimbursement from the Indemnitee for any such fees or expenses incurred during the course of its defense of such Third Party Claim, regardless of any subsequent decision by the Indemnifying Party to reject or otherwise abandon its assumption of such defense. If an Indemnifying Party elects not to assume responsibility for defending any Third-Party Claim, is not permitted to elect to defend a Third-Party Claim pursuant to Section 5.5(b), or fails to notify an Indemnitee of its election within thirty (30) days after receipt of a notice from an Indemnitee, such Indemnitee shall have the right to control the defense of such Third-Party Claim, in which case the Indemnifying Party shall be liable for all reasonable fees and expenses incurred by the Indemnitee in connection with the defense of such Third-Party Claim.

(d) Notwithstanding an election by an Indemnifying Party to defend a Third-Party Claim in circumstances where an Indemnifying Party is permitted to make such an election pursuant to Section 5.5(b), an Indemnitee may, upon notice to the Indemnifying Party, elect to take over the defense of such Third-Party Claim if (i) in its exercise of reasonable business judgment, the Indemnitee determines that the Indemnifying Party is not defending such Third-Party Claim competently or in good faith, (ii) the Indemnitee determines in its exercise of

reasonable business judgment that there exists a compelling business reason for such Indemnitee to defend such Third-Party Claim (other than as contemplated by the foregoing clause (i)), (iii) the Indemnifying Party makes a general assignment for the benefit of creditors, has filed against it or files a petition in bankruptcy or insolvency or is declared bankrupt or insolvent or declares that it is bankrupt or insolvent, or (iv) there occurs a change of control of the Indemnifying Party. In addition to the foregoing and the last sentence of Section 5.2(b), if any Indemnitee determines in good faith that such Indemnitee and the Indemnifying Party have actual or potential differing defenses or conflicts of interest between them that make joint representation inappropriate, then the Indemnitee shall have the right to employ separate counsel (including local counsel as appropriate) and to participate in (but not control) the defense, compromise, or settlement of the applicable Third-Party Claim, and the Indemnifying Party shall bear the reasonable fees and expenses of one such counsel and local counsel (as appropriate) for all Indemnitees.

(e) An Indemnitee that does not conduct and control the defense of any Third-Party Claim, or an Indemnifying Party that has failed to elect to defend or that is not permitted to elect or defend pursuant to Section 5.5(b), any Third-Party Claim as contemplated hereby, nevertheless shall have the right to employ separate counsel (including local counsel as appropriate) of its own choosing to monitor and participate in (but not control) the defense of any Third-Party Claim for which it is a potential Indemnitee or Indemnifying Party, but the fees and expenses of such counsel shall be at the expense of such Indemnitee or Indemnifying Party, as the case may be, and the provisions of Section 5.5(c) shall not apply to such fees and expenses. Notwithstanding the foregoing, such Party shall cooperate with the Party entitled to conduct and control the defense of such Third-Party Claim in such defense and make available to the controlling Party, at the non-controlling Party's expense, all witnesses, information and materials in such Party's possession or under such Party's control relating thereto as are reasonably required by the controlling Party. In addition to the foregoing and the last sentence of Section 5.2(b), if any Indemnitee shall in good faith determine that such Indemnitee and the Indemnifying Party have actual or potential differing defenses or conflicts of interest between them that make joint representation inappropriate, then the Indemnitee shall have the right to employ separate counsel (including local counsel as appropriate) and to participate in (but not control) the defense, compromise or settlement thereof, and the Indemnifying Party shall bear the reasonable fees and expenses of one such counsel and local counsel (as appropriate) for all Indemnitees.

(f) Neither Party may settle or compromise any Third-Party Claim for which either Party is seeking to be indemnified hereunder without the prior written consent of the other Party, which consent may not be unreasonably withheld, unless such settlement or compromise is solely for monetary damages, does not involve any finding or determination of Liability, wrongdoing or violation of Law by the other Party and provides for a full, unconditional and irrevocable release of the other Party, the members of the other Party's respective Group and each of their respective past, present and future directors, officers, employees and agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing from all Liability in connection with the Third-Party Claim. The Parties hereby agree that if a Party presents the other Party with a written notice containing a proposal to settle or compromise a Third-Party Claim for which either Party is seeking to be indemnified hereunder and the Party receiving

such proposal does not respond in any manner to the Party presenting such proposal within thirty (30) days (or within any such shorter time period that may be required by applicable Law or court order) of receipt of such proposal, then the Party receiving such proposal shall be deemed to have consented to the terms of such proposal.

(g) The provisions of this Section 5.5 (other than this Section 5.5(g)) and the provisions of Section 5.6 (other than Section 5.6(f)) shall not apply to Taxes (Taxes being governed by the Tax Matters Agreement).

(h) The Indemnifying Party shall establish a procedure reasonably acceptable to the Indemnitee to keep the Indemnitee reasonably informed of the progress of the Third-Party Claim and to notify the Indemnitee when any such Third-Party Claim is closed, regardless of whether such Third-Party Claim was resolved by settlement, verdict, dismissal or otherwise.

5.6 Additional Matters.

(a) Indemnification payments in respect of any Liabilities for which an Indemnitee is entitled to indemnification under this Article V shall be paid by the Indemnifying Party to the Indemnitee as such Liabilities are incurred upon demand by the Indemnitee, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification payment, including documentation with respect to calculations made and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities. THE COVENANTS AND OBLIGATIONS CONTAINED IN THIS ARTICLE V SHALL REMAIN OPERATIVE AND IN FULL FORCE AND EFFECT, REGARDLESS OF (I) ANY INVESTIGATION MADE BY OR ON BEHALF OF ANY INDEMNITEE AND (II) THE KNOWLEDGE BY THE INDEMNITEE OF LIABILITIES FOR WHICH IT MIGHT BE ENTITLED TO INDEMNIFICATION HEREUNDER.

(b) Any claim on account of a Liability that does not result from a Third-Party Claim shall be asserted by written notice given by the Indemnitee to the related Indemnifying Party. Such Indemnifying Party shall have a period of thirty (30) days after the receipt of such notice within which to respond thereto. If after such thirty (30)-day period, such claim is not resolved, Indemnitee shall be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the Specified Ancillary Agreements. Notwithstanding the foregoing, the failure of an Indemnitee to provide notice in accordance with this Section 5.6(b) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent to which the Indemnifying Party shall demonstrate that it was materially prejudiced by the Indemnitee's failure to provide notice in accordance with this Section 5.6(b).

(c) In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third-Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third-Party Claim against any claimant or plaintiff asserting such Third-Party Claim or against any other Person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(d) In the event of an Action for which indemnification is sought pursuant to Section 5.2 or 5.3 and in which the Indemnifying Party is not a named defendant, if either the Indemnitee or Indemnifying Party shall so request, the Parties shall use commercially reasonable efforts to substitute the Indemnifying Party for the named defendant for the portion of the Action related to such indemnification claim.

(e) In the event that Delphi Technologies establishes a risk accrual in an amount of at least \$1,000,000 with respect to any Third-Party Claim for which Aptiv has sought indemnification pursuant to Section 5.3, Delphi Technologies shall notify Aptiv of the existence and amount of such risk accrual (i.e., when the accrual is recorded in the financial statements as an accrual for a potential liability), subject to the Parties entering into an appropriate agreement with respect to the confidentiality and/or privilege thereof.

(f) Unless otherwise required by applicable Law, the Parties will treat any indemnity payment made pursuant to this Agreement or any Ancillary Agreement by Aptiv to Delphi Technologies, or vice versa, in the same manner as if such payment were a non-taxable distribution or capital contribution, as the case may be, made immediately prior to the Distribution, except to the extent that Aptiv and Delphi Technologies treat a payment as the settlement of an Intercompany liability; *provided, however*, that any such payment that is made or received by a Person other than Aptiv or Delphi Technologies, as the case may be, shall be treated as if made or received by the payor or the recipient as agent for Aptiv or Delphi Technologies, in each case as appropriate.

(g) In the case of any Action involving a matter contemplated by Section 5.15(c), (i) if there is a conflict of interest that under applicable rules of professional conduct would preclude legal counsel for one Party or one of its Subsidiaries representing another Party or one of its Subsidiaries or (ii) if any Third-Party Claim seeks equitable relief that would restrict or limit the future conduct of the non-responsible Party or one of its Subsidiaries or the business or operations of such non-responsible Party or one of its Subsidiaries, then the non-responsible Party shall be entitled to retain, at its expense, separate legal counsel to represent its interest and to participate in the defense, compromise, or settlement of that portion of the Third-Party Claim against that Party or one of its Subsidiaries.

(h) THE RELEASES AND INDEMNIFICATION OBLIGATIONS OF THE PARTIES IN THIS AGREEMENT ARE EXPRESSLY INTENDED, AND SHALL OPERATE AND BE CONSTRUED, TO APPLY EVEN WHERE THE LIABILITIES FOR WHICH THE RELEASE AND/OR INDEMNITY ARE GIVEN ARE CAUSED, IN WHOLE OR IN PART, BY THE SOLE, JOINT, JOINT AND SEVERAL, CONCURRENT, CONTRIBUTORY, ACTIVE OR PASSIVE NEGLIGENCE OR THE STRICT LIABILITY OR FAULT OF THE PARTY BEING RELEASED OR INDEMNIFIED.

5.7 Survival of Indemnities. The rights and obligations of each of Delphi Technologies and Aptiv and their respective Indemnitees under this Article V shall survive (a) the sale or other transfer by any Party of any Assets or businesses or the assignment by it of any Liabilities, and (b) any merger, consolidation, business combination, sale of all or substantially all of the Assets, restructuring, recapitalization, reorganization or similar transaction involving either Party or any of its respective Subsidiaries.

5.8 **Right of Contribution**

(a) *Contribution*. If any right of indemnification contained in this Article V is held unenforceable or is unavailable for any reason, or is insufficient to hold harmless an Indemnitee in respect of any Liability for which such Indemnitee is entitled to indemnification hereunder, then the Indemnifying Party shall contribute to the amounts (including any costs, expenses, attorneys' fees, disbursements and expenses of counsel, expert and consulting fees and costs related thereto or to the investigation or defense thereof) paid or payable by the Indemnitees as a result of such Liability (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and the members of its Group, on the one hand, and the Indemnitees entitled to contribution, on the other hand, as well as any other relevant equitable considerations.

(b) *Allocation of Relative Fault*. Solely for purposes of determining relative fault pursuant to this Section 5.8 in circumstances in which the indemnification is unavailable because of a fault associated with the business conducted by Delphi Technologies, Aptiv or a member of their respective Groups, (i) any fault associated with the business conducted with the Aptiv Assets or Aptiv Liabilities (except (x) to the extent associated with the Delphi Technologies DEG Business or (y) for the gross negligence or intentional misconduct of Delphi Technologies or a member of the Delphi Technologies Group) or with the ownership, operation or activities of the Aptiv Business shall be deemed to be the fault of Aptiv and the members of the Aptiv Group, and no such fault shall be deemed to be the fault of Delphi Technologies or a member of the Delphi Technologies Group; and (ii) any fault associated with the business conducted with the Delphi Technologies Assets, the Delphi Technologies Liabilities or the Delphi Technologies DEG Business (except for the gross negligence or intentional misconduct of Aptiv or the members of the Aptiv Group other than with respect to the Delphi Technologies DEG Business) or with the ownership, operation or activities of the Delphi Technologies Business shall be deemed to be the fault of Delphi Technologies and the members of the Delphi Technologies Group, and no such fault shall be deemed to be the fault of Delphi or the members of the Aptiv Group.

(c) *Contribution Procedures*. The provisions of Sections 5.5 and 5.6 shall govern any contribution claims.

5.9 **Covenant Not to Sue (Liabilities and Indemnity)**. Each Party hereby covenants and agrees that none of it, the members of such Party's Group or any Person claiming through it shall bring suit or otherwise assert any claim against any Indemnitee, or assert a defense against any claim asserted by any Indemnitee, before any court, arbitrator, mediator or administrative agency anywhere in the world, alleging that: (a) the assumption of any Delphi Technologies Liabilities by Delphi Technologies or a member of the Delphi Technologies Group on the terms and conditions set forth in this Agreement and the Ancillary Agreements is void or unenforceable for any reason; or (b) the provisions of this Article V are void or unenforceable for any reason.

5.10 **No Impact on Third Parties**. For the avoidance of doubt, except as expressly set forth in this Agreement, the indemnifications provided for in this Article V are made only for purposes of allocating responsibility for Liabilities between the Delphi Technologies Group, on the one hand, and the Aptiv Group, on the other hand, and are not intended to, and shall not, affect any obligations to, or give rise to any rights of, any third parties.

5.11 **No Cross-Claims or Third-Party Claims**. Each of Aptiv and Delphi Technologies agrees that it shall not, and shall not permit the members of its respective Group to, in connection with any Third-Party Claim, assert as a counterclaim or third-party claim against any member of the Delphi Technologies Group or Aptiv Group, respectively, any claim (whether sounding in contract, tort or otherwise) that arises out of or relates to this Agreement, any breach or alleged breach hereof, the transactions contemplated hereby (including all actions taken in furtherance of the transactions contemplated hereby on or prior to the date hereof), or the construction, interpretation, enforceability or validity hereof, which in each such case shall be asserted only as contemplated by Article IV.

5.12 **Severability**. If any indemnification provided for in this Article V is determined by the sole arbitrator or arbitral tribunal (as the case may be) to be invalid, void or unenforceable, the liability shall be apportioned between the Indemnitee and the Indemnifying Party as determined in a separate proceeding in accordance with Article IV.

5.13 **Specified Ancillary Agreements**. Notwithstanding anything in this Agreement to the contrary, to the extent any Specified Ancillary Agreement contains any indemnification obligation or contribution obligation relating to any Delphi Technologies Liability, Aptiv Liability, Delphi Technologies Asset or Aptiv Asset contributed, assumed, retained, transferred, delivered, conveyed or governed pursuant to such Specified Ancillary Agreement or any Loss under such Specified Ancillary Agreement, as applicable, the indemnification obligations and contribution obligations contained herein shall not apply to such Delphi Technologies Liability, Aptiv Liability, Delphi Technologies Asset or Aptiv Asset or to such Loss and instead the indemnification obligations and/or contribution obligations set forth in such Specified Ancillary Agreement, as applicable, shall govern with regard to such Delphi Technologies Liability, Aptiv Liability, Delphi Technologies Asset or Aptiv Asset or such Loss.

5.14 **Exclusivity**. Except as otherwise provided in Section 10.14, the sole and exclusive remedy for any and all claims, Liabilities or other matters based upon, relating to or arising from this Agreement or any Ancillary Agreement (other than the Specified Ancillary Agreements) or the transactions contemplated hereby or thereby shall be the rights of indemnification set forth in this Article V, and no Person shall have any other entitlement, remedy or recourse, whether in contract, tort, strict liability, equitable remedy or otherwise, it being agreed that all of such other remedies, entitlements and recourse are expressly waived and released by the Parties to the fullest extent permitted by Law. This Section 5.14 shall not operate to interfere with or impede the operation of the covenants contained in this Agreement or any Ancillary Agreement (other than the Specified Ancillary Agreements), with respect to a Party's right to seek equitable remedies (including specific performance or injunctive relief).

5.15 **Cooperation in Defense and Settlement.**

(a) With respect to any Third-Party Claim that implicates both Parties in a material fashion due to the allocation of Liabilities, responsibilities for management of defense and related indemnities pursuant to this Agreement or any of the Ancillary Agreements, the Parties agree to use commercially reasonable efforts to cooperate fully and maintain a joint defense (in a manner that will preserve for the Parties the attorney-client privilege, joint defense or other privilege with respect thereto).

(b) To the extent there are documents, other materials, access to employees or witnesses related to or from a Party that is not responsible for the defense or Liability of a particular Action, such Party shall provide to the other Party (at such other Party's cost and expense) reasonable access to documents, other materials, employees, and shall permit employees, officers and directors to cooperate as witnesses in the defense of such Action.

(c) Each of Delphi Technologies and Aptiv agrees that at all times from and after the Effective Time, if an Action currently exists or is commenced by a Third Party with respect to which a Party (or the members of its Group) is a named defendant, but the defense of such Action and any recovery in such Action is otherwise not a Liability allocated under this Agreement or any Ancillary Agreement to that Party, then the other Party shall use commercially reasonable efforts to cause the named but not liable defendant to be removed from such Action and such defendants shall not be required to make any payments or contributions therewith.

5.16 **Insurance Matters.**

(a) The Parties intend by this Agreement that, to the extent permitted under the terms of any applicable insurance policy, Delphi Technologies, each other member of the Delphi Technologies Group and each of their respective directors, officers and employees will be successors in interest and/or additional insureds and will have and be fully entitled to continue to exercise all rights that any of them may have as of the Effective Time (with respect to events occurring or claimed to have occurred before the Effective Time) as a Subsidiary, Affiliate, division, director, officer or employee of Aptiv before the Effective Time under any insurance policy, including any rights that Delphi Technologies, any other member of the Delphi Technologies Group or any of its or their respective directors, officers, or employees may have as an insured or additional named insured, Subsidiary, Affiliate, division, director, officer or employee to avail itself, himself or herself of any policy of insurance or any agreements related to the policies in effect before the Effective Time, with respect to events occurring before the Effective Time.

(b) After the Effective Time, Aptiv (and each other member of the Aptiv Group) and Delphi Technologies (and each other member of the Delphi Technologies Group) shall not, without the consent of Delphi Technologies or Aptiv, respectively (such consent not to be unreasonably withheld, conditioned or delayed), provide any insurance carrier with a release or amend, modify or waive any rights under any insurance policy if such release, amendment, modification or waiver thereunder would materially adversely affect any rights of any member of the Group of the other Party with respect to insurance coverage otherwise afforded to such other Party for pre-Distribution claims; *provided, however*, that the foregoing shall not (i) preclude any member of any Group from presenting any claim or from exhausting any policy limit, (ii) require any member of any Group to pay any premium or other amount or to incur any Liability or (iii) require any member of any Group to renew, extend or continue any policy in force.

(c) The provisions of this Agreement are not intended to relieve any insurer of any Liability under any policy.

(d) No member of the Aptiv Group or any Aptiv Indemnitee will have any Liabilities whatsoever as a result of the insurance policies as in effect at any time before the Effective Time, including as a result of (i) the level or scope of any insurance, (ii) the creditworthiness of any insurance carrier, (iii) the terms and conditions of any policy, or (iv) the adequacy or timeliness of any notice to any insurance carrier with respect to any claim or potential claim.

(e) Except to the extent otherwise provided in Section 5.16(b), in no event will Aptiv, any other member of the Aptiv Group or any Aptiv Indemnitee have any Liability or obligation whatsoever to any member of the Delphi Technologies Group if any insurance policy is terminated or otherwise ceases to be in effect for any reason, is unavailable or inadequate to cover any Liability of any member of the Delphi Technologies Group for any reason whatsoever or is not renewed or extended beyond the current expiration date of any such insurance policy.

(f) This Agreement shall not be considered as an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of any members of the Aptiv Group in respect of any insurance policy or any other contract or policy of insurance.

(g) Nothing in this Agreement will be deemed to restrict any member of the Delphi Technologies Group from acquiring at its own expense any other insurance policy in respect of any Liabilities or covering any period.

(h) To the extent that any insurance policy provides for the reinstatement of policy limits, and both Aptiv and Delphi Technologies desire to reinstate such limits, the cost of reinstatement will be shared by Aptiv and Delphi Technologies as the Parties may agree. If either Party, in its sole discretion, determines that such reinstatement would not be beneficial, that Party shall not contribute to the cost of reinstatement and will not make any claim thereunder nor otherwise seek to benefit from the reinstated policy limits.

(i) For purposes of this Agreement, “**Covered Matter**” shall mean any matter, whether arising before or after the Effective Time, with respect to which any Delphi Technologies Indemnitee may seek to exercise any right under any insurance policy pursuant to this Section 5.16. If Delphi Technologies receives notice or otherwise learns of any Covered Matter, Delphi Technologies shall promptly give Aptiv written notice thereof. Any such notice shall describe the Covered Matter in reasonable detail. With respect to each Covered Matter and any Joint Claim, Delphi Technologies shall have sole responsibility for reporting the claim to the insurance carrier and will provide a copy of such report to Delphi Technologies. If Aptiv or another member of the Aptiv Group fails to notify Delphi Technologies within fifteen (15) days that it has submitted an insurance claim with respect to a Covered Matter or Joint Claim, Delphi Technologies shall be permitted to submit (on behalf of the applicable Delphi Technologies Indemnitee) such insurance claim.

(j) Each of Delphi Technologies and Aptiv will share such information as is reasonably necessary in order to permit the other Party to manage and conduct its insurance matters in an orderly fashion and provide the other Party with any assistance that is reasonably necessary or beneficial in connection with such Party's insurance matters.

5.17 Guarantees, Letters of Credit and Other Obligations

(a) On or prior to the Effective Time or as soon as practicable thereafter, Aptiv shall (with the reasonable cooperation of the applicable members of the Aptiv Group) use its commercially reasonable efforts to have any members of the Delphi Technologies Group removed as guarantor of or obligor for any Aptiv Liability. On or prior to the Effective Time or as soon as practicable thereafter, Delphi Technologies shall (with the reasonable cooperation of the applicable members of the Delphi Technologies Group) use its commercially reasonable efforts to have any members of the Aptiv Group removed as guarantor of or obligor for any Delphi Technologies Liabilities.

(b) On or prior to the Effective Time or as soon as practicable thereafter, (i) to the extent required to obtain a release from a guarantee, letter of credit or other obligation of any member of the Delphi Technologies Group with respect to Aptiv Liabilities, Aptiv shall execute a substitute document in the form of any such existing guarantee or letter of credit, as applicable, or such other form as is agreed to by the relevant parties to such guarantee agreement, letter of credit or other obligation, except to the extent that such existing guarantee contains representations, covenants or other terms or provisions either (A) with which Aptiv would be reasonably unable to comply or (B) which would be reasonably expected to be breached and (ii) to the extent required to obtain a release from a guarantee, letter of credit or other obligation of any member of the Aptiv Group with respect to Delphi Technologies Liabilities, Delphi Technologies shall execute a substitute document in the form of any such existing guarantee or letter of credit, as applicable, or such other form as is agreed to by the relevant parties to such guarantee agreement, letter of credit or other obligation, except to the extent that such existing guarantee contains representations, covenants or other terms or provisions either (A) with which Delphi Technologies would be reasonably unable to comply or (B) which would be reasonably expected to be breached.

(c) If the Parties are unable to obtain, or to cause to be obtained, any such required removal as set forth in clauses (a) and (b) of this Section 5.17, (i) with respect to Aptiv Liabilities, (A) Aptiv shall, and shall cause the other members of the Aptiv Group to, indemnify, defend and hold harmless each of the Delphi Technologies Indemnitees from and against any Liability arising from or relating to such guarantee, letter of credit or other obligation, as applicable, and shall, as agent or subcontractor for the applicable Delphi Technologies Group guarantor or obligor, pay, perform and discharge fully all of the obligations or other Liabilities of such guarantor or obligor thereunder, and (B) Aptiv shall not, and shall cause the other members of the Aptiv Group not to, agree to renew or extend the term of, increase any obligations under, or transfer to a third Person, any loan, guarantee,

letter of credit, lease, contract or other obligation for which a member of the Delphi Technologies Group is or may be liable unless all obligations of the members of the Delphi Technologies Group with respect thereto are thereupon terminated by documentation satisfactory in form and substance to Delphi Technologies in its sole and absolute discretion and (ii) with respect to Delphi Technologies Liabilities, (A) Delphi Technologies shall, and shall cause the other members of the Delphi Technologies Group to, indemnify, defend and hold harmless each of the Aptiv Indemnitees for any Liability arising from or relating to such guarantee, letter of credit or other obligation, as applicable, and shall, as agent or subcontractor for the applicable Aptiv Group guarantor or obligor, pay, perform and discharge fully all of the obligations or other Liabilities of such guarantor or obligor thereunder, and (B) Delphi Technologies shall not, and shall cause the other members of the Delphi Technologies Group not to, agree to renew or extend the term of, increase any obligations under, or transfer to a third Person, any loan, guarantee, letter of credit, lease, contract or other obligation for which a member of the Aptiv Group is or may be liable unless all obligations of the members of the Aptiv Group with respect thereto are thereupon terminated by documentation satisfactory in form and substance to Aptiv in its sole and absolute discretion.

ARTICLE VI. EXCHANGE OF INFORMATION; CONFIDENTIALITY

6.1 Agreement for Exchange of Information. Except as otherwise provided in any Ancillary Agreement, each of Aptiv and Delphi Technologies, on behalf of itself and the members of its respective Group, shall use commercially reasonable efforts to provide or make available, or cause to be provided or made available, to the other Party, at any time before or after the Effective Time, as soon as reasonably practicable after written request therefor, any Information (or a copy thereof) in the possession or under the control of either Party or any of the members of its Group to the extent that: (i) such Information relates to the Delphi Technologies Business or any Delphi Technologies Asset or Delphi Technologies Liability, if Delphi Technologies is the requesting party, or to the Aptiv Business or any Aptiv Asset or Aptiv Liability, if Aptiv is the requesting party; (ii) such Information is required by the requesting party to comply with its obligations under this Agreement or any Ancillary Agreement; or (iii) such Information is required by the requesting party to comply with any obligation imposed by any Governmental Authority; *provided, however*, that, in the event that the Party to whom the request has been made determines that any such provision of Information could be commercially detrimental, violate any Law or agreement or waive any attorney-client privilege, then the Parties shall use commercially reasonable efforts to permit compliance with such obligations to the extent and in a manner that avoids any such harm or consequence. The Party providing Information pursuant to this Section 6.1 shall only be obligated to provide such Information in the form, condition and format in which it then exists and in no event shall such Party be required to perform any improvement, modification, conversion, updating or reformatting of any such Information, and nothing in this Section 6.1 shall expand the obligations of the Parties under Section 6.4.

6.2 Ownership of Information. Any Information owned by one Group that is provided to a requesting Party pursuant to Section 6.1 or 6.7 shall remain the property of the providing Party. Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any such Information.

6.3 Compensation for Providing Information. The Party requesting Information agrees to reimburse the other Party for the reasonable out-of-pocket costs, if any, of gathering, copying, transporting and otherwise complying with the request with respect to such Information (including any costs and expenses incurred in any review of Information for purposes of protecting the privileged Information of the providing Party or in connection with the restoration of backup media for purposes of providing the requested Information). Except as may be otherwise specifically provided elsewhere in this Agreement, any Ancillary Agreement or any other agreement between the Parties, such costs shall reflect the providing Party's actual costs and expenses.

6.4 Record Retention.

(a) The Parties agree and acknowledge that following the Effective Time, it is likely that each Party will have some of the Tangible Information of the other Party stored at its facilities or at Third Party records storage locations arranged for by such Party (each, a "**Records Facility**") and the cost of any Third Party Records Facility where Tangible Information belonging to both members of the Delphi Technologies Group, on the one hand, and members of the Aptiv Group, on the other hand, is stored shall be split equitably between the Delphi Technologies Group and the Aptiv Group.

(b) Each Party shall use the same degree of care (but no less than a reasonable degree of care) as it takes to preserve confidentiality for its own similar Information: (i) to maintain the Stored Records at its Record Facility in accordance with its regular records retention policies and procedures and the terms of this Section 6.4; and (ii) to comply with the requirements of any "litigation hold" that relates to Stored Records at its Record Facility that relates to (x) any Action that is pending as of the Effective Time or (y) any Action that arises or becomes threatened or reasonably anticipated after the Effective Time as to which the Party storing such Stored Records has received a written notice of the applicable "litigation hold" from the other Party; *provided*, that such other Party shall be obligated to provide the Party storing such Stored Records with timely notice of the termination of such "litigation hold."

(c) In addition to the retention requirements of Sections 6.4(a) and (b), for a period no less than five (5) years longer than the period of time that a product is manufactured by Aptiv, Delphi Technologies or any member of their respective Groups plus the useful life of such product as defined in such product's specifications (or such longer period of time as may be required by applicable Law), Delphi Technologies, at its sole cost and expense, shall use its commercially reasonable efforts to maintain and make available to Aptiv all technical documentation in its possession or in the possession of any member of the Delphi Technologies Group applicable to such product and such product's design, test, release, and validation; *provided, however*, Delphi Technologies shall not destroy, or permit any member of the Delphi Technologies Group to destroy, any such technical documentation without first notifying Aptiv of the proposed destruction and giving Aptiv the opportunity to take possession or make copies of such technical documentation prior to such destruction.

(d) Delphi Technologies shall, from time to time, at the reasonable request of Aptiv, provide Aptiv with technical assistance and information in respect to any claims brought against Aptiv involving the conduct of the Delphi Technologies Business prior to the Effective Time, including by making available employees of the Delphi Technologies Group and consultation and appearances of such persons on a reasonable basis as expert or fact witnesses in trials or administrative proceedings. Aptiv shall reimburse Delphi Technologies for its reasonable out-of-pocket costs (travel, hotels, etc.) of providing such services, consistent with Aptiv's policies and practices regarding such expenditures. Additionally, Aptiv shall, from time to time, at the reasonable request of Delphi Technologies, provide Delphi Technologies, to the extent reasonably possible through applicable Aptiv employees, with technical assistance and information in respect to any claims brought against Delphi Technologies involving the conduct of the Delphi Technologies Business prior to the Effective Time, including consultation and appearances of such persons on a reasonable basis as expert or fact witnesses in trials or administrative proceedings. Delphi Technologies shall reimburse Aptiv for its reasonable out-of-pocket costs (travel, hotels, etc.) of providing such services, consistent with Aptiv's policies and practices regarding such expenditures.

6.5 **Limitations of Liability.** No Party shall have any liability to any other Party relating to or arising out of (a) any Information exchanged or provided pursuant to Section 6.1 that is found to be inaccurate in the absence of willful misconduct by the Party providing such Information or (b) the destruction of any Information after commercially reasonable efforts by such Party to comply with the provisions of Section 6.4.

6.6 **Other Agreements Providing for Exchange of Information.**

(a) The rights and obligations granted under this Article VI are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of Information set forth herein or any Ancillary Agreement.

(b) Either Party that receives, pursuant to a request for Information in accordance with this Article VI, Tangible Information that is not relevant to its request shall (i) return it to the providing Party or, at the providing Party's request, destroy such Tangible Information and (ii) deliver to the providing Party a certificate certifying that such Tangible Information was returned or destroyed, as the case may be, which certificate shall be signed by an authorized Representative of the requesting Party.

(c) When any Tangible Information provided by one Party to the other Party (other than Tangible Information provided pursuant to Section 6.4) is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement or is no longer required to be retained by applicable Law, the receiving Party shall promptly, after request of the other Party, either return to the other Party all Tangible Information in the form in which it was originally provided (including all copies thereof and all notes, extracts or summaries based thereon) or, if the providing Party has requested that the other Party destroy such Tangible Information, certify to the other Party that it has destroyed such Tangible Information (and such copies thereof and such notes, extracts or summaries based thereon); *provided*, that this obligation to return or destroy such Tangible Information shall not apply to any Tangible Information solely related to the receiving Party's business, Assets, Liabilities, operations or activities.

6.7 **Auditors and Audits**

(a) Until the first Delphi Technologies fiscal year end occurring after the Effective Time and for a reasonable period of time afterwards as required for each Party to prepare consolidated financial statements or complete a financial statement audit for the fiscal year during which the Distribution Date occurs, each Party shall provide or provide access to the other Party on a timely basis, all information reasonably required to meet its schedule for the preparation, printing, filing, and public dissemination of its annual financial statements and for management's assessment of the effectiveness of its disclosure controls and procedures and its internal control over financial reporting in accordance with Items 307 and 308, respectively, of Regulation S-K promulgated by the SEC and, to the extent applicable to such Party, its auditor's audit of its internal control over financial reporting and management's assessment thereof in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 and the SEC's and Public Company Accounting Oversight Board's rules and auditing standards thereunder.

(b) In the event a Party restates any of its financial statements that include such Party's audited or unaudited financial statements with respect to any balance sheet date or period of operation as of the end of and for the 2017 fiscal year and the five (5) year period ending December 31, 2017, such Party will deliver to the other Party a substantially final draft, as soon as the same is prepared, of any report to be filed by such first Party with the SEC that includes such restated audited or unaudited financial statements (the "***Amended Financial Report***"); *provided, however*, that such first Party may continue to revise its Amended Financial Report prior to its filing thereof with the SEC, which changes will be delivered to the other Party as soon as reasonably practicable; *provided, further*, however, that such first Party's financial personnel will actively consult with the other Party's financial personnel regarding any changes which such first Party may consider making to its Amended Financial Report and related disclosures prior to the anticipated filing of such report with the SEC, with particular focus on any changes which would have an effect upon the other Party's financial statements or related disclosures. Each Party will reasonably cooperate with, and permit and make any necessary employees available to, the other Party, in connection with the other Party's preparation of any Amended Financial Reports.

6.8 **Privileged Matters**

(a) The Parties recognize that legal and other professional services that have been and shall be provided prior to the Effective Time have been and shall be rendered for the collective benefit of each of the members of the Aptiv Group and the Delphi Technologies Group, and that each of the members of the Aptiv Group and the Delphi Technologies Group should be deemed to be the client with respect to such services for the purposes of asserting all privileges and immunities that may be asserted under applicable Law in connection therewith. The Parties recognize that legal and other professional services will be provided after the Effective Time, which services will be rendered solely for the benefit of the Aptiv Group or the Delphi Technologies Group, as the case may be.

(b) The Parties agree as follows:

(i) Aptiv shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to the Aptiv Business, whether or not the Privileged Information is in the

possession or under the control of a member of the Aptiv Group or the Delphi Technologies Group; Aptiv shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to any Aptiv Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the Privileged Information is in the possession or under the control of a member of the Aptiv Group or the Delphi Technologies Group;

(ii) Delphi Technologies shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to the Delphi Technologies Business, whether or not the Privileged Information is in the possession or under the control of a member of the Aptiv Group or the Delphi Technologies Group; Delphi Technologies shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to any Delphi Technologies Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the Privileged Information is in the possession or under the control of a member of the Aptiv Group or the Delphi Technologies Group; and

(iii) If the Parties do not agree as to whether certain information is Privileged Information, then such information shall be treated as Privileged Information, and the Party that believes that such information is Privileged Information shall be entitled to control the assertion or waiver of all privileges and immunities in connection with any such information until such time as it is finally judicially determined that such information is not Privileged Information or unless the Parties otherwise agree. The Parties shall use the procedures set forth in Article IV to resolve any Disputes as to whether any information relates solely to the Aptiv Business, solely to the Delphi Technologies Business, or to both the Aptiv Business and the Delphi Technologies Business.

(c) Subject to Sections 6.8(d) and 6.8(e), the Parties agree that they shall have a shared privilege or immunity with respect to all privileges not allocated pursuant to Section 6.8(b) and all privileges and immunities relating to any Actions or other matters that involve both Parties (or one or more members of their respective Groups) and in respect of which both Parties have Liabilities under this Agreement, and that no such shared privilege or immunity may be waived by either Party without the written consent of the other Party.

(d) If any dispute arises between the Parties, or any member of their respective Groups, regarding whether a privilege or immunity should be waived to protect or advance the interests of either Party and/or any member of their respective Groups, each Party agrees that it shall: (i) negotiate with the other Party in good faith, (ii) endeavor to minimize any prejudice to the rights of the other Party and (iii) not unreasonably withhold consent to any request for waiver by the other Party. Further, each Party specifically agrees that it shall not withhold its consent to the waiver of a privilege or immunity for any purpose except to protect its own legitimate interests.

(e) Upon receipt by any member of the Delphi Technologies Group of any subpoena, discovery or other request that may reasonably be expected to result in the production or disclosure of Information subject to a shared privilege or immunity or as to which Aptiv or any of its Subsidiaries has the sole right hereunder to assert a privilege or immunity, or if Delphi Technologies obtains knowledge that any of its, or any member of the Delphi Technologies Group's, current or former directors, officers, agents or employees have received any subpoena, discovery or other requests that may reasonably be expected to result in the production or disclosure of such Privileged Information, Delphi Technologies shall promptly provide written notice to Aptiv of the existence of the request (which notice shall be delivered to Aptiv no later than five (5) Business Days following the receipt of any such subpoena, discovery or other request) and shall provide Aptiv a reasonable opportunity to review the Information and to assert any rights it or they may have, including under this [Section 6.8](#) or otherwise, to prevent the production or disclosure of such Privileged Information.

(f) Upon receipt by any member of the Aptiv Group of any subpoena, discovery or other request that may reasonably be expected to result in the production or disclosure of Information subject to a shared privilege or immunity or as to which Delphi Technologies or any member of the Delphi Technologies Group has the sole right hereunder to assert a privilege or immunity, or if Aptiv obtains knowledge that any of its, or any member of the Aptiv Group's, current or former directors, officers, agents or employees have received any subpoena, discovery or other requests that may reasonably be expected to result in the production or disclosure of such Privileged Information, Aptiv shall promptly provide written notice to Delphi Technologies of the existence of the request (which notice shall be delivered to Delphi Technologies no later than five (5) Business Days following the receipt of any such subpoena, discovery or other request) and shall provide Delphi Technologies a reasonable opportunity to review the Information and to assert any rights it or they may have, including under this [Section 6.8](#) or otherwise, to prevent the production or disclosure of such Privileged Information.

(g) Any furnishing of, or access to, Information pursuant to this Agreement and the transfer of the Assets and retention of the Delphi Technologies Assets by Delphi Technologies are made and done in reliance on the agreement of the Parties set forth in this [Section 6.8](#) and in [Section 6.9](#) to maintain the confidentiality of Privileged Information and to assert and maintain all applicable privileges and immunities. The Parties agree that their respective rights to any access to information, witnesses and other Persons, the furnishing of notices and documents and other cooperative efforts between the Parties contemplated by this Agreement, and the transfer of Privileged Information between the Parties and members of their respective Groups pursuant to this Agreement, shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise. The Parties further agree that: (i) the exchange or retention by one Party to the other Party of any Privileged Information that should not have been transferred or retained, as the case may be, pursuant to the terms of this [Article VI](#) shall not be deemed to constitute a waiver of any privilege or immunity that has been or may be asserted under this Agreement or otherwise with respect to such Privileged Information; and (ii) the Party receiving or retaining such Privileged Information shall promptly return or transfer, as the case may be, such Privileged Information to the Party who has the right to assert the privilege or immunity.

(h) In furtherance of, and without limitation to, the Parties' agreement under this Section 6.8, Aptiv and Delphi Technologies shall, and shall cause their applicable Subsidiaries to, use reasonable efforts to maintain their respective separate and joint privileges and immunities, including by executing joint defense and/or common interest agreements where necessary or useful for this purpose.

6.9 Confidentiality.

(a) *Confidentiality*. From and after the Effective Time, subject to Section 6.10 and except as contemplated by or otherwise provided in this Agreement or any Ancillary Agreement, Aptiv, on behalf of itself and each of its Subsidiaries, and Delphi Technologies, on behalf of itself and each of its Subsidiaries, agrees to hold, and to cause its respective Representatives to hold, in strict confidence, with at least the same degree of care that applies to Aptiv's confidential and proprietary information pursuant to policies in effect as of the Effective Time, all confidential or proprietary Information concerning the other Party (or its business) and the other Party's Subsidiaries (or their respective businesses) that is either in its possession (including confidential or proprietary Information in its possession prior to the Effective Time) or furnished by the other Party or the other Party's Subsidiaries or their respective Representatives at any time pursuant to this Agreement or any Ancillary Agreement, and shall not use any such confidential or proprietary Information other than for such purposes as may be expressly permitted hereunder or thereunder, except, in each case, to the extent that such confidential or proprietary Information has been: (i) in the public domain or generally available to the public, other than as a result of a disclosure by such Party or any of its Subsidiaries or any of their respective Representatives in violation of this Agreement, (ii) later lawfully acquired from other sources by such Party or any of its Subsidiaries, which sources are not themselves bound by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such confidential or proprietary Information or (iii) independently developed or generated without reference to or use of the respective proprietary or confidential Information of the other Party or any of its Subsidiaries. The foregoing restrictions shall not apply in connection with the enforcement of any right or remedy relating to this Agreement or the Ancillary Agreements or the transactions contemplated hereby or thereby. If any confidential or proprietary Information of one Party or any of its Subsidiaries is disclosed to another Party or any of its Subsidiaries in connection with providing services to such first Party or any of its Subsidiaries under this Agreement or any Ancillary Agreement, then such disclosed confidential or proprietary Information shall be used only as required to perform such services.

(b) *No Release; Return or Destruction*. Each Party agrees not to release or disclose, or permit to be released or disclosed, any confidential or proprietary Information of the other Party addressed in Section 6.9(a) to any other Person, except its Representatives who need to know such Information in their capacities as such (who shall be advised of their obligations hereunder with respect to such Information), and except in compliance with Section 6.10. Without limiting the foregoing, when any Information furnished by the other Party after the Effective Time pursuant to this Agreement or any Ancillary Agreement is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, each Party shall, at its option, promptly after receiving a written notice from the disclosing Party, either return to the disclosing Party all such Information in a tangible form (including

all copies thereof and all notes, extracts or summaries based thereon) or certify to the disclosing Party that it has destroyed such Information (and such copies thereof and such notes, extracts or summaries based thereon); *provided, however*, that a Party shall not be required to destroy or return any such Information to the extent that (i) the Party is required to retain the Information in order to comply with any applicable Law, (ii) the Information has been backed up electronically pursuant to the Party's standard document retention policies and will be managed and ultimately destroyed consistent with such policies or (iii) it is kept in the Party's legal files for purposes of resolving any dispute that may arise under this Agreement or any Ancillary Agreement.

(c) *Third-Party Information; Privacy or Data Protection Laws*. Each Party acknowledges that it and its respective Subsidiaries may presently have and, after the Effective Time, may gain access to or possession of confidential or proprietary Information of, or personal Information relating to, Third Parties: (i) that was received under confidentiality or non-disclosure agreements entered into between such Third Parties, on the one hand, and the other Party or the other Party's Subsidiaries, on the other hand, prior to the Effective Time or (ii) that, as between the two parties, was originally collected by the other Party or the other Party's Subsidiaries and that may be subject to and protected by privacy, data protection or other applicable Laws. Each Party agrees that it shall hold, protect and use, and shall cause its Subsidiaries and its and their respective Representatives to hold, protect and use, in strict confidence the confidential and proprietary Information of, or personal Information relating to, Third Parties in accordance with privacy, data protection or other applicable Laws and the terms of any agreements that were either entered into before the Effective Time or affirmative commitments or representations that were made before the Effective Time by, between or among the other Party or the other Party's Subsidiaries, on the one hand, and such Third Parties, on the other hand.

6.10 Protective Arrangements. In the event that either Party or any of its Subsidiaries is requested or required (by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) by any Governmental Authority or pursuant to applicable Law or the rules of any stock exchange on which the shares of the Party or any member of its Group are traded to disclose or provide any confidential or proprietary Information of the other Party (other than with respect to any such Information furnished pursuant to the provisions of Section 6.1 or 6.7, as applicable) that is subject to the confidentiality provisions hereof, such Party shall provide the other Party with written notice of such request or demand (to the extent legally permitted) as promptly as practicable under the circumstances so that such other Party shall have an opportunity to seek an appropriate protective order, at such other Party's own cost and expense. In the event that such other Party fails to receive such appropriate protective order in a timely manner and the Party receiving the request or demand reasonably determines that its failure to disclose or provide such Information shall actually prejudice the Party receiving the request or demand, then the Party that received such request or demand may thereafter disclose or provide Information to the extent required by such Law (as so advised by its counsel) or by lawful process or such Governmental Authority, and the disclosing Party shall promptly provide the other Party with a copy of the information so disclosed, in the same form and format so disclosed, together with a list of all Persons to whom such information was disclosed, in each case to the extent legally permitted.

ARTICLE VII.
FURTHER ASSURANCES AND ADDITIONAL COVENANTS

7.1 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties hereto shall use its commercially reasonable efforts, prior to, on and after the Effective Time, to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary, proper or advisable on its part under applicable Laws, regulations and agreements, to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements.

(b) Without limiting the foregoing, prior to, on and after the Effective Time, each Party hereto shall cooperate with each other Party hereto, and without any further consideration, but at the expense of the requesting Party, to execute and deliver, or use its commercially reasonable efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain or make any Approvals or Notifications of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument (including any Third-Party consents or Governmental Approvals), and to take all such other actions as such Party may reasonably be requested to take by any other Party hereto from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and the transfers of the Delphi Technologies Assets and the assignment and assumption of the Delphi Technologies Liabilities and the other transactions contemplated hereby and thereby. Without limiting the foregoing, each Party shall, at the reasonable request, cost and expense of any other Party, take such other actions as may be reasonably necessary to vest in such other Party all of the transferring Party's right, title and interest to the Assets allocated to such Party by this Agreement or any Ancillary Agreement, in each case, if and to the extent it is practicable to do so.

(c) On or prior to the Effective Time, Aptiv and Delphi Technologies in their respective capacities as direct and indirect shareholders of their respective Subsidiaries, shall each ratify any actions that are reasonably necessary or desirable to be taken by any Subsidiary of Aptiv or Subsidiary of Delphi Technologies, as the case may be, to effectuate the transactions contemplated by this Agreement and the Ancillary Agreements.

7.2 Performance. Aptiv shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the Aptiv Group. Delphi Technologies shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the Delphi Technologies Group. Each Party (including its permitted successors and assigns) further agrees that it shall (a) give timely notice of the terms, conditions and continuing obligations contained in this Section 7.2 to all of the other members of its Group, and (b) cause all of the other members of its Group not to take, or omit to take, any action which action or omission would violate or cause such Party to violate this Agreement or any Ancillary Agreement or materially impair such Party's ability to consummate the transactions contemplated hereby or thereby.

7.3 No Restrictions on Post-Closing Competitive Activities: Corporate Opportunities .

(a) Each of the Parties agrees that this Agreement shall not include any noncompetition or other similar restrictive arrangements with respect to the range of business activities that may be conducted, or investments that may be made, by the Groups. Accordingly, each of the Parties acknowledges and agrees that nothing set forth in this Agreement shall be construed to create any explicit or implied restriction or other limitation on the ability of any Group to engage in any business or other activity that overlaps or competes with the business of the other Group. Except as expressly provided herein, or in the Ancillary Agreements, each Group shall have the right to, and shall have no duty to abstain from exercising such right to, (i) engage or invest, directly or indirectly, in the same, similar or related business activities or lines of business as the other Group, (ii) make investments in the same or similar types of investments as the other Group, (iii) do business with any client, customer, vendor or lessor of any of the other Group or (iv) subject to Section 7.6, employ or otherwise engage any officer, director or employee of the other Group.

(b) Except as expressly provided herein, or in the Ancillary Agreements, the Parties hereby acknowledge and agree that if any Person that is a member of a Group, including any officer or director thereof, acquires knowledge of a potential transaction or matter that may be a corporate opportunity for either or both Groups, the other Group shall not have an interest in, or expectation that such opportunity be offered to it or that it be offered an opportunity to participate therein, and any such expectation with respect to such opportunity, is hereby renounced by such Group. Accordingly, except as expressly provided herein, or in the Ancillary Agreements, (i) neither Group will be under any obligation to present, communicate or offer any such opportunity to the other Group and (ii) each Group has the right to hold any such opportunity for its own account, or to direct, recommend, sell, assign or otherwise transfer such opportunity to any Person or Persons other than the other Group, and, to the fullest extent permitted by Law, neither Group shall have or be under any duty to the other Group and shall not be liable to the other Group for any breach or alleged breach thereof or for any derivation of personal economic gain by reason of the fact that such Group or any of its officers or directors pursues or acquires the opportunity for itself, or directs, recommends, sells, assigns or otherwise transfers the opportunity to another Person, or such Group does not present, offer or communicate information regarding the opportunity to the other Group.

(c) For the purposes of this Section 7.3, “corporate opportunities” of a Group shall include business opportunities that such Group is financially able to undertake, that are, by their nature, in a line of business of such Group, are of practical advantage to it and are ones in which any member of the Group has an interest or a reasonable expectancy, and in which, by embracing the opportunities, the self-interest of a Person or any of its officers or directors will be brought into conflict with that of such Group.

7.4 **Mail Forwarding**. (a) Aptiv agrees that following the Effective Time it shall use its commercially reasonable efforts to forward to Delphi Technologies any correspondence relating to the Delphi Technologies Business (or a copy thereof to the extent such correspondence relates to both the Delphi Technologies Business and the Aptiv Business) that is delivered to Aptiv and (b) Delphi Technologies agrees that following the Effective Time it shall use its commercially reasonable efforts to forward to Aptiv any correspondence relating to the Aptiv Business (or a copy thereof to the extent such correspondence relates to both the Aptiv Business and the Delphi Technologies Business) that is delivered to Delphi Technologies.

7.5 **Non-Disparagement**. Each of the Parties shall not, and shall cause their respective Groups and their respective officers and employees not to, make, or cause to be made, any statement or communicate any information (whether oral or written) that disparages the other Group or any of their respective officers, directors or employees.

7.6 **Non-Solicitation Covenant**. For a period of one (1) year from and after the Effective Time, neither Party shall, and shall ensure that the other members of such Party's Group shall not, directly or indirectly, solicit or hire any executives, officers or engineers of the other Party's Group without the prior written consent of Aptiv or Delphi Technologies, as applicable; *provided, however*, that this Section 7.6 shall not prohibit any general offers of employment to the public, including through a bona fide search firm, so long as it is not specifically targeted toward employees of the Aptiv Group or Delphi Technologies Group, as applicable.

7.7 **Order of Precedence**.

(a) Notwithstanding anything to the contrary in this Agreement or any Specified Ancillary Agreement, in the case of any conflict between the provisions of this Agreement and any Specified Ancillary Agreement, the provisions of such Specified Ancillary Agreement shall prevail.

(b) The Parties acknowledge and confirm that, notwithstanding anything to the contrary in the Transfer Documents, (i) to the extent that any provision of the Transfer Documents conflicts with this Agreement, this Agreement shall be deemed to control with respect to the subject matter thereof and (ii) the Transfer Documents shall not be deemed in any way to amend, expand, restrict or otherwise modify such parties' rights and obligations set forth in this Agreement.

**ARTICLE VIII.
INTELLECTUAL PROPERTY MATTERS**

8.1 License to Delphi Technologies.

(a) *Licensed Intellectual Property*. Aptiv, on behalf of itself and the Aptiv Group, hereby grants to the Delphi Technologies Group a perpetual, irrevocable, royalty-free, fully paid up, non-transferrable (except as permitted pursuant to Section 8.1(h)), non-exclusive license to use the Licensed Intellectual Property in connection with any business conducted by the Delphi Technologies Group. The foregoing license includes the right (i) to make, have made, use, sell, offer for sale, and import products and services, and (ii) to publish, display, reproduce, copy, create derivative works of, enhance, and otherwise exploit such Licensed Intellectual Property.

(b) *Ownership of Improvements.* As between the Parties, any derivative works, enhancements or other improvements to the Licensed Intellectual Property made or created by or on behalf of any member of the Delphi Technologies Group shall be owned by Delphi Technologies or its applicable Affiliate.

(c) *Sublicensing.* The license to the Delphi Technologies Group pursuant to Section 8.1(a) shall be sublicensable solely as and to the extent necessary (i) to service providers of the Delphi Technologies Group in connection with the provision of services to the Delphi Technologies Group, which services require the use of the Licensed Intellectual Property, but not for the benefit of such service providers, and (ii) to customers of the Delphi Technologies Group in connection with their purchase of products and services from the Delphi Technologies Group. Delphi Technologies shall require such permitted sublicensees in writing to comply with the limited scope of any such sublicense, and with confidentiality obligations consistent with Article VI.

(d) *Limitations.* All Licensed Intellectual Property is licensed as such Intellectual Property exists as of the Effective Time and subject to any and all licenses that have been granted by Aptiv, its Affiliates or its or their predecessors-in-interest with respect thereto prior to the Effective Time. There is no obligation to provide upgrades, updates, enhancements, improvements, support or maintenance to any of the Licensed Intellectual Property. Without limiting the generality of the foregoing, nothing contained in this Section 8.1 shall be construed as:

(i) requiring the filing of any patent application or application to register any other Intellectual Property, the securing of any patent or Intellectual Property registration, or the maintaining of any patent or Intellectual Property in force;

(ii) an agreement to bring or prosecute actions or suits against third parties for infringement or misappropriation; or

(iii) an obligation to furnish any assistance or any technical support.

(e) *Duration.* The license to any item of Licensed Intellectual Property granted herein shall expire upon the expiration of the term of such Intellectual Property.

(f) *Notification of Infringement.* Delphi Technologies shall promptly notify Aptiv if Delphi Technologies or any of its Affiliates becomes aware of any activities of a third party that reasonably appear to be an infringement of any item of Licensed Intellectual Property.

(g) *Confidentiality.* Delphi Technologies shall maintain the confidentiality of trade secrets and other non-public Intellectual Property included in the Licensed Intellectual Property in accordance with Article VI.

(h) *Assignment.*

(i) Except as set forth in Section 8.1(c) and in this Section 8.1(h)(i), the license granted pursuant to Section 8.1(a) may not, without the prior written consent of Aptiv, be assigned, sublicensed or otherwise transferred in whole or in part by any member of the Delphi Technologies Group, by operation of Law or otherwise (which shall be deemed to include a change of control of any member of the Delphi Technologies Group), and any attempt to do so shall be null and void; provided, however, that any member of the Delphi Technologies Group may (A) transfer all or a part of its rights and obligations under this Section 8.1 to its Affiliates for so long as they remain Affiliates of Delphi Technologies; (B) transfer all of its rights and obligations under this Section 8.1 to any third party in connection with an acquisition of all or substantially all of the Delphi Technologies Business (whether by merger, consolidation, sale of assets, sale or exchange of stock, or otherwise), provided that, from and after the date of such assignment or transfer, the license under Section 8.1(a) shall be limited to use of the Licensed Intellectual Property solely in connection with the manufacture, provision, sale and distribution of the products and services of the Delphi Technologies Business as such products and services exist as of the date of such assignment or transfer and any improvements thereto that are in production or planned for production as of the date of such assignment or transfer; and (C) transfer all or part of its rights and obligations under this Section 8.1 or sublicense any of the licenses granted hereunder to any third party in connection with an acquisition of any discrete operating business unit or division of the Delphi Technologies Business (whether by merger, consolidation, sale of assets, sale or exchange of stock, or otherwise); provided that, from and after the date of such assignment or transfer, the license under Section 8.1(a) shall be limited to use of the Licensed Intellectual Property solely in connection with the manufacture, provision, sale and distribution of the products and services of the Delphi Technologies Business as such products and services exist as of the date of such assignment or transfer and any improvements thereto that are in production or planned for production as of the date of such assignment or transfer; provided further, that (x) upon such transfer, the license is used only in connection with the operation of such business unit or division, and (y) the transfer is limited solely to such business unit or division; and provided further that, in each of the cases (A) – (C), such transferee, assignee or successor agrees to be bound by this Section 8.1.

(ii) For the avoidance of doubt, Aptiv and its Affiliates shall be free to transfer the Licensed Intellectual Property without any consent or sell, transfer, assign, dispose of in any way, license, sublicense and grant any kind of rights with respect to any Licensed Intellectual Property to any Person and impose any kind of restrictions to any Person relating to or in connection with any Licensed Intellectual Property; provided, however, in each case, that the license and rights granted to the Delphi Technologies Group under and pursuant to this Agreement remain in full force and effect and continue to inure to the benefit of the Delphi Technologies Group without any restriction or alteration.

8.2 License to Aptiv.

(a) *Delphi Technologies Intellectual Property.* Delphi Technologies acknowledges that the Delphi Technologies Intellectual Property is transferred to Delphi Technologies subject to, and the Aptiv Group is hereby granted, a perpetual, irrevocable, royalty-free, fully paid up,

non-transferrable (except as permitted pursuant to Section 8.2(h)), non-exclusive license to use, in connection with any business conducted by the Aptiv Group, the Delphi Technologies Intellectual Property (other than Trademarks) used or held for use as of the Effective Time in connection with the Aptiv Business. The foregoing license includes the right (i) to make, have made, use, sell, offer for sale, and import products and services, and (ii) to publish, display, reproduce, copy, create derivative works of, enhance, and otherwise exploit such Delphi Technologies Intellectual Property.

(b) *Ownership of Improvements.* As between the Parties, any derivative works, enhancements or other improvements to the Delphi Technologies Intellectual Property made or created by or on behalf of any member of the Aptiv Group shall be owned by Aptiv or its applicable Affiliate.

(c) *Sublicensing.* The license to the Aptiv Group pursuant to Section 8.2(a) shall be sublicensable solely as and to the extent necessary (i) to service providers of the Aptiv Group in connection with the provision of services to the Aptiv Group, which services require the use of the Delphi Technologies Intellectual Property, but not for the benefit of such service providers, and (ii) to customers of the Aptiv Group in connection with their purchase of products and services from the Aptiv Group. Aptiv shall require such permitted sublicensees in writing to comply with the limited scope of any such sublicense, and with confidentiality obligations consistent with Article VI.

(d) *Limitations.* All Delphi Technologies Intellectual Property is licensed as such Intellectual Property exists as of the Effective Time and subject to any and all licenses that have been granted by Aptiv, its Affiliates or its or their predecessors-in-interest with respect thereto prior to the Effective Time. There is no obligation to provide upgrades, updates, enhancements, improvements, support or maintenance to any of the Delphi Technologies Intellectual Property. Without limiting the generality of the foregoing, nothing contained in this Section 8.2 shall be construed as:

- (i) requiring the filing of any patent application or application to register any other Intellectual Property, the securing of any patent or Intellectual Property registration, or the maintaining of any patent or Intellectual Property in force;
- (ii) an agreement to bring or prosecute actions or suits against third parties for infringement or misappropriation; or
- (iii) an obligation to furnish any assistance or any technical support.

(e) *Duration.* The license to any item of Delphi Technologies Intellectual Property granted herein shall expire upon the expiration of the term of such Intellectual Property.

(f) *Notification of Infringement.* Aptiv shall promptly notify Delphi Technologies if Aptiv or any of its Affiliates becomes aware of any activities of a third party that reasonably appear to be an infringement of any item of Delphi Technologies Intellectual Property.

(g) *Confidentiality*. Aptiv shall maintain the confidentiality of trade secrets and other non-public Intellectual Property included in the Delphi Technologies Intellectual Property in accordance with Article VI.

(h) *Assignment*.

(i) Except as set forth in Section 8.2(c) and in this Section 8.2(h)(i), the license granted pursuant to Section 8.2(a) may not, without the prior written consent of Delphi Technologies, be assigned, sublicensed or otherwise transferred in whole or in part by any member of the Aptiv Group, by operation of Law or otherwise, and any attempt to do so shall be null and void; provided, however, that any member of the Aptiv Group may (A) transfer all or a part of its rights and obligations under this Section 8.2 to its Affiliates for so long as they remain Affiliates of Aptiv; (B) transfer all of its rights and obligations under this Section 8.2 to any third party in connection with an acquisition of all or substantially all of the Aptiv Business (whether by merger, consolidation, sale of assets, sale or exchange of stock, or otherwise); and (C) transfer all or part of its rights and obligations under this Section 8.2 or sublicense any of the licenses granted hereunder to any third party in connection with an acquisition of any discrete operating business unit or division of the Aptiv Business (whether by merger, consolidation, sale of assets, sale or exchange of stock, or otherwise); provided, however, (x) that upon such transfer, the license is used only in connection with the operation of such business unit or division; and (y) the transfer is limited solely to such business unit or division; and provided, further, that, in each of the cases in (A) – (C), such transferee, assignee or successor agrees to be bound by this Section 8.2.

(ii) For the avoidance of doubt, Delphi Technologies and its Affiliates shall be free to transfer the Delphi Technologies Intellectual Property without any consent or sell, transfer, assign, dispose of in any way, license, sublicense and grant any kind of rights with respect to any Delphi Technologies Intellectual Property to any Person and impose any kind of restrictions to any Person relating to or in connection with any Delphi Technologies Intellectual Property; provided, however, in each case, that the license and rights granted to the Aptiv Group under and pursuant to this Agreement remain in full force and effect and continue to inure to the benefit of the Aptiv Group without any restriction or alteration.

8.3 Aptiv-Formative Trademarks

(a) *Limitations on Use by Aptiv*. Aptiv shall not use the Aptiv-Formative Marks other than in connection with the Aptiv Business, and will use commercially reasonable efforts to phase out its use of the “Delphi” name in connection with the operation of the Aptiv Business.

(b) *Limitations on Use by Delphi Technologies*. Delphi Technologies shall not use the Aptiv-Formative Marks in connection with any goods or services related to the Aptiv Business.

(c) Treatment of Shared Trademark Registrations. With respect to applications or registrations for Aptiv-Formative Marks that apply to the goods and services included in both the Aptiv Business and the Delphi Technologies Business, the Parties shall, and shall cause each of the members of their respective Groups to, take such reasonable and permissible actions to cause the legal rights to be separated and allocated according to the intent of Section 2.1.

ARTICLE IX. TERMINATION

9.1 **Termination**. This Agreement and any Ancillary Agreement may be terminated and the terms and conditions of the Separation and the Distribution may be amended, modified or abandoned at any time prior to the Effective Time by and in the sole and absolute discretion of the Aptiv Board without the approval of any other Person, including the shareholders of Aptiv, Delphi Technologies or Aptiv. In the event that this Agreement is terminated, this Agreement shall become null and void and no Party, nor any Party's directors, officers or employees, shall have any Liability of any kind to any Person by reason of this Agreement. After the Distribution, this Agreement may not be terminated except by an agreement in writing signed by Aptiv and Delphi Technologies.

9.2 **Effect of Termination**. In the event of any termination of this Agreement prior to the Effective Time, no Party (nor any of its directors, officers or employees) shall have any Liability or further obligation to the other Party by reason of this Agreement.

ARTICLE X. MISCELLANEOUS

10.1 Counterparts; Entire Agreement; Corporate Power

(a) This Agreement and each Ancillary Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each Party and delivered to each other Party.

(b) This Agreement, the Ancillary Agreements and the exhibits, annexes and schedules hereto and thereto, contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the Parties with respect to such subject matter other than those set forth or referred to herein or therein.

(c) Aptiv represents on behalf of itself and each other member of the Aptiv Group, and Delphi Technologies represents on behalf of itself and each other member of the Delphi Technologies Group, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and each Ancillary Agreement to which it is a party and to consummate the transactions contemplated hereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been or will be duly executed and delivered by it and constitutes or will constitute a valid and binding agreement of it enforceable in accordance with the terms thereof.

(d) Each Party acknowledges that it and each other Party may execute this Agreement by facsimile, stamp or mechanical signature. Each Party expressly adopts and confirms each such facsimile, stamp or mechanical signature made in its respective name as if it were a manual signature, agrees that it shall not assert that any such signature is not adequate to bind such Party to the same extent as if it were signed manually and agrees that at the reasonable request of any other Party at any time it shall as promptly as reasonably practicable cause this Agreement to be manually executed (any such execution to be as of the date of the initial date thereof).

10.2 **Governing Law**. This Agreement (and any claims or Disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any Party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of New York, irrespective of the choice of laws principles of the State of New York, including all matters of validity, construction, effect, enforceability, performance and remedies.

10.3 **Assignability**. Except as set forth in any Ancillary Agreement, this Agreement and each Ancillary Agreement shall be binding upon and inure to the benefit of the other Party or the other parties hereto and thereto, respectively, and their respective successors and permitted assigns; *provided, however*, that no Party or party thereto may assign its respective rights or delegate its respective obligations under this Agreement without the express prior written consent of the other Party or other parties thereto, as applicable. Notwithstanding the foregoing, no such consent shall be required for the assignment of a party's rights and obligations under this Agreement or the Ancillary Agreements (except as may be otherwise provided in any such Ancillary Agreement) in whole in connection with a change of control of a Party so long as the resulting, surviving or transferee Person assumes all the obligations of the relevant party thereto by operation of Law or pursuant to an agreement in form and substance reasonably satisfactory to the other Party. Nothing herein is intended to, or shall be construed to, prohibit either Party or any member of its Group from being party to or undertaking a change of control.

10.4 **Third-Party Beneficiaries**. Except for the release and indemnification rights under this Agreement of any Aptiv Indemnitee or Delphi Technologies Indemnitee in their respective capacities as such, and the provisions of Section 5.1(d) as to directors and officers of Aptiv Group and Delphi Technologies Group: (a) the provisions of this Agreement and each Ancillary Agreement are solely for the benefit of the Parties and are not intended to confer upon any Person (including, without limitation, any shareholders of Aptiv or shareholders of Delphi Technologies) except the Parties hereto any rights or remedies hereunder; and (b) there are no third-party beneficiaries of this Agreement or any Ancillary Agreement and neither this Agreement nor any Ancillary Agreement shall provide any third Person (including, without limitation, any shareholders of Aptiv or shareholders of Delphi Technologies) with any remedy, claim, Liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement or any Ancillary Agreement.

10.5 **Notices**. All notices, requests, claims, demands or other communications under this Agreement and, to the extent applicable, and unless otherwise provided thereunder, under each of the Ancillary Agreements shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic transmission with receipt confirmed (followed by delivery of an original via overnight courier service), or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 10.5):

If to Aptiv, to:

Delphi Automotive PLC

5725 Delphi Drive

Troy, MI 48098

Attention: Joseph Massaro, Senior Vice President and Chief

Financial Officer

Facsimile No.: 1.248.813.2648

with a copy (which shall not constitute notice) to:

Delphi Automotive PLC

5725 Delphi Drive

Troy, MI 48098

Attention: David Sherbin, Senior Vice President, General Counsel,

Secretary and Chief Compliance Officer

Facsimile No.: 1.248.813.2491

with a copy (which shall not constitute notice) to:

Latham & Watkins LLP

330 North Wabash Avenue, Suite 2800

Chicago, IL 60611

Attention: Mark D. Gerstein

Attention: Christopher R. Drewry

Facsimile No.: 1.312.993.9767

If to Delphi Technologies, to:

Delphi Technologies PLC

5820 Delphi Drive

Troy, MI 48098

Attention: Liam Butterworth, President and Chief Executive Officer

with a copy (which shall not constitute notice) to:

Delphi Technologies PLC
5820 Delphi Drive
Troy, MI 48098
Attention: James Harrington, General Counsel

Any Party may, by notice to the other Party, change the address and contact person to which any such notices are to be given.

10.6 **Severability**. If any provision of this Agreement or any Ancillary Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

10.7 **Force Majeure**. No Party shall be deemed in default of this Agreement or, unless otherwise provided therein, any Ancillary Agreement for any delay or failure to fulfill any obligation, other than a delay or failure to make a payment, so long as and to the extent to which any delay or failure in the fulfillment of such obligations is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance shall be extended for a period equal to the time lost by reason of the delay. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (a) provide written notice to the other Party of the nature and extent of any such Force Majeure condition; and (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement and the Ancillary Agreements, as applicable, as soon as reasonably practicable.

10.8 **Press Release**. No later than one (1) Business Day after the Effective Time, Delphi Technologies and Aptiv shall issue a joint press release regarding the consummation of the Separation and Distribution.

10.9 **Expenses**. Delphi Technologies shall be responsible for paying all costs and expenses incurred in connection with the transactions contemplated by this Agreement, the Ancillary Agreements and the Delphi Technologies Financing Arrangements, whether incurred and payable prior to, on or after the Distribution Date, including investment banking, legal, accounting advisory work, loan restructuring and listing-related fees. To the extent such fees were incurred prior to the Distribution Date and paid by Aptiv, Delphi Technologies will reimburse Aptiv for such fees.

10.10 **Late Payments**. Except as expressly provided to the contrary in this Agreement, any amount not paid when due pursuant to this Agreement (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within thirty (30) days of such bill, invoice or other demand) shall accrue interest at a rate per annum equal to the Prime Rate plus one and one-half percent (1.5%) or the maximum rate permitted by Law, whichever is less.

10.11 **Headings**. The article, section and paragraph headings contained in this Agreement or any Ancillary Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or any Ancillary Agreement.

10.12 **Survival of Covenants**. Except as expressly set forth in this Agreement or any Ancillary Agreement, the covenants, representations and warranties contained in this Agreement and the Ancillary Agreements, and liability for the breach of any obligations contained herein or therein, shall survive the Separation and the Distribution and shall remain in full force and effect in accordance with their terms.

10.13 **Waivers of Default**. Waiver by a Party of any default by the other Party of any provision of this Agreement or any Ancillary Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the other Party. No failure or delay by a Party in exercising any right, power or privilege under this Agreement or any Ancillary Agreement shall operate as a waiver thereof nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

10.14 **Specific Performance**. Subject to Article IV, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any Ancillary Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on an interim or permanent basis) in respect of its or their rights under this Agreement or such Ancillary Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

10.15 **Amendments**. No provisions of this Agreement or any Ancillary Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it sought to enforce such waiver, amendment, supplement or modification is sought to be enforced; *provided*, at any time prior to the Effective Time, the terms and conditions of this Agreement, including terms relating to the Separation and the Distribution, may be amended, modified or abandoned by and in the sole and absolute discretion of the Aptiv Board without the approval of any Person, including Delphi Technologies or Aptiv.

10.16 **Construction**. This Agreement shall be construed as if jointly drafted by the Parties and no rule of construction or strict interpretation shall be applied against either Party. The Parties represent that this Agreement is entered into with full consideration of any and all rights which the Parties may have. The Parties have conducted such investigations they thought appropriate, and have consulted with such advisors as they deemed appropriate regarding this Agreement and their rights and asserted rights in connection therewith. The Parties are not relying upon any representations or statements made by the other Party, or such other Party's employees, agents, representatives or attorneys, regarding this Agreement, except to the extent such representations are expressly set forth or incorporated in this Agreement. The Parties are not relying upon a legal duty, if one exists, on the part of the other Party (or such other Party's employees, agents, representatives or attorneys) to disclose any information in connection with the execution of this Agreement or their preparation, it being expressly understood that neither Party shall ever assert any failure to disclose information on the part of the other Party as a ground for challenging this Agreement.

10.17 **Performance**. Each Party shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any Subsidiary or Affiliate of such Party.

10.18 **Limited Liability**. Notwithstanding any other provision of this Agreement, no individual who is a shareholder, director, employee, officer, agent or representative of Aptiv or Delphi Technologies, in such individual's capacity as such, shall have any liability in respect of or relating to the covenants or obligations of Aptiv or Delphi Technologies, as applicable, under this Agreement or any Ancillary Agreement or in respect of any certificate delivered with respect hereto or thereto and, to the fullest extent legally permissible, each of Aptiv or Delphi Technologies, for itself and its respective Subsidiaries and its and their respective shareholders, directors, employees and officers, waives and agrees not to seek to assert or enforce any such liability that any such Person otherwise might have pursuant to applicable Law.

10.19 **Exclusivity of Tax Matters**. Notwithstanding any other provision of this Agreement (other than Sections 3.2(c), 5.5(g) and 5.6(f)), the Tax Matters Agreement shall exclusively govern all matters related to Taxes (including allocations thereof) addressed therein.

10.20 **Limitations of Liability**. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT OR ANY ANCILLARY AGREEMENT TO THE CONTRARY, NEITHER DELPHI TECHNOLOGIES NOR ITS AFFILIATES, ON THE ONE HAND, NOR APTIV NOR ITS AFFILIATES, ON THE OTHER HAND, SHALL BE LIABLE UNDER THIS AGREEMENT OR ANY ANCILLARY AGREEMENT TO THE OTHER FOR ANY INCIDENTAL CONSEQUENTIAL, SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY, REMOTE, SPECULATIVE OR SIMILAR DAMAGES IN EXCESS OF COMPENSATORY DAMAGES OF THE OTHER ARISING IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (OTHER THAN ANY SUCH LIABILITY WITH RESPECT TO INDEMNIFICATION OF SUCH DAMAGES PAID BY AN INDEMNITEE IN RESPECT OF A THIRD-PARTY CLAIM).

[Signature Page to Follow.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

DELPHI AUTOMOTIVE PLC

By: /s/ Joseph R. Massaro

Name: Joseph R. Massaro

Its: Chief Financial Officer and Senior Vice President

Signature Page to Separation and Distribution Agreement

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

DELPHI TECHNOLOGIES PLC

By: /s/ David M. Sherbin

Name: David M. Sherbin

Its: Director

Signature Page to Separation and Distribution Agreement

Private & Confidential

Contract of Employment
Liam Butterworth

Delphi Technologies plc

Private & Confidential
Liam Butterworth
[ADDRESS]

December 6, 2017

Dear Liam,

Contract of Employment

We are pleased to confirm your change of role to **Chief Executive Officer & President**, reporting to **Chairman of the Board**. Your start date will be **December 5, 2017** and your annual compensation package will be:

Annual Base Salary	£723,221
Annual Incentive Target % of	125% (of Annual Base Salary)
Annual Long-Term Incentive Target	\$5,000,000 USD

We believe that you have a significant contribution to make to this role and look forward to receiving your written acceptance of this amendment.

The benefits associated with this offer are detailed in the enclosed Contract of Employment and Appendix, should you have any further questions please do not hesitate to contact us.

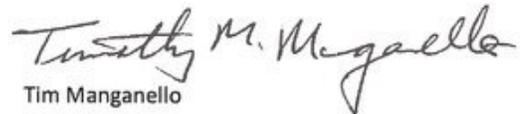
To accept this Contract of Employment, please sign this document and return to Mike Clarke.

Congratulations on your new role and we wish you every success for the future.

Yours sincerely



Mike Clarke
Chief Human Resources Officer
Telephone: [PHONENUMBER]
Email: [EMAIL ADDRESS]



Tim Manganello
Executive Chairman
Telephone: [PHONENUMBER]
Email: [EMAIL ADDRESS]

Contract of Employment

These are the terms and conditions of employment that apply to you.

1 Employer

Your employer is **Delphi Powertrain Systems Management Limited** and the registered office is 1 Park Row, Leeds, North Yorkshire, LS1 5AB.

2 Employee

2.1 **Liam Butterworth** of [ADDRESS]

3 Job Title

3.1 Your job title is Chief Executive Officer and President, Delphi Technologies plc.

4 Date of Commencement

4.1 Your employment shall commence on the date set out in **Section 2** of the Appendix ("Commencement Date"). Your period of continuous employment (for statutory employment rights purposes) commenced on the date set out in **Section 3** of the Appendix. No previous employment outside of the employer will be treated as continuous with your employment by the Company.

5 Probationary Period

5.1 Not applicable.

6 Permission to work in the United Kingdom

6.1 Your employment is conditional upon you having the appropriate permission to work in the United Kingdom by the Commencement Date. If you do not have that permission by the Commencement Date, this Agreement will not take effect and the Company will cease to owe any obligations to you under it. If, in the reasonable opinion of the Company, you cease to have the appropriate permission to work in the United Kingdom after the Commencement Date, this Agreement may be terminated summarily.

6.2 You will co-operate with the Company in providing valid, original or copy documents and information promptly when requested by the Company in connection with this clause. You will update the Company promptly of any change in your contact details, address and any significant change in your circumstances which may impact your permission to work in the United Kingdom.

7 Duration of Employment and Termination

7.1 Your employment shall continue for an indefinite period and shall be terminable on notice or otherwise as set out below. The period of notice to be given in writing by either you or the Company to terminate your employment is set out in **Section 5** of the Appendix.

7.2 During any period of notice of termination served in accordance with this clause (whether given by you or the Company), the Company shall be under no obligation to assign any duties to you and shall be entitled to exclude you from its premises ("Garden Leave Period").

During the Garden Leave, you will continue to be bound by all other express and implied terms of this contract. You will also remain entitled to receive your remuneration and other contractual benefits.

- 7.3 If either you or the Company is giving notice to terminate the employment, the Company reserves the right to pay you in lieu of notice or part of notice rather than asking you to work your notice period. Pay in lieu of notice will not be paid where gross misconduct is the reason for termination of employment. Holidays may only be taken during a notice period with the permission of the relevant Director.

Payment in lieu of notice will be equal to the basic salary (as at the date of termination) which you would have been entitled to receive under this contract agreement during the notice period (or, if notice has already been given, during the remainder of the notice period) less income tax and National Insurance contributions. For the avoidance of doubt, the Payment in Lieu shall not include any element in relation to:

- (a) Any bonus or commission payments that might otherwise have been due during the period for which the Payment in Lieu is made;
- (b) Any payment in respect of benefits which the Employee would have been entitled to receive during the period for which the Payment in Lieu is made; and
- (c) Any payment in respect of any holiday entitlement that would have accrued during the period for which the Payment in Lieu is made.

- 7.4 Nothing in this clause shall preclude the Company from terminating your employment without notice or a payment in lieu of notice in appropriate circumstances, including (without limitation) serious/gross misconduct.

- 7.5 Under agreed circumstances, employment may be terminated sooner by agreement with yourself and the Company to waive part of the notice period. In these circumstances no payment will be made for the un-worked portion of the notice period.

8 Basic Salary

- 8.1 Your current basic salary and payment details are set out in **Section 6** of the Appendix.

- 8.2 Your salary/pay will be reviewed annually, although it will only be increased at the discretion of the Company. There is no guarantee that it will be increased.

- 8.3 You authorise the Company to deduct from your basic salary/pay, and to set off against any monies due to you under clause 8 (Expenses) or otherwise, any sum due to the Company from you including, without any limitation, any overpayments (including overpayments of holiday), loans or advances made to you by the Company, sums authorised to be deducted under a prior agreement (such as under a Salary Sacrifice Scheme or a study agreement) and the cost of repairing any damage or loss to the Company's property caused by you.

9 Incentive arrangements

- 9.1 In addition to your basic salary referred to in clause 8.1 above, you may be entitled to participate in the Company's bonus scheme and other incentive arrangements in place from time to time. If you are, it will be set out in **Section 7 and/or Section 8** of the Appendix and will be subject to the relevant rules of any such schemes from time to time in force.

- 9.2 The terms and amount of any bonus will be decided from time to time by the Board in its sole discretion. Any payment will not form part of your salary, and will not be taken into account in calculating any benefits which are calculated by reference to salary. In determining whether a bonus is to be paid, and if so the size of that bonus, the Board may take into account such factors as it considers, in its absolute discretion, to be appropriate, which may include anticipated future performance and/or past performance of you or the Company, although it has no obligation to take any of these factors into account.
- 9.3 For the avoidance of doubt, bonus will not accrue, nor will you have any legitimate expectation as to the size or form of the discretionary bonus, until the Company pays it to you and any communication before a bonus is paid shall be treated as indicative only. There are no circumstances whether in reliance on express or implied terms or otherwise where you can require pay out of a particular sum or payment in a particular form or claim compensation for loss of such a bonus. You will not be eligible for a bonus if your employment has terminated or you are under notice (given or received) at the time of payment.
- 9.4 It is agreed that, where the Company operates a bonus scheme for a particular period, the Company will have a complete and unfettered discretion to alter, amend or discontinue any bonus scheme at the end of that period, in respect of any subsequent period and you will have no expectation of a continuation of the previous bonus scheme.
- 9.5 In the case of any conflict between the terms of this Agreement and the terms of any other scheme or arrangement the provisions of this Agreement shall prevail.
- 10 No right to compensation**
Upon the termination of your employment, you will have no rights as a result of this Agreement or any alleged breach of this Agreement to any compensation under or in respect of any share options or long-term incentive plans in which you may participate or have received grants or allocations at or before the date the employment terminates. Any rights which you may have under such schemes will be exclusively governed by the rules of such schemes.
- 11 Expenses**
11.1 You will be reimbursed for all reasonable out of pocket expenses in accordance with any costs incurred through your role as agreed with your line manager.
- 12 Place of Work**
12.1 Your normal place of work is set out in **Section 9** of the Appendix. However, you may be required to work at other sites or travel throughout the United Kingdom and overseas and stay away as necessary for the proper performance of your duties or as reasonably requested by the Company.
- 13 Overseas Work**
You may be required to travel overseas on a frequent basis as part of your role in order to fulfil your contractual duties.
- 14 Working Hours**
You have no normal working hours but are required to work during normal business hours

and such other hours as may be reasonably necessary for the proper performance of your duties for the Group. You agree that the duration of your working time is not measured or pre-determined. You acknowledge that for statutory sick pay purposes, your qualifying days are Monday to Friday.

15 Holidays

- 15.1 You are entitled to the number of days' paid holiday in each period of 12 months from 1 January – 31 December each year (the "Holiday Year") as set out in **Section 12** of the Appendix. You may be required to work public holidays to support business needs.
- 15.2 The Company may specify when some holiday must be taken (such as any closures). You will be given notice of any such obligatory holiday dates as soon as possible. Other holiday must be agreed in advance with your line manager. For holidays of 1 week or more, you should give at least 4 weeks' notice. For holidays of less than 1 week you should give at least 1 weeks' notice, wherever possible.
- 15.3 If you do not take all your holiday entitlement in the relevant Holiday Year you are not entitled to receive payment for this. You may not usually carry forward any unused holiday entitlement in to the following Holiday Year; this would need to be agreed by the relevant Director.
- 15.4 In the years of commencement and termination of employment, your basic holiday entitlement will be calculated pro rata to the number of months worked in that year. If on termination of employment you have any unused holiday entitlement, the Company may either make a payment in lieu or require you to take it during any notice period. If you have exceeded your basic holiday entitlement you will be required to repay the excess holiday pay to the Company. This sum may be deducted from any monies due to you on termination of your employment.
- 12.5 Your holiday will be paid at basic rate. If you receive any overtime, this will be reconsolidated in January each year and the difference will be paid to you at this time.

16 Sickness and other absence

- 16.1 On your first working day of absence, you must inform the Company of your absence by telephone prior to your normal start time, in accordance with the **Attendance Policy**. Any unauthorised absence must be properly explained. If absent because of illness you are required to give details of the nature of the illness and any indication that can then be given of your anticipated length of absence. If your absence is due to bereavement, or to attend medical appointments, guidance on this is contained in the **Attendance Policy**.
- 16.2 When any period of absence continues beyond seven calendar days you are required to obtain a medical certificate and to forward this to the Human Resources Department. If illness continues after expiry of the first certificate further certificates must be obtained as necessary to cover the whole period of absence and forwarded to the Company on each occasion.
- 16.3 Your entitlement to sick pay (which is payable at the discretion of the Company and subject to your compliance with the above notification provisions) including statutory sick pay is shown in **Section 13** of the Appendix.

- 16.4 Your level of sickness absence will be monitored by the Company. Continued and excessive absence may result in Formal Attendance actions against you.
- 17 Health and wellbeing**
- 17.1 You are entitled to meet with our Occupational Health Doctor at any time during your employment. The company may also request you meet with Occupational Health after prolonged absence or if they feel your wellbeing is at stake. All referrals are confidential and reports to Management are held in the strictest of confidence with your approval.
- 18 Drug and Alcohol Testing**
- 18.1 At any time during your employment the Company may require you to undergo a drug/alcohol test in accordance with the terms of the **Company's non-contractual drug and alcohol policy** from time to time. If you are found to be under the influence of drugs and/or alcohol, it could be a disciplinary matter. In appropriate circumstances, it could be considered as gross misconduct, the penalty for which is summary dismissal.
- 19 Car Allowance/Company Car**
- 19.1 If appropriate, and in order to assist you in the performance of your duties, under this contract or as a benefit of the role, (subject to you remaining legally qualified and fit to drive), the Company may provide you with a Company car cash allowance. If you are entitled to a car allowance, this will be set out in **Section 14** of the Appendix.
- 19.2 The car allowance is provided to cover all business travel eventualities with respect to travel by vehicle. Employees in receipt of a car allowance must ensure their car is insured for business travel. The **Company Car Policy** (which does not form part of the terms of this Agreement) can provide further information.
- 20 Pension and Insurance Benefits**
- 20.1 Delphi operates a Group Personal Pension Plan as detailed in **Section 15** of the Appendix. Delphi will comply with legislative requirements and all employees will be automatically enrolled into the Group Personal Pension Plan. Employees will only be able to leave the Plan through opting out direct to the Pension Provider.
- 21 Normal Retirement Age**
- 21.1 There is no normal retirement age in line with current legislation, however some insurance based benefits may cease to be offered after the age of 65, which may vary from time to time.
- 22 Company Property**
- 22.1 You acknowledge that all mobile phones, laptops and other computer equipment, fuel cards, car keys, identity and access cards, books, notes, memoranda, records, lists of customers, suppliers and employees, correspondence, documents, computer and other discs and tapes, data listings, codes, designs and drawings, confidential information and other documents and materials (whether made or created by you or otherwise) relating to the business of the Company, any Group company or any customer of the Company or Group Company and any copies, summaries or adaptations of them as appropriate;
- (a) Shall be and remain the property of the Company or customer;
 - (b) Shall not be removed from the Company's premises or copied, except in the proper

- performance of your duties; and
- (c) Shall be handed over to the Company on demand and in any event on the termination of your employment.

23 Confidentiality/Post Employment Obligations

- 20.1 The Employee shall not, whether during the period of his employment by the Company or at any time after its termination (howsoever arising) except in the proper performance of his duties, or in pursuance of any obligation arising from any statutory enactment or order of a competent court or tribunal or on the request of the Board:
- (a) Directly or indirectly make use of or divulge or communicate to any person firm company or organisation any Confidentiality Information which he has possessed during the continuance of his employment with the Company or any Group Company; or
 - (b) Copy or reproduce in any form or by or on any media or device (or allow others to copy or reproduce) documents, disks, tapes or other material containing or referring to Confidential Information.
- 20.2 All documents (including copies), disks, tapes and other material (in whatsoever medium) held by the Employee containing or referring to Confidential Information or relating to the affairs and business of the Company or any Group Company (and whether or not prepared by him or supplied by the Company or any Group Company) shall be the property of the Company or the relevant Group Company and shall be delivered by him to the Company or the relevant Group Company upon the termination of his employment (howsoever arising).
- 20.3 These restrictions shall not apply:
- (a) To Confidential Information which has come into the public domain;
 - (b) To any disclosure or use of Confidential Information authorised by the Board or required by law or in connection with the performance by the Employee of his duties with the Company;
 - (c) So as to prevent the Employee from using his own personal skill in any business in which he may be lawfully engaged after the Employment is ended.
- 20.4 You shall not for a period of one year after the termination of your employment whether alone or jointly with others, directly or indirectly:
- (a) Interfere with, canvas, solicit, or cause to be canvassed, solicited or approached in respect of any services which are the same or similar to those which have been provided by the Company at any time during the preceding 12 months of your employment, any person, persons or Company who at the date of termination of your employment or during the period of one year prior to that date, was to your knowledge a customer or client of the Company and with whom you had dealings during the last twelve months of your employment.
 - (b) Supply to or deal with in respect of any services which are the same as or similar to those which have been provided by the Company at any time during the last 12 months of your employment, any person, persons or Company who at the date of termination of your employment or during the period on 1 year prior to that date, was to your knowledge a customer or client of the Company and with whom you had dealings during the last 12 months of your employment.
 - (c) Offer to employ or endeavour to employ or entice away from the Company to join a

direct competitor or start up a competing venture, any person employed by Delphi Powertrain Systems Management Limited during the period of 12 months prior to your termination of employment and with whom you had personal dealings in the normal course of your employment. This applies for a period of one year.

- (d) Be employed by or hold any material interest in any person, firm or company which requires or might reasonably be thought by the company to require you to disclose or make use of any confidential business information in order properly to discharge your duties for the benefit of that person, firm or company and/or to further his interest in such person, firm or company.
- 20.5 At any time after the your termination of employment you shall not represent yourself or permit yourself to be held out by any person, firm or company as being in any way connected with or interested in the Company.
- 20.6 Whilst employed by the Company, you must not develop any business within the scope of services offered by Delphi Powertrain Systems Management Limited for your own (or others) benefit outside your employment, or after your employment has terminated for whatever reason. You accept that such business developed during your time employed by the Company will be assigned to Delphi Powertrain Systems Management Limited and that any gross profits made for a period of one year following termination of employment must be paid to the Company.
- 20.7 The restrictions above apply to all the Company's clients including Clients which members of staff bring in to the business as a result of their employment with the Company. They are clients of the Company and not of the individual employee.

24 Intellectual Property

- 24.1 If the Employee in the course of the performance of his duties under this Agreement of Employment shall create, make or discover any Intellectual Property or make any improvement upon a derivation from any existing work, invention or design whether or not the Intellectual Property has, or is capable of giving rise to, patents or rights equivalent to patents, registered design, copyright, design right, or other like protection and whether alone or in conjunction with any other employee or employees of the Company, or of any Group Company, or other persons, he shall immediately disclose such Intellectual Property to the Board and undertakes that at the Company's request and expense he shall at any time during or after the termination of his employment do all such acts and execute all such documents as may be necessary to vest all rights in or relating to any such Intellectual Property in the name of the Company and any Group Company to the intent that all such rights and any such invention, design or improvement shall subject, in relation to patents, to any applicable provisions of the Copyright Designs and Patent Act 1988, become the absolute property of the Company or its nominee. Nothing contained in this clause shall limit any statutory or other right of the Company or any Group Company in relation to any such intellectual Property.

25 Other Employment

You will (unless prevented by ill health or injury) devote the whole of your working time, attention and abilities during the employment to the business of the Group and will not, without the prior written consent of the Board:

- (a) accept any other appointment, work for or be directly or indirectly engaged in or concerned with the conduct of any other business, or prepare to do so; or
- (b) be directly or indirectly financially interested in any such business, although this will not prevent you from holding or being interested in genuine investments representing not more than three per cent of any class of shares or securities in any company, whether or not listed or dealt in on any recognised investment exchange.

26 Company Policy and Procedures

26.1 You agree to comply with the rules, policies and procedures of the Company, although these do not form part of your contract of employment and are subject to change. For the avoidance of doubt, the policies and procedures referred to in this Agreement are non-contractual.

27 Grievance Procedure

27.1 Any grievance you may have relating to your employment should be in line with the Company's **Grievance Policy** which can be obtained from your line manager or Human Resources. Should you need to raise a grievance, this should usually be raised with your line manager in the first instance and formally in writing to your line manager or Human Resources if the issue cannot be resolved informally. The terms of this policy do not form part of your contract of employment.

28 Disciplinary Procedure

28.1 The Company expects certain standards of conduct and performance from all employees and where an employee's standards do not meet the Company's expectations, or where they undertake misconduct, the Company will instigate the **Disciplinary Policy**. This can be obtained from your line manager or Human Resources. Any appeal should be in writing addressed to Human Resources. The terms of this policy do not form part of your contract of employment.

29 Equal Opportunities

29.1 The Company is fully committed to the active promotion of equal opportunities in its capacity as an employer and its provision of all its services to the community as a whole.

30 Health and Safety

30.1 The Company takes Health and Safety very seriously and you must comply with this at all times. Your obligations are set out in our company **Health and Safety Policy** and supporting procedures and processes. It is the individual responsibility of each employee to ensure the practical application of these in the workplace to ensure that Delphi Powertrain Systems Management Limited is a safe place to work.

31 IT Policy

31.1 You agree to comply with all aspects of the Company's **IT Policy** which is subject to change.

31.2 You agree that the Company to which you provide services may intercept and monitor communications sent via any company communication systems or services of the Company.

32 Collective Agreements

32.1 There are no collective agreements which directly affect the terms and conditions of your employment.

33 Variation to standard and other terms and conditions

33.1 The Company reserves the right to make reasonable changes to these and any other agreed terms and conditions of employment. Minor changes of detail (e.g. in procedures) may be made from time to time and will be effected by a general notice to employees.

34 Public interest disclosure

34.1 Nothing in this Agreement shall prevent you from making a protected disclosure in good faith pursuant to the Public Interest Disclosure Act 1998.

35 Data Protection

35.1 You agree that personal data (other than sensitive personal data) as defined in the Data Protection Act 1998, relating to you and your employment may be processed by the Company to the extent that it is reasonably necessary in connection with your employment or the business of the Company, in line with the **Data Protection Policy** available from your line manager or Human Resources.

35.2 You agree that the Company may process sensitive personal data relating to you, including medical details and details of gender, race and ethnic origin. Personal data relating to gender, race and ethnic origin will be processed by the Company only for the purpose of monitoring the Company's Equality Policy. You agree that the Company may disclose or transfer such sensitive personal data to other persons if it is required or permitted by law to do so for the purpose of monitoring the Company's data.

35.3 Your consent to the transfer and disclosure of personal data as set out above shall apply regardless of the country of residence of the person to whom the data is to be transferred. Where the disclosure or transfer is to a person resident outside the European Economic Area, the Company shall take reasonable steps to ensure that your rights and freedom in relation to the processing of the relevant personal data are adequately protected.

36 Choice of law

36.1 This Agreement and any dispute or claim arising out of or in connection with it shall be governed and construed in accordance with English law.

36.2 All disputes or claims arising out of or relating to this Agreement shall be subject to the exclusive jurisdiction of the English courts to which the parties irrevocably submit.

37 Whole Agreement

37.1 This Agreement (including the Appendix) and the Company policies and procedures sets out the entire agreement relating to your employment with the Company and shall replace any previous agreements and arrangements relating to your employment with the Company

Liam Butterworth

Officer

Appendix to Employment Contract – December 6, 2017

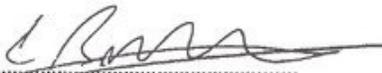
The matters set out in this Appendix may only be amended by the issue of a new Appendix signed by you and the Company.

1. Job title	CEO & President reporting to the Board of Directors	
2. Date of commencement of employment	December 5, 2017	
3. Date of commencement of continuous employment	January 1, 2000	
4. Probationary Period	NA	
5. Notice of termination	Your employment may be terminated at any time by either party giving not less than 6 months' notice in writing	
6. Basic Salary/Pay	£723,221 per annum payable on the 19 th of each month	
7. Discretionary Bonus	You are eligible to participate in the Company's annual incentive plan (AIP). Your target annual incentive award will be 125% of your base salary and subject always to the terms of Clause 9 of this Agreement, any actual annual incentive payment will be determined taking into account to the terms of the AIP, in place from time to time.	
8. Long Term Incentive Plan	You are eligible to participate in our Long-Term Incentive Plan (LTI). LTI awards are granted annually in February in the discretion of the Board of Directors, and subject to such terms as the Board considers appropriate. Typically an award may consist of 25% time-based restricted stock units (RSU) which vest rateably over three years beginning on the one year anniversary of the grant; and 75% Performance-based restricted stock units (PRSU's) which vest after a three-year performance period.	
9. Place of work	Angel Court, London EC2R 7BH	
10. Hours of work	See clause 14	
11. Overtime	Not applicable.	
12. Holidays	The holiday year runs from 1st January to 31st December. Your holiday entitlement will be on a pro rata basis according to your contracted hours and start date within a year. If you leave the Company part way through a year, your holiday will be calculated up to your leave date. Your holiday terms are as below: <ul style="list-style-type: none"> • 28 Days holiday per annum. • 8 statutory bank holidays 	
13. Sickness	Length of service 0 – 5 years' service	Duration of payment 3 months following the month in which the illness occurs

	<p>5 – 9 years’ service 4 months following the month in which the illness occurs</p> <p>9 – 12 years’ service 5 months following the month in which the illness occurs</p> <p>12 – 15 years’ service 6 months following the month in which the illness occurs</p> <p>15 – 17 years’ service 7 months following the month in which the illness occurs</p> <p>17 – 19 years’ service 8 months following the month in which the illness occurs</p> <p>19 – 22 years’ service 10 months following the month in which the illness occurs</p> <p>22 – 23 years’ service 11 months following the month in which the illness occurs</p> <p>23 years’ service 12 months following the month in which the illness occurs</p> <p>And thereafter at the Director’s discretion. This is subject to adherence to adherence to the absence procedure. This will be calculated on a rolling 12 month basis.</p>
<p>14. Car/Car Allowance</p>	<p>You will maintain your current company provided vehicle until the current lease ends or you fully relocate to the UK. At that time, you are entitled to a monthly car allowance of £2,000 paid via payroll and subject to normal deductions. This is non-pensionable and is not incorporated into your salary for the purposes of annual salary reviews or bonus payments, if applicable.</p>
<p>15. Other benefits</p>	<p><u>Pension:</u> You are entitled to participate in the Group Personal Pension Plan which the company will contribute to dependant on your contribution amount. You will receive further information of this separately.</p> <p><u>Life Assurance:</u> If you are a member of the Defined Contribution Pension Plan, you are entitled to four times basic salary death in service benefit. If you are not in the scheme, you are not eligible for this benefit.</p> <p><u>Voluntary Benefits:</u> The company offers a range of voluntary benefits which are not contractual and may be changed from time to time; include the removal of the voluntary benefit, according to the business needs.</p> <p><u>Private Medical Insurance:</u> You are entitled to fully funded Private Medical Insurance for yourself and eligible members of your family in a Company nominated private health care scheme, subject to meeting conditions and eligibility criteria imposed by the insurance provider and subject to the rules of such schemes.</p> <p>This is regarded as a taxable benefit by the Inland Revenue and you are required to pay tax on the Company’s contributions.</p>

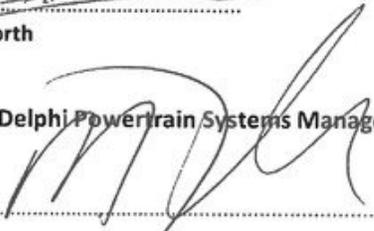
	<p>Health Cash Plan: You are eligible for inclusion in our health cash plan further details will be communicated to you.</p> <p>Childcare Vouchers: Company offers Childcare Vouchers which can be deducted direct through your salary. For further information on this benefit, please contact a member of Human Resources.</p> <p>Holiday Purchase: You are able to purchase up to 5 days holiday each year. This can be purchased from the company ahead of the start of the holiday year and will be communicated when this process is open for applications.</p> <p>Relocation: You will covered under the Company's relocation policy as your work location moves from Luxembourg to the UK. Any item not covered by the policy will require approval by the CHRC and the Board in order to be a covered item.</p> <p>Tax Preparation Assistance: You will receive Company provided tax preparation assistance for 2017 and 2018 in conjunction with your work location moving from Luxembourg to the UK.</p>
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You and the Company agree to appendix terms outlined above:

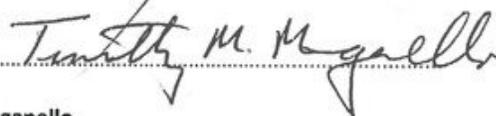
Signed: 
Liam Butterworth

Date: 6/12

On behalf of Delphi Powertrain Systems Management Limited

Signed: 
Mike Clarke
Chief Human Resources Officer

Date: 6/12/17

Signed: 
Tim Manganello
Executive Chairman

Date: 6/12/17

Private & Confidential

Contract of Employment **Mike Clarke**
Delphi Technologies plc

Private & Confidential

December 6, 2017

Mike Clarke
[ADDRESS]

Dear Mike,

Contract of Employment

We are pleased to confirm your change of role to **Chief Human Resources Officer**, reporting to the **Chief Executive Officer & President**. Your start date will be **January 1, 2018** and your annual compensation package will be:

Annual Base Salary **£384,560**
Annual Incentive Target % of **60% (of Annual Base Salary)**
Annual Long-Term Incentive Target **\$500,000 USD**

We believe that you have a significant contribution to make to this role and look forward to receiving your written acceptance of this amendment.

The benefits associated with this offer are detailed in the enclosed Contract of Employment and Appendix, should you have any further questions please do not hesitate to contact us.

To accept this Contract of Employment, please sign this document and return to Alice Herring.

Congratulations on your new role and we wish you every success for the future.

Yours sincerely,

/s/ Liam Butterworth

Liam Butterworth
Chief Executive Officer & President

Telephone: [PHONE NUMBER]

Email: [EMAIL ADDRESS]

Contract of Employment

These are the terms and conditions of employment that apply to you.

1 Employer

Your employer is **Delphi Powertrain Systems Management Limited** and the registered office is 1 Park Row, Leeds, North Yorkshire, LS1 5AB.

2 Employee

2.1 **Mike Clarke** of [ADDRESS]

3 Job Title

3.1 Your job title is **Chief Human Resources Officer**, Delphi Technologies plc. You will also be an elected Officer of Delphi Technologies

4 Date of Commencement

4.1 Your employment shall commence on the date set out in **Section 2** of the Appendix ("Commencement Date"). Your period of continuous employment (for statutory employment *rights purposes*) commenced on the date set out in **Section 3** of the Appendix. No previous employment outside of the employer will be treated as continuous with your employment by the Company.

5 Probationary Period

5.1 Not applicable.

6 Permission to work in the United Kingdom

6.1 Your employment is conditional upon you having the appropriate permission to work in the United Kingdom by the Commencement Date. If you do not have that permission by the Commencement Date, this Agreement will not take effect and the Company will cease to owe any obligations to you under it. If, in the reasonable opinion of the Company, you cease to have the appropriate permission to work in the United Kingdom after the Commencement Date, this Agreement may be terminated summarily.

6.2 You will co-operate with the Company in providing valid, original or copy documents and information promptly when requested by the Company in connection with this clause. You will update the Company promptly of any change in your contact details, address and any significant change in your circumstances which may impact your permission to work in the United Kingdom.

7 Duration of Employment and Termination

7.1 Your employment shall continue for an indefinite period and shall be terminable on notice or otherwise as set out below. The period of notice to be given in writing by either you or the Company to terminate your employment is set out in **Section 5** of the Appendix.

7.2 During any period of notice of termination served in accordance with this clause (whether given by you or the Company), the Company shall be under no obligation to assign any duties to you and shall be entitled to exclude you from its premises ("Garden Leave Period"). During the Garden Leave, you will continue to be bound by all other express and implied terms of this contract. You will also remain entitled to receive your remuneration and other contractual benefits.

7.3 If either you or the Company is giving notice to terminate the employment, the Company reserves the right to pay you in lieu of notice or part of notice rather than asking you to work your notice period. Pay in lieu of notice will not be paid where gross misconduct is the reason for termination of employment. Holidays may only be taken during a notice period with the permission of the relevant Director.

Payment in lieu of notice will be equal to the basic salary (as at the date of termination) which you would have been entitled to receive under this contract agreement during the notice period (or, if notice has already been given, during the remainder of the notice period) less income tax and National Insurance contributions. For the avoidance of doubt, the Payment in Lieu shall not include any element in relation to:

- (a) Any bonus or commission payments that might otherwise have been due during the period for which the Payment in Lieu is made;
- (b) Any payment in respect of benefits which the Employee would have been entitled to receive during the period for which the Payment in Lieu is made; and
- (c) Any payment in respect of any holiday entitlement that would have accrued during the period for which the Payment in Lieu is made.

7.1 Nothing in this clause shall preclude the Company from terminating your employment without notice or a payment in lieu of notice in appropriate circumstances, including (without limitation) serious/gross misconduct.

7.2 Under agreed circumstances, employment may be terminated sooner by agreement with yourself and the Company to waive part of the notice period. In these circumstances no payment will be made for the un-worked portion of the notice period.

8 Basic Salary

8.1 Your current basic salary and payment details are set out in **Section 6** of the Appendix.

8.2 Your salary/pay will be reviewed annually, although it will only be increased at the discretion of the Company. There is no guarantee that it will be increased.

8.1 You authorise the Company to deduct from your basic salary/pay, and to set off against any monies due to you under clause 8 (Expenses) or otherwise, any sum due to the Company from you including, without any limitation, any overpayments (including overpayments of holiday), loans or advances made to you by the Company, sums authorised to be deducted under a prior agreement (such as under a Salary Sacrifice Scheme or a study agreement) and the cost of repairing any damage or loss to the Company's property caused by you.

1 Incentive arrangements

1.1 In addition to your basic salary referred to in clause 8.1 above, you may be entitled to participate in the Company's bonus scheme and other incentive arrangements in place from time to time. If you are, it will be set out in **Section 7 and/or Section 8** of the Appendix and will be subject to the relevant rules of any such schemes from time to time in force.

1.2 The terms and amount of any bonus will be decided from time to time by the Board in its sole discretion. Any payment will not form part of your salary, and will not be taken into account in calculating any benefits which are calculated by reference to salary. In determining whether a bonus is to be paid, and if so the size of that bonus, the Board may take into account such factors as it considers, in its absolute discretion, to be appropriate, which may include anticipated future

performance and/or past performance of you or the Company, although it has no obligation to take any of these factors into account.

- 1.3 For the avoidance of doubt, bonus will not accrue, nor will you have any legitimate expectation as to the size or form of the discretionary bonus, until the Company pays it to you and any communication before a bonus is paid shall be treated as indicative only. There are no circumstances whether in reliance on express or implied terms or otherwise where you can require pay out of a particular sum or payment in a particular form or claim compensation for loss of such a bonus. You will not be eligible for a bonus if your employment has terminated or you are under notice (given or received) at the time of payment.
- 1.4 It is agreed that, where the Company operates a bonus scheme for a particular period, the Company will have a complete and unfettered discretion to alter, amend or discontinue any bonus scheme at the end of that period, in respect of any subsequent period and you will have no expectation of a continuation of the previous bonus scheme.
- 1.5 In the case of any conflict between the terms of this Agreement and the terms of any other scheme or arrangement the provisions of this Agreement shall prevail.

2 No right to compensation

Upon the termination of your employment, you will have no rights as a result of this Agreement or any alleged breach of this Agreement to any compensation under or in respect of any share options or long-term incentive plans in which you may participate or have received grants or allocations at or before the date the employment terminates. Any rights which you may have under such schemes will be exclusively governed by the rules of such schemes.

3 Expenses

- 3.1 You will be reimbursed for all reasonable out of pocket expenses in accordance with any costs incurred through your role as agreed with your line manager.

4 Place of Work

- 4.1 Your normal place of work is set out in **Section 9** of the Appendix. However, you may be required to work at other sites or travel throughout the United Kingdom and overseas and stay away as necessary for the proper performance of your duties or as reasonably requested by the Company.

5 Overseas Work

You may be required to travel overseas on a frequent basis as part of your role in order to fulfil your contractual duties.

6 Working Hours

You have no normal working hours but are required to work during normal business hours and such other hours as may be reasonably necessary for the proper performance of your duties for the Group. You agree that the duration of your working time is not measured or pre-determined. You acknowledge that for statutory sick pay purposes, your qualifying days are Monday to Friday.

7 Holidays

- 7.1 You are entitled to the number of days' paid holiday in each period of 12 months from 1 January – 31 December each year (the “**Holiday Year**”) as set out in **Section 12** of the Appendix. You may be required to work public holidays to support business needs.

- 7.2 The Company may specify when some holiday must be taken (such as any closures). You will be given notice of any such obligatory holiday dates as soon as possible. Other holiday must be agreed in advance with your line manager. For holidays of 1 week or more, you should give at least 4 weeks' notice. For holidays of less than 1 week you should give at least 1 weeks' notice, wherever possible.
- 7.3 If you do not take all your holiday entitlement in the relevant Holiday Year you are not entitled to receive payment for this. You may not usually carry forward any unused holiday entitlement in to the following Holiday Year; this would need to be agreed by the relevant Director.
- 7.4 In the years of commencement and termination of employment, your basic holiday entitlement will be calculated pro rata to the number of months worked in that year. If on termination of employment you have any unused holiday entitlement, the Company may either make a payment in lieu or require you to take it during any notice period. If you have exceeded your basic holiday entitlement you will be required to repay the excess holiday pay to the Company. This sum may be deducted from any monies due to you on termination of your employment.
- 12.5 Your holiday will be paid at basic rate. If you receive any overtime, this will be reconsolidated in January each year and the difference will be paid to you at this time.

8 Sickness and other absence

- 8.1 On your first working day of absence, you must inform the Company of your absence by telephone prior to your normal start time, in accordance with the **Attendance Policy**. Any unauthorised absence must be properly explained. If absent because of illness you are required to give details of the nature of the illness and any indication that can then be given of your anticipated length of absence. If your absence is due to bereavement, or to attend medical appointments, guidance on this is contained in the **Attendance Policy**.
- 8.2 When any period of absence continues beyond seven calendar days you are required to obtain a medical certificate and to forward this to the Human Resources Department. If illness continues after expiry of the first certificate further certificates must be obtained as necessary to cover the whole period of absence and forwarded to the Company on each occasion.
- 8.3 Your entitlement to sick pay (which is payable at the discretion of the Company and subject to your compliance with the above notification provisions) including statutory sick pay is shown in **Section 13** of the Appendix.
- 8.4 Your level of sickness absence will be monitored by the Company. Continued and excessive absence may result in Formal Attendance actions against you.

9 Health and wellbeing

- 9.1 You are entitled to meet with our Occupational Health Doctor at any time during your employment. The company may also request you meet with Occupational Health after prolonged absence or if they feel your wellbeing is at stake. All referrals are confidential and reports to Management are held in the strictest of confidence with your approval.

10 Drug and Alcohol Testing

- 10.1 At any time during your employment the Company may require you to undergo a drug/alcohol test in accordance with the terms of the **Company's non-contractual drug and alcohol policy** from time to time. If you are found to be under the influence of drugs and/or alcohol, it could be a disciplinary matter. In appropriate circumstances, it could be considered as gross misconduct, the penalty for which is summary dismissal.

11 Car Allowance/Company Car

- 11.1 If appropriate, and in order to assist you in the performance of your duties, under this contract or as a benefit of the role, (subject to you remaining legally qualified and fit to drive), the Company may provide you with a Company car cash allowance. If you are entitled to a car allowance, this will be set out in **Section 14** of the Appendix.
- 11.2 The car allowance is provided to cover all business travel eventualities with respect to travel by vehicle. Employees in receipt of a car allowance must ensure their car is insured for business travel. The **Company Car Policy** (which does not form part of the terms of this Agreement) can provide further information.

12 Pension and Insurance Benefits

- 12.1 Delphi operates a Group Personal Pension Plan as detailed in **Section 15** of the Appendix. Delphi will comply with legislative requirements and all employees will be automatically enrolled into the Group Personal Pension Plan. Employees will only be able to leave the Plan through opting out direct to the Pension Provider.

13 Normal Retirement Age

- 13.1 There is no normal retirement age in line with current legislation, however some insurance based benefits may cease to be offered after the age of 65, which may vary from time to time.

14 Company Property

- 14.1 You acknowledge that all mobile phones, laptops and other computer equipment, fuel cards, car keys, identity and access cards, books, notes, memoranda, records, lists of customers, suppliers and employees, correspondence, documents, computer and other discs and tapes, data listings, codes, designs and drawings, confidential information and other documents and materials (whether made or created by you or otherwise) relating to the business of the Company, any Group company or any customer of the Company or Group Company and any copies, summaries or adaptations of them as appropriate;
- (a) Shall be and remain the property of the Company or customer;
 - (b) Shall not be removed from the Company's premises or copied, except in the proper performance of your duties; and
 - (c) Shall be handed over to the Company on demand and in any event on the termination of your employment.

15 Confidentiality/Post Employment Obligations

- 20.1 The Employee shall not, whether during the period of his employment by the Company or at any time after its termination (howsoever arising) except in the proper performance of his duties, or in pursuance of any obligation arising from any statutory enactment or order of a competent court or tribunal or on the request of the Board:
- (a) Directly or indirectly make use of or divulge or communicate to any person firm company or organisation any Confidentiality Information which he has possessed during the continuance of his employment with the Company or any Group Company; or
 - (b) Copy or reproduce in any form or by or on any media or device (or allow others to copy or reproduce) documents, disks, tapes or other material containing or referring to Confidential Information.
- 20.2 All documents (including copies), disks, tapes and other material (in whatsoever medium) held by the Employee containing or referring to Confidential Information or relating to the affairs and business of the Company or any Group Company (and whether or not prepared by him or

supplied by the Company or any Group Company) shall be the property of the Company or the relevant Group Company and shall be delivered by him to the Company or the relevant Group Company upon the termination of his employment (howsoever arising).

- 20.3 These restrictions shall not apply:
- (a) To Confidential Information which has come into the public domain;
 - (b) To any disclosure or use of Confidential Information authorised by the Board or required by law or in connection with the performance by the Employee of his duties with the Company;
 - (c) So as to prevent the Employee from using his own personal skill in any business in which he may be lawfully engaged after the Employment is ended.
- 20.4 You shall not for a period of one year after the termination of your employment whether alone or jointly with others, directly or indirectly:
- (a) Interfere with, canvas, solicit, or cause to be canvassed, solicited or approached in respect of any services which are the same or similar to those which have been provided by the Company at any time during the preceding 12 months of your employment, any person, persons or Company who at the date of termination of your employment or during the period of one year prior to that date, was to your knowledge a customer or client of the Company and with whom you had dealings during the last twelve months of your employment.
 - (b) Supply to or deal with in respect of any services which are the same as or similar to those which have been provided by the Company at any time during the last 12 months of your employment, any person, persons or Company who at the date of termination of your employment or during the period on 1 year prior to that date, was to your knowledge a customer or client of the Company and with whom you had dealings during the last 12 months of your employment.
 - (c) Offer to employ or endeavour to employ or entice away from the Company to join a direct competitor or start up a competing venture, any person employed by Delphi Powertrain Systems Management Limited during the period of 12 months prior to your termination of employment and with whom you had personal dealings in the normal course of your employment. This applies for a period of one year.
 - (d) Be employed by or hold any material interest in any person, firm or company which requires or might reasonably be thought by the company to require you to disclose or make use of any confidential business information in order properly to discharge your duties for the benefit of that person, firm or company and/or to further his interest in such person, firm or company.
- 20.5 At any time after the your termination of employment you shall not represent yourself or permit yourself to be held out by any person, firm or company as being in any way connected with or interested in the Company.
- 20.6 Whilst employed by the Company, you must not develop any business within the scope of services offered by Delphi Powertrain Systems Management Limited for your own (or others) benefit outside your employment, or after your employment has terminated for whatever reason. You accept that such business developed during your time employed by the Company will be assigned to Delphi Powertrain Systems Management Limited and that any gross profits made for a period of one year following termination of employment must be paid to the Company.

- 20.7 The restrictions above apply to all the Company's clients including Clients which members of staff bring in to the business as a result of their employment with the Company. They are clients of the Company and not of the individual employee.

16 Intellectual Property

- 16.1 If the Employee in the course of the performance of his duties under this Agreement of Employment shall create, make or discover any Intellectual Property or make any improvement upon a derivation from any existing work, invention or design whether or not the Intellectual Property has, or is capable of giving rise to, patents or rights equivalent to patents, registered design, copyright, design right, or other like protection and whether alone or in conjunction with any other employee or employees of the Company, or of any Group Company, or other persons, he shall immediately disclose such Intellectual Property to the Board and undertakes that at the Company's request and expense he shall at any time during or after the termination of his employment do all such acts and execute all such documents as may be necessary to vest all rights in or relating to any such Intellectual Property in the name of the Company and any Group Company to the intent that all such rights and any such invention, design or improvement shall subject, in relation to patents, to any applicable provisions of the Copyright Designs and Patent Act 1988, become the absolute property of the Company or its nominee. Nothing contained in this clause shall limit any statutory or other right of the Company or any Group Company in relation to any such intellectual Property.

17 Other Employment

You will (unless prevented by ill health or injury) devote the whole of your working time, attention and abilities during the employment to the business of the Group and will not, without the prior written consent of the Board:

- (a) accept any other appointment, work for or be directly or indirectly engaged in or concerned with the conduct of any other business, or prepare to do so; or
- (b) be directly or indirectly financially interested in any such business, although this will not prevent you from holding or being interested in genuine investments representing not more than three per cent of any class of shares or securities in any company, whether or not listed or dealt in on any recognised investment exchange.

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25.1 The Company reserves the right to make reasonable changes to these and any other agreed terms and conditions of employment. Minor changes of detail (e.g. in procedures) may be made from time to time and will be effected by a general notice to employees.

26 Public interest disclosure

26.1 Nothing in this Agreement shall prevent you from making a protected disclosure in good faith pursuant to the Public Interest Disclosure Act 1998.

27 Data Protection

27.1 You agree that personal data (other than sensitive personal data) as defined in the Data Protection Act 1998, relating to you and your employment may be processed by the Company to the extent that it is reasonably necessary in connection with your employment or the business of the Company, in line with the **Data Protection Policy** available from your line manager or Human Resources.

27.2 You agree that the Company may process sensitive personal data relating to you, including medical details and details of gender, race and ethnic origin. Personal data relating to gender, race and ethnic origin will be processed by the Company only for the purpose of monitoring the Company's Equality Policy. You agree that the Company may disclose or transfer such sensitive personal data to other persons if it is required or permitted by law to do so for the purpose of monitoring the Company's data.

27.3 Your consent to the transfer and disclosure of personal data as set out above shall apply regardless of the country of residence of the person to whom the data is to be transferred. Where the disclosure or transfer is to a person resident outside the European Economic Area, the Company shall take reasonable steps to ensure that your rights and freedom in relation to the processing of the relevant personal data are adequately protected.

28 Choice of law

- 28.1 This Agreement and any dispute or claim arising out of or in connection with it shall be governed and construed in accordance with English law.
- 28.2 All disputes or claims arising out of or relating to this Agreement shall be subject to the exclusive jurisdiction of the English courts to which the parties irrevocably submit.

29 Whole Agreement

- 29.1 This Agreement (including the Appendix) and the Company policies and procedures sets out the entire agreement relating to your employment with the Company and shall replace any previous agreements and arrangements relating to your employment with the Company

Mike Clarke

Chief Human Resources Officer

Appendix to Employment Contract – January 1, 2018

The matters set out in this Appendix may only be amended by the issue of a new Appendix signed by you and the Company.

1. Job title	Chief Human Resources Officer reporting to the CEO & President
2. Date of commencement of employment	January 1, 2018
3. Date of commencement of continuous employment	June 1, 2015
4. Probationary Period	NA
5. Notice of termination	Your employment may be terminated at any time by either party giving not less than 6 months' notice in writing
6. Basic Salary/Pay	£384,560 per annum payable on the 19 th of each month
7. Discretionary Bonus	You are eligible to participate in the Company's annual incentive plan (AIP). Your target annual incentive award will be 60% of your base salary and subject always to the terms of Clause 9 of this Agreement, any actual annual incentive payment will be determined taking into account to the terms of the AIP, in place from time to time.
8. Long Term Incentive Plan	You are eligible to participate in our Long-Term Incentive Plan (LTI). LTI awards are granted annually in February in the discretion of the Board of Directors, and subject to such terms as the Board considers appropriate. Typically an award may consist of 25% time-based restricted stock units (RSU) which vest rateably over three years beginning on the one year anniversary of the grant; and 75% Performance-based restricted stock units (PRSU's) which vest after a three-year performance period.
9. Place of work	Angel Court, London EC2R 7BH
10. Hours of work	See clause 14

11. Overtime	Not applicable.
12. Holidays	<p>The holiday year runs from 1st January to 31st December. Your holiday entitlement will be on a pro rata basis according to your contracted hours and start date within a year. If you leave the Company part way through a year, your holiday will be calculated up to your leave date.</p> <p>Your holiday terms are as below:</p> <ul style="list-style-type: none"> • 27 Days holiday per annum • 8 statutory bank holidays <p>For employees with long service the following will apply:</p> <p>After 10 years' service – 1 additional day holiday entitlement from the start of the subsequent leave year</p>
13. Sickness	<p>Length of service Duration of payment</p> <p>0 – 5 years' service 3 months following the month in which the illness occurs 5 – 9 years' service 4 months following the month in which the illness occurs 9 – 12 years' service 5 months following the month in which the illness occurs 12 – 15 years' service 6 months following the month in which the illness occurs 15 – 17 years' service 7 months following the month in which the illness occurs 17 – 19 years' service 8 months following the month in which the illness occurs 19 – 22 years' service 10 months following the month in which the illness occurs 22 – 23 years' service 11 months following the month in which the illness occurs 23 years' service 12 months following the month in which the illness occurs</p> <p>And thereafter at the Director's discretion. This is subject to adherence to the absence procedure. This will be calculated on a rolling 12 month basis.</p>
14. Car/Car Allowance	<p>You will maintain your current company provided vehicle until the current lease ends or you fully relocate to the UK. At that time, you are entitled to a monthly car allowance of £1,000 paid via payroll and subject to normal deductions. This is non-pensionable and is not incorporated into your salary for the purposes of annual salary reviews or bonus payments, if applicable.</p>

Signed: /s/ Philip Napoli
Philip Napoli
Vice President Total Rewards

Date: 12/6/17

Signed: /s/ Liam Butterworth
Liam Butterworth
Chief Executive Officer & President

Date: 12/6/17

DELPHI TECHNOLOGIES PLC LONG-TERM INCENTIVE PLAN

Section 1. *Purpose*. The purpose of the Delphi Technologies PLC Long-Term Incentive Plan (the “**Plan**”) is to motivate and reward those employees, directors, consultants, advisors and other individuals who are expected to contribute significantly to the success of Delphi Technologies PLC (the “**Company**”) and its Affiliates to perform at the highest level and to further the best interests of the Company and its shareholders. In addition, the Plan permits grants of awards in adjustment of, substitution for or conversion of awards relating to the ordinary shares of Delphi Automotive PLC and any successor thereto (“**Former Parent**”) immediately prior to the spin-off of the Company by Former Parent (the “**Spinoff**”), in accordance with the terms of an Employee Matters Agreement into which Former Parent and the Company enter in connection with the Spinoff (the “**Employee Matters Agreement**”).

Section 2. *Eligibility*.

(a) Any employee, Non-Employee Director, consultant or other advisor of, or any other individual who provides services to, the Company or any Affiliate shall be eligible to be selected to receive an Award under the Plan.

(b) Holders of equity compensation awards granted by a company acquired by the Company (or whose business is acquired by the Company) or with which the Company combines are eligible for grants of Replacement Awards under the Plan.

Section 3. *Administration*.

(a) The Plan shall be administered by the Committee. The Committee shall be appointed by the Board and shall consist of not less than three directors of the Board. To the extent necessary to comply with applicable regulatory regimes, any action by the Committee shall require the approval of Committee members who are (i) independent, within the meaning of and to the extent required by applicable rulings and interpretations of the principal stock market or exchange on which the Shares are quoted or traded; (ii) each a non-employee director within the meaning of Rule 16b-3 under the Exchange Act; and (iii) each an outside director within the meaning of Section 162(m) of the Code. The Board may designate one or more directors as a subcommittee who may act for the Committee if necessary to satisfy the requirements of this Section. To the extent permitted by applicable law, the Committee may delegate to one or more officers of the Company the authority to grant Awards, except that such delegation shall not be applicable to any Award for a person then covered by Section 16 of the Exchange Act or for a Non-Employee Director. The Committee may issue rules and regulations for administration of the Plan. For the purposes of this Section 3(a), “officer” means an executive of the Company who is elected to his or her position by the Board.

(b) Subject to the terms of the Plan and applicable law, the Committee (or its delegate) shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards (including Replacement Awards) to be granted to each Participant under the Plan; (iii) determine the number of Shares to be covered by (or with respect to which payments, rights or other matters are to be calculated in connection with) Awards; (iv) determine the terms and conditions of any Award; (v) determine whether, to what extent and under what circumstances Awards may be settled or exercised in cash, Shares, other Awards, other property, net settlement (including broker-assisted cashless exercise) or any combination thereof, or canceled, forfeited or suspended, and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended; (vi) determine whether, to what extent and under what circumstances cash, Shares, other Awards, other property and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or of the Committee; (vii) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; (viii) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (ix) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

(c) All decisions of the Committee shall be final, conclusive and binding upon all parties, including the Company, its shareholders and Participants and any Beneficiaries thereof.

Section 4. *Shares Available for Awards* .

(a) Subject to adjustment as provided in Section 4(c), (i) the maximum number of Shares available for issuance under the Plan shall not exceed 7,500,000 Shares, (ii) no Participant may receive under the Plan in any calendar year (A) Options and SARs that relate to more than 750,000 Shares or (B) if and to the extent that any such Awards are intended to constitute Section 162(m) Compensation and denominated in Shares, Restricted Stock, RSUs, Performance Awards or Other Stock-Based Awards that relate to more than 750,000 Shares. Shares underlying Replacement Awards and Shares remaining available for grant under a plan of an acquired company or of a company with which the Company combines, appropriately adjusted to reflect the acquisition or combination transaction, shall not reduce the number of Shares remaining available for grant hereunder. The maximum number of Shares available for issuance under Incentive Stock Options shall be 7,500,000 and shall not be increased by operation of Section 4(b).

(b) Any Shares subject to an Award (other than a Replacement Award and any Award granted out of the authorized shares of an acquired plan), that expires, is canceled, forfeited or otherwise terminates without the delivery of such Shares, including any Shares subject to such Award to the extent that such Award is settled without the issuance of Shares, shall again be, or shall become, available for issuance under the Plan. For the avoidance of doubt, any Shares surrendered or withheld in payment of any grant, acquisition, exercise or hurdle price of such Award or taxes related to such Award shall not become available for issuance under the Plan.

(c) In the event that, as a result of any dividend or other distribution (whether in the form of cash, Shares or other securities), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to acquire Shares or other securities of the Company, issuance of Shares pursuant to the anti-dilution provisions of securities of the Company, or other similar corporate transaction or event affecting the Shares, or of changes in applicable laws, regulations or accounting principles, an adjustment is necessary in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, subject to Section 18, adjust equitably any or all of:

(i) the number and type of Shares (or other securities) which thereafter may be made the subject of Awards, including the aggregate and individual limits specified in Section 4(a);

(ii) the number and type of Shares (or other securities) subject to outstanding Awards; and

(iii) the grant, acquisition, exercise or hurdle price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award;

provided, however , that the number of Shares subject to any Award denominated in Shares shall always be a whole number.

(d) Any Shares delivered pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares or Shares acquired by the Company.

Section 5. *Options* . The Committee is authorized to grant Options to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine.

- (a) The exercise price per Share under an Option shall be determined by the Committee; provided, however, that, except in the case of Replacement Awards and Adjusted Awards, such exercise price shall not be less than the Fair Market Value of a Share on the date of grant of such Option.
- (b) The term of each Option shall be fixed by the Committee but shall not exceed 10 years from the date of grant of such Option.
- (c) The Committee shall determine the time or times at which an Option may be exercised in whole or in part.
- (d) The Committee shall determine the method or methods by which, and the form or forms, including cash, Shares, other Awards, other property, net settlement (including broker-assisted cashless exercise) or any combination thereof, having a Fair Market Value on the exercise date equal to the relevant exercise price, in which payment of the exercise price with respect thereto may be made or deemed to have been made.
- (e) Options shall not be granted under the Plan in consideration for and shall not be conditioned upon the delivery of Shares to the Company in payment of the exercise price and/or tax withholding obligation under any other stock option.
- (f) The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code.

Section 6. *Stock Appreciation Rights*. The Committee is authorized to grant SARs to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine.

- (a) SARs may be granted under the Plan to Participants either alone (“freestanding”) or in addition to other Awards granted under the Plan (“tandem”) and may, but need not, relate to a specific Option granted under Section 5.
- (b) The exercise or hurdle price per Share under a SAR shall be determined by the Committee; *provided, however*, that, except in the case of Replacement Awards and Adjusted Awards, such exercise or hurdle price shall not be less than the Fair Market Value of a Share on the date of grant of such SAR (or if granted in connection with an Option, on the grant date of such Option).
- (c) The term of each SAR shall be fixed by the Committee but shall not exceed 10 years from the date of grant of such SAR.
- (d) The Committee shall determine the time or times at which a SAR may be exercised or settled in whole or in part.
- (e) Upon the exercise of a SAR, the Company shall pay to the Participant an amount equal to the number of Shares subject to the SAR multiplied by the excess, if any, of the Fair Market Value of one Share on the exercise date over the exercise or hurdle price of such SAR. The Company shall pay such excess in cash, in Shares valued at Fair Market Value, or any combination thereof, as determined by the Committee.

Section 7. *Restricted Stock and RSUs*. The Committee is authorized to grant Awards of Restricted Stock and RSUs to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine.

- (a) The applicable Award Document shall specify the vesting schedule and, with respect to RSUs, the delivery schedule (which may include deferred delivery later than the vesting date) and whether the Award of Restricted Stock or RSUs is entitled to dividends or dividend equivalents, voting rights or any other rights.
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(b) Shares of Restricted Stock and RSUs shall be subject to such restrictions as the Committee may impose (including any limitation on the right to vote a Share of Restricted Stock or the right to receive any dividend, dividend equivalent or other right), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Committee may deem appropriate. Without limiting the generality of the foregoing, if the Award relates to Shares on which dividends are declared during the period that the Award is outstanding, the Award shall not provide for the payment of such dividend (or a dividend equivalent) to the Participant prior to the time at which such Award, or applicable portion thereof, becomes nonforfeitable, unless otherwise provided in the applicable Award Document.

(c) Any share of Restricted Stock granted under the Plan may be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of a stock certificate or certificates. In the event that any stock certificate is issued in respect of shares of Restricted Stock granted under the Plan, such certificate shall be registered in the name of the Participant and shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Restricted Stock.

(d) If and to the extent that the Committee intends that an Award granted under this Section 7 shall constitute or give rise to Section 162(m) Compensation, such Award may be structured in accordance with the requirements of Section 8, including the performance criteria and the Award limitation set forth therein, and any such Award shall be considered a Performance Award for purposes of the Plan.

(e) The Committee may provide in an Award Document that an Award of Restricted Stock is conditioned upon the Participant making or refraining from making an election with respect to the Award under Section 83(b) of the Code. If a Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Restricted Stock, the Participant shall be required to file promptly a copy of such election with the Company and the Internal Revenue Service.

(f) The Committee may determine the form or forms (including cash, Shares, other Awards, other property or any combination thereof) in which payment of the amount owing upon settlement of any RSU Award may be made.

Section 8. *Performance Awards*. The Committee is authorized to grant Performance Awards to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine.

(a) Performance Awards may be denominated as a cash amount, a number of Shares or a combination thereof and are Awards which may be earned upon achievement or satisfaction of performance conditions specified by the Committee. In addition, the Committee may specify that any other Award shall constitute a Performance Award by conditioning the right of a Participant to exercise the Award or have it settled, and the timing thereof, upon achievement or satisfaction of such performance conditions as may be specified by the Committee. The Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions. Subject to the terms of the Plan, the performance goals to be achieved during any Performance Period, the length of any Performance Period, the amount of any Performance Award granted and the amount of any payment or transfer to be made pursuant to any Performance Award shall be determined by the Committee. If the Performance Award relates to Shares on which dividends are declared during the Performance Period, the Performance Award shall not provide for the payment of such dividend (or dividend equivalent) to the Participant prior to the time at which such Performance Award, or the applicable portion thereof, is earned.

(b) Every Performance Award shall, if the Committee intends that such Award should constitute Section 162(m) Compensation, include a pre-established formula, such that payment, retention or vesting of the Award is subject to the achievement during a Performance Period or Performance Periods, as determined by the Committee, of a level or levels of, or increases in, in each case as determined by the Committee, one or more of the following

performance measures with respect to the Company: market capitalization, stock price, value appreciation, total shareholder return, revenue, sales, bookings, unit volume, production, pre-tax income, earnings, earnings per share, net income, operating income, EBIT (earnings before interest and taxes), EBITDA (earnings before interest, taxes, depreciation and amortization), operating or profit margin, cost structure, restructuring, expense control, overhead costs, general and administration expense, economic value added, net capital employed, net asset value, reserve value, market share, customer satisfaction or service quality, capacity utilization, reserve replacement, increase in customer base, customer diversification, cash flow, cash from operations, debt leverage, debt to equity ratio, return on assets or RONA, return on equity, return on capital, assets levels, asset turnover, inventory turnover, environmental health and safety, diversity, productivity, risk mitigation, corporate compliance, employee retention or engagement, and goals relating to acquisitions or divestitures. Performance criteria may be measured on an absolute (e.g., plan or budget) or relative basis, and may be established on a corporate-wide basis or with respect to one or more business units, divisions, subsidiaries or business segments. Relative performance may be measured against a group of peer companies, a financial market index or other acceptable objective and quantifiable indices. Except in the case of an Award intended to qualify as Section 162(m) Compensation, if the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which the Company conducts its business, or other events or circumstances render the performance objectives unsuitable, the Committee may modify the minimum acceptable level of achievement, in whole or in part, as the Committee deems appropriate and equitable. Performance objectives shall be adjusted for material items not originally contemplated in establishing the performance target for items resulting from discontinued operations, extra-ordinary gains and losses, the effect of changes in accounting standards or principles, acquisitions or divestitures, changes in tax rules or regulations, capital transactions, restructuring, nonrecurring gains or losses or unusual items. Performance measures may vary from Performance Award to Performance Award, and from Participant to Participant, and may be established on a stand-alone basis, in tandem or in the alternative. The Committee shall have the power to impose such other restrictions on Awards subject to this Section 8(b) as it may deem necessary or appropriate to ensure that such Awards satisfy all requirements for Section 162(m) Compensation or requirements of any applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations. The maximum amount of any Performance Award denominated in cash that is intended to constitute Section 162(m) Compensation that may be earned in any calendar year shall not exceed \$10,000,000.

(c) *Settlement of Performance Awards; Other Terms*. Settlement of Performance Awards shall be in cash, Shares, other Awards, other property, net settlement or any combination thereof, as determined in the discretion of the Committee. Performance Awards will be settled only after the end of the relevant Performance Period. The Committee may, in its discretion, increase or reduce the amount of a settlement otherwise to be made in connection with a Performance Award but may not exercise discretion to increase any amount payable to a Covered Employee in respect of a Performance Award intended to qualify as Section 162(m) Compensation. Any settlement that changes the form of payment from that originally specified shall be implemented in a manner such that the Performance Award and other related Awards do not, solely for that reason, fail to qualify as Section 162(m) Compensation.

Section 9. *Other Share-Based Awards*. The Committee is authorized, subject to limitations under applicable law, to grant to Participants such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Shares or factors that may influence the value of Shares, including convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares, acquisition rights for Shares, Awards with value and payment contingent upon performance of the Company or business units thereof or any other factors designated by the Committee. The Committee shall determine the terms and conditions of such Awards. Shares delivered pursuant to an Award in the nature of an acquisition right granted under this Section 9 shall be acquired for such consideration, paid for at such times, by such methods and in such forms, including cash, Shares, other Awards, other property, net settlement (including broker-assisted cashless exercise) or any combination thereof, as the Committee shall determine; provided that the acquisition price therefor shall not be less than the Fair Market Value of such Shares on the date of grant of such right.

Section 10. *Minimum Vesting*. Notwithstanding any provisions of this Plan to the contrary and except as provided in this Section 10 or pursuant to Section 11, Awards (other than Replacement Awards and Adjusted Awards) that are granted under the Plan shall not vest in full prior to the one-year anniversary of the applicable grant date; *provided, however*, that no more than five percent (5%) of the Shares available for issuance under the Plan as of the Distribution Date may be granted subject to such Awards with such other vesting requirements, if any, as the Committee may establish in its sole discretion (which number of Shares shall not include any Shares subject to Awards granted pursuant to Section 8).

Section 11. *Effect of Termination of Service or a Change in Control on Awards*.

(a) The Committee may provide, by rule or regulation or in any Award Document, or may determine in any individual case, the circumstances in which, and the extent to which, an Award may be exercised, settled, vested, paid or forfeited in the event of a Participant's Termination of Service prior to the end of a Performance Period or the vesting, exercise or settlement of such Award.

(b) The Committee may set forth the treatment of an Award upon a Change in Control in the applicable Award Document.

(c) In the case of an Option or SAR Award, except as otherwise provided in the applicable Award Document, upon a Change in Control, a merger or consolidation involving the Company or any other event with respect to which the Committee deems it appropriate, the Committee may cause such Award to be canceled in consideration of (i) the full acceleration of such Award and either (A) a period of at least 10 days prior to such Change in Control, merger, consolidation or other event to exercise the Award or (B) a payment in cash or other consideration to the Participant who holds such Award in an amount equal to the Intrinsic Value of such Award (which may be equal to but not less than zero), which, if in excess of zero, shall be payable upon the effective date of such Change in Control, merger, consolidation or other event or (ii) a substitute award (which immediately upon grant shall have an Intrinsic Value equal to the Intrinsic Value of such Award and shall include terms and conditions not less favorable to the Participant than the terms and conditions of such Award).

Section 12. *General Provisions Applicable to Awards*.

(a) Awards shall be granted for no cash consideration or for such minimal cash consideration as may be required by applicable law.

(b) Awards may, in the discretion of the Committee, be granted either alone or in addition to or in tandem with any other Award or any award granted under any other plan of the Company. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other plan of the Company, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(c) Subject to the terms of the Plan and Section 18, payments or transfers to be made by the Company upon the grant, exercise or settlement of an Award may be made in the form of cash, Shares, other Awards, other property, net settlement or any combination thereof, as determined by the Committee in its discretion, and may be made in a single payment or transfer, in installments or on a deferred basis, in each case in accordance with rules and procedures established by the Committee. Such rules and procedures may include provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of dividend equivalents in respect of installment or deferred payments.

(d) Except as may be permitted by the Committee or as specifically provided in an Award Document, (i) no Award and no right under any Award shall be assignable, alienable, saleable or transferable by a Participant otherwise than by will or pursuant to Section 12(e) and (ii) during a Participant's lifetime, each Award, and each right under any Award, shall be exercisable only by the Participant or, if permissible under applicable law, by the

Participant's guardian or legal representative; provided, however, that the Committee shall not permit, and an Award Document shall not provide for, any Award to be transferred or transferable to a third party for value or consideration without the approval of the Company's shareholders. The provisions of this Section 12(d) shall not apply to any Award that has been fully exercised or settled, as the case may be, and shall not preclude forfeiture of an Award in accordance with the terms thereof.

(e) A Participant may designate a Beneficiary or change a previous Beneficiary designation at such times prescribed by the Committee by using forms and following procedures approved or accepted by the Committee for that purpose.

(f) All certificates for Shares and/or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations and other requirements of the Securities and Exchange Commission, any stock market or exchange upon which such Shares or other securities are then quoted, traded or listed, and any applicable securities laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(g) Without limiting the generality of Section 12(h), the Committee may impose restrictions on any Award with respect to noncompetition, confidentiality and other restrictive covenants, or requirements to comply with minimum stock ownership requirements, as it deems necessary or appropriate in its sole discretion.

(h) The Committee may specify in an Award Document that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include a Termination of Service with or without Cause (and, in the case of any Cause that is resulting from an indictment or other non-final determination, the Committee may provide for such Award to be held in escrow or abeyance until a final resolution of the matters related to such event occurs, at which time the Award shall either be reduced, cancelled or forfeited (as provided in such Award Document) or remain in effect, depending on the outcome), violation of material policies, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant, or other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its Affiliates.

(i) If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, and if the Participant knowingly or grossly negligently engaged in the misconduct, or knowingly or grossly negligently failed to prevent the misconduct, or if the Participant is one of the individuals subject to automatic forfeiture under Section 304 of the United States Sarbanes-Oxley Act of 2002 (and not otherwise exempted), the Participant shall reimburse the Company the amount of any payment in settlement of any Award earned or accrued during the 12-month period following the first public issuance or filing with the United States Securities and Exchange Commission (whichever first occurred) of the financial document not in compliance with such financial reporting requirement. Rights, payments and benefits under any Award shall be subject to repayment to or recoupment (clawback) by the Company in accordance with such policies and procedures as the Committee or Board may adopt from time to time, including policies and procedures to implement applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations.

Section 13. *Amendments and Termination* .

(a) Except to the extent prohibited by applicable law and unless otherwise expressly provided in an Award Document or in the Plan, the Board may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof at any time; *provided, however*, that no such amendment, alteration, suspension, discontinuation or termination shall be made without (i) shareholder approval, if such approval is required by applicable law or the

rules of the stock market or exchange, if any, on which the Shares are principally quoted or traded or (ii) the consent of the affected Participant, if such action would materially adversely affect the rights of such Participant under any outstanding Award, except to the extent any such amendment, alteration, suspension, discontinuance or termination is made to cause the Plan to comply with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations, or to impose any recoupment provisions on any Awards in accordance with Section 12(i). Notwithstanding anything to the contrary in the Plan, the Committee may amend the Plan in such manner as may be necessary to enable the Plan to achieve its stated purposes in any jurisdiction in a tax-efficient manner and in compliance with local laws, rules and regulations.

(b) The Committee may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue or terminate any Award theretofore granted, prospectively or retroactively, without the consent of any relevant Participant or holder or Beneficiary of an Award; *provided, however*, that, subject to Sections 4(c) and 11(c), no such action shall materially adversely affect the rights of any affected Participant or holder or Beneficiary under any Award theretofore granted under the Plan, except to the extent any such action is made to cause the Plan to comply with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations, or to impose any recoupment provisions on any Awards in accordance with Section 12(i); *provided further* that, except as provided in Section 4(c), the Committee shall not without the approval of the Company's shareholders (a) lower the exercise price per Share of an Option or SAR after it is granted or take any other action that would be treated as a repricing of such Award under the rules of the principal stock market or exchange on which the Company's Shares are quoted or traded, or (b) cancel an Option or SAR when the exercise price per Share exceeds the Fair Market Value in exchange for cash or another Award (other than in connection with a Change in Control); and provided further, that the Committee's authority under this Section 13(b) is limited by the provisions of Section 12(d) and, in the case of Awards subject to Section 8(b), as provided in Section 8(b).

(c) Except as provided in Section 8(b), the Committee shall be authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of events (including the events described in Section 4(c)) affecting the Company, or the financial statements of the Company, or of changes in applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

(d) The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry the Plan into effect.

Section 14. *Prohibition on Option and SAR Repricing*. Except as provided in Section 4(c), the Committee may not, without prior approval of the Company's shareholders, seek to effect any re-pricing of any previously granted "underwater" Option or SAR by: (i) amending or modifying the terms of the Option or SAR to lower the exercise price; (ii) cancelling the underwater Option or SAR and granting either (A) replacement Options or SARs having a lower exercise price or (B) Restricted Stock, RSU, Performance Award or Other Stock-Based Award in exchange; or (iii) cancelling or repurchasing the underwater Options or SARs for cash or other securities. An Option or SAR will be deemed to be "underwater" at any time when the Fair Market Value of the Shares covered by such Award is less than the exercise price of the Award.

Section 15. *Miscellaneous*.

(a) No employee, Participant or other person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of employees, Participants or holders or Beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to each recipient. Any Award granted under the Plan shall be a one-time Award that does not constitute a promise of future grants. The Company, in its sole discretion, maintains the right to make available future grants under the Plan.

(b) The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of, or to continue to provide services to, the Company or any Affiliate. Further, the Company or the applicable Affiliate may at any time dismiss a Participant, free from any liability, or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award Document or in any other agreement binding the parties. The receipt of any Award under the Plan is not intended to confer any rights on the receiving Participant except as set forth in the applicable Award Document.

(c) Nothing contained in the Plan shall prevent the Company from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

(d) The Company shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to a Participant the amount (in cash, Shares, other Awards, other property, net settlement or any combination thereof) of applicable withholding taxes due in respect of an Award, its exercise or settlement or any payment or transfer under such Award or under the Plan and to take such other action (including providing for elective payment of such amounts in cash or Shares by the Participant) as may be necessary in the opinion of the Committee to satisfy all obligations for the payment of such taxes.

(e) If any provision of the Plan or any Award Document is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award Document, such provision shall be stricken as to such jurisdiction, person or Award, and the remainder of the Plan and any such Award Document shall remain in full force and effect.

(f) Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(g) No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

(h) Awards may be granted to Participants who are non-United States nationals or employed or providing services outside the United States, or both, on such terms and conditions different from those applicable to Awards to Participants who are employed or providing services in the United States as may, in the judgment of the Committee, be necessary or desirable to recognize differences in local law, tax policy or custom. The Committee also may impose conditions on the exercise or vesting of Awards in order to minimize the Company's obligation with respect to tax equalization for Participants on assignments outside their home country.

(i) The Company shall take responsibility for the information set out in the Plan.

Section 16. *Effective Date of the Plan* . The Plan is effective as of the Distribution Date.

Section 17. *Term of the Plan* . No Award shall be granted under the Plan after the earliest to occur of (i) the date on which a 10-year period measured from and including the effective date expires; *provided* that to the extent permitted by the listing rules of any stock exchanges on which the Company is listed, such 10-year term may be extended indefinitely so long as the maximum number of Shares available for issuance under the Plan have not been issued, (ii) the maximum number of Shares available for issuance under the Plan have been issued or (iii) the Board

terminates the Plan in accordance with Section 13(a). However, unless otherwise expressly provided in the Plan or in an applicable Award Document, any Award theretofore granted may extend beyond such date, and the authority of the Committee to amend, alter, adjust, suspend, discontinue or terminate any such Award, or to waive any conditions or rights under any such Award, and the authority of the Board to amend the Plan, shall extend beyond such date.

Section 18. *Section 409A of the Code*. With respect to Awards subject to Section 409A of the Code, the Plan is intended to comply with the requirements of Section 409A of the Code, and the provisions of the Plan and any Award Document shall be interpreted in a manner that satisfies the requirements of Section 409A of the Code, and the Plan shall be operated accordingly. If any provision of the Plan or any term or condition of any Award would otherwise frustrate or conflict with this intent, the provision, term or condition will be interpreted and deemed amended so as to avoid this conflict. If an amount payable under an Award as a result of the Participant's Termination of Service (other than due to death) occurring while the Participant is a "specified employee" under Section 409A of the Code constitutes a deferral of compensation subject to Section 409A of the Code, then payment of such amount shall not occur until six months and one day after the date of the Participant's Termination of Service, except as permitted under Section 409A of the Code. If the Award includes a "series of installment payments" (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), the Participant's right to the series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment, and if the Award includes "dividend equivalents" (within the meaning of Section 1.409A-3(e) of the Treasury Regulations), the Participant's right to the dividend equivalents shall be treated separately from the right to other amounts under the Award. Notwithstanding the foregoing, the tax treatment of the benefits provided under the Plan or any Award Document is not warranted or guaranteed, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code.

Section 19. *Data Protection*. By participating in the Plan, the Participant consents to the holding and processing of personal information provided by the Participant to the Company or any Affiliate, trustee or third party service provider, for all purposes relating to the operation of the Plan. These include, but are not limited to:

- (i) administering and maintaining Participant records;
- (ii) providing information to the Company, Affiliates, trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan;
- (iii) providing information to future purchasers or merger partners of the Company or any Affiliate, or the business in which the Participant works; and
- (iv) transferring information about the Participant to any country or territory that may not provide the same protection for the information as the Participant's home country.

Section 20. *Governing Law*. The Plan and each Award Document shall be governed by the laws of the state of New York, without application of the conflicts of law principles thereof.

Section 21. *Definitions*. As used in the Plan, the following terms shall have the meanings set forth below:

(a) "**Adjusted Award**" means an Award that is issued under the Plan in accordance with the terms of the Employee Matters Agreement in adjustment of, substitution for or conversion of a time-based restricted stock unit or performance-based restricted stock unit award (or other Former Parent award outstanding at the time of the Spinoff) that was granted under a Former Parent Plan. Notwithstanding anything in the Plan to the contrary, subject to the Award Documents for the Adjusted Awards, the Adjusted Awards will reflect substantially the original terms of the awards being so adjusted or converted, and they need not comply with other specific terms of the Plan.

(b) “ **Affiliate** ” means (i) any entity that, directly or indirectly, is controlled by the Company, (ii) any entity in which the Company, directly or indirectly, has a significant equity interest, in each case as determined by the Committee and (iii) any other entity which the Committee determines should be treated as an “Affiliate.”

(c) “ **Award** ” means any Option, SAR, Restricted Stock, RSU, Performance Award or Other Stock-Based Award granted under the Plan.

(d) “ **Award Document** ” means any agreement, contract or other instrument or document, which may be in electronic format, evidencing any Award granted under the Plan, which may, but need not, be executed or acknowledged by a Participant. With respect to Adjusted Awards, the term also includes any writing or memorandum or summary of terms that may be specified by the Former Parent Committee, together with any evidence of award under any Former Parent Plan that may be referred to therein.

(e) “ **Beneficiary** ” means a person entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant’s death. If no such person is named by a Participant, or if no Beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant’s death, such Participant’s Beneficiary shall be such Participant’s estate.

(f) “ **Board** ” means the board of directors of the Company.

(g) “ **Cause** ” means, with respect to any Participant, “cause” as defined in such Participant’s Employment Agreement, if any, or if not so defined, except as otherwise provided in such Participant’s Award Document, such Participant’s:

(i) indictment for any crime (A) constituting a felony, or (B) that has, or could reasonably be expected to result in, an adverse impact on the performance of a Participant’s duties to the Company, or otherwise has, or could reasonably be expected to result in, an adverse impact to the business or reputation of the Company;

(ii) having been the subject of any order, judicial or administrative, obtained or issued by the Securities and Exchange Commission for any securities violation involving fraud, including, for example, any such order consented to by the Participant in which findings of facts or any legal conclusions establishing liability are neither admitted nor denied;

(iii) conduct, in connection with his or her employment or service, which is not taken in good faith and has, or could reasonably be expected to result in, material injury to the business or reputation of the Company;

(iv) willful violation of the Company’s Code of Conduct or other material policies set forth in the manuals or statements of policy of the Company;

(v) willful neglect in the performance of a Participant’s duties for the Company or willful or repeated failure or refusal to perform such duties;

or

(vi) material breach of any applicable Employment Agreement.

The occurrence of any such event that is susceptible to cure or remedy shall not constitute Cause if such Participant cures or remedies such event within 30 days after the Company provides notice to such Participant.

(h) “ **Change in Control** ” means the occurrence of any one or more of the following events:

(i) a direct or indirect change in ownership or control of the Company effected through one transaction or a series of related transactions within a 12-month period commencing after the Spinoff,

whereby any “person” (as defined in Section 3(a)(9) of the Exchange Act) or any two or more persons deemed to be one “person” (as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) (in each case a “Person”) other than the Company or an employee benefit plan maintained by the Company, directly or indirectly acquire or maintain “beneficial ownership” (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company constituting more than 30% of the total combined voting power of the Company’s equity securities outstanding immediately after such acquisition;

(ii) at any time during a period of 12 consecutive months commencing after the Spinoff, individuals who at the beginning of such period constituted the Board cease for any reason to constitute a majority of members of the Board; *provided, however*, that any new member of the Board whose election or nomination for election was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was so approved, shall be considered as though such individual were a member of the Board at the beginning of the period, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(iii) the consummation, commencing after the Spinoff, of a merger or consolidation of the Company or any of its subsidiaries with any other corporation or entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity or, if applicable, the ultimate parent thereof) at least 50% of the combined voting power and total fair market value of the securities of the Company or such surviving entity or parent outstanding immediately after such merger or consolidation; or

(iv) the consummation of any sale, lease, exchange or other transfer to any Person (other than an Affiliate of the Company), in one transaction or a series of related transactions within a 12-month period commencing after the Spinoff, of all or substantially all of the assets of the Company and its subsidiaries.

Notwithstanding the foregoing or any provision of any Award Document to the contrary, for any Award that provides for accelerated distribution on a Change in Control of amounts that constitute “deferred compensation” (as defined in Section 409A of the Code), if the event that constitutes such Change in Control does not also constitute a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company’s assets (in either case, as defined in Section 409A of the Code), such amount shall not be distributed on such Change in Control but instead shall vest as of the date of such Change in Control and shall be paid on the scheduled payment date specified in the applicable Award Document, except to the extent that earlier distribution would not result in the Participant who holds such Award incurring any additional tax, penalty, interest or other expense under Section 409A of the Code.

(i) “**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time, and the rules, regulations and guidance thereunder. Any reference to a provision in the Code shall include any successor provision thereto.

(j) “**Committee**” means the Compensation Committee of the Board or such other committee as may be designated by the Board; *provided* that, with respect to any Award granted to any Non-Employee Director, the “Committee” means the Nominating and Governance Committee of the Board or such other committee as may be designated by the Board. If the Board does not designate the Committee, references herein to the “Committee” shall refer to the Board.

(k) “**Covered Employee**” means an individual who is (i) either a “covered employee” or expected by the Committee to be a “covered employee,” in each case within the meaning of Section 162(m)(3) of the Code or (ii) expected by the Committee to be the recipient of compensation (other than Section 162(m) Compensation) in excess of \$1,000,000 for the tax year of the Company with regard to which a deduction in respect of such individual’s Award would be claimed.

(l) “**Disability**” means, with respect to any Participant, “disability” as defined in such Participant’s Employment Agreement, if any, or if not so defined, except as otherwise provided in such Participant’s Award Document:

(i) a permanent and total disability that entitles the Participant to disability income payments under any long-term disability plan or policy provided by the Company under which the Participant is covered, as such plan or policy is then in effect; or

(ii) if such Participant is not covered under a long-term disability plan or policy provided by the Company at such time for whatever reason, then a “permanent and total disability” as defined in Section 22(e)(3) of the Code and, in this case, the existence of any such Disability will be certified by a physician acceptable to the Company.

(m) “**Distribution Date**” means the effective date of the distribution in connection with the Spinoff.

(n) “**Employment Agreement**” means any employment, severance, consulting or similar agreement (including any offer letter) between the Company or any of its Affiliates and a Participant.

(o) “**Exchange Act**” means the United States Securities Exchange Act of 1934, as amended from time to time, and the rules, regulations and guidance thereunder. Any reference to a provision in the Exchange Act shall include any successor provision thereto.

(p) “**Fair Market Value**” means (i) with respect to a Share, the closing price of a Share on the date in question (or, if there is no reported sale on such date, on the last preceding date on which any reported sale occurred) on the principal stock market or exchange on which the Shares are quoted or traded, or if Shares are not so quoted or traded, the fair market value of a Share as determined by the Committee, and (ii) with respect to any property other than Shares, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Committee.

(q) “**Former Parent Committee**” means the Compensation and Human Resources Committee of the Board of Directors of Former Parent.

(r) “**Former Parent Plans**” means the Delphi Automotive PLC Long-Term Incentive Plan (as amended and restated effective April 23, 2015), or any similar or predecessor plan sponsored by Former Parent or any of its subsidiaries, as applicable, under which any awards remain outstanding as of the date immediately prior to the Distribution Date.

(s) “**Good Reason**” means, with respect to any Participant, “good reason” as defined in such Participant’s Employment Agreement, if any, or if not so defined, except as otherwise provided in such Participant’s Award Document, the occurrence of any one or more of the following events:

(i) a material diminution in the Participant’s base salary;

(ii) a material diminution in the Participant’s authority, duties, or responsibilities;

(iii) a relocation of the Participant’s principal place of employment more than fifty (50) miles from its location; or

(iv) any other action or inaction that constitutes a material breach by the Company of the Participant's Employment Agreement, if any;

in each case, without the Participant's consent. A Participant must provide notice to the Company of the existence of any one or more of the conditions described in (i) through (iv) above within sixty (60) days of the initial existence of the condition, upon the notice of which the Company will have a period of thirty (30) days during which it may remedy the condition before the condition gives rise to Good Reason.

(t) “ **Incentive Stock Option** ” means an option representing the right to acquire Shares from the Company, granted in accordance with the provisions of Section 5, that meets the requirements of Section 422 of the Code.

(u) “ **Intrinsic Value** ” with respect to an Option or SAR Award means (i) the excess, if any, of the price or implied price per Share in a Change in Control or other event over the exercise or hurdle price of such Award multiplied by (ii) the number of Shares covered by such Award.

(v) “ **Non-Employee Director** ” means a member of the Board who is not an employee of the Company or an Affiliate.

(w) “ **Non-Qualified Stock Option** ” means an option representing the right to acquire Shares from the Company, granted in accordance with the provisions of Section 5, that is not an Incentive Stock Option.

(x) “ **Option** ” means an Incentive Stock Option or a Non-Qualified Stock Option; *provided, however*, that any Option granted to a Non-Employee Director, consultant or other advisor shall be a Non-Qualified Stock Option.

(y) “ **Other Stock-Based Award** ” means an Award granted in accordance with the provisions of Section 9.

(z) “ **Participant** ” means the recipient of an Award granted under the Plan.

(aa) “ **Performance Award** ” means an Award granted in accordance with the provisions of Section 8.

(bb) “ **Performance Period** ” means the period established by the Committee at the time any Performance Award is granted or at any time thereafter during which any performance goals specified by the Committee with respect to such Award are measured.

(cc) “ **Replacement Award** ” means an Award granted in assumption of, or in substitution for, an outstanding award previously granted by a company or business acquired by the Company or with which the Company, directly or indirectly, combines.

(dd) “ **Restricted Stock** ” means any Share granted in accordance with the provisions of Section 7.

(ee) “ **RSU** ” means a contractual right granted in accordance with the provisions of Section 7 that is denominated in Shares. Each RSU represents a right to receive the value of one Share. Awards of RSUs may include the right to receive dividend equivalents.

(ff) “ **SAR** ” means any right granted in accordance with the provisions of Section 6 to receive upon exercise by a Participant or settlement the excess of (i) the Fair Market Value of one Share on the date of exercise or settlement over (ii) the exercise or hurdle price of the right on the date of grant, or if granted in connection with an Option, on the date of grant of the Option.

(gg) “ **Section 162(m) Compensation** ” means “qualified performance-based compensation” within the meaning of Section 162(m) of the Code.

(hh) “ **Shares** ” means ordinary shares of the Company.

(ii) “ **Termination of Service** ” means:

(i) in the case of a Participant who is an employee of the Company or an Affiliate, cessation of the employment relationship such that the Participant is no longer an employee of the Company or Affiliate;

(ii) in the case of a Participant who is a Non-Employee Director, the date that the Participant ceases to be a member of the Board for any reason; or

(iii) in the case of a Participant who is a consultant or other advisor, the effective date of the cessation of the performance of services for the Company or an Affiliate;

provided, however, that in the case of an employee, the transfer of employment from the Company to an Affiliate, from an Affiliate to the Company, from one Affiliate to another Affiliate or, unless the Committee determines otherwise, the cessation of employee status but the continuation of the performance of services for the Company or an Affiliate as a member of the Board or a consultant or other advisor shall not be deemed a cessation of service that would constitute a Termination of Service; and *provided further*, that a Termination of Service will be deemed to occur for a Participant employed by an Affiliate when an Affiliate ceases to be an Affiliate, unless such Participant’s employment continues with the Company or another Affiliate. Notwithstanding the foregoing, with respect to any Award subject to Section 409A of the Code (and not exempt therefrom), a Termination of Service occurs when a Participant experiences a “separation from service” (as such term is defined under Section 409A of the Code).

DELPHI TECHNOLOGIES PLC
ANNUAL INCENTIVE PLAN

1. PURPOSE OF THE PLAN

The purpose of the Delphi Technologies PLC Annual Incentive Plan (the “Plan”) is to reward performance and provide future incentives to employees who contribute to the success of the business of Delphi Technologies PLC (the “Company”). The Plan is available for incentive programs not to exceed a period of one year for eligible employees. Because the Plan does not provide welfare benefits and does not provide for the deferral of compensation to termination of employment, it is established with the intent and understanding that it is not an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, as amended. To the extent any award under the Plan would become subject to Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), such award shall be granted in compliance with the requirements set forth in Section 409A of the Code and any binding regulations or guidance promulgated thereunder.

2. EFFECTIVE DATE AND DURATION OF THE PLAN

The Plan is effective as of December 4, 2017.

3. PLAN ADMINISTRATION AND ELIGIBILITY

- (a) The Plan shall be administered by the Compensation and Human Resources Committee (the “Committee”) of the Board of Directors of the Company (the “Board”). The Committee may authorize target award grants to employees. The Committee, in its sole discretion, shall determine the performance period, the performance levels at which different percentages of such awards will be earned, the collective amount for all awards to be granted at any one time, and the individual grants with respect to employees who are officers of the Company. The Committee may delegate to the Chief Executive Officer, the officers or such other committee or individual as determined by the Committee responsibility for determining, within the limits established by the Committee, individual award grants for employees who are not officers. All awards granted under the Plan will be denominated and paid in cash (U.S. dollars or local currency equivalent).
- (b) The Committee shall have full power and authority to construe and interpret the Plan. The Committee shall determine the selection of employees for participation in the Plan and also decide any questions and settle any disputes or controversies that may arise with respect to the Plan. Any person who accepts any award hereunder agrees to accept as final, conclusive, and binding all determinations of the Committee and the Company’s officers. The Committee has the right, in the case of participants not employed in the United States, to vary from the provisions of the Plan in order to preserve its incentive features.
- (c) Only persons who are employees of the Company are eligible to receive an award under the Plan. Subject to such additional limitations or restrictions as the Committee may impose, the term “employees” means persons (i) who are employed by the Company, or any subsidiary (as defined below), including employees who are also directors of the Company or any such subsidiary, or (ii) who accept (or previously have accepted) employment, at the request of the Company, with any entity that is not a subsidiary but in which the Company has, directly or indirectly, a substantial ownership interest. For purposes of this Plan, the term “subsidiary” means (x) a corporation of which the Company owns, directly or indirectly, capital stock having ordinary voting power to elect a majority of the board of directors of such corporation, (y) any unincorporated entity of which the Company can exercise, directly or indirectly, comparable control, or (z) any other entity which the Committee determines should be treated as a “subsidiary”. The Committee will determine when and to what extent individuals otherwise eligible for consideration become employees and
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when any individual will be deemed to have terminated employment for purposes of the Plan; provided that, with respect to any award subject to Section 409A of the Code, a termination of employment occurs when an employee experiences a “separation from service” (as such term is defined under Section 409A of the Code). To the extent determined by the Committee, the term “employees” will include former employees and any executor(s), administrator(s), or other legal representatives of an employee’s estate.

4. DETERMINATION OF ANNUAL INCENTIVE AWARD

- (a) Prior to the grant of any target award, the Committee will establish performance levels for each such award related to the Company and its affiliates at which 100% of the award will be earned and a range (which need not be the same for all awards) within which greater and lesser percentages will be earned. The “performance period” will be twelve (12) months or less.
- (b) With respect to the performance levels to be established, the Committee will establish the specific measures for each grant at the time of such grant. In creating these measures, the Committee may establish the specific goals based upon or relating to one or more specified criteria. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which the Company conducts its business, or other events or circumstances render the performance objectives unsuitable, the Committee may modify the performance objectives or the related minimum acceptable level of achievement, in whole or in part, as the Committee deems appropriate and equitable. Performance measures may vary from award to award, and from participant to participant, and may be established on a stand-alone basis, in tandem or in the alternative.
- (c) No target award will be granted to any director of the Company who is not an employee at the date of grant.
- (d) If an employee is promoted during the performance period, a target award may be increased to reflect such employee’s new responsibilities.
- (e) The Committee may adjust the performance levels and goals for any performance period and shall have the authority to make appropriate adjustments as it deems equitable in recognition of unusual or non-recurring events affecting the Company, changes in applicable tax laws or accounting principles, or such other factors as the Committee may determine to preserve the incentive features of the Plan (including, without limitation, any adjustments that would result in the Company paying non-deductible compensation to a participant).

5. DETERMINATION AND PAYMENT OF FINAL AWARD

- (a) Except as otherwise provided in the Plan, the percentage of each target award to be distributed to an employee will be determined by the Committee on the basis of the performance levels established for such award and the performance of the applicable enterprise or specified portion thereof, as the case may be, during the performance period. Following determination of the final payout percentage, the Committee may, upon the recommendation of the Chief Executive Officer, make adjustments to awards for officers to reflect individual performance during such period. Adjustments to awards to reflect individual performance for employees who are not officers may be made by the Chief Executive Officer, other officer or such other committee or individual as determined by the Committee. The amount of any adjustments made to individual awards, in the aggregate, will not change the sum of the payments of individual awards. Any target award, as determined and adjusted, is herein referred to as a “final award.”
 - (b) Payment of any final award (or portion thereof) to an employee is subject to the satisfaction of the conditions precedent that such employee: (i) continue to render services as an employee through the end of
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the performance period, unless waived by the Committee, (ii) refrain from engaging in any activity through the end of the performance period which, in the opinion of the Committee, is competitive with any activity of the Company or any subsidiary (except that employment at the request of the Company with an entity in which the Company has, directly or indirectly, a substantial ownership interest, or other employment specifically approved by the Committee, may not be considered to be an activity which is competitive with any activity of the Company or any subsidiary) and from otherwise acting, either prior to or after termination of employment, in any manner inimical or in any way contrary to the best interests of the Company, and (iii) furnish to the Company such information with respect to the satisfaction of the foregoing conditions precedent as the Committee may reasonably request. Notwithstanding anything in this Plan to the contrary, nothing in this Plan prevents a participant from providing, without prior notice to the Company, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and for purposes of clarity a participant is not prohibited from providing information voluntarily to the United States Securities and Exchange Commission pursuant to Section 21F of the United States Securities Exchange Act of 1934, as amended.

- (c) Final awards shall vest at the end of the performance period and shall be paid as soon as practicable following the end of the applicable performance period, but in no event later than March 15 following the last day of the applicable performance period.

6. TREATMENT OF AWARDS UPON EMPLOYEE'S DEATH OR TERMINATION OF EMPLOYMENT

- (a) If an employee (x) is terminated for Cause at any time, (y) is terminated without Cause prior to having been employed for six months during the performance period, or (z) voluntarily quits employment (not due to Retirement) at any time, except as otherwise determined by the Committee, no award will be paid to the employee.

The term “Cause” means, with respect to any participant, “cause” as defined in such participant’s employment, severance, consulting or similar agreement (including any offer letter) between the Company or any of its affiliates and the participant (each, an “Employment Agreement”), if any, or if not so defined, such participant’s:

- (i) indictment for any crime (A) constituting a felony, or (B) that has, or could reasonably be expected to result in, an adverse impact on the performance of a participant’s duties to the Company, or otherwise has, or could reasonably be expected to result in, an adverse impact to the business or reputation of the Company;
 - (ii) having been the subject of any order, judicial or administrative, obtained or issued by the United States Securities and Exchange Commission for any securities violation involving fraud including, for example, any such order consented to by the participant in which findings of facts or any legal conclusions establishing liability are neither admitted nor denied;
 - (iii) conduct, in connection with his or her employment or service, which is not taken in good faith and has, or could reasonably be expected to result in, material injury to the business or reputation of the Company;
 - (iv) willful violation of the Company’s Code of Conduct or other material policies set forth in the manuals or statements of policy of the Company;
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- (v) willful neglect in the performance of a participant's duties for the Company or willful or repeated failure or refusal to perform such duties;
or
- (vi) material breach of any Employment Agreement.

The occurrence of any such event that is susceptible to cure or remedy shall not constitute Cause if such participant cures or remedies such event within 30 days after the Company provides notice to such participant.

- (b) If, upon death or a Qualified Termination of an employee's employment prior to the end of any performance period, other than an involuntary termination without Cause prior to having been employed for six months during the performance period, the Committee determines to waive the condition precedent of continuing to render services as provided in paragraph 5(b), then the target award granted to such employee with respect to such performance period will be reduced pro rata based on the number of months remaining in the performance period after the month of death or termination; provided further that such actions would not cause any payment to result in deferred compensation that is subject to the additional tax under Section 409A of the Code. The final award for such employee will be determined by the Committee (i) on the basis of the performance levels established for such award (including the minimum performance level) and the performance level achieved through the end of the performance period and (ii) in the discretion of the Committee, on the basis of individual performance during the period prior to death or termination, and will be paid in accordance with paragraph 5(c).

A "Qualified Termination" means an involuntary termination without Cause, termination due to Disability, Retirement, or any other termination approved by the Committee. Should an employee be involuntarily terminated without Cause at any time before the end of the applicable performance period after having attained Retirement eligibility, the termination will be treated as a Retirement hereunder.

The term "Retirement" means, with respect to any participant, voluntarily terminating employment after having attained age 55 with at least 10 years of service with the Company, a subsidiary or a predecessor of either (including Delphi Automotive PLC).

The term "Disability" means, with respect to any participant, "disability" as defined in such participant's Employment Agreement, if any, or if not so defined:

(i) a permanent and total disability that entitles the participant to disability income payments under any long-term disability plan or policy provided by the Company under which the participant is covered, as such plan or policy is then in effect; or

(ii) if such participant is not covered under a long-term disability plan or policy provided by the Company at such time for whatever reason, then a "permanent and total disability" as defined in Section 22(e)(3) of the Code and, in this case, the existence of any such Disability will be certified by a physician acceptable to the Company.

A qualifying leave of absence, determined in accordance with procedures established by the Committee, will not be deemed to be a termination of employment, but, except as otherwise determined by the Committee, the employee's target award may, but shall not

be required to, be reduced pro rata based on the number of months during which such person was on such leave of absence during the performance period; provided that such actions would not cause any payment to result in deferred compensation that is subject to the additional tax under Section 409A of the Code. A target award will not vest during a leave of absence granted to an employee for government service.

7. CHANGE IN CONTROL

(a) Upon the effective date of a Change in Control, all outstanding unvested awards granted under this Plan will vest on a pro rata basis based on the greater of target award or actual performance during the applicable performance period up to the date of the Change in Control. The pro-rated award shall be paid as a single lump sum payment as soon as reasonably practicable following the date of the Change in Control, but in no event later than March 15 of the calendar year following the year in which the Change in Control occurs.

(b) The term “Change in Control” means the occurrence of any one or more of the following events:

(i) a direct or indirect change in ownership or control of the Company effected through one transaction or a series of related transactions within a 12-month period commencing after the spin-off of the Company from Delphi Automotive PLC, whereby any “person” (as defined in Section 3(a)(9) of the United States Securities Exchange Act of 1934, as amended from time to time, and the rules, regulations and guidance thereunder (the “Exchange Act”), or any two or more persons deemed to be one “person” (as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) (in each case a “Person”) other than the Company or an employee benefit plan maintained by the Company, directly or indirectly acquire or maintain “beneficial ownership” (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company constituting more than 30% of the total combined voting power of the Company’s equity securities outstanding immediately after such acquisition;

(ii) at any time during a period of 12 consecutive months commencing after the spin-off of the Company from Delphi Automotive PLC, individuals who at the beginning of such period constituted the Board cease for any reason to constitute a majority of members of the Board; provided, however, that any new member of the Board whose election or nomination for election was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was so approved, shall be considered as though such individual were a member of the Board at the beginning of the period, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(iii) the consummation, commencing after the spin-off of the Company from Delphi Automotive PLC, of a merger or consolidation of the Company or any of its subsidiaries with any other corporation or entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity or, if applicable, the ultimate parent thereof) at least 50% of the combined voting power and total fair market value of the securities of the Company or such surviving entity or parent outstanding immediately after such merger or consolidation; or

(iv) the consummation of any sale, lease, exchange or other transfer to any Person (other than an affiliate of the Company), in one transaction or a series of related transactions within a 12-month period commencing after the spin-off of the Company from Delphi Automotive PLC, of all or substantially all of assets of the Company and its subsidiaries.

8. PLAN AMENDMENT, MODIFICATION, SUSPENSION OR TERMINATION

The Committee may, in its sole discretion, at any time, amend, modify, suspend, or terminate this Plan provided that no such action shall (a) materially adversely affect the rights of an employee with respect to outstanding target awards or final awards under the Plan without the consent of the affected employee, except to the extent any such amendment, modification, suspension or termination is made to cause the Plan to comply with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations or to impose any recoupment provisions on any award in accordance with paragraph 10(g), or (b) render any director of the Company who is not an employee at the date of grant eligible to be granted a target award.

9. GOVERNING LAW

This Plan and all determinations made and actions taken pursuant hereto will be governed by the laws of the State of New York, without giving effect to principles of conflict of laws, and construed accordingly.

10. MISCELLANEOUS

- (a) No employee, participant or other person shall have any claim to be granted any award under the Plan, and there is no obligation for uniformity of treatment of employees, participants or holders or beneficiaries of awards under the Plan. The grant of an award under the Plan shall not be construed as giving an employee the right to be retained in the employ of, or to continue to provide services to, the Company or any subsidiary. Further, the Company or the applicable subsidiary may at any time dismiss an employee, free from any liability, or any claim under the Plan, unless otherwise expressly provided in the Plan.
 - (b) All final awards which have been awarded in accordance with the provisions of the Plan will be paid as soon as practicable following the end of the related performance period but prior to March 15 of the following year. If the Company has any unpaid claim against an employee arising out of or in connection with the employee's employment with the Company, such claim may be offset against awards under the Plan. Such claim may include, but is not limited to, unpaid taxes or corporate business credit card charges.
 - (c) All payments and distributions will be paid from the general assets of the Company. Nothing contained in the Plan, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between the Company and any employee, former employee, or any other person.
 - (d) The expenses of administering this Plan will be borne by the Company.
 - (e) Except as otherwise determined by the Committee, with the exception of transfer by will or the laws of descent and distribution, no target or final award is assignable or transferable and, during the lifetime of the employee, any payment of any final award will only be made to the employee.
 - (f) In the event of death, the executor(s) or administrator(s) of the employee's estate, or such other person(s) as determined by a court of competent jurisdiction, may receive payment, in accordance with and subject to the provisions of this Plan, provided the executor(s), administrator(s), or other person supplies documentation satisfactory to the Company to so act. Upon making such determination, the Company is relieved of any further liability regarding any award to the deceased employee.
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- (g) If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, and if the participant knowingly or grossly negligently engaged in the misconduct, or knowingly or grossly negligently failed to prevent the misconduct, or if the participant is one of the individuals subject to automatic forfeiture under Section 304 of the United States Sarbanes-Oxley Act of 2002 (and not otherwise exempted), the participant shall reimburse the Company the amount of any payment in settlement of any award under the Plan earned or accrued during the twelve-month period following the first public issuance or filing with the United States Securities and Exchange Commission (whichever first occurred) of the financial document not in compliance with such financial reporting requirement. Rights, payments and benefits under any award under the Plan shall be subject to repayment to or recoupment (clawback) by the Company in accordance with such policies and procedures as the Committee or Board may adopt from time to time, including policies and procedures to implement applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations.
- (h) With respect to awards subject to Section 409A of the Code, the Plan is intended to comply with the requirements of Section 409A of the Code, and the provisions of the Plan shall be interpreted in a manner that satisfies the requirements of Section 409A of the Code, and the Plan shall be operated accordingly. If any provision of the Plan or any term or condition of any award would otherwise frustrate or conflict with this intent, the provision, term or condition will be interpreted and deemed amended so as to avoid this conflict. If an amount payable under an award as a result of the participant's termination of employment (other than due to death) occurring while the participant is a "specified employee" under Section 409A of the Code constitutes a deferral of compensation subject to Section 409A of the Code, then payment of such amount shall not occur until six months and one day after the date of the participant's termination of employment, except as permitted under Section 409A of the Code. If an award includes a "series of installment payments" (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), the participant's right to the series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment. Notwithstanding the foregoing, the tax treatment of the benefits provided under the Plan is not warranted or guaranteed, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the participant on account of non-compliance with Section 409A of the Code.
- (i) By participating in the Plan, the participant consents to the holding and processing of personal information provided by the participant to the Company or any subsidiary, trustee or third party service provider, for all purposes relating to the operation of the Plan. These include, but are not limited to: (i) administering and maintaining participant records; (ii) providing information to the Company, subsidiaries, trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan; (iii) providing information to future purchasers or merger partners of the Company or any subsidiary, or the business in which the participant works; and (iv) transferring information about the participant to any country or territory that may not provide the same protection for the information as the participant's home country.

DELPHI TECHNOLOGIES PLC LEADERSHIP INCENTIVE PLAN

The purpose of this Delphi Technologies PLC Leadership Incentive Plan (the “**Plan**”) is to enhance the Company’s ability to attract and retain highly qualified executives, to provide additional financial incentives to such executives and to promote the success of the Company and its subsidiaries through awards of incentive compensation that satisfy the requirements for performance-based compensation under Section 162(m) of the Code.

1. *Administration of the Plan* .

(a) The Plan shall be administered by the Committee. The Committee shall be appointed by the Board and shall consist of not less than three directors of the Board. To the extent necessary to comply with applicable regulatory regimes, any action by the Committee shall require the approval of Committee members who are (i) independent, within the meaning of and to the extent required by applicable rulings and interpretations of the principal stock market or exchange on which the Shares are quoted or traded; (ii) each a non-employee director within the meaning of Rule 16b-3 under the Exchange Act; and (iii) each an outside director within the meaning of Section 162(m) of the Code. The Board may designate one or more directors as a subcommittee who may act for the Committee if necessary to satisfy the requirements of this Section. The Committee may issue rules and regulations for administration of the Plan.

(b) Subject to the terms of the Plan and applicable law, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the amount of any Incentive Amount; (iii) determine whether, to what extent and under what circumstances Incentive Amounts may be settled or exercised in cash, Shares, other awards, other property, net settlement or any combination thereof, or canceled, forfeited or suspended, and the method or methods by which Incentive Amounts may be settled, exercised, canceled, forfeited or suspended; (iv) determine whether, to what extent and under what circumstances cash, Shares, other awards, other property and other amounts payable with respect to an Incentive Amount under the Plan shall be deferred either automatically or at the election of the holder thereof or of the Committee; (v) interpret and administer the Plan and any instrument or agreement relating to, or Incentive Amount made under, the Plan; (vi) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (vii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan. Such authority shall include the right to exercise discretion to reduce, at any time prior to the payment thereof, the Incentive Amount payable to any Participant to any amount, including zero, that is below the Formula Amount; provided, however, that the exercise of such discretion with respect to any Participant shall not have the effect of increasing the Incentive Amount payable to any other Participant.

(c) All decisions of the Committee shall be final, conclusive and binding upon all parties, including the Company, its shareholders and Participants and any beneficiaries thereof.

2. *Participation and Performance Goals* . Not later than the Applicable Deadline with respect to a Performance Period, the Committee shall (a) designate the Eligible Executives who are Participants in the Plan for such Performance Period, and (b) affirm, in writing, the formula governing each such Participant’s Formula Amount for such Performance Period. The “**Applicable Deadline**” shall mean the 90th day of the Performance Period (or such other time as may be required or permitted by Section 162(m) of the Code); *provided, however*, that in the event that the Committee determines that an individual is eligible for the Plan after the end of such deadline because of commencement of employment or promotion resulting in the individual’s becoming an Eligible Executive during the Performance Period, the Applicable Deadline shall mean 30 days following such determination (or, if earlier, prior to the expiration of 25% of the Performance Period to which such amount will relate).

3. *Adjustment for Extraordinary Items* . The Committee shall adjust, to the extent permitted by Section 162(m) of the Code, the level of Net Income for material items not originally contemplated in establishing the performance target for items resulting from discontinued operations, extraordinary gains and losses, the effect of changes in accounting standards or principles, acquisitions or divestitures, changes in tax rules or regulations, capital

transactions, restructuring, nonrecurring gains or losses or any other unusual items that are separately identified and quantified in the Company's audited financial statements. In all events, any adjustments to Net Income shall be made in a manner intended to satisfy the requirements of Section 162(m) of the Code.

4. **Committee Certification** . As soon as reasonably practicable after the end of each Performance Period, but in no event later than March 15 following the end of such Performance Period, the Committee shall certify, in writing, the level of Net Income achieved for such Performance Period and the dollar amount of the Formula Amount for each Participant in the Plan for such Performance Period.

5. **Determination of Incentive Amount** . At any time before an Incentive Amount for a Performance Period is paid, the Committee may, in its sole discretion and taking into consideration such factors as it deems appropriate (which may include the degree to which objective and subjective performance goals and other criteria have been attained for such Performance Period), determine to pay a Participant an Incentive Amount that is less than the Formula Amount, or to pay no Incentive Amount. The amount by which any Formula Amount is reduced shall not be paid to any other Participant.

6. **Payment of Incentive Amount** . An Incentive Amount shall be paid in cash, unrestricted or restricted Shares (which may be provided under a shareholder-approved equity plan of the Company, subject to the terms and conditions of such plan), or a combination of the foregoing. The payment of an Incentive Amount shall be made at such time as the Committee determines in its sole discretion, which shall in no event be later than March 15 following the Performance Period to which such Incentive Amount relates unless the Committee, in its sole discretion, provides for the deferral of an Incentive Amount under a nonqualified deferred compensation plan or program maintained by the Company, subject to the terms and conditions of such plan or program.

7. **AIP Awards** . Notwithstanding any provision of the AIP, any Incentive Amount paid to any Participant pursuant to an award under the AIP shall be subject to the limits established for such Participant in this Plan. Upon the Participant's death or termination of employment or in the event of a Change in Control (as defined in the AIP), any awards held by Participants under the AIP shall be treated in accordance with Sections 6 and 7 of the AIP.

8. **No Right to Incentive or Continued Employment** .

(a) No employee, Participant or other person shall have any claim to be granted any Incentive Amount under the Plan, and there is no obligation for uniformity of treatment of employees, Participants or holders or beneficiaries of Incentive Amounts under the Plan. The terms and conditions of Incentive Amounts need not be the same with respect to each recipient. Any Incentive Amount granted under the Plan shall be a one-time award that does not constitute a promise of future grants. The Company, in its sole discretion, maintains the right to make available future grants under the Plan.

(b) The grant of an Incentive Amount shall not be construed as giving a Participant the right to be retained in the employ of, or to continue to provide services to, the Company or any affiliate. Further, the Company or the applicable affiliate may at any time dismiss a Participant, free from any liability, or any claim under the Plan, unless otherwise expressly provided in the Plan or in any other agreement binding the parties. The receipt of any Incentive Amount under the Plan is not intended to confer any rights on the receiving Participant.

9. **Withholding** . The Company shall be authorized to withhold from any Incentive Amount granted or any payment due or transfer made under any Incentive Amount or under the Plan or from any compensation or other amount owing to a Participant the amount (in cash, Shares, other awards, other property, net settlement or any combination thereof) of applicable withholding taxes due in respect of an Incentive Amount, its exercise or settlement or any payment or transfer under such Incentive Amount or under the Plan and to take such other action (including providing for elective payment of such amounts in cash or Shares by the Participant) as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

10. **Nontransferability** . Except as may be permitted by the Committee, (a) no Incentive Amount and no right under any Incentive Amount shall be assignable, alienable, saleable or transferable by a Participant otherwise than by will and (b) during a Participant's lifetime, each Incentive Amount, and each right under any Incentive Amount, shall be exercisable only by the Participant or, if permissible under applicable law, by the Participant's guardian or legal representative; *provided, however* , that the Committee shall not permit any Incentive Amount to be transferred or transferable to a third party for value or consideration without the approval of the Company's shareholders. The provisions of this Section 10 shall not apply to any Incentive Amount that has been fully exercised or settled, as the case may be, and shall not preclude forfeiture of an Incentive Amount in accordance with the terms thereof.

11. **Unfunded Plan** . Neither the Plan nor any Incentive Amount shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company pursuant to an Incentive Amount, such right shall be no greater than the right of any unsecured general creditor of the Company.

12. **Repayment/Forfeiture of Incentive Amount** . If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, and if the Participant knowingly or grossly negligently engaged in the misconduct, or knowingly or grossly negligently failed to prevent the misconduct, or if the Participant is one of the individuals subject to automatic forfeiture under Section 304 of the United States Sarbanes-Oxley Act of 2002 (and not otherwise exempted), the Participant shall reimburse the Company the amount of any payment of any Incentive Amount earned or accrued during the 12-month period following the first public issuance or filing with the United States Securities and Exchange Commission (whichever first occurred) of the financial document not in compliance with such financial reporting requirement. Rights, payments and benefits under any Incentive Amount shall be subject to repayment to or recoupment (clawback) by the Company in accordance with such policies and procedures as the Committee or Board may adopt from time to time, including policies and procedures to implement applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations. To the extent such Incentive Amount was deferred under a nonqualified deferred compensation plan maintained by the Company rather than paid to the Participant, the amount deferred (and any earnings thereon) shall be forfeited.

13. **Adoption, Amendment, Suspension and Termination of the Plan** .

(a) The Plan shall be effective December 4, 2017 and shall continue in effect until terminated as provided below.

(b) Except to the extent prohibited by applicable law, the Board may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof at any time; *provided, however* , that no such amendment, alteration, suspension, discontinuation or termination shall be made without shareholder approval, if such approval is required by applicable law or the rules of the stock market or exchange, if any, on which the Shares are principally quoted or traded or the consent of the affected Participant, if such action would materially adversely affect the rights of such Participant under any outstanding Incentive Amount, except to the extent any such amendment, alteration, suspension, discontinuance or termination is made to cause the Plan to comply with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations or to impose any recoupment provisions on any Incentive Amounts in accordance with Section 12. Notwithstanding anything to the contrary in the Plan, the

Committee may amend the Plan in such manner as may be necessary to enable the Plan to achieve its stated purposes in any jurisdiction in a tax-efficient manner and in compliance with local laws, rules and regulations.

(c) The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Incentive Amount in the manner and to the extent it shall deem desirable to carry the Plan into effect.

14. **Section 162(m)** . If any provision of this Plan would cause an Incentive Amount not to constitute “qualified performance-based compensation” under Section 162(m) of the Code, that provision shall be severed from, and shall be deemed not to be a part of, the Plan, but the other provisions hereof shall remain in full force and effect.

15. **Section 409A** . With respect to Incentive Amounts subject to Section 409A of the Code, the Plan is intended to comply with the requirements of Section 409A of the Code, and the provisions of the Plan shall be interpreted in a manner that satisfies the requirements of Section 409A of the Code, and the Plan shall be operated accordingly. If any provision of the Plan or any term or condition of any Incentive Amount would otherwise frustrate or conflict with this intent, the provision, term or condition will be interpreted and deemed amended so as to avoid this conflict. If an amount payable under an Incentive Amount as a result of the Participant’s termination of employment (other than due to death) occurring while the Participant is a “specified employee” under Section 409A of the Code constitutes a deferral of compensation subject to Section 409A of the Code, then payment of such amount shall not occur until six months and one day after the date of the Participant’s termination of employment, except as permitted under Section 409A of the Code. If an Incentive Amount includes a “series of installment payments” (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), the Participant’s right to the series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment and if an Incentive Amount includes “dividend equivalents” (within the meaning of Section 1.409A-3(e) of the Treasury Regulations), the Participant’s right to the dividend equivalents shall be treated separately from the right to other amounts under the Incentive Amount. Notwithstanding the foregoing, the tax treatment of the benefits provided under the Plan is not warranted or guaranteed, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code.

16. **Governing Law** . The Plan shall be governed by the laws of the state of New York, without application of the conflicts of law principles thereof.

17. **Definitions** . As used herein, the following terms shall have the respective meanings indicated:

(a) “**AIP**” shall mean the Delphi Technologies PLC Annual Incentive Plan, as amended from time to time.

(b) “**Board**” shall mean the Board of Directors of the Company.

(c) “**Code**” shall mean the United States Internal Revenue Code of 1986, as amended from time to time, and the rules, regulations and guidance thereunder. Any reference to a provision in the Code shall include any successor provision thereto.

(d) “**Committee**” shall mean the Compensation and Human Resources Committee of the Board or such other committee as may be appointed by the Board to administer the Plan that is comprised of not less than two directors of the Company, each of whom is an “outside director” within the meaning of Section 162(m) of the Code and Section 1.162-27(e)(3) of the Treasury Regulations.

(e) “**Company**” shall mean Delphi Technologies PLC.

(f) “**Eligible Executive**” shall mean the Company’s Chief Executive Officer and other executive officers of the Company who are or may be “covered employees” of the Company as defined in Section 162(m) of the Code.

(g) “**Exchange Act**” shall mean the United States Securities Exchange Act of 1934, as amended from time to time, and the rules, regulations and guidance thereunder. Any reference to a provision in the Exchange Act shall include any successor provision thereto.

(h) “**Fiscal Year**” or “**Fiscal Quarter**” shall mean a fiscal year or fiscal quarter, respectively, of the Company.

(i) “**Formula Amount**” shall mean, for each Participant, 1.0% of Net Income for the applicable Performance Period. Notwithstanding the foregoing, (i) with respect to any Participant the Committee may in its sole discretion substitute within the applicable time frame described in Section 2 above a percentage smaller than 1.0% for purposes of this definition, and (ii) in no event shall the amount awarded under the Plan for any Participant on account of any Fiscal Year exceed \$10,000,000.

(j) “**Incentive Amount**” shall mean, for each Participant, an incentive to be paid under the Plan in the amount determined by the Committee pursuant to Sections 5 and 6 above.

(k) “**Net Income**” shall mean, for any Fiscal Quarter or Fiscal Year, the Net Income reported in the Company’s quarterly or annual earnings release, as applicable. In the event that the Company’s earnings release with respect to any Fiscal Year is delayed beyond March 15 of the following year, Net Income for such Fiscal Year shall be determined in good faith by the Committee, subject to the requirements of Code Section 162(m).

(l) “**Participant**” shall mean, with respect to any Performance Period, an Eligible Executive who is designated as a Participant in the Plan for such Performance Period in accordance with Section 2.

(m) “**Performance Period**” shall mean a Fiscal Year or any other period designated by the Committee with respect to which an award is granted under the Plan. In the event the Committee determines that an individual is first eligible for the Plan after the first day of a Fiscal Year because of commencement of employment or promotion, the first Performance Period for such individual shall commence on the first day of the Fiscal Quarter coinciding with or following the day on which such individual first becomes eligible for the Plan.

(n) “**Shares**” shall mean ordinary shares of the Company.

DELPHI TECHNOLOGIES PLC
EXECUTIVE SEVERANCE PLAN

This Plan, effective as of December 4, 2017 (the “Effective Date”), is for the benefit of Eligible Executives on the terms and conditions hereinafter stated. This Plan, as set forth herein, is intended to provide a threshold level of certain economic benefits to Eligible Executives, in the event of certain terminations of employment, for a period of time while the terminated Eligible Executives make the transition to new employment. This Plan, as a “severance pay arrangement” within the meaning of Section 3(2)(B)(i) of ERISA, is intended to be excepted from the definitions of “employee pension benefit plan” and “pension plan” set forth under Section 3(2) of ERISA, and is intended to meet the descriptive requirements of a plan constituting a “severance pay plan” within the meaning of regulations published by the Secretary of Labor at Title 29, Code of Federal Regulations § 2510.3-2(b).

1. **DEFINITIONS.**

As used in this Plan:

- 1.1 “Affiliate” means (a) any entity that, directly or indirectly, is controlled by the Company, (b) any entity in which the Company, directly or indirectly, has a significant equity interest, in each case as determined by the Compensation Committee and (c) any other entity that the Compensation Committee determines should be treated as an “Affiliate.”
- 1.2 “Base Salary” means, with respect to an Eligible Executive, the Eligible Executive’s annual base salary rate as of the Separation Date, and shall in all cases exclude any bonus, overtime, commission, profit-sharing or similar payments and any short-term or long-term incentives, stock-based compensation, benefits, perquisites, expense reimbursements, allowances or similar forms of compensation.
- 1.3 “Board” means the board of directors of the Company.
- 1.4 “Cause” means, for purposes of a termination of an Eligible Executive’s employment with the Company and its Affiliates, such Eligible Executive’s: (a) indictment for any crime (i) constituting a felony, or (ii) that has, or could reasonably be expected to result in, an adverse impact on the performance of the Eligible Executive’s duties to the Company or a Subsidiary, or otherwise has, or could reasonably be expected to result in, an adverse impact to the business or reputation of the Company or a Subsidiary; (b) having been the subject of any order, judicial or administrative, obtained or issued by the Securities and Exchange Commission for any securities violation involving fraud, including, for example, any such order consented to by the Eligible Executive in which findings of facts or any legal conclusions establishing liability are neither admitted nor denied; (c) conduct, in connection with his or her employment or service, that is not taken in good faith and has, or could reasonably be expected to result in, material injury to the business or reputation of the Company or a Subsidiary or that are materially inimical to the best interests of the Company or a Subsidiary; (d) willful violation of the Company’s Code of Conduct or other material
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policies set forth in the manuals or statements of policy of the Company; (e) willful neglect in the performance of the Eligible Executive’s duties for the Company or willful or repeated failure or refusal to perform such duties; or (f) material breach of any applicable employment agreement. The occurrence of any such event that is susceptible to cure or remedy shall not constitute Cause if such Eligible Executive cures or remedies such event within 30 days after the Company provides notice to such Eligible Executive.

- 1.5 “Change in Control” shall have the meaning provided for such term in the Delphi Technologies PLC Executive Change in Control Severance Plan, as it may be amended from time to time.
- 1.6 “COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended from time to time.
- 1.7 “Code” means the Internal Revenue Code of 1986, as it may be amended from time to time, including, without limitation, any rules and regulations promulgated thereunder, along with Treasury and Internal Revenue Service interpretations thereof.
- 1.8 “Common Stock” means the ordinary shares, \$0.01 par value per share, of the Company or any security into which such ordinary shares may be changed by reason of any transaction or similar event.
- 1.9 “Company” means Delphi Technologies PLC, a Jersey public limited company, or its successor.
- 1.10 “Compensation Committee” means the Compensation and Human Resources Committee of the Board, or its successor.
- 1.11 “Continuation Period” means, as applicable, the following period of time that applies to an Eligible Executive in connection with a Severance:

Continuous Service	Applicable Continuation Period	
	Officer	Non-Officer
≥ 2 years	18 months	12 months
< 2 years	12 months	6 months

- 1.12 “Continuous Service” is measured from an Employee’s most recent hire date to the last day of employment, in each case with respect to the Employer, and is expressed as completed years. A leave of absence does not interrupt an Employee’s Continuous Service, provided the Employee returns to work with the Employer at the end of the leave; if the Employee does not so return to work, service will be counted through the last day worked before the leave began.
 - 1.13 “Disability” means (a) a permanent and total disability that entitles the Eligible Executive to disability income payments under any long-term disability plan or policy provided by or
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on behalf of the Company under which the Eligible Executive is covered, as such plan or policy is then in effect, or (b) if such Eligible Executive is not covered under a long-term disability plan or policy provided by or on behalf of the Company at such time for whatever reason, then a “permanent and total disability” as defined in Section 22(e)(3) of the Code and, in this case, the existence of any such Disability will be certified by a physician acceptable to the Company.

- 1.14 “Eligible Executive” means an Officer or Non-Officer (a) designated from time to time to any pay grade structure used to define executive positions, as applicable, or who may otherwise be designated as an Eligible Executive from time to time by the Compensation Committee or its designee (and such designation has not as of the Separation Date been withdrawn or otherwise revoked, as applicable) and (b) who accepts participation herein in such manner as shall be prescribed by the Company; *provided, however*, that (c) notwithstanding anything in this Plan to the contrary, “Eligible Executive” shall not include any Officer or Non-Officer who, prior to the Effective Date, made an irrevocable election to receive payments or benefits under a supplemental executive retirement program sponsored by the Company, its predecessors or their Affiliates in lieu of certain separation benefits. The Compensation Committee may require as a condition of participation in this Plan that an Eligible Executive execute a participation agreement pursuant to which the Eligible Executive agrees to the terms of his or her participation set forth in this Plan.
- 1.15 “Employee” means (a) each employee of the Employer who (i) works full-time, including flex service employees, and (ii) is compensated as a regular or flexible service employee, but does not mean (b)(i) part-time and temporary employees, excluding flex service employees, (ii) supplemental, contract or agency employees (that is, employees whose employment, whether part-time or full-time, is classified by the Company as supplemental or temporary in nature, and in any event not generally intended to exceed 18 months in duration), (iii) independent contractors (regardless of whether the individual is classified as an employee by any federal, state or local agency or any court of competent jurisdiction), (iv) employees who have elected to be placed on administrative leave pursuant to a written agreement between the employee and the Employer, (v) leased employees (as defined in Section 414 of the Code), (vi) non-employee members of the Board, and (vii) any Non-Officer (x) whose Home Country is not the United States and (y) who is entitled to receive statutory benefits in the event of a Qualifying Separation.
- 1.16 “Employer” means, with respect to an Eligible Executive, the Subsidiary that employs the Eligible Executive, or any successor thereto.
- 1.17 “Employment Agreement” means any employment, severance, consulting or similar agreement (including any offer letter) between the Company or any of its Affiliates and an Eligible Executive.
- 1.18 “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.
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- 1.19 “Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, as such law, rules and regulations may be amended from time to time.
- 1.20 “Good Reason” means:
- (a) with respect to any Eligible Executive, “good reason” as defined in the Eligible Executive’s Employment Agreement, if any; or
 - (b) if not so defined, the occurrence of any one or more of the following events:
 - (i) a material diminution in the Eligible Executive’s Base Salary;
 - (ii) a material diminution in the Eligible Executive’s authority, duties, or responsibilities;
 - (iii) a relocation of the Eligible Executive’s principal place of employment more than 50 miles from its location; or
 - (iv) any other action or inaction that constitutes a material breach by the Company of the Eligible Executive’s Employment Agreement, if any;
- in each case, without the Eligible Executive’s consent. An Eligible Executive must provide notice to the Company of the existence of any one or more of the conditions described in (i) through (iv) above within 60 days of the initial existence of the condition, upon the notice of which the Company will have a period of 30 days during which it may remedy the condition before the condition gives rise to Good Reason.
- 1.21 “Home Country” means, for Eligible Executives who are not expatriates, the country in which the Eligible Executive’s employment is based. For expatriate employees, the Home Country means the country in which the Eligible Executive was last employed prior to the international assignment and the country to which the Eligible Executive will most likely return upon the completion of the assignment.
- 1.22 “Non-Officer” means any Employee of the Employer who is not an Officer.
- 1.23 “Officer” means any Employee of the Employer who is an elected officer of the Company.
- 1.24 “Person” means any “person” as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act.
- 1.25 “Plan” means this Delphi Technologies PLC Executive Severance Plan, as set forth herein, as it may be amended from time to time.
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- 1.26 “Plan Administrator” means the Compensation Committee or such subcommittee or person or persons appointed from time to time by the Compensation Committee to administer this Plan, which appointment may be revoked at any time by the Compensation Committee.
- 1.27 “Protection Period” means either (a) the two-year period following a Change in Control or (b) only if an Officer experiences an involuntary termination of his or her employment by the Employer without Cause (other than by reason of death or Disability) between the signing date of the merger or other applicable transaction document pursuant to which a Change in Control described in subsections (a), (c) or (d) of the definition of Change in Control occurs and the earlier of the date of the Change in Control or the date such merger or transaction agreement terminates (the “Pre-Change in Control Period”), and such termination occurs at the request of any party involved in the Change in Control, the Pre-Change in Control Period (in which case the Officer’s applicable Separation Date shall be deemed to be the date of the Change in Control).
- 1.28 “Qualifying Separation” means:
- (a) For any Officer, (i) an involuntary termination of the Officer’s employment by the Employer without Cause (other than by reason of death or Disability) other than during the Protection Period, or (ii) a voluntary termination of the Officer’s employment for Good Reason other than during the Protection Period; and
 - (b) For any Non-Officer, an involuntary termination of the Non-Officer’s employment by the Employer without Cause (other than by reason of death or Disability); *provided, however*, that
 - (c) A Qualifying Separation shall not occur by reason of the divestiture of a facility, sale of a business or business unit, or the outsourcing of a business activity with which an Eligible Executive is affiliated, if the Eligible Executive is offered comparable employment with a Base Salary and annual cash incentive award opportunity at least equal in value to that in effect immediately prior to such transfer of employment by the entity that acquires such facility, business or business unit or that succeeds to such outsourced business activity.
- 1.29 “Section 409A” means Section 409A of the Code, and the rules, regulations and guidance promulgated thereunder by the U.S. Department of the Treasury or the U.S. Internal Revenue Service.
- 1.30 “Separation Date” means, with respect to an Eligible Executive, the date on which the Eligible Executive incurs a Qualifying Separation.
- 1.31 “Subsidiary” means a corporation, company or other entity (a) more than 50% of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are, or (b) which does not have outstanding shares or securities (as may be the case in a partnership, limited liability company, joint venture or unincorporated association), but more than 50% of whose ownership interest representing
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the right generally to make decisions for such other entity is, now or hereafter, owned or controlled, directly or indirectly, by the Company.

2. **SEVERANCE PAYMENTS AND BENEFITS.**

2.1 **General.** If an Eligible Executive incurs a Qualifying Separation, and as long as the Eligible Executive is not then entitled to receive severance payments or benefits under any Employment Agreement, any change in control severance plan, program or arrangement or any other severance arrangement with the Company or its Affiliates (other than as described in Section 2.4 below) as a result of the Qualifying Separation, then such Eligible Executive shall be entitled to receive severance payments and benefits pursuant to the applicable provisions of this Section 2.

2.2 **Salary-Based Payments.** Each Eligible Executive who incurs a Qualifying Separation shall be entitled to an aggregate cash severance payment, payable (subject to Section 7 of this Plan) in substantially equal bi-monthly installments starting on the second payroll date following the expiration of the revocation period for the Release under Section 2.5 but no later than on the 90th day following the Separation Date (such date the “Payment Date”) in an amount as reflected in the following table:

	Multiple of Annual Base Salary	
Continuous Service	Officer	Non-Officer
≥ 2 years	1.5x (paid in 36 installments)	1x (paid in 24 installments)
< 2 years	1x (paid in 24 installments)	0.5x (paid in 12 installments)

provided, however, that the installment cash severance payments described in this Section 2.2 shall be paid unless and only until the Eligible Executive is employed by another employer subsequent to the Qualifying Separation and any cash severance payments that remain unpaid as of the Eligible Employee’s date of hire with a new employer will be forfeited. The Eligible Executive shall give Notice as required by Section 5.7 to the Company of any such employment and health benefits. The first installment of cash severance payments made pursuant to this Section 2.2 shall include any installments that would have been made during the period from the Separation Date through the actual first payment date if the revocation period for the Release under Section 2.5 had expired on the Separation Date and payments had started immediately after such expiration. Further, any cash severance payments described in this Section 2.2 shall be reduced by any statutory benefits that may be owed to any such Eligible Executive to the extent such reduction would not result in any additional taxes or early income inclusion under Section 409A of the Code.

2.3 **Health Benefits.** If an Eligible Executive incurs a Qualifying Separation and elects COBRA coverage, the Company shall arrange for such coverage at its expense; *provided, however,* that the Eligible Executive shall pay to the Company or its designee a monthly cash payment

equal to the premium active employees would pay for the same coverage, beginning in the month following the month in which the Separation Date occurs and continuing until the earlier of (a) the end of the Continuation Period, or (b) the date on which the Eligible Executive becomes eligible for medical or dental coverage as the case may be from a third party (the “Subsidized COBRA Period”). If the Eligible Executive becomes eligible for medical or dental coverage from a third party, the Eligible Executive shall report to the Company such coverage immediately.

- 2.4 Impact of Qualifying Separation on Equity Awards or Annual Cash Incentive Award Opportunity. In the case of each Eligible Executive who incurs a Qualifying Separation, the provisions of the applicable annual cash incentive, long-term incentive and equity (or equity-based) award agreements and plans and programs, or any other documents or arrangements applicable at such time that provide for the treatment of such annual cash incentive, long-term incentive and equity (or equity-based) awards in connection with or after the Qualifying Separation, will govern the treatment of all annual cash incentive, long-term incentive and equity (or equity-based) awards held by the Eligible Executive, as applicable, as of the Separation Date.
- 2.5 Release. Notwithstanding the foregoing, as a condition to the payment or receipt of any payment or benefit pursuant to the applicable provision of this Section 2, each Eligible Executive shall be required to execute and deliver, before the 60th day following the Eligible Executive’s Separation Date, an effective general waiver and release of claims agreement in favor of the Company and its Subsidiaries and Affiliates, in the form provided by the Company (“Release”), and any applicable revocation period must have expired during such 60-day period without the Eligible Executive revoking such Release. To the extent an Eligible Executive is required to sign a release of claims agreement to receive any payment under Section 2 deemed to be “deferred compensation” for purposes of Section 409A, and the period of time from the Eligible Employee’s Separation Date to the second payroll date after the 60th day following the Eligible Employee’s Separation Date (the “Release Period”) starts in one calendar year and ends in the following calendar year, such payments that would otherwise be made in the first calendar year will be made in the second calendar year, notwithstanding when the release of claims is executed and becomes irrevocable, and the first payment made will include any payments that would have been made during the period from the Separation Date through the actual first payment date if the revocation period for the Release had expired on the Separation Date and payments had started immediately after such expiration. Notwithstanding any provision to the contrary, the Release Period will not exceed 90 days.
- 2.6 No Severance Payments or Benefits Under Certain Circumstances. Notwithstanding anything in this Plan to the contrary, no severance payments or benefits will be paid or provided to an Eligible Executive under this Plan in the event that the Eligible Executive: (a) fails to perform his or her assigned duties in a manner satisfactory to the Company through the Separation Date; (b) fails to cooperate with the Company, those acting on its behalf, or governmental authorities in connection with any special investigation conducted by the Company, or any government investigation; (c) fails or refuses to return all the
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Company's or its Subsidiaries' property in the Eligible Executive's possession or fails to settle all expenses and other financial obligations; (d) resigns or otherwise voluntarily terminates his or her employment with the applicable Employer (including retirement) for any reason (other than by an Officer as provided for in Section 1.27(a)(ii)); (e) is temporarily laid-off or furloughed; (f) is offered a reasonably comparable position within the Company or any of its Subsidiaries in lieu of termination, but fails or refuses to reasonably accept it; (g) is terminated in connection with the outsourcing of operational functions, and the Eligible Executive is offered a reasonably comparable position by the outsourcing vendor; or (h) is terminated for failure to return to work following a leave of absence when directed by the Employer consistent with the rules or policies of the Employer.

3. **PLAN ADMINISTRATION.**

- 3.1 The Plan Administrator shall administer this Plan and may interpret this Plan, prescribe, amend and rescind rules and regulations under this Plan and make all other determinations necessary or advisable for the administration of this Plan, subject to all of the provisions of this Plan.
- 3.2 The Plan Administrator may delegate any of its duties hereunder to such person or persons from time to time as it may designate.
- 3.3 The Plan Administrator is empowered, on behalf of this Plan, to engage accountants, legal counsel and such other personnel as it deems necessary or advisable to assist it in the performance of its duties under this Plan. The functions of any such persons engaged by the Plan Administrator shall be limited to the specified services and duties for which they are engaged, and such persons shall have no other duties, obligations or responsibilities under this Plan. Such persons shall exercise no discretionary authority or discretionary control respecting the management of this Plan. All reasonable expenses thereof shall be borne by the Company.

4. **PLAN MODIFICATION OR TERMINATION.**

Notwithstanding anything herein to the contrary, this Plan may be amended or terminated by the Board or the Compensation Committee at any time with respect to some or all Eligible Executives, and this Plan may be amended at any time and from time to time to comply with any recapture or "clawback" policy of the Company adopted by the Board to comply with Section 10D of the Exchange Act and any applicable rules or regulations promulgated by the Securities and Exchange Commission or any national securities exchange or national securities association on which the Common Stock may be traded, as determined by the Plan Administrator.

5. **GENERAL PROVISIONS.**

- 5.1 Subject to Section 2, if the Company or any Subsidiary or Affiliate is obligated by law or by contract to pay severance pay, a termination indemnity, notice pay, or the like, or if the Company or any Subsidiary or Affiliate is obligated by law to provide advance notice of
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separation to an Eligible Executive (a “Notice Period”), then any payments to the Eligible Executive pursuant to Section 2 shall be reduced by the amount of any such severance pay, termination indemnity, notice pay or the like, as applicable, and by the amount of any compensation received during any Notice Period except to the extent such reduction would be a violation of Section 409A.

- 5.2 Neither the establishment of this Plan, nor any modification thereof, nor the creation of any fund, trust or account, nor the payment of any benefits, shall be construed as giving any Eligible Executive, or any person whomsoever, the right to be retained in the service of the Company or any Subsidiary or Affiliate, and all Eligible Executives shall remain subject to discharge to the same extent as if this Plan had never been adopted.
 - 5.3 If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and this Plan shall be construed and enforced as if such provisions had not been included.
 - 5.4 The headings and captions herein are provided for reference and convenience only, shall not be considered part of this Plan, and shall not be employed in the construction of this Plan. Unless otherwise specified, all Section references herein are to this Plan. Any reference to a day or days herein refers to a calendar day or days unless otherwise stated.
 - 5.5 Notwithstanding anything in this Plan to the contrary, and for the sake of clarification, the Compensation Committee (with respect to Officers) and the Company’s Chief Executive Officer and Chief Human Resources Officer (with respect to Non-Officers) hereby retain authority to provide Eligible Executives with severance payments and benefits in addition to those provided for under this Plan, as determined by the Compensation Committee or the Company’s Chief Executive Officer and Chief Human Resources Officer, as applicable, in its sole discretion (including whether such authority will or will not be utilized with respect to any Eligible Executive).
 - 5.6 This Plan shall not be funded. No Eligible Executive shall have any right to, or interest in, any assets of the Company (or any of its Subsidiaries or Affiliates) that may be applied by the Company (or any of its Subsidiaries or Affiliates) to the payment of benefits or other rights under this Plan. Nothing contained in this Plan, and no action taken pursuant to this Plan, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Company (or any of its Subsidiaries or Affiliates) and any Eligible Executive or any other person. The rights of each Eligible Executive or each Eligible Executive’s estate to benefits under this Plan shall be solely those of an unsecured creditor of the Employer.
 - 5.7 All notices, requests and other communications under this Plan shall be in writing and shall be delivered in person (by courier or otherwise), mailed by certified or registered mail, return receipt requested, or sent by facsimile transmission, as follows:
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if to the Company, to:

Delphi Technologies PLC
Courteney Road
Hoath Way
Gillingham, Kent ME8 0RU
United Kingdom

if to the Eligible Executive, to the address that the Eligible Executive most recently provided to the Company;

or to such other address or facsimile number as such party may hereafter specify for the purpose by notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. on a business day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed received on the next succeeding business day in the place of receipt.

- 5.8 This Plan shall be construed and enforced according to the laws of the State of New York, without reference to principles of conflicts of laws.
- 5.9 All benefits hereunder shall be reduced by applicable withholding and shall be subject to applicable tax reporting, as determined by the Plan Administrator. Notwithstanding any provision of the Plan to the contrary, no particular tax result with respect to any income recognized in connection with this Plan is guaranteed by the Company, its Subsidiaries or its Affiliates.
- 5.10 Following the Separation Date, if and to the extent requested by the Board, each Eligible Executive, as applicable, agrees to (a) resign from the Board, and from all fiduciary positions (including, without limitation, as trustee) and all other offices and positions he holds with the Company and its Subsidiaries and Affiliates; *provided, however*, that if the Eligible Executive refuses to tender his resignation after the Board has made such request, then the Board will be empowered to tender the Eligible Executive's resignation or remove the Eligible Executive from such offices and positions; and (b) assign back to the Company all stock or other equity or equity-based securities of all Subsidiaries or Affiliates that he or she may own as a result of the Company issuing such stock or equity or equity-based securities to the Eligible Executive as a nominee or Company-designee.
- 5.11 Except for (a) any irrevocable election made by an Officer or Non-Officer to receive payments or benefits under a supplemental executive retirement program sponsored by the Company, its predecessors or their Affiliates in lieu of certain separation benefits (and the payments and benefits regarding such election and program), (b) any applicable annual cash incentive, long-term incentive and equity (or equity-based) award agreements and plans and programs described in Section 2.4 above, (c) the applicable severance provisions of any offer letter (or similar agreement) between the Company or any of its Affiliates and an
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Eligible Executive, and (d) the Delphi Technologies PLC Executive Change in Control Severance Plan, as it may be amended from time to time, as applicable, this Plan supersedes in their entirety all of the Company's prior severance plans, policies or agreements in which any current Eligible Executive is a participant or to which any current Eligible Executive is or becomes a party, if any, and all understandings between the Company and such Eligible Executives with respect to the subject matter of this Plan. There shall be no duplication of payments and benefits under this Plan, the Delphi Technologies PLC Executive Change in Control Severance Plan, as it may be amended from time to time, any Employment Agreement, any other change in control severance plan, program or arrangement or any other severance arrangement with the Company or its Affiliates.

5.12 Notwithstanding anything in this Plan to the contrary, nothing in this Plan prevents an Eligible Executive from providing, without prior notice to the Company, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and for purposes of clarity a participant is not prohibited from providing information voluntarily to the United States Securities and Exchange Commission pursuant to Section 21F of the Exchange Act.

6. **SUCCESSORS; BINDING AGREEMENT.**

6.1 Successors of the Company. The Company shall require any successor (and its parent, if applicable) who shall purchase all or substantially all of the business and/or assets of the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise) to expressly assume and agree in writing to maintain this Plan in the same manner and to the same extent that the Company would be required to maintain it; *provided* that no such agreement shall be required if the successor (and its parent, if applicable) shall be or remain so obligated by operation of law. As used in this Section 6.1, the "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to maintain this Plan or which otherwise becomes bound by all the terms and provisions hereof by operation of law.

6.2 Eligible Executive's Heirs, etc. This Plan shall inure to the benefit of and be enforceable by each Eligible Executive's personal or legal representatives, executors, administrators, heirs, distributees, devisees and legatees. If an Eligible Executive should die while any amounts or benefits would still be payable to the Eligible Executive hereunder as if the Eligible Executive had continued to live, all such amounts and benefits, unless otherwise provided herein, shall be paid or provided in accordance with the terms hereof to the Eligible Executive's designee or, if there be no such designee, to the Eligible Executive's estate. When a payment is due under this Plan to a severed Eligible Executive who is unable to care for his affairs, payment may be made directly to the Eligible Executive's legal guardian or personal representative.

6.3 Non-alienation. Except by will or intestacy as set forth in Section 6.2, no right, benefit or interest of any Eligible Executive hereunder, shall be subject to anticipation, alienation, sale, assignment, encumbrance, charge, pledge, hypothecation, or set-off in respect of any claim,

debt or obligation, or to execution, attachment, levy or similar process, or assignment by operation of law. Any attempt, voluntary or involuntary, to effect any action specified in the immediately preceding sentence shall, to the full extent permitted by law, be null, void and of no effect.

7. **SECTION 409A.**

7.1 **General.** Payments and benefits under this Plan are intended to comply with Section 409A to the extent subject thereto, and, accordingly, to the maximum extent permitted, this Plan shall be interpreted and administered to be in compliance therewith.

7.2 **Separation from Service.** Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, an Eligible Executive shall not be considered to have terminated employment with the Employer for purposes of this Plan and no payments shall be due to the Eligible Executive under this Plan until the Eligible Executive would be considered to have incurred a “separation from service” from the Employer within the meaning of Section 409A.

7.3 **Delay for Specified Employees.** Notwithstanding any provisions of this Plan to the contrary, if an Eligible Executive is a “specified employee” (within the meaning of Section 409A and determined pursuant to policies adopted by the Employer consistent with Section 409A) at the time of the Eligible Executive’s separation from service and if any portion of the payments or benefits to be received by the Eligible Executive upon separation from service would be considered deferred compensation under Section 409A, then such deferred compensation amounts that would otherwise be payable pursuant to this Plan and benefits that would otherwise be provided pursuant to this Plan, in each case, during the six-month period immediately following the Eligible Executive’s separation from service shall not be so paid or so provided until six months and one day after the date of the Eligible Executive’s separation from service, except as permitted under Section 409A of the Code.

7.4 **Reimbursements.** With respect to any amount of expenses eligible for reimbursement under this Plan that are considered deferred compensation under Section 409A, such expenses shall be reimbursed by the Employer within 60 days following the date on which the Employer receives the applicable invoice from the applicable Eligible Executive (and approves such invoice) but in no event later than December 31st of the year following the year in which the Eligible Executive incurs the related expenses. In no event shall the reimbursements or in-kind benefits to be provided by the Employer in one taxable year affect the amount of reimbursements or in-kind benefits to be provided in any other taxable year, nor shall an Eligible Executive’s right to reimbursement or in-kind benefits be subject to liquidation or exchange for another benefit.

7.5 **Separate Payments.** Each payment under this Plan shall be considered a “separate payment” and not one of a series of payments for purposes of Section 409A.

8. **CLAIMS, INQUIRIES, APPEALS.**

- 8.1 Applications for Benefits and Inquiries. Any application for benefits, inquiries about this Plan or inquiries about present or future rights under this Plan must be submitted to the Plan Administrator in writing, as follows:

Chief Human Resources Officer
(or General Counsel, if submitted by the Chief Human Resources Officer)
Delphi Technologies PLC
Courteney Road
Hoath Way
Gillingham, Kent ME8 0RU
United Kingdom

- 8.2 Denial of Claims. In the event that any application for benefits is denied in whole or in part, the Plan Administrator must notify the applicant, in writing, of the denial of the application, and of the applicant's right to review the denial. The written notice of denial will be set forth in a manner designed to be understood by the employee, and will include specific reasons for the denial, specific references to the Plan provision upon which the denial is based, a description of any information or material that the Plan Administrator needs to complete the review, and an explanation of this Plan's review procedure.

This written notice will be given to the employee within 90 days after the Plan Administrator receives the application, unless special circumstances require an extension of time, in which case, the Plan Administrator has up to an additional 90 days for processing the application. If an extension of time for processing is required, written notice of the extension will be furnished to the applicant before the end of the initial 90-day period.

This notice of extension will describe the special circumstances necessitating the additional time and the date by which the Plan Administrator is to render his decision on the application. If written notice of denial of the application for benefits is not furnished within the specified time, the application shall be deemed to be denied. The applicant will then be permitted to appeal the denial in accordance with the review procedure described below.

- 8.3 Request for a Review. Any person (or that person's authorized representative) for whom an application for benefits is denied (or deemed denied), in whole or in part, may appeal the denial by submitting a request for a review to the Plan Administrator within 60 days after the application is denied (or deemed denied). The Plan Administrator will give the applicant (or his or her representative) an opportunity to review pertinent documents in preparing a request for a review and submit written comments, documents, records and other information relating to the claim. A request for a review shall be in writing and shall be addressed to:

Chief Human Resources Officer
(or General Counsel, if submitted by the Chief Human Resources Officer)

Delphi Technologies PLC

Courteney Road
Hoath Way
Gillingham, Kent ME8 0RU
United Kingdom

A request for review must set forth all of the grounds on which it is based, all facts in support of the request and any other matters that the applicant feels are pertinent. The Plan Administrator may require the applicant to submit additional facts, documents or other material as it may find necessary or appropriate in making its review.

- 8.4 Decision on Review. The Plan Administrator will act on each request for review within 60 days after receipt of the request, unless special circumstances require an extension of time (not to exceed an additional 60 days), for processing the request for a review. If an extension for review is required, written notice of the extension will be furnished to the applicant within the initial 60-day period. The Plan Administrator will give prompt, written notice of its decision to the applicant. In the event that the Plan Administrator confirms the denial of the application for benefits in whole or in part, the notice will outline, in a manner calculated to be understood by the applicant, the specific Plan provisions upon which the decision is based. If written notice of the Plan Administrator's decision is not given to the applicant within the time prescribed in this Section 8.4, the application will be deemed denied on review.
- 8.5 Rules and Procedures. The Plan Administrator may establish rules and procedures, consistent with this Plan and with ERISA, as necessary and appropriate in carrying out its responsibilities in reviewing benefit claims. The Plan Administrator may require an applicant who wishes to submit additional information in connection with an appeal from the denial (or deemed denial) of benefits to do so at the applicant's own expense.
- 8.6 Exhaustion of Remedies. No legal action for benefits under this Plan may be brought until the claimant (a) has submitted a written application for benefits in accordance with the procedures described by Section 8.1, (b) has been notified by the Plan Administrator that the application is denied (or the application is deemed denied due to the Plan Administrator's failure to act on it within the established time period), (c) has filed a written request for a review of the application in accordance with the appeal procedure described in Section 8.3 and (d) has been notified in writing that the Plan Administrator has denied the appeal (or the appeal is deemed to be denied due to the Plan Administrator's failure to take any action on the claim within the time prescribed by Section 8.4).
9. **LEGAL FEES**.
- 9.1 If any contest or dispute shall arise under or in connection with this Plan involving termination of an Eligible Executive's employment while this Plan is in effect or involving the failure or refusal of the Employer or the Company to perform fully in accordance with the terms of this Plan, and the Eligible Executive prevails in such contest or dispute with respect to substantially all of the material issues, then the Employer shall reimburse the
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Eligible Executive on a current basis for all reasonable legal fees and related expenses, if any, incurred by the Eligible Executive in connection with such contest or dispute.

DELPHI TECHNOLOGIES PLC

EXECUTIVE CHANGE IN CONTROL SEVERANCE PLAN

This Plan, effective as of December 4, 2017 (the “Effective Date”), is for the benefit of Eligible Executives on the terms and conditions hereinafter stated. This Plan, as set forth herein, is intended to provide certain economic benefits to Eligible Executives, in the event of certain terminations of employment that occur in connection with a Change in Control.

1. DEFINITIONS.

As used in this Plan:

- 1.1 “Affiliate” means (a) any entity that, directly or indirectly, is controlled by the Company, (b) any entity in which the Company, directly or indirectly, has a significant equity interest, in each case as determined by the Compensation Committee and (c) any other entity that the Compensation Committee determines should be treated as an “Affiliate.”
- 1.2 “Base Salary” means, with respect to an Eligible Executive, the greater of (a) the Eligible Executive’s annual base salary rate as of the Separation Date and (b) the Eligible Executive’s annual base salary rate in effect immediately prior to the Change in Control, and shall in both cases exclude any bonus, overtime, commission, profit-sharing or similar payments and any short-term or long-term incentives, stock-based compensation, benefits, perquisites, expense reimbursements, allowances or similar forms of compensation.
- 1.3 “Board” means the board of directors of the Company.
- 1.4 “Cause” means, for purposes of a termination of an Eligible Executive’s employment with the Company and its Affiliates, such Eligible Executive’s: (a) indictment for any crime (i) constituting a felony, or (ii) that has, or could reasonably be expected to result in, an adverse impact on the performance of the Eligible Executive’s duties to the Company or a Subsidiary, or otherwise has, or could reasonably be expected to result in, an adverse impact to the business or reputation of the Company or a Subsidiary; (b) having been the subject of any order, judicial or administrative, obtained or issued by the Securities and Exchange Commission for any securities violation involving fraud, including, for example, any such order consented to by the Eligible Executive in which findings of facts or any legal conclusions establishing liability are neither admitted nor denied; (c) conduct, in connection with his or her employment or service, that is not taken in good faith and has, or could reasonably be expected to result in, material injury to the business or reputation of the Company or a Subsidiary or that are materially inimical to the best interests of the Company or a Subsidiary; (d) willful violation of the Company’s Code of Conduct or other material policies set forth in the manuals or statements of policy of the Company; (e) willful neglect in the performance of the Eligible Executive’s duties for the Company or willful or repeated failure or refusal to perform such duties; or (f) material breach of any applicable employment agreement. The occurrence of any such event that is susceptible to cure or remedy shall not
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constitute Cause if such Eligible Executive cures or remedies such event within 30 days after the Company provides notice to such Eligible Executive.

- 1.5 “CEO” means the Eligible Executive serving as the Chief Executive Officer of the Company.
- 1.6 “Change in Control” means the occurrence of any one or more of the following events after the completion of (and, for the avoidance of doubt, not including) the spin-off of the Company from Delphi Automotive PLC into a new, separately traded entity:
- (a) a direct or indirect change in ownership or control of the Company effected through one transaction or a series of related transactions within a 12-month period, whereby any “person” (as defined in Section 3(a)(9) of the Exchange Act) or any two or more persons deemed to be one Person other than the Company or an employee benefit plan maintained by the Company, directly or indirectly acquire or maintain “beneficial ownership” (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company constituting more than 30% of the total combined voting power of the Company’s equity securities outstanding immediately after such acquisition;
 - (b) at any time during a period of 12 consecutive months, individuals who at the beginning of such period constituted the Board cease for any reason to constitute a majority of members of the Board; *provided, however*, that any new member of the Board whose election or nomination for election was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was so approved, shall be considered as though such individual were a member of the Board at the beginning of the period, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;
 - (c) the consummation of a merger or consolidation of the Company or any of its subsidiaries with any other corporation or entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity or, if applicable, the ultimate parent thereof) at least 50% of the combined voting power and total fair market value of the securities of the Company or such surviving entity or parent outstanding immediately after such merger or consolidation; or
 - (d) the consummation of any sale, lease, exchange or other transfer to any Person (other than an Affiliate of the Company), in one transaction or a series of related transactions within a 12-month period, of all or substantially all of the assets of the Company and its Subsidiaries.
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Notwithstanding the foregoing, for any payment or benefit under this Plan that provides for accelerated distribution on a Change in Control of amounts that constitute “deferred compensation” (as defined in Section 409A of the Code), if the event that constitutes such Change in Control does not also constitute a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company’s assets (in either case, as defined in Section 409A of the Code), such amount shall not be distributed on such Change in Control but instead shall vest as of the date of such Change in Control and shall be paid on the scheduled payment date for such payment or benefit, except to the extent that earlier distribution would not result in the Eligible Executive who is receiving such payment or benefit incurring any additional tax, penalty, interest or other expense under Section 409A of the Code.

- 1.7 “COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended from time to time.
 - 1.8 “Code” means the Internal Revenue Code of 1986, as it may be amended from time to time, including, without limitation, any rules and regulations promulgated thereunder, along with Treasury and Internal Revenue Service interpretations thereof.
 - 1.9 “Common Stock” means the ordinary shares, \$0.01 par value per share, of the Company or any security into which such ordinary shares may be changed by reason of any transaction or similar event.
 - 1.10 “Company” means Delphi Technologies PLC, a Jersey public limited company, or its successor.
 - 1.11 “Compensation Committee” means the Compensation and Human Resources Committee of the Board, or its successor.
 - 1.12 “Disability” means (a) a permanent and total disability that entitles the Eligible Executive to disability income payments under any long-term disability plan or policy provided by or on behalf of the Company under which the Eligible Executive is covered, as such plan or policy is then in effect, or (b) if such Eligible Executive is not covered under a long-term disability plan or policy provided by or on behalf of the Company at such time for whatever reason, then a “permanent and total disability” as defined in Section 22(e)(3) of the Code and, in this case, the existence of any such Disability will be certified by a physician acceptable to the Company.
 - 1.13 “Eligible Executive” means an officer (a) designated from time to time as an Eligible Executive by the Compensation Committee or its designee (and such designation has not as of the Separation Date been withdrawn or otherwise revoked, as applicable) and (b) who accepts participation herein in such manner as shall be prescribed by the Company. The Compensation Committee may require as a condition of participation in this Plan that an Eligible Executive execute a participation agreement pursuant to which the Eligible Executive agrees to the terms of his or her participation set forth in this Plan.
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- 1.14 “ Employer ” means, with respect to an Eligible Executive, the Subsidiary that employs the Eligible Executive, or any successor thereto.
- 1.15 “ Employment Agreement ” means any employment, severance, consulting or similar agreement (including any offer letter) between the Company or any of its Affiliates and an Eligible Executive.
- 1.16 “ Exchange Act ” means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, as such law, rules and regulations may be amended from time to time.
- 1.17 “ Good Reason ” means:
- (a) with respect to any Eligible Executive, “good reason” as defined in the Eligible Executive’s Employment Agreement, if any; or
 - (b) if not so defined, the occurrence of any one or more of the following events:
 - (i) a material diminution in the Eligible Executive’s Base Salary;
 - (ii) a material diminution in the Eligible Executive’s authority, duties, or responsibilities;
 - (iii) a relocation of the Eligible Executive’s principal place of employment more than 50 miles from its location; or
 - (iv) any other action or inaction that constitutes a material breach by the Company of the Eligible Executive’s Employment Agreement, if any;
- in each case, without the Eligible Executive’s consent. An Eligible Executive must provide notice to the Company of the existence of any one or more of the conditions described in (i) through (iv) above within 60 days of the initial existence of the condition, upon the notice of which the Company will have a period of 30 days during which it may remedy the condition before the condition gives rise to Good Reason.
- 1.18 “ Person ” means any “person” as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act.
- 1.19 “ Plan ” means this Delphi Technologies PLC Executive Change in Control Severance Plan, as set forth herein, as it may be amended from time to time.
- 1.20 “ Plan Administrator ” means the Compensation Committee or such subcommittee or person or persons appointed from time to time by the Compensation Committee to administer this Plan, which appointment may be revoked at any time by the Compensation Committee.
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- 1.21 “Protection Period” means either (a) the two-year period following a Change in Control or (b) only if an Eligible Executive experiences an involuntary termination of his or her employment by the Employer without Cause (other than by reason of death or Disability) between the signing date of the merger or other applicable transaction document pursuant to which a Change in Control described in Sections 1.6(a), 1.6(c) or 1.6(d) occurs and the earlier of the date of the Change in Control or the date such merger or transaction agreement terminates (the “Pre-Change in Control Period”), and such termination occurs at the request of any party involved in the Change in Control, the Pre-Change in Control Period (in which case the Eligible Executive’s applicable Separation Date shall be deemed to be the date of the Change in Control).
- 1.22 “Qualifying Separation” means either an involuntary termination of the Eligible Executive’s employment by the Employer without Cause (other than by reason of death or Disability) during the Protection Period, or a voluntary termination of the Eligible Executive’s employment for Good Reason during the Protection Period; *provided, however,* that a Qualifying Separation shall not occur by reason of the divestiture of a facility, sale of a business or business unit, or the outsourcing of a business activity with which an Eligible Executive is affiliated, if the Eligible Executive is offered comparable employment with a Base Salary and annual cash incentive award opportunity at least equal in value to that in effect immediately prior to such transfer of employment by the entity that acquires such facility, business or business unit or that succeeds to such outsourced business activity.
- 1.23 “Section 409A” means Section 409A of the Code, and the rules, regulations and guidance promulgated thereunder by the U.S. Department of the Treasury or the U.S. Internal Revenue Service
- 1.24 “Separation Date” means, with respect to an Eligible Executive, the date on which the Eligible Executive incurs a Qualifying Separation.
- 1.25 “Subsidiary” means a corporation, company or other entity (a) more than 50% of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are, or (b) which does not have outstanding shares or securities (as may be the case in a partnership, limited liability company, joint venture or unincorporated association), but more than 50% of whose ownership interest representing the right generally to make decisions for such other entity is, now or hereafter, owned or controlled, directly or indirectly, by the Company.
2. **SEVERANCE PAYMENTS AND BENEFITS**.
- 2.1 General. If an Eligible Executive incurs a Qualifying Separation, and as long as the Eligible Executive is not then entitled to receive severance payments or benefits under any Employment Agreement, any change in control severance plan, program or arrangement or any other severance arrangement with the Company or its Affiliates (other than as described in Section 2.4 below) as a result of the Qualifying Separation, then such Eligible Executive shall be entitled to receive change in control severance payments and benefits pursuant to the applicable provisions of this Section 2.
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- 2.2 Cash Payment. Subject to Section 2.6, each Eligible Executive who incurs a Qualifying Separation shall be entitled to a single lump sum cash payment, payable (subject to Section 8 of this Plan) on the second payroll date following the expiration of the revocation period for the Release under Section 2.5 but no later than on the 90th day following the Separation Date (such date the “Payment Date”), in an amount equal to the sum of:
- (a) (i) three times Base Salary in the case of the CEO and (ii) two times Base Salary in the case of an Eligible Executive other than the CEO; and
 - (b) (i) in the case of the CEO, three times the higher of the CEO’s target annual cash incentive award opportunity (A) for the year in which the Separation Date occurs or (B) in effect immediately prior to the Change in Control, and (ii) in the case of an Eligible Executive other than the CEO, two times the higher of the Eligible Executive’s target annual cash incentive award opportunity (A) for the year in which the Separation Date occurs or (B) in effect immediately prior to the Change in Control.
- 2.3 Health Benefits. Subject to Section 2.6, an Eligible Executive who incurs a Qualifying Separation shall be entitled to a single lump sum cash payment on the Payment Date in an amount equal to:
- (a) the sum of 36 monthly COBRA premiums then in effect under the Company’s health and dental insurance plans (the “Health Plans”) for the coverage in which the CEO (and his eligible dependents, if applicable) is enrolled on the Separation Date,
 - (b) the sum of 24 monthly COBRA premiums then in effect under the Company’s Health Plans for the coverage in which an Eligible Executive other than the CEO (and his eligible dependents, if applicable) is enrolled on the Separation Date.
- 2.4 Impact of Qualifying Separation on Equity Awards or Annual Cash Incentive Award Opportunity. In the case of each Eligible Executive who incurs a Qualifying Separation, the provisions of the applicable annual cash incentive, long-term incentive and equity (or equity-based) award agreements and plans and programs, or any other documents or arrangements applicable at such time that provide for the treatment of such annual cash incentive, long-term incentive and equity (or equity-based) awards in connection with or after the Qualifying Separation, will govern the treatment of all annual cash incentive, long-term incentive and equity (or equity-based) awards held by the Eligible Executive, as applicable, as of the Separation Date.
- 2.5 Release. Notwithstanding the foregoing, as a condition to the payment or receipt of any payment or benefit pursuant to the applicable provision of this Section 2, each Eligible Executive shall be required to execute and deliver, before the 60th day following the Eligible Executive’s Separation Date, an effective general waiver and release of claims agreement in favor of the Company and its Subsidiaries and Affiliates, in the form provided by the Company (“Release”), and any applicable revocation period must have expired during such 60-day period without the Eligible Executive revoking such Release. To the extent an
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Eligible Executive is required to sign a release of claims agreement to receive any payment under Section 2 deemed to be “deferred compensation” for purposes of Section 409A, and the period of time from the Eligible Employee’s Separation Date to the second payroll date after the 60th day following the Eligible Employee’s Separation Date (the “Release Period”) starts in one calendar year and ends in the following calendar year, any such payments that would otherwise be made in the first calendar year will be made in the second calendar year, notwithstanding when the Release is executed and becomes irrevocable, and the first payment made will include any payments that would have been made during the period from the Separation Date through the actual first payment date if the revocation period for the Release had expired or the Separation Date and payments had started immediately after such expiration. Notwithstanding any provision to the contrary, the Release Period will not exceed 90 days.

- 2.6 Special Payment Timing. In the event that (a) an Eligible Executive incurs a Qualifying Separation, and (b) the Eligible Executive has an Employment Agreement or other arrangement with the Company, a Subsidiary or an Affiliate that provides for severance payments in the event of a termination of employment or the Eligible Executive is covered by the Delphi Technologies PLC Executive Severance Plan, and (c) (i) the Change in Control that triggers the Protection Period does not constitute a “change in control event” as defined in Section 409A of the Code or (ii) the Qualifying Separation occurs during the Pre-Change in Control Period or (iii) the time and form of the payments under Sections 2.2 and 2.3 would result in tax penalties under Section 409A of the Code, then to the extent necessary to avoid tax penalties under Section 409A of the Code, any severance payments owed pursuant to Sections 2.2 and 2.3 that are not in excess of the amount that the Eligible Executive would have received under the Employment Agreement or other arrangement or the Delphi Technologies PLC Executive Severance Plan, as applicable, as a result of a termination of employment other than during the Protection Period shall be paid at the time and in the manner provided in the Delphi Technologies PLC Executive Severance Plan or the Eligible Executive’s Employment Agreement or other arrangement, whichever applies, and the remaining amounts shall be paid in accordance with Sections 2.2 and 2.3.

3. **PROVISIONS RELATING TO POTENTIAL EXCISE TAXES.**

- 3.1 Notwithstanding any other provisions in this Plan, in the event that any payment or benefit received or to be received by an Eligible Executive (including, without limitation, any payment or benefit received in connection with a Change in Control or the termination of the Eligible Executive’s employment, whether pursuant to the terms of this Plan or any other plan, program, arrangement or agreement) (all such payments and benefits, together, the “Total Payments”) would be subject (in whole or part), to any excise tax imposed under Section 4999 of the Code, or any successor provision thereto (the “Excise Tax”), then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, program, arrangement or agreement, the Employer will reduce the Eligible Executive’s payments and/or benefits under this Plan to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax (but in no event to less than zero) in the following order: (a) payments and benefits that do not constitute
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“nonqualified deferred compensation” subject to Section 409A will be reduced first; and (b) all other payments and benefits will then be reduced, in each case as follows: (i) cash payments will be reduced before non-cash payments; and (ii) payments to be made on a later payment date will be reduced before payments to be made on an earlier payment date (the payments and benefits set forth in clauses (a) and (b), together, the “Potential Payments”); *provided, however*, that the Potential Payments shall only be reduced if (x) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state, municipal, local and other income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (y) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state, municipal, local and other income taxes on such Total Payments and the amount of Excise Tax to which the Eligible Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

- 3.2 For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax: (a) no portion of the Total Payments the receipt or enjoyment of which the Eligible Executive shall have waived at such time and in such manner as not to constitute a “payment” within the meaning of Section 280G(b) of the Code shall be taken into account; (b) no portion of the Total Payments shall be taken into account which, in the opinion of tax counsel (“Tax Counsel”) reasonably acceptable to the Eligible Executive and selected by the accounting firm which was, immediately prior to the Separation Date, the Company’s independent auditor (the “Auditor”), does not constitute a “parachute payment” within the meaning of Section 280G(b)(2) of the Code (including, without limitation, by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the opinion of Tax Counsel, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the “base amount” (as set forth in Section 280G(b)(3) of the Code) that is allocable to such reasonable compensation; and (c) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Auditor in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.
- 3.3 With respect to each Eligible Executive, at the time that payments are made under this Plan, the Employer shall provide the Eligible Executive with a written statement setting forth the manner in which such payments were calculated and the basis for such calculations, including, without limitation, any opinions or other advice the Employer received from Tax Counsel, the Auditor, or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement). If such Eligible Executive objects to the Employer’s calculations, the Employer shall pay to such Eligible Executive such portion of the Potential Payments (up to 100% thereof) as such Eligible Executive determines is necessary to result in the proper application of this Section 3. All determinations required by this Section 3 (or requested by either such Eligible Executive or the Employer in connection with this Section 3) shall be at the reasonable expense of the Employer.
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fact that an Eligible Executive's right to payments or benefits may be reduced by reason of the limitations contained in this Section 3, shall not of itself limit or otherwise affect any other rights of the Eligible Executive under this Plan.

4. **PLAN ADMINISTRATION.**

- 4.1 The Plan Administrator shall administer this Plan and may interpret this Plan, prescribe, amend and rescind rules and regulations under this Plan and make all other determinations necessary or advisable for the administration of this Plan, subject to all of the provisions of this Plan.
- 4.2 The Plan Administrator may delegate any of its duties hereunder to such person or persons from time to time as it may designate.
- 4.3 The Plan Administrator is empowered, on behalf of this Plan, to engage accountants, legal counsel and such other personnel as it deems necessary or advisable to assist it in the performance of its duties under this Plan. The functions of any such persons engaged by the Plan Administrator shall be limited to the specified services and duties for which they are engaged, and such persons shall have no other duties, obligations or responsibilities under this Plan. Such persons shall exercise no discretionary authority or discretionary control respecting the management of this Plan. All reasonable expenses thereof shall be borne by the Company.

5. **PLAN MODIFICATION OR TERMINATION.**

Notwithstanding anything herein to the contrary, this Plan may be amended or terminated by the Board or the Compensation Committee at any time with respect to some or all Eligible Executives; *provided, however*, that no amendment, termination or suspension of this Plan that would be adverse to the interests of any Eligible Executive will be effective except upon one year's prior written notice to the Eligible Executive unless the adversely affected Eligible Executive consents to such amendment, termination or suspension in writing, except that this Plan may be amended at any time and from time to time to comply with any recapture or "clawback" policy of the Company adopted by the Board to comply with Section 10D of the Exchange Act and any applicable rules or regulations promulgated by the Securities and Exchange Commission or any national securities exchange or national securities association on which the Common Stock may be traded, as determined by the Plan Administrator. Notwithstanding the foregoing, neither this Plan nor any Eligible Executive's participation in this Plan may be terminated or amended in any manner prior to the fifth business day following the second anniversary of a Change in Control without the prior written consent of the applicable Eligible Executive potentially affected thereby.

6. **GENERAL PROVISIONS.**

- 6.1 Subject to Section 2, if the Company or any Subsidiary or Affiliate is obligated by law or by contract to pay severance pay, a termination indemnity, notice pay, or the like, or if the Company or any Subsidiary or Affiliate is obligated by law to provide advance notice of
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separation to an Eligible Executive (a “Notice Period”), then any payments to the Eligible Executive pursuant to Section 2 shall be reduced by the amount of any such severance pay, termination indemnity, notice pay or the like, as applicable, and by the amount of any compensation received during any Notice Period except to the extent such reduction would be a violation of Section 409A.

- 6.2 Neither the establishment of this Plan, nor any modification thereof, nor the creation of any fund, trust or account, nor the payment of any benefits, shall be construed as giving any Eligible Executive, or any person whomsoever, the right to be retained in the service of the Company or any Subsidiary or Affiliate, and all Eligible Executives shall remain subject to discharge to the same extent as if this Plan had never been adopted.
 - 6.3 If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and this Plan shall be construed and enforced as if such provisions had not been included.
 - 6.4 The headings and captions herein are provided for reference and convenience only, shall not be considered part of this Plan, and shall not be employed in the construction of this Plan. Unless otherwise specified, all Section references herein are to this Plan. Any reference to a day or days herein refers to a calendar day or days unless otherwise stated.
 - 6.5 Notwithstanding anything in this Plan to the contrary, and for the sake of clarification, the Compensation Committee hereby retains authority to provide Eligible Executives with severance payments and benefits in addition to those provided for under this Plan, as determined by the Compensation Committee in its sole discretion (including whether such authority will or will not be utilized with respect to any Eligible Executive).
 - 6.6 This Plan shall not be funded. No Eligible Executive shall have any right to, or interest in, any assets of the Company (or any of its Subsidiaries or Affiliates) that may be applied by the Company (or any of its Subsidiaries or Affiliates) to the payment of benefits or other rights under this Plan. Nothing contained in this Plan, and no action taken pursuant to this Plan, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Company (or any of its Subsidiaries or Affiliates) and any Eligible Executive or any other person. The rights of each Eligible Executive or each Eligible Executive’s estate to benefits under this Plan shall be solely those of an unsecured creditor of the Employer.
 - 6.7 Any notice or other communication required or permitted pursuant to the terms hereof shall be in writing and shall be deemed to have been duly given if delivered in person, by e-mail or fax, by United States mail, certified or registered with return receipt requested, or by a nationally recognized overnight courier service, or otherwise actually delivered.
 - 6.8 This Plan shall be construed and enforced according to the laws of the State of New York, without reference to principles of conflicts of laws.
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- 6.9 All benefits hereunder shall be reduced by applicable withholding and shall be subject to applicable tax reporting, as determined by the Plan Administrator. Notwithstanding any provision of the Plan to the contrary, no particular tax result with respect to any income recognized in connection with this Plan is guaranteed by the Company, its Subsidiaries or its Affiliates.
- 6.10 Following the Separation Date, if and to the extent requested by the Board, each Eligible Executive, as applicable, agrees to (a) resign from the Board, and from all fiduciary positions (including, without limitation, as trustee) and all other offices and positions he holds with the Company and its Subsidiaries and Affiliates; *provided, however*, that if the Eligible Executive refuses to tender his resignation after the Board has made such request, then the Board will be empowered to tender the Eligible Executive's resignation or remove the Eligible Executive from such offices and positions; and (b) assign back to the Company all stock or other equity or equity-based securities of all Subsidiaries or Affiliates that he or she may own as a result of the Company issuing such stock or equity or equity-based securities to the Eligible Executive as a nominee or Company-designee.
- 6.11 Except for (a) any irrevocable election made by an Eligible Executive to receive payments or benefits under a supplemental executive retirement program sponsored by the Company, its predecessors or their Affiliates in lieu of certain separation benefits (and the payments and benefits regarding such election and program), (b) any applicable annual cash incentive, long-term incentive and equity (or equity-based) award agreements and plans and programs described in Section 2.4 above, (c) the applicable severance provisions of any offer letter (or similar agreement) between the Company or any of its Affiliates and an Eligible Executive, and (d) the Delphi Technologies PLC Executive Severance Plan, as it may be amended from time to time, as applicable, this Plan supersedes in their entirety all of the Company's prior severance plans, policies or agreements in which any current Eligible Executive is a participant or to which any current Eligible Executive is or becomes a party, if any, and all understandings between the Company and such Eligible Executives with respect to the subject matter of this Plan. There shall be no duplication of payments and benefits under this Plan, the Delphi Technologies PLC Executive Severance Plan, as it may be amended from time to time, any Employment Agreement, any other change in control severance plan, program or arrangement or any other severance arrangement with the Company or its Affiliates.
- 6.12 Notwithstanding anything in this Plan to the contrary, nothing in this Plan prevents an Eligible Executive from providing, without prior notice to the Company, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and for purposes of clarity a participant is not prohibited from providing information voluntarily to the United States Securities and Exchange Commission pursuant to Section 21F of the Exchange Act.

7. **SUCCESSORS; BINDING AGREEMENT.**

- 7.1 Successors of the Company. The Company shall require any successor (and its parent, if applicable) who shall purchase all or substantially all of the business and/or assets of the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise) to expressly assume and agree in writing to maintain this Plan in the same manner and to the same extent that the Company would be required to maintain it; *provided* that no such agreement shall be required if the successor (and its parent, if applicable) shall be or remain so obligated by operation of law. As used in this Section 7.1, the “Company” shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to maintain this Plan or which otherwise becomes bound by all the terms and provisions hereof by operation of law.
- 7.2 Eligible Executive’s Heirs, etc. This Plan shall inure to the benefit of and be enforceable by each Eligible Executive’s personal or legal representatives, executors, administrators, heirs, distributees, devisees and legatees. If an Eligible Executive should die while any amounts or benefits would still be payable to the Eligible Executive hereunder as if the Eligible Executive had continued to live, all such amounts and benefits, unless otherwise provided herein, shall be paid or provided in accordance with the terms hereof to the Eligible Executive’s designee or, if there be no such designee, to the Eligible Executive’s estate. When a payment is due under this Plan to a severed Eligible Executive who is unable to care for his affairs, payment may be made directly to the Eligible Executive’s legal guardian or personal representative.
- 7.3 Non-alienation. Except by will or intestacy as set forth in Section 7.2, no right, benefit or interest of any Eligible Executive hereunder, shall be subject to anticipation, alienation, sale, assignment, encumbrance, charge, pledge, hypothecation, or set-off in respect of any claim, debt or obligation, or to execution, attachment, levy or similar process, or assignment by operation of law. Any attempt, voluntary or involuntary, to effect any action specified in the immediately preceding sentence shall, to the full extent permitted by law, be null, void and of no effect.
8. **SECTION 409A**.
- 8.1 General. Payments and benefits under this Plan are intended to comply with Section 409A to the extent subject thereto, and, accordingly, to the maximum extent permitted, this Plan shall be interpreted and administered to be in compliance therewith.
- 8.2 Separation from Service. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, an Eligible Executive shall not be considered to have terminated employment with the Employer for purposes of this Plan and no payments shall be due to the Eligible Executive under this Plan until the Eligible Executive would be considered to have incurred a “separation from service” from the Employer within the meaning of Section 409A.
- 8.3 Delay for Specified Employees. Notwithstanding any provisions of this Plan to the contrary, if an Eligible Executive is a “specified employee” (within the meaning of Section 409A and determined pursuant to policies adopted by the Employer consistent with Section 409A) at
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the time of the Eligible Executive's separation from service and if any portion of the payments or benefits to be received by the Eligible Executive upon separation from service would be considered deferred compensation under Section 409A, then such deferred compensation amounts that would otherwise be payable pursuant to this Plan and benefits that would otherwise be provided pursuant to this Plan, in each case, during the six-month period immediately following the Eligible Executive's separation from service shall not be so paid or so provided until six months and one day after the date of the Eligible Executive's separation from service, except as permitted under Section 409A of the Code.

- 8.4 Reimbursements. With respect to any amount of expenses eligible for reimbursement under this Plan that are considered deferred compensation under Section 409A, such expenses shall be reimbursed by the Employer within 60 days following the date on which the Employer receives the applicable invoice from the applicable Eligible Executive (and approves such invoice) but in no event later than December 31st of the year following the year in which the Eligible Executive incurs the related expenses. In no event shall the reimbursements or in-kind benefits to be provided by the Employer in one taxable year affect the amount of reimbursements or in-kind benefits to be provided in any other taxable year, nor shall an Eligible Executive's right to reimbursement or in-kind benefits be subject to liquidation or exchange for another benefit.
- 8.5 Separate Payments. Each payment under this Plan shall be considered a "separate payment" and not one of a series of payments for purposes of Section 409A.

9. **LEGAL FEES**.

- 9.1 If any contest or dispute shall arise under or in connection with this Plan involving termination of an Eligible Executive's employment while this Plan is in effect or involving the failure or refusal of the Employer or the Company to perform fully in accordance with the terms of this Plan, and the Eligible Executive prevails in such contest or dispute with respect to at least one material issue, then the Employer shall reimburse the Eligible Executive on a current basis for all reasonable legal fees and related expenses, if any, incurred by the Eligible Executive in connection with such contest or dispute, together with interest at a rate equal to the prime rate as reported in *The Wall Street Journal* on the day of the reimbursement, such interest to accrue 30 days from the date the Employer receives the Eligible Executive's statement for such fees and expenses through the date of payment thereof.

TRANSITION SERVICES AGREEMENT

This TRANSITION SERVICES AGREEMENT (this “Agreement”), dated as of **December 4, 2017**, by and between **DELPHI AUTOMOTIVE PLC**, a public limited company formed under the laws of Jersey (“Aptiv”) and **DELPHI TECHNOLOGIES PLC**, a public limited company formed under the laws of Jersey (“Delphi Technologies”). Each of Delphi Technologies and Aptiv is referred to herein as a “Party” and collectively as the “Parties”.

WITNESSETH

WHEREAS, Aptiv and Delphi Technologies have entered into that certain Separation and Distribution Agreement, dated as of November 15, 2017 (the “Separation and Distribution Agreement”), pursuant to which Aptiv and Delphi Technologies have agreed that Aptiv will transfer the Delphi Technologies Business to Delphi Technologies and distribute the shares in Delphi Technologies to the shareholders of Aptiv on the terms and conditions set forth in the Separation and Distribution Agreement;

WHEREAS, solely in order to facilitate the orderly transfer and continuation of the Delphi Technologies Business and the operation of the Delphi Technologies Business by Delphi Technologies for a transitional period not to exceed the Term, Aptiv has agreed to, and has agreed to cause certain of its Affiliates to, provide Delphi Technologies and its Subsidiaries certain administrative and transition services;

WHEREAS, solely in order to facilitate the operation of the Aptiv Business by Aptiv and its Affiliates, Delphi Technologies has agreed to, and has agreed to cause its Subsidiaries to, provide Aptiv and its Affiliates certain administrative and transition services during the Term;

WHEREAS, neither Delphi Technologies nor Aptiv intends, by the terms and conditions hereof, to create an ongoing service relationship with the other with respect to the Services for a duration of time exceeding the Term; and

WHEREAS, Delphi Technologies and Aptiv intend to terminate the Service relationships contemplated hereby no later than expiration of the Term.

NOW, THEREFORE, in consideration of entering into the Separation and Distribution Agreement and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions. For purposes of this Agreement, capitalized terms shall have the meaning set forth in the body of this Agreement or as set forth below in this Section 1.1. To the extent any capitalized terms are not defined herein, they shall have the meanings set forth in the Separation and Distribution Agreement.

“Cost” means, with respect to a Service, either (a) the monthly service fees and other amounts set forth in Exhibit 2.1(a) or Exhibit 2.1(b) or (b) for Services contained in Exhibit 2.1(a) or Exhibit 2.1(b) for which prices are specified as “billed as incurred”, their actual cost based on the cost formula specified for each Service in Exhibit 2.1(a) or Exhibit 2.1(b), including where applicable, the increase in the monthly service fees for the relevant Service as provided in Exhibit 2.1(a) or Exhibit 2.1(b) and the increase set forth in Section 2.3 of the Agreement.

“Service” means (a) each service provided by Aptiv or its Affiliates to Delphi Technologies or its Subsidiaries pursuant to Section 2.1(a), and (b) each service provided by Delphi Technologies or its Subsidiaries to Aptiv or its Affiliates pursuant to Section 2.1(b), in each case, as separately identified in Exhibit 2.1(a) or Exhibit 2.1(b), as applicable.

“Service Provider” means (a) Aptiv or its applicable Affiliate, in connection with Services provided by such Person pursuant to Section 2.1(a) of this Agreement, and (b) Delphi Technologies or its applicable Subsidiary, in connection with Services provided by such Person pursuant to Section 2.1(b) of this Agreement.

“Service Recipient” means (a) Delphi Technologies or its applicable Subsidiary, in connection with Services received by such Person pursuant to Section 2.1(a) of this Agreement, and (b) Aptiv or its applicable Affiliate, in connection with Services received by such Person pursuant to Section 2.1(b) of this Agreement.

ARTICLE 2 **SERVICES**

2.1 Types of Services .

(a) For up to twenty-four (24) months from the Distribution Date (the “Term”), Aptiv will, and will cause certain of its Affiliates to, provide to Delphi Technologies and its Subsidiaries certain Services, in each case: (i) only as described in Exhibit 2.1(a) to this Agreement; (ii) only to the extent necessary for the continued operation of the Delphi Technologies Business, in the ordinary course consistent with past practice and the Level of Services existing during the Service Baseline Period (except that, Aptiv and its Affiliates shall be excused from performing to the extent that Services cannot be performed as a result of: (x) Delphi Technologies’ or its applicable Subsidiary’s failure to perform, or failure to cause to be performed, any necessary Excluded Services; and (y) changes in the operation of the Delphi Technologies Business after the Distribution Date); (iii) only as offered by Aptiv and its Affiliates to their own operations at the time the applicable Services are provided under this Agreement (provided that Aptiv and its Affiliates will not eliminate a Service prior to the end of the Period set forth in Exhibit 2.1(a)), unless otherwise agreed in writing by the relevant Service Recipient, and will use commercially reasonable efforts to provide the relevant Service Recipient at least thirty (30) days advance notice of any significant changes); (iv) in a manner consistent with that which Aptiv or its applicable Affiliate provided such Services for or within its own organization or group during the Service Baseline Period; and (v) for a period not to exceed the Term or such shorter period as may be set forth in Exhibit 2.1(a) for a particular Service.

(b) During the Term, Delphi Technologies will, and will cause its Subsidiaries to, provide to Aptiv and its Affiliates, certain Services, in each case: (i) only as described on **Exhibit 2.1(b)** to this Agreement; (ii) only to the extent necessary for the continued operation of the Aptiv Business, in the ordinary course consistent with past practice and the Level of Services as existed during the Service Baseline Period (except that, Delphi Technologies and its Affiliates shall be excused from performing to the extent that Services cannot be performed as a result of: (x) Aptiv's or its applicable Subsidiary's failure to perform, or failure to cause to be performed, any necessary Excluded Services; and (y) changes in the operation of the Aptiv Business after the Distribution Date); (iii) only as offered by Delphi Technologies and its Affiliates to their own operations at the time the applicable Services are provided under this Agreement (provided that Delphi Technologies and its Affiliates will not eliminate a Service prior to the end of the period set forth in **Exhibit 2.1(b)**, unless otherwise agreed in writing by the relevant Service Recipient, and will use commercially reasonable efforts to provide the relevant Service Recipient at least thirty (30) days advance notice of any significant changes); (iv) in a manner consistent with that which Aptiv or its applicable Affiliate provided such Services for or within its own organization or group during the Service Baseline Period; and (v) for a period not to exceed the Term or such shorter period as may be set forth in **Exhibit 2.1(b)** for a particular Service.

(c) In no event shall the Services include the following (collectively, "Excluded Services"): (i) any services that are not expressly set forth in **Exhibit 2.1(a)** to this Agreement, including those services set forth in **Exhibit 2.1(c)** (in each case, with respect to the Services provided to Delphi Technologies or its Subsidiaries) or **Exhibit 2.1(b)** to this Agreement (with respect to the Services provided to Aptiv or its Affiliates) as included Services; and (ii) unless extended by the written agreement of Aptiv and Delphi Technologies in accordance with Section 2.3 below, Services whose term has expired in accordance with the terms of this Agreement.

(d) Service Provider shall not be obligated to perform or to cause to be performed any Service in a manner that is materially more burdensome (with respect to service quality or quantity) than analogous services provided by Aptiv for or within its own organization or group (collectively referred to as the "Level of Service") during the six (6) month period preceding the Distribution Date (the "Service Baseline Period"). A Service shall be deemed materially more burdensome if, among other items, its usage or the resources necessary to provide the Service exceed the usage or the resources required to provide analogous services to Service Provider's own organization during the Service Baseline Period, or if Service Provider is required to hire new employees, engage new contractors or make capital investments in respect of such Service greater than the maximum number of employees or contractors dedicated at any time to analogous services, or investments made by Service Provider with respect to analogous services, during the Service Baseline Period. If Service Recipient requests that Service Provider perform or cause to be performed any Service that exceeds the Level of Service during the Service Baseline Period, including any acquisition or upgrade of technology, software or information systems, then the Parties shall cooperate and act in good faith to determine (i) whether Service Provider will provide such requested higher Level of Service and (ii) the Cost of providing such requested Higher Level of Service. If and to the extent that the Parties determine that Service Provider shall provide the requested higher Level of Service, then such higher Level of Service shall be documented in a supplement to the Exhibits hereto, reflecting the scope of such Service and the Cost thereof. Each such supplement, as agreed to in writing by the Parties, shall be deemed part of this Agreement as of the date of such written agreement and the Level of Service increases set forth in such written agreement shall be deemed a part of the Services provided under this Agreement, in each case subject to the terms and conditions of this Agreement.

(e) In the event that Delphi Technologies and Aptiv agree that for the provision of local country Services it is necessary or desirable to enter into a local contract, then, at the request of either Delphi Technologies or Aptiv, Delphi Technologies or Aptiv shall procure that the applicable Service Provider and Service Recipient in each such country shall execute a “ Participation Agreement ” in a form materially consistent with the template attached hereto as **Exhibit 2.1(c)**.

2.2 Additional Services.

(a) Both Parties, working together and using commercially reasonable efforts, have attempted to identify and specifically enumerate in **Exhibit 2.1(a)** and **Exhibit 2.1(b)** all Services necessary to be provided to Service Recipients in order to ensure the uninterrupted operation of the Delphi Technologies Business and the Aptiv Business following the Distribution Date.

(b) If a Service Recipient requires Excluded Services to support the continued operation of the Delphi Technologies Business or the Aptiv Business, as applicable, and a Service Provider is willing to consider providing such services (the “ Additional Services ”), Aptiv and Delphi Technologies will negotiate in good faith to determine if a Service Provider can provide the Additional Services upon mutually agreed terms and conditions; provided, however, that Service Provider shall have no obligation to provide Additional Services unless and until it agrees to do so in writing and that if terms satisfactory to the relevant Service Provider have not been agreed to within thirty (30) days after commencing such negotiations, Service Provider shall have no further obligation to negotiate with respect to such Additional Services.

(c) Other than as expressly agreed in writing by the Parties, and subject to Section 2.3, in no event shall the provision of Additional Services pursuant to this Section 2.2 extend the length of any Service otherwise provided under Section 2.1, nor shall any Additional Service provided pursuant to this Section 2.2 be provided beyond the end of the Term. In addition, unless otherwise agreed in writing by the Parties, the performance of Excluded Services or Additional Services, and the performance of any Services from and after the scheduled date of expiration of the term for such Services set forth on **Exhibit 2.1(a)** or **Exhibit 2.1(b)** (as applicable), shall not create any obligations to continue providing such Excluded Services, Additional Services or Services of extended duration.

(d) In the event that due to extenuating circumstances, such as a need to maintain the operation of the Delphi Technologies Business or Aptiv Business, (i) either (x) Service Recipient requests any Additional Services or (y) Service Provider notifies Service Recipient that it believes such Additional Services are required and Service Recipient does not object to the provision of such Additional Services in writing within five (5) Business Days (any such Additional Service, an “ Emergency Service ”) and (ii) there is insufficient time or opportunity (as determined Service Provider in its reasonable discretion) to negotiate the price and terms of such Emergency Service in accordance with the provisions hereof, then Service

Provider may, in its sole discretion, elect to provide such Emergency Service without the Parties' prior agreement on the price and terms thereof. Until such time as Service Provider and Service Recipient agree in writing to the price of such Emergency Service, the price therefor shall be (x) cost thereof, as determined by Service Provider in its reasonable discretion, plus (y) ten percent (10%) of such cost. If Service Provider and Service Recipient have not agreed in writing to the price of such Emergency Service within thirty (30) days of such Emergency Service initially being provided to Service Recipient (or such earlier time upon the request of either Party), then the price determination for such Emergency Service shall be resolved as promptly as reasonably practicable in accordance with the dispute resolution provisions hereof set forth in Section 12.4.

2.3 Price of Services. Services shall be provided by a Service Provider, and Service Recipient shall pay the relevant Service Provider for the Services, at Cost, in accordance with **Exhibit 2.1(a)** or **Exhibit 2.1(b)**, except that if a Service Provider provides any Service at the request of or with the written consent of the Service Recipient following the expiration of the term with respect to such Service, in each case, as set forth on **Exhibit 2.1(a)** or **Exhibit 2.1(b)**, the Cost of such Service shall be increased as follows: (a) for the first three (3) months after the expiration of the term of such Service, the Cost shall be increased by twelve and one-half percent (12.5%) above the Cost set forth on **Exhibit 2.1(a)** or **Exhibit 2.1(b)**, as applicable, (b) for the following three (3) months, the Cost shall be increased by twenty-five percent (25%) above the Cost set forth on **Exhibit 2.1(a)** or **Exhibit 2.1(b)**, as applicable, (c) for the following three (3) months the Cost shall be increased by fifty percent (50%) above the Cost set forth on **Exhibit 2.1(a)** or **Exhibit 2.1(b)**, as applicable, and (d) thereafter the Cost shall be increased by one hundred percent (100%) above the Cost set forth on **Exhibit 2.1(a)** or **Exhibit 2.1(b)**, as applicable.

2.4 Terms of Payment.

(a) **Generally.** Any invoice for amounts owed by a Party to another hereunder shall be paid by the relevant Service Recipient within thirty (30) days after receipt of such invoice from Service Provider. For Services that include variable costs, the respective Service Provider will provide the respective Service Recipient with a reconciliation of amounts owed based on actual Services provided during the preceding month. If the estimated amounts paid with respect to Services that include variable costs exceed the actual amount owed with respect to such Services provided during a given month, Service Recipient will receive a credit for such excess amount paid in the next month's invoice (or if all Services have terminated, such amount shall be paid within thirty (30) days after termination). Likewise, if the estimated amounts paid with respect to Services that include variable costs are less than the actual amount owed with respect to such Services provided during a given month, Service Recipient will pay such deficiency as part of the next month's invoice (that will include such deficiency) or as part of the final invoice issued after all Services used by Service Recipient have terminated. All payments under this Agreement shall be made by electronic funds transfer of immediately available funds to such bank account of the respective Service Provider as identified by Aptiv (for Services provided by Aptiv or its Affiliates) or by Delphi Technologies (for Services provided by Delphi Technologies or its Subsidiaries). All amounts due for Services rendered pursuant to this Agreement shall be invoiced and paid in the currency in which the rate for such Service is quoted, as set forth in **Exhibit 2.1(a)** or **Exhibit 2.1(b)**.

(b) Dispute Resolution. A Service Recipient may not withhold any payments to a Service Provider under this Agreement, notwithstanding any dispute that may be pending between the Parties, whether under this Agreement or otherwise (any required adjustment being made on subsequent invoices). If there is a dispute between a Service Recipient and a Service Provider regarding the amounts shown as billed to a Service Recipient on any invoice, such Service Provider shall furnish to the respective Service Recipient reasonable documentation to substantiate the amounts billed, including listings of the dates, times and amounts of the Services in question where applicable and practicable. Upon delivery of such documentation, Service Recipient and Service Provider shall cooperate and use commercially reasonable efforts to resolve such dispute among themselves. If such disputing Parties are unable to resolve the dispute within thirty (30) days of the initiation of such resolution procedures, and Service Recipient believes in good faith and with a reasonable basis that the amounts shown as billed to Service Recipient are inaccurate or are otherwise not in accordance with the terms of this Agreement, then the Parties will resolve such dispute pursuant to the general dispute resolution procedures set forth in Section 12.4.

2.5 Disbursements. Advances. Any necessary disbursements to third party vendors, employees (of a Service Recipient) or suppliers (including prepayments) to be made by a Service Provider on behalf of a Service Recipient in connection with the performance of the Services (“Disbursements”) will be included in the invoice for the month in which such Disbursements will be paid. Notwithstanding the foregoing, Disbursements greater than one hundred thousand U.S. Dollars (\$100,000) per country that are due in a given month, must, at Service Provider’s election, be paid in advance in order for the Services to be provided. Service Provider shall provide Service Recipient with written notice of any such projected Disbursements, including the projected due date for such Disbursements. For a Service Provider to pay such Disbursements, a Service Recipient shall transfer, on or before the projected due date of a Disbursement, immediately available funds to a bank account identified by Service Provider. For the avoidance of doubt, any and all amounts to be paid by Aptiv on behalf of Service Recipient pursuant to the payroll function referred to in Exhibit 2.1(a), if any, shall be included in the Disbursements referred to herein and Aptiv or its Affiliates will under no circumstances be liable to fund any such payable to employees of Service Recipient unless Aptiv has received from Service Recipient the funds necessary to enable Aptiv to make such Disbursement. If any Service requires travel by a Service Provider, Service Recipient will be notified in advance, and travel expenses will be separately billed.

2.6 Performance of Excluded Services. The relevant Service Recipient shall, at its sole cost and expense, perform, or cause to be performed, all Excluded Services which are necessary to its continued operation or the performance of the Services by the applicable Service Provider(s); provided, however, that a Service Recipient may elect not to perform, or cause to be performed, any Excluded Service, if such nonperformance would not: (a) increase the Cost of any Service provided by a Service Provider under this Agreement, a Participation Agreement or a similar agreement between the Parties or their Affiliates; (b) increase the resources required to perform any Service; or (c) result in any increased liability exposure to any Service Provider or any of its Affiliates or any other party other than a Service Recipient or its Affiliates. Notwithstanding anything herein to the contrary, no Service Provider shall have any obligation to perform any Service to the extent that such Service is dependent in a material respect upon the performance of an Excluded Service that a Service Recipient elects not to perform or cause to be performed.

2.7 Correction of Processing Errors. Each Service Recipient is responsible from and after the Distribution Date for: (a) the accuracy and completeness of all data or information submitted by a Service Recipient to the applicable Service Provider for processing or transmission in connection with the Services (“Data”); and (b) any errors in and with respect to data or information obtained from Service Provider to the extent caused by any inaccurate or incomplete Data submitted by a Service Recipient.

2.8 Service Recipient’s Obligations.

(a) General. Service Recipient shall: (i) maintain in good operating condition all equipment, software and operational features maintained or controlled by a Service Recipient and used in the provision of, or necessary for the receipt or delivery of, the Services, in a manner consistent with the practice for maintenance of all equipment, software and operational features as of the Distribution Date; (ii) appropriately enhance (i.e., improve or upgrade and not fix or patch) any equipment, software and operational features maintained or controlled by a Service Recipient, as may be necessary for such equipment, software and operational features to be compatible with any systems used by the applicable Service Provider after the Distribution Date in connection with providing Services in a manner consistent with provision of such Services during the Service Baseline Period, provided that: (a) within ten (10) days after the applicable Service Provider has notified Service Recipient that an enhancement is necessary in order to maintain the required compatibility, Service Recipient shall develop and deliver to Service Provider a plan, for Service Provider’s approval, to complete all such enhancements (at Service Recipient’s sole cost and expense) within the time required by Service Provider; provided, further, that where either Party believes that an enhancement will result in material expenditure by Service Recipient, the Parties shall discuss in good faith the proposed timing of any necessary enhancement with Service Recipient in an effort to avoid unnecessary expense on the part of Service Recipient, provided that Service Provider makes no assurances that timing considerations will be accommodated, (b) Service Recipient shall complete such enhancements in accordance with the plan approved by Service Provider and (c) if Service Recipient has not implemented the enhancements necessary to permit it to receive the relevant Services by the time Service Provider has notified Service Recipient that the enhancements must be implemented, Service Provider shall have no obligation to provide Services until Service Recipient has made the necessary enhancements; (iii) be solely responsible for all costs and expenses, if any, incurred by Service Recipient or Service Provider resulting from any termination of a Service prior to the expiration of the term for such Service as set forth on Exhibit 2.1(a) or Exhibit 2.1(b), as applicable, including any severance costs and expenses incurred resulting or arising from or in connection with the early termination of any Service; (iv) comply with any policies and reasonable instructions provided by the applicable Service Provider that are necessary or desirable for Service Provider to provide the Services in accordance with this Agreement; (v) in the case of Delphi Technologies and its Subsidiaries, make available to Aptiv the books and records that were transferred to Delphi Technologies by Aptiv or its Affiliates pursuant to the Separation and Distribution Agreement to the extent necessary for Aptiv or its Affiliates to perform its obligations under this Agreement; (vi) be responsible for its pro-rata share (as determined by Service Provider in its reasonable discretion) of the costs of

replacement, repair and maintenance of any equipment or other assets provided by a Service Provider (and owned by a Service Provider or a third party) to a Service Recipient which are necessary for the provision of Services hereunder; (vii) be solely responsible for all costs and expenses associated with the preparation of Service Provider's systems for Service Recipient's migration off of those systems, including, but not limited to, the creation and installation of redundant or alternative programs or systems, carve-outs, separations and firewalls; and (viii) be solely responsible for all costs and expenses, if any, incurred by Service Recipient or Service Provider associated with migration off of Service Provider systems, including, but not limited to out-of-pocket costs of data extraction, software licenses and system deinstallation.

(b) Monitoring of Replacement Programs. The relevant Service Recipient shall provide updates as reasonably requested by Service Provider to allow the relevant Service Provider to monitor the current status of Service Recipient's efforts to establish replacement or alternative programs and services in substitution for all Services provided by the relevant Service Providers to assure timely completion of such efforts.

2.9 Nature of Services; Limitations on Performance.

(a) The Parties acknowledge and agree that the Services are transitional in nature. Service Recipient agrees to cooperate in good faith and to use commercially reasonable efforts to effectuate a smooth transition of the Services from Service Provider to Service Recipient (or its designee) as soon as commercially practicable after the Distribution Date, but in any event before the end of the Service period for such Service. The Parties agree to use reasonable efforts to assist and cooperate in good faith with each other in order to effectuate such transition of the Services from Service Provider to Service Recipient (or its designee) in a timely and orderly manner.

(b) Nothing in this Agreement shall require Service Provider to perform or cause to be performed any Service to the extent that Service Provider reasonably believes that the manner of such performance would constitute (i) a breach, violation or infringement of, or a default under, any of the terms, conditions or provisions of any agreement, instrument, contract, obligation or undertaking which was entered into by such Service Provider prior to the date of this Agreement or (ii) a violation of any applicable Law. If Service Provider is or becomes aware of any potential violation on the part of Service Provider, Service Provider shall use commercially reasonable efforts to promptly advise Service Recipient of such potential violation, and Service Provider and Service Recipient will use their commercially reasonable efforts to jointly seek an alternative that addresses such potential violation. The Parties agree to cooperate in good faith and use commercially reasonable efforts to obtain any necessary third party consents required under any existing contract or agreement with a third party or under applicable Law to allow Service Provider to perform, or cause to be performed, all Services to be provided by Service Provider hereunder in accordance with the standards set forth in this Agreement. Without limiting the foregoing, neither Party shall under any circumstance be required to (and Service Provider shall not, without the prior written consent of Service Recipient) pay or commit to pay any amount or incur any obligation in favor of or offer or grant any accommodation (financial or otherwise, including any requirements for the securing or posting of any bonds, letters of credit or similar instruments, or the furnishing of any guarantees) to obtain any such third party consent. Unless otherwise agreed in writing in advance by the Parties, all reasonable

out-of-pocket costs and expenses (if any) incurred by Service Recipient or any of its Subsidiaries or, with Service Recipient's prior written consent, Service Provider or any of its Subsidiaries in connection with obtaining any such third party consent that is required to allow Service Provider to perform or cause to be performed such Services shall be borne solely by Service Recipient; provided, however, that in the event Service Recipient does not consent to bear the foregoing third-party consent fees payable by Service Provider or any of its Subsidiaries, then Service Provider and its Subsidiaries shall be relieved of their obligations to perform or cause to be performed any Services requiring such consent. If, with respect to a Service, the Parties, despite the use of such commercially reasonable efforts, are unable to obtain a required third party consent, or the performance of such Service by Service Provider would constitute a violation of any applicable Law, the Parties shall use commercially reasonable efforts to develop an alternative arrangement that is reasonably acceptable to each Party and that enables Service Provider to perform or cause to be performed such Service or an analogous service without obtaining such required third party consent or violating any applicable Law.

ARTICLE 3
CONSENTS; HARDWARE AND SOFTWARE

3.1 Required Consents. The applicable Service Provider shall use commercially reasonable efforts to obtain any consents, approvals or amendments to existing agreements of any Service Provider necessary to allow a Service Provider to provide the Services to a Service Recipient (the "Consents"). The applicable Service Recipient shall pay, or, at Service Provider's request, reimburse Service Provider for, the cost of obtaining the Consents and any fees or charges associated with the Consents or with any transfers of computer equipment leases or software licenses to a Service Recipient, including, but not limited to, any additional license, sublicense, access or transfer fees. Service Recipient acknowledges that there can be no assurance that Service Provider will be able to obtain the Consents. In the event that any Consents are not obtained, upon Service Recipient's request, Service Provider will reasonably cooperate with Service Recipient to identify, and if commercially feasible, to implement, a workaround or other alternative arrangement for any affected Service(s), provided that (i) Service Recipient shall be responsible for all fees and costs associated with any such work-around or alternative arrangement, (ii) Service Provider shall not be required to undertake any activities that increase, in any material respect, the resources required of it to perform the Service(s), and (iii) Service Recipient acknowledges that any such work-around or alternative arrangement may adversely impact the standards for provision of the Services set forth in Section 2.1(a), and Service Provider shall not be liable for any breach of this Agreement that results from the adoption of any such work-around or alternative arrangement.

3.2 Additional Hardware and Software. No Service Provider shall be obligated to purchase, license, lease or otherwise obtain the right to use any hardware or software in order to provide Services that exceed the level of such Services during the Service Baseline Period. Service Recipient shall be responsible for obtaining, at Service Recipient's sole expense, any software or other licenses it needs in order to receive the Services.

ARTICLE 4
DATA AND THIRD PARTY ASSETS

4.1 All data provided by a Service Provider hereunder shall be in the form used by the applicable Service Provider as of the Distribution Date, except to the extent such form may be altered by modifications or enhancements of Service Provider's systems. Unless furnished to Service Provider by a Service Recipient, all media upon which Service Recipient's Data is stored is and shall remain the property of Service Provider. Special reports and other non-conforming data requests will be provided only if Service Provider and Service Recipient enter into a separate agreement with respect thereto.

ARTICLE 5
SHARED FACILITIES

5.1 Shared Facilities.

(a) Aptiv shall provide Services relating to certain facilities as further described in **Exhibit 2.1(a)** and **Exhibit 5.1(a)**. In case of any conflict between the terms and conditions set forth in **Exhibit 2.1(a)** and **Exhibit 5.1(a)**, **Exhibit 2.1(a)** shall prevail.

(b) Delphi Technologies shall provide Services relating to certain facilities as further described in **Exhibit 2.1(b)** and **Exhibit 5.1(b)**. In case of any conflict between the terms and conditions set forth in **Exhibit 2.1(b)** and **Exhibit 5.1(b)**, **Exhibit 2.1(b)** shall prevail.

ARTICLE 6
DISCLAIMER

6.1 EXCEPT FOR THE INDEMNITY EXPRESSLY SET FORTH IN SECTION 7.1, THE SERVICES SHALL BE PROVIDED BY EACH SERVICE PROVIDER "AS-IS", AND EACH SERVICE PROVIDER EXPRESSLY DISCLAIMS TO THE FULL EXTENT PERMISSIBLE BY LAW ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AS TO THE NATURE OR STANDARD OF THE SERVICES OR PRODUCTS OF THE SERVICES WHICH ANY OF THEM MAY PROVIDE HEREUNDER, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER DELPHI TECHNOLOGIES NOR ITS AFFILIATES, ON THE ONE HAND, NOR APTIV NOR ITS AFFILIATES, ON THE OTHER HAND, SHALL BE LIABLE UNDER THIS AGREEMENT TO THE OTHER FOR ANY CONSEQUENTIAL, SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY, REMOTE, SPECULATIVE OR SIMILAR DAMAGES OR ANY LOST PROFITS OR DAMAGES CALCULATED BASED ON A MULTIPLE OF PROFITS, REVENUE OR ANY OTHER FINANCIAL METRIC, IN EACH CASE, ARISING IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY (OTHER THAN ANY SUCH LIABILITY WITH RESPECT TO A THIRD-PARTY CLAIM).

ARTICLE 7
INDEMNIFICATION

7.1 Indemnification. Subject to the next sentence, Delphi Technologies and Aptiv, as applicable, shall cause each Service Recipient to defend, indemnify and hold the relevant Service Provider harmless from any and all Liabilities suffered or incurred by Service Provider in connection with any and all demands, audits, Actions and causes of action to the extent arising from or relating to: (a) the Services provided to such Service Recipient pursuant to this Agreement; (b) any actions taken by any Service Provider in connection with such Services or this Agreement; (c) a Service Recipient's failure to perform, or cause to be performed, any Excluded Services; or (d) the actions of any employee, representative or agent of a Service Recipient (including death, personal injury and/or property damage), in each case except to the extent that such Liabilities arose solely from the gross negligence or willful misconduct of any Service Provider or their respective Representatives (any demands, audits, Actions and causes of action to the extent arising under paragraphs (a) through (d) above, a "Claim"). Delphi Technologies and Aptiv, as applicable, shall cause each Service Provider to indemnify the applicable Service Recipient to the extent of Liabilities caused by such gross negligence or willful misconduct; provided, however, that each Party and its respective Service Providers' aggregate maximum liability to the other Party and its respective Service Recipients under this Agreement shall not exceed the aggregate fees received by Aptiv and its affiliated Service Providers pursuant to this Agreement.

Notwithstanding the foregoing, neither Party and its respective Service Providers or Service Recipients, as applicable, shall have any liability to each other under this Agreement arising from or relating to a Claim if the underlying facts, event (or series of events) or circumstances underlying the Claim have had an adverse effect on both Parties and/or their respective Service Providers or Service Recipients, as applicable (regardless of whether such facts, event (or series of events) or circumstances gave rise to a Claim in favor of the other Party).

7.2 Sole and Exclusive Remedy. Each Party acknowledges and agrees that (i) the indemnification provided in Article 7, and (ii) the specific performance provided in Section 12.9 shall be the sole and exclusive remedies of the Parties hereto and their Affiliates and their respective successors or assigns in respect of any claim for Liabilities arising under or out of this Agreement.

7.3 Procedures. The provisions of Section 5.5 of the Separation and Distribution Agreement shall apply to indemnification claims under this Agreement *mutatis mutandis*.

ARTICLE 8
FORCE MAJEURE

8.1 Except for any payment obligations of either Party, in case a Service Provider or Service Recipient shall be hindered, delayed or prevented from performing its obligations under this Agreement (other than its payment obligation), or if such performance is rendered impossible by reason of any force majeure event including fire, explosion, earthquake, storm, flood, drought, embargo, pandemic, wars or other hostilities, strike, lockout or other labor

disturbance, mechanical breakdown, governmental action, or any other cause that is beyond the reasonable control of a Service Provider or Service Recipient, then the Party so hindered, delayed or prevented shall not be liable to the other Party for the resulting failure to carry out its obligations hereunder.

ARTICLE 9

TERM AND TERMINATION

9.1 Term. Unless earlier terminated pursuant to the provisions of this Article 9, or extended by written agreement of the Parties with respect to any one or more of the Services, or parts thereof, this Agreement shall expire at the end of the Term.

9.2 Termination for Default. If either Party fails to perform any of its material duties or obligations pursuant to this Agreement and such breach is not cured within fifteen (15) days, in the event such breach involves the payment of money, or within thirty (30) days, with respect to any other breach, after notice to such Party specifying the nature of such failure, the other Party may terminate this Agreement in its entirety, or with respect to any or all of the Services provided by such Party, upon further notice to the defaulting Party.

9.3 Termination for Convenience. A Service Recipient may terminate this Agreement in respect of any or all of the Services provided to such Service Recipient by a Service Provider, effective on the first day of any calendar month, by providing a minimum of forty-five (45) days (or such longer period as may be set forth in Exhibit 2.1 (a) or Exhibit 2.1(b) with respect to a particular Service) prior written notice to the applicable Service Provider in the form of a Service cancellation notice in a form materially consistent with the format attached as Exhibit 9.3 (“Cancellation Notice Form”); *provided, however*, that if a Service Recipient provides such Cancellation Notice Form to the applicable Service Provider with respect to any Service, Service Recipient may not request Service Provider to provide such Service beyond the date specified in such Cancellation Notice Form. Notwithstanding the foregoing, a Service Recipient may not terminate this Agreement as set forth in this Section 9.3 with respect to (i) a portion of (but not all of) a particular Service nor (ii) with respect to a particular Service if such Service is interdependent with other Services, unless all such interdependent Services are simultaneously terminated. Notwithstanding a Service Recipient’s right to terminate this Agreement with respect to any particular Service as set forth in this Section 9.3, the relevant Service Recipient shall work with the relevant Service Provider to develop a plan for the timing and coordination of the orderly discontinuance of each Service and Service Recipient shall bear all documented out-of-pocket costs and expenses incurred by Service Provider in connection with such discontinuance of Service.

9.4 Effect of Termination.

(a) Upon: (a) the expiration or termination of this Agreement; (b) termination of the provision of any Services pursuant to Section 9.2; or (c) the termination of any Services pursuant to Section 9.3, the Parties shall pay all costs and other sums owed to the other for the terminated Services provided or reimbursement of excess payments through the date of such expiration or termination on the payment terms set forth in Section 2.4; *provided*, that any costs which are thereafter determined to be due and payable with respect to such Services shall be invoiced to the owing Party and paid on the payment terms set forth in Section 2.4.

(b) Upon the expiration or termination of this Agreement in respect of a Facility Transition Services listed in **Exhibit 2.1(a)**, Delphi Technologies shall, and shall cause the relevant Service Recipient to (i) complete the removal of all its assets from Aptiv's or its Services Providers' premises at the latest on the expiration or termination date of the relevant Facility Transition Services, (ii) repair or reimburse Service Provider for repairing all damage caused by any such removal and (iii) leave the applicable premises broom-clean and in good order and working condition (ordinary wear and tear excepted), provided that at the latest nine (9) months prior to the expiration date of the relevant Facility Transition Service, Delphi Technologies shall provide Aptiv with a reasonably detailed written plan describing the steps leading to a vacation of the relevant premises occupied by the relevant Service Recipient on the relevant termination or expiration date and, after delivering such notice, shall provide monthly updates to Aptiv regarding plans to vacate the premises. Any asset that is not removed from the relevant Aptiv's or its Service Providers' premises in violation of this provision shall be deemed to be abandoned by Delphi Technologies or its Services Recipients, as the case may be, and may be disposed of, or scrapped by Aptiv or the relevant Service Provider, at Aptiv's or the relevant Service Provider's discretion and at Delphi Technologies' or the relevant Service Recipient's cost and expenses.

ARTICLE 10 **CONFIDENTIALITY**

10.1 All written confidential or proprietary information and documentation clearly marked "Proprietary" or other similar marking and all employee and payroll data or other information that would reasonably be understood to be confidential (the "Confidential Information") relating to either Party or its Affiliates shall be held in confidence by the other Party or its Affiliates to the same extent and in at least the same manner as such Party protects its own confidential or proprietary information of a similar nature. Subject to the exceptions provided in this Article 10, neither Party shall disclose, publish, release, transfer or otherwise make available Confidential Information of the other Party in any form to, or for the use or benefit of, any Person without the other Party's approval. Each Party shall, however, be permitted to disclose relevant aspects of the other Party's Confidential Information to its officers, agents and employees and to the officers, agents and employees of its Affiliates to the extent that such disclosure is reasonably necessary to the performance of its duties and obligations or the exercise of its rights under this Agreement; provided, that such Party shall take all reasonable measures to ensure that Confidential Information of the other Party is not disclosed or duplicated in contravention of the provisions of this Agreement by such officers, agents and employees. The obligations in this Article 10 shall not: (a) restrict any disclosure by either Party pursuant to any applicable Law of any Governmental Authority (provided that the disclosing Party shall endeavor to give such notice to the non-disclosing Party as may be reasonable under the circumstances); and (b) apply with respect to information that: (i) is independently developed by the other Party; (ii) becomes part of the public domain (other than through unauthorized disclosure); (iii) is disclosed by the owner of such information to a third party free of any obligation of confidentiality; or (iv) either Party gained knowledge of, or possession of, free of any obligation of confidentiality.

ARTICLE 11
GOVERNANCE

11.1 TSA and Service Manager. Each of Aptiv and Delphi Technologies shall designate a person within their respective organization to be the person responsible for all matters relating to the consummation of this Agreement (the “Delphi Technologies TSA Manager” and the “Aptiv TSA Manager”). The Parties may also agree for one or more Services to designate a person responsible for all matters and communication concerning the respective Service (“Service Manager”), including for managing and coordinating the performance of the respective Service. Aptiv and Delphi Technologies, and each Service Provider and Service Recipient may change its designated TSA Manager or Service Manager from time to time, and inform the respective other Party, Service Provider or Service Recipient, as the case may be, in writing about such change.

ARTICLE 12
MISCELLANEOUS PROVISIONS

12.1 Notices. All notices, requests, claims, demands or other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic transmission with receipt confirmed (followed by delivery of an original via overnight courier service), or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 12.1):

if to Delphi Technologies, to :

Delphi Technologies PLC
5825 Innovation Dr.
Troy, MI 48098
Attention: Liam Butterworth, President and Chief Executive Officer

with a copy (which shall not constitute notice) to :

Delphi Technologies PLC
5825 Innovation Dr.
Troy, MI 48098
Attention: James Harrington, General Counsel

if to Aptiv, to :

Delphi Automotive PLC
5725 Innovation Dr.
Troy, MI 48098
Attention: Joseph Massaro, Senior Vice President and Chief Financial Officer
Facsimile No.: 1.248.813.2648

with a copy (which shall not constitute notice) to :

Delphi Automotive PLC
5725 Innovation Dr.
Troy, MI 48098
Attention: David Sherbin, Senior Vice President, General Counsel, Secretary and Chief Compliance Officer
Facsimile No.: 1.248.813.2491

Any Party may, by notice to the other Party, change the address and contact person to which any such notices are to be given.

12.2 Amendment and Waivers.

(a) No provisions of this Agreement shall be waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom such waiver, amendment, supplement or modification is sought to be enforced.

(b) No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Law.

12.3 Expenses. Except as otherwise expressly provided herein, each Party shall pay its own expenses incident to this Agreement and the transactions contemplated herein.

12.4 Governing Law; Dispute Resolution; WAIVER OF JURY TRIAL.

(a) This Agreement (and any claims or disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any Party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of New York, irrespective of the choice of laws principles of the State of New York, including all matters of validity, construction, effect, enforceability, performance and remedies.

(b) Article IV of the Separation and Distribution Agreement shall apply to all Disputes arising out of or relating to this Agreement, *mutatis mutandis*.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY BASED UPON, RELATING TO OR ARISING FROM THIS AGREEMENT AND ANY OF

THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (III) IT MAKES SUCH WAIVERS VOLUNTARILY AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 12.4(c).

12.5 Assignment; Successors and Assigns; No-Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided, however, that no Party may assign its respective rights or delegate its respective obligations under this Agreement without the express prior written consent of the other Party. Notwithstanding the foregoing, no such consent shall be required for the assignment of a Party's rights and obligations under this Agreement in whole in connection with a change of control of a Party so long as the resulting, surviving or transferee Person assumes all the obligations of the relevant party thereto by operation of Law or pursuant to an agreement in form and substance reasonably satisfactory to the other Party. Nothing herein is intended to, or shall be construed to, prohibit either Party or any member of its Group from being party to or undertaking a change of control. No provision of this Agreement is intended to confer any rights, benefits, remedies or Liabilities hereunder upon any person other than the Parties and their respective successors and permitted assigns.

12.6 Counterparts; Effectiveness.

(a) This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each Party and delivered to each other Party.

(b) Each Party acknowledges that it and each other Party may execute this Agreement by facsimile, stamp or mechanical signature. Each Party expressly adopts and confirms each such facsimile, stamp or mechanical signature made in its respective name as if it were a manual signature, agrees that it shall not assert that any such signature is not adequate to bind such Party to the same extent as if it were signed manually and agrees that at the reasonable request of any other Party at any time it shall as promptly as reasonably practicable cause this Agreement to be manually executed (any such execution to be as of the date of the initial date thereof).

12.7 Entire Agreement. This Agreement and the exhibits, annexes and schedules hereto contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the Parties with respect to such subject matter other than those set forth or referred to herein.

12.8 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

12.9 Specific Performance.

(a) The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached and that any breach of this Agreement would not be adequately compensated by monetary damages. The Parties agree that, prior to the valid termination of this Agreement pursuant to Article 9, Delphi Technologies, on the one hand, and Aptiv, on the other hand, shall, in the event of any breach or threatened breach by Aptiv, on the one hand, or Delphi Technologies, on the other hand, of any of their respective covenants or agreements set forth in this Agreement, be entitled to equitable relief, including an injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement, by the other, as applicable, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and agreements of the other under this Agreement. The Parties have specifically bargained for the right to specific performance of the obligations hereunder, in accordance with the terms and conditions of this Section 12.9.

(b) Each Party hereby agrees not to raise any objections to the availability of the equitable remedy of specific performance when available pursuant to the terms of this Agreement to prevent or restrain breaches of this Agreement by such Party, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and agreements of such Party under this Agreement in accordance with the terms of this Section 12.9. Any Party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement shall not be required to provide any bond or other security in connection with such order or injunction, all in accordance with the terms of this Section 12.9. Each Party further agrees that (i) by seeking the remedies provided for in this Section 12.9, a Party shall not in any respect waive its right to seek any other form of relief that may be available to such Party under this Agreement in the event that this Agreement has been terminated or in the event that the remedies provided for in this Section 12.9 are not available or otherwise are not granted and (ii) nothing set forth in this Section 12.9 shall require any Party to institute any Action for (or limit any Party's right to institute any Action for) specific performance under this Section 12.9 prior or as a condition to exercising any termination right under Article 9, nor shall the commencement of any Action pursuant to this Section 12.9 or anything set forth in this Section 12.9 restrict or limit any Party's right to terminate this Agreement in accordance with the terms of Article 9 or pursue any other remedies under this Agreement that may be available then or thereafter.

12.10 Relationship of the Parties. The relationship of the Parties, or any Service Provider and any Service Recipient, to each other is that of independent contractors and neither Party nor its agents or employees shall be considered employees or agents of the other Party. This Agreement does not constitute and shall not be construed as constituting a partnership or joint venture or grant of a franchise between Aptiv and Delphi Technologies or any Service Provider and any Recipient. Neither Party shall have the right to bind the other Party to any obligations to third parties.

12.11 Access to Aptiv IT Systems. In the event that employees of Delphi Technologies or any of its Subsidiaries are provided access to the information technology systems of Aptiv or any of its Affiliates in connection with the provision or receipt of Services, Delphi Technologies will cause such employees to sign and deliver to Aptiv a reasonable confidentiality agreement acceptable to Aptiv, and an agreement to abide by Aptiv's rules, regulations and policies applicable to such employees' access to and use of such information technology systems (copies of which will be provided to Delphi Technologies and such employees). Delphi Technologies shall ensure that all such employees comply with such agreements, and shall be jointly and severally liable with such employees for any breaches thereof.

12.12 Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this.

12.13 Conflict. In case of any conflict between the terms and conditions of this Agreement and any Exhibit, the terms and conditions of the Exhibit shall govern.

12.14 Survival. The provisions of Section 2.3, Section 2.4, Section 2.9, Section 2.5, Section 3.1, Article 6, Article 7, Article 8, Section 9.4, Article 10 and Article 12 shall survive the expiration or the termination of this Agreement.

12.15 Taxes. All sums payable under this Agreement are exclusive of value added tax, sales tax, service tax and turnover tax that may be levied in any jurisdiction which shall (if and to the extent applicable with respect to a Service) be payable by Service Recipient of such Service. Each of Service Providers and Service Recipients shall be liable for its own income taxes. Delphi Technologies and Aptiv agree to cooperate (to the extent that it is possible) in order to resolve tax issues associated with this Agreement.

[*Signature page follows.*]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

DELPHI AUTOMOTIVE PL C

By: /s/ Bradley A. Spiegel

Name: **Bradley A. Spiegel**

Its: **Attorney-in-Fact**

DELPHI TECHNOLOGIES PLC

By: /s/ David M. Sherbin

Name: **David M. Sherbin**

Its: **Director**

[*Signature Page to TSA*]

EMPLOYEE MATTERS AGREEMENT

between

DELPHI AUTOMOTIVE PLC

and

DELPHI TECHNOLOGIES PLC

Dated as of December 4, 2017

ARTICLE I DEFINITIONS	1
Section 1.1 Certain Defined Terms	1
Section 1.2 Other Capitalized Terms	8
ARTICLE II GENERAL PRINCIPLES; EMPLOYEE TRANSFERS	9
Section 2.1 Aptiv Group Employee Liabilities	9
Section 2.2 Delphi Technologies Group Employee Liabilities	9
Section 2.3 Aptiv Benefit Plans/Delphi Technologies Benefit Plans	9
Section 2.4 Employee Transfers	10
Section 2.5 Delayed Transfer Employees under Contract Manufacturing Services Agreements	10
ARTICLE III NON-U.S. RETIREMENT AND BENEFIT PLANS AND NON-U.S. EMPLOYEE TRANSFERS	11
Section 3.1 Non-U.S. Plans Generally	11
Section 3.2 Non-U.S. Employees	16
Section 3.3 Delphi Technologies Spinoff Non-U.S. Welfare Plans	17
ARTICLE IV SERVICE CREDIT	18
Section 4.1 Service Credit for Employee Transfers	18
ARTICLE V LITIGATION AND COMPENSATION	19
Section 5.1 Employee-Related Litigation	19
Section 5.2 Vacation	19
Section 5.3 Annual Bonuses	19
Section 5.4 Employment Agreements	20
ARTICLE VI CERTAIN WELFARE BENEFIT PLAN MATTERS	21
Section 6.1 Delphi Technologies Spinoff Welfare Plans	21
Section 6.2 Continuation of Elections	22
Section 6.3 Deductibles, Cost-Sharing Provisions, and Coverage Maximums	22
Section 6.4 Flexible Spending Account Treatment	22
Section 6.5 Workers' Compensation	23
Section 6.6 COBRA	23
ARTICLE VII U.S. TAX-QUALIFIED DEFINED CONTRIBUTION PLANS	24
Section 7.1 Delphi Technologies Spinoff DC Plans	24
Section 7.2 Continuation of Elections	25
Section 7.3 Contributions Due	25

ARTICLE VIII NONQUALIFIED RETIREMENT PLANS	25
Section 8.1 Delphi Technologies Spinoff Nonqualified Plans	25
Section 8.2 No Distributions on Separation	26
Section 8.3 Section 409A	26
Section 8.4 Continuation of Elections	27
Section 8.5 Delayed Transfer Employees	27
ARTICLE IX APTIV EQUITY COMPENSATION AWARDS	27
Section 9.1 Outstanding Aptiv Equity Compensation Awards	27
Section 9.2 Conformity with Non-U.S. Laws	30
Section 9.3 Tax Withholding and Reporting	30
Section 9.4 Employment Treatment	31
Section 9.5 Equity Award Administration	31
Section 9.6 Registration	31
ARTICLE X BENEFIT PLAN REIMBURSEMENTS, BENEFIT PLAN THIRD-PARTY CLAIMS	32
Section 10.1 General Principles	32
Section 10.2 Benefit Plan Third-Party Claims	32
ARTICLE XI INDEMNIFICATION	32
Section 11.1 Indemnification	32
ARTICLE XII COOPERATION	32
Section 12.1 Cooperation	32
ARTICLE XIII MISCELLANEOUS	33
Section 13.1 Vendor Contracts	33
Section 13.2 Employment Taxes Withholding Reporting Responsibility	33
Section 13.3 Data Privacy	33
Section 13.4 Third Party Beneficiaries	33
Section 13.5 Effect if Distribution Does Not Occur	34
Section 13.6 Incorporation of Separation Agreement Provisions	34
Section 13.7 No Representation or Warranty	34

Schedule 1.1:	Certain Plan Split Dates
Schedule 2.2:	Former Delphi Technologies Business Employee Liabilities Retained by Aptiv
Schedule 2.3(a):	Country Exceptions to Aptiv Benefit Plan Allocation
Schedule 2.3(b):	Country Exceptions to Delphi Technologies Benefit Plan Allocation
Schedule 2.5:	Contract Manufacturing Services Agreements
Schedule 3.1:	Aptiv Non-U.S. Benefit Plans That Will Automatically Apply to Delphi Technologies or be Assumed by Delphi Technologies
Schedule 3.1(b):	Split Non-U.S. DC Plans
Schedule 3.2:	Exceptions to Automatic Transfers of Employment
Schedule 3.2(b):	Countries Where CBAs Will Automatically Apply
Schedule 3.2(c):	Countries Where CBAs Will Not Apply to New Hires
Schedule 3.2(c)(i):	People's Republic of China CBAs and Mexico CBAs
Schedule 3.3:	Split Non-U.S. Welfare Plans
Schedule 5.4:	Employment Agreements
Schedule 6.1(a):	Split Welfare Plans
Schedule 7.1(a):	Split DC Plans
Schedule 8.1(a):	Split Nonqualified Plans
Schedule 8.1(c):	Nonqualified Plans retained by Aptiv

EMPLOYEE MATTERS AGREEMENT

EMPLOYEE MATTERS AGREEMENT, dated as of December 4, 2017 (this “Employee Matters Agreement”), between Delphi Automotive PLC, a Jersey public limited company (“Aptiv”), and Delphi Technologies PLC, a public limited company formed under the laws of Jersey and a preexisting, wholly owned subsidiary of Aptiv (“Delphi Technologies”).

RECITALS

A. The parties to this Employee Matters Agreement have entered into the Separation and Distribution Agreement (the “Separation Agreement”), dated as of the date hereof, pursuant to which Aptiv intends to distribute to its shareholders, on a *pro rata* basis, all the outstanding ordinary shares, par value \$0.01 per share, of Delphi Technologies then owned by Aptiv (the “Distribution”).

B. The parties wish to set forth their agreements as to certain matters regarding the treatment of, and the compensation and employee benefits provided to, current and former employees of Aptiv and Delphi Technologies and their Subsidiaries.

AGREEMENT

In consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Certain Defined Terms. For the purposes of this Employee Matters Agreement:

“2017 DLIP Award” has the meaning set forth in Section 5.3(c).

“Adjusted Aptiv Performance-Based RSU” means a performance-based restricted stock unit award with respect to Aptiv Stock resulting from the adjustment of Aptiv Performance-Based RSUs as described in Section 9.1(a)(i)(A).

“Adjusted Aptiv Time-Based RSU” means a time-based restricted stock unit award with respect to Aptiv Stock resulting from the adjustment of Aptiv Time-Based RSUs as described in Section 9.1(a)(i)(A).

“AIP” has the meaning set forth in Section 5.3(b).

“Applicable Transfer Date” means the date on which a Delayed Transfer Employee actually transfers employment to Delphi Technologies Group or Aptiv Group, as applicable.

“Aptiv” has the meaning set forth in the preamble.

“ Aptiv Benefit Plans ” means any Benefit Plan that, as of the close of business on the day before the Distribution Date, is sponsored or maintained solely by any member of the Aptiv Group. Aptiv Benefit Plan will also mean any multiemployer plan (as defined in Section 3(37) of ERISA) to which any member of the Aptiv Group contributes for the benefit of its employees. For the avoidance of doubt, no member of the Aptiv Group will be deemed to sponsor or maintain any Benefit Plan if its relationship to such Benefit Plan is solely to administer such Benefit Plan or provide to Delphi Technologies any reimbursement in respect of such Benefit Plan.

“ Aptiv Compensation Committee ” means the Compensation and Human Resources Committee of the Board of Directors of Aptiv.

“ Aptiv Employee ” means each individual who, as of the close of business on the Distribution Date, is employed by a member of the Aptiv Group (including, for the avoidance of doubt, any such individual who is on a leave of absence, whether paid or unpaid). Aptiv Employees also include Aptiv Transferees, effective as of the Applicable Transfer Date.

“ Aptiv Entity ” means a member of the Aptiv Group.

“ Aptiv Equity Compensation Award ” means each Aptiv Performance-Based RSU and Aptiv Time-Based RSU.

“ Aptiv Flexible Account Plan ” has the meaning set forth in Section 6.4 .

“ Aptiv LTIP ” means either of the Delphi Automotive PLC Long-Term Incentive Plan (amended and restated as of April 23, 2015) or the Delphi Automotive PLC Long-Term Incentive Plan, as applicable.

“ Aptiv Non-U.S. Benefit Plans ” means the Non-U.S. Benefit Plans sponsored or maintained by a member of the Aptiv Group. For the avoidance of doubt, such plans do not include any statutory programs, including retirement, severance, termination or insurance benefits required by applicable Law.

“ Aptiv Non-U.S. Welfare Plan ” means each Aptiv Non-U.S. Benefit Plan that is a Welfare Plan that is not statutorily mandated.

“ Aptiv Participants ” means any Aptiv Employee, Former Aptiv Business Employee, or Former Delphi Technologies Business Employee who immediately prior to the Distribution Date holds Aptiv Equity Compensation Awards, or a beneficiary, dependent or alternate payee of such person.

“ Aptiv Performance-Based RSU ” means a performance-based restricted stock unit award with respect to Aptiv Stock granted by Aptiv under an Aptiv LTIP before the Distribution Date.

“ Aptiv Time-Based RSU ” means a time-based restricted stock unit award with respect to Aptiv Stock granted by Aptiv under an Aptiv LTIP before the Distribution Date.

“ Aptiv Transferees ” means the Delayed Transfer Employees who transfer from the Delphi Technologies Group to the Aptiv Group.

“ Aptiv Welfare Plan ” means each Aptiv Benefit Plan that is a Welfare Plan.

“ Benefit Plan ” means, with respect to an entity, each plan, program, policy, agreement, arrangement or understanding that is maintained primarily for the benefit of employees in the United States and is a deferred compensation, executive compensation, incentive bonus or other bonus, pension, profit sharing, savings, retirement, severance pay, salary continuation, life, death benefit, health, hospitalization, sick leave, vacation pay, disability or accident insurance or other employee benefit plan, program, agreement or arrangement, including any “employee benefit plan” (as defined in Section 3(3) of ERISA) sponsored, maintained or contributed to by such entity or to which such entity is a party or under which such entity has any obligation; provided that no Aptiv Equity Compensation Award, nor any plan under which any such Aptiv Equity Compensation Award is granted, will constitute a “Benefit Plan” under this Employee Matters Agreement. In addition, no Employment Agreement will constitute a Benefit Plan for purposes hereof.

“ COBRA ” means the continuation coverage requirements under Code Section 4980B and ERISA Sections 601-608.

“ Code ” means the Internal Revenue Code of 1986, as amended.

“ Collective Bargaining Agreement ” means (a) any agreement between Aptiv or an Affiliate of Aptiv and a trade union, works council or trade representative that sets forth the terms and conditions of employment relating to Non-U.S. Delphi Technologies Employees and (b) any terms and conditions that apply to Non-U.S. Delphi Technologies Employees by virtue of Aptiv or an Affiliate of Aptiv’s membership in a union or participation in a particular trade, industry or economic sector.

“ Damages ” means all losses, claims, demands, damages, Liabilities, judgments, dues, penalties, assessments, fines (civil, criminal or administrative), costs, liens, forfeitures, settlements, fees or expenses (including reasonable attorneys’ fees and expenses and any other expenses reasonably incurred in connection with investigating, prosecuting or defending a claim or Action), of any nature or kind, whether or not the same would properly be reflected on any financial statements or the footnotes thereto.

“ Delayed Transfer Employee ” has the meaning set forth in Section 2.4.

“ Delphi Technologies ” has the meaning set forth in the preamble.

“ Delphi Technologies Benefit Plan ” means any Benefit Plan sponsored or maintained by any member of the Delphi Technologies Group. Delphi Technologies Benefit Plan will also mean any multiemployer plan (as defined in Section 3(37) of ERISA) to which any member of the Delphi Technologies Group contributes for the benefit of its employees. For the avoidance of doubt, no member of the Delphi Technologies Group will be deemed to sponsor or maintain any Benefit Plan if its relationship to such Benefit Plan is solely to administer such Benefit Plan or provide to the Aptiv Group any reimbursement in respect of such Benefit Plan.

“Delphi Technologies Employee” means each individual who, as of the close of business on the Distribution Date, is employed by a member of the Delphi Technologies Group (including, for the avoidance of doubt, any such individual who is on a leave of absence, whether paid or unpaid). Delphi Technologies Employees also include Delphi Technologies Transferees, effective as of the Applicable Transfer Date.

“Delphi Technologies Employment Agreement” has the meaning set forth in Section 5.4.

“Delphi Technologies Entity” means a member of the Delphi Technologies Group.

“Delphi Technologies Equity Compensation Award” means each Delphi Technologies Performance-Based RSU or Delphi Technologies Time-Based RSU.

“Delphi Technologies Flexible Account Plan” has the meaning set forth in Section 6.4.

“Delphi Technologies LTIP” means the Delphi Technologies PLC Long Term Incentive Plan and any stock-based or other incentive plan identified by Delphi Technologies before the Distribution Date.

“Delphi Technologies Non-U.S. Benefit Plan” means any Non-U.S. Benefit Plan sponsored or maintained by a member of the Delphi Technologies Group, including the terms of any Aptiv Benefit Plan that will apply to Non-U.S. Delphi Technologies Employees after the Distribution by operation of applicable Law. For the avoidance of doubt, such plans do not include any statutory programs, including retirement, severance, termination or insurance benefits required by applicable Law.

“Delphi Technologies Participants” means any Delphi Technologies Employee who immediately prior to the Distribution Date holds Aptiv Equity Compensation Awards, or a beneficiary, dependent or alternate payee of such person.

“Delphi Technologies Performance-Based RSU” means a performance-based restricted stock unit award with respect to Delphi Technologies Stock subject to the Delphi Technologies LTIP and resulting from the adjustment of Aptiv Performance-Based RSUs as described in Section 9.1(a)(ii)(B).

“Delphi Technologies Price” means the opening sale price of Delphi Technologies Stock solely on the New York Stock Exchange on the Trading Day immediately following the Distribution (as traded on the “regular way” market) as reported by Bloomberg L.P. or any successor thereto.

“Delphi Technologies Spinoff DC Plans” has the meaning set forth in Section 7.1(a).

“Delphi Technologies Spinoff Nonqualified Plans” has the meaning set forth in Section 8.1(a).

“Delphi Technologies Spinoff Non-U.S. DC Plans” has the meaning set forth in Section 3.1(b).

“Delphi Technologies Spinoff Non-U.S. Welfare Plan” has the meaning set forth in Section 3.3.

“Delphi Technologies Spinoff Welfare Plan” has the meaning set forth in Section 6.1(a).

“Delphi Technologies Stock” means the ordinary shares, par value \$0.01 per share, of Delphi Technologies.

“Delphi Technologies Time-Based RSU” means a time-based restricted stock unit award with respect to Delphi Technologies Stock subject to the Delphi Technologies LTIP and resulting from the adjustment of Aptiv Time-Based RSUs as described in Section 9.1(a)(i)(B).

“Delphi Technologies Transferees” means the Delayed Transfer Employees who transfer from the Aptiv Group to the Delphi Technologies Group.

“Delphi Technologies Welfare Claims” has the meaning set forth in Section 6.1(a).

“Delphi Technologies Workers’ Compensation Claim” has the meaning set forth in Section 6.5.

“Distribution” has the meaning set forth in the Recitals.

“DLIP” has the meaning set forth in Section 5.3(c).

“DPSS” means the Delphi Product & Services Solutions business.

“Employee Matters Agreement” has the meaning set forth in the preamble.

“Employment Agreement” means any individual employment, offer, retention, consulting, change in control, sale bonus, incentive bonus, severance or other individual compensatory agreement between any current or former employee and Aptiv or any of its Affiliates.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Former Aptiv Business Employee” means any individual who (i) on or before the close of business on the Distribution Date retired or otherwise separated from service from Aptiv and its Affiliates, and (ii) is not a Former Delphi Technologies Business Employee.

“Former Delphi Technologies Business Employee” means any individual (i) who on or before the close of business on the Distribution Date retired or otherwise separated from service from Aptiv and its Affiliates, and (ii) whose last day worked with Aptiv and its Affiliates prior to the close of business on the Distribution Date was with (A) the Delphi Technologies Business, (B) DPSS, or (C) any Person that will be a direct or indirect Subsidiary of Delphi Technologies immediately after the Distribution.

“France Spinoff Pension Plan” has the meaning set forth in Section 3.1(a)(iii).

“France Split Pension Plan” has the meaning set forth in Section 3.1(a)(iii).

“German Spinoff Pension Plan” has the meaning set forth in Section 3.1(a)(iv).

“German Split Pension Plan” has the meaning set forth in Section 3.1(a)(iv).

“Group” means the Aptiv Group or the Delphi Technologies Group, as the context requires.

“Japan Spinoff Pension Plan” has the meaning set forth in Section 3.1(a)(ii).

“Japan Split Pension Plan” has the meaning set forth in Section 3.1(a)(ii).

“Mexico CBAs” has the meaning set forth in Section 3.2(c)(ii).

“Mexico Spinoff Pension Plan” has the meaning set forth in Section 3.1(a)(i)(A).

“Mexico Split Pension Plans” has the meaning set forth in Section 3.1(a)(i)(A).

“Non-U.S. Benefit Plan” means, with respect to an entity, each plan, program, policy, agreement, arrangement or understanding that is maintained primarily for the benefit of employees outside of the United States and is a deferred compensation, executive compensation, incentive bonus or other bonus, pension, profit sharing, savings, retirement, severance pay, salary continuation, life, death benefit, health, hospitalization, sick leave, vacation pay, disability or accident insurance or other employee benefit plan, program, agreement or arrangement, sponsored, maintained or contributed to by such entity or to which such entity is a party or under which such entity has any obligation; provided that no Aptiv Equity Compensation Award, nor any plan under which any such Aptiv Equity Compensation Award is granted, will constitute a “Non-U.S. Benefit Plan” under this Employee Matters Agreement. In addition, no Employment Agreement will constitute a Non-U.S. Benefit Plan for purposes hereof.

“Non-U.S. Delphi Technologies Employee” means each Delphi Technologies Employee whose employment is based outside of the United States. Non-U.S. Delphi Technologies Employees also include Delayed Transfer Employees whose employment is based outside of the United States and who are Delphi Technologies Transferees, effective as of the Applicable Transfer Date.

“Plan Payee” means, as to an individual who participates in a Benefit Plan, such individual’s dependents, beneficiaries, alternate payees and alternate recipients, as applicable under such Benefit Plan.

“Plan Split Date” means December 1, 2017 for the Split DC Plans and the Split Nonqualified Plans and the date set forth on Schedule 1.1 for each of the countries listed thereon.

“Post-Distribution Aptiv Price” means the opening sale price of Aptiv Stock solely on the New York Stock Exchange on the Trading Day immediately following the Distribution (as traded on the “regular way” market) as reported by Bloomberg L.P. or any successor thereto.

“PRC CBAs” has the meaning set forth in Section 3.2(c)(i).

“Pre-Distribution Action” means an Action by any Third Party with respect to a Split Plan, Aptiv Employee, Former Aptiv Business Employee, Delphi Technologies Employee, or Former Delphi Technologies Business Employee that arises from an act, omission, or event that occurred prior to the Distribution.

“Pre-Distribution Aptiv Price” means the closing sale price of Aptiv Stock solely on the New York Stock Exchange on the Distribution Date (as traded on the “regular way” market) as reported by Bloomberg L.P. or any successor thereto.

“Production Employee” has the meaning set forth in Section 2.5(a).

“Retained Severance Benefits” has the meaning set forth in Section 6.1(a).

“Separation Agreement” has the meaning set forth in the Recitals.

“Split DC Plans” has the meaning set forth in Section 7.1(a).

“Split Nonqualified Plans” has the meaning set forth in Section 8.1(a).

“Split Non-U.S. Plan” means a Non-U.S. Benefit Plan sponsored, maintained or contributed to by the Aptiv Group that transferred liabilities to a Non-U.S. Benefit Plan sponsored, maintained or contributed to by the Delphi Technologies Group in connection with the Distribution.

“Split Plans” means the Split Welfare Plans, Split DC Plans, Split Nonqualified Plans, and Split Non-U.S. Plans.

“Split Welfare Plans” has the meaning set forth in Section 6.1(a).

“Trading Day” means the period of time during any given calendar day, beginning at 9:30 a.m. (New York time) (or such other time as the New York Stock Exchange publicly announces is the official open of trading), and ending at 4:01 p.m. (New York time) (or one minute after such other time as the New York Stock Exchange publicly announces is the official close of trading), in which trading and settlement in Aptiv Stock or Delphi Technologies Stock is permitted on the New York Stock Exchange.

“Vendor Contract” has the meaning set forth in Section 13.1.

“Welfare Plan” means each Benefit Plan that provides life insurance, health care, dental care, vision care, employee assistance programs (EAP), accidental death and dismemberment insurance, disability, severance, vacation or other group welfare or fringe benefits or is otherwise an “employee welfare benefit plan” as described in Section 3(1) of ERISA.

“Workers’ Compensation Event” means the event, injury, illness or condition giving rise to a workers’ compensation claim.

Section 1.2 Other Capitalized Terms. Capitalized terms not defined in this Employee Matters Agreement, including the following, will have the meanings ascribed to them in the Separation Agreement:

- Action
- Affiliate
- Ancillary Agreements
- Aptiv Group
- Aptiv Stock
- Contract Manufacturing Services Agreements
- Delphi Technologies Business
- Delphi Technologies Group
- Distribution Date
- Governmental Authority
- Law
- Liability
- Person
- Subsidiary
- Tax
- Tax Matters Agreement
- Third Party
- Third-Party Claim
- Transition Services Agreement

ARTICLE II
GENERAL PRINCIPLES; EMPLOYEE TRANSFERS

Section 2.1 Aptiv Group Employee Liabilities. Except as specifically provided in this Employee Matters Agreement, the Aptiv Group will be solely responsible for (a) all employment, compensation and employee benefits Liabilities relating to Aptiv Employees and Former Aptiv Business Employees, (b) all Liabilities arising under each Aptiv Benefit Plan, and (c) any other Liabilities expressly assigned or allocated to an Aptiv Group member under this Employee Matters Agreement, whether arising before, on or after the Distribution Date.

Section 2.2 Delphi Technologies Group Employee Liabilities. Except as specifically provided in this Employee Matters Agreement, the Delphi Technologies Group will be solely responsible for (a) all employment, compensation and employee benefits Liabilities relating to Delphi Technologies Employees, (b) all employment, compensation and employee benefits Liabilities relating to Former Delphi Technologies Business Employees, except as otherwise required by Law or provided in Schedule 2.2, (c) all Liabilities arising under each Delphi Technologies Benefit Plan, and (d) any other Liabilities expressly assigned or allocated to a Delphi Technologies Group member under this Employee Matters Agreement, whether arising before, on or after the Distribution Date.

Section 2.3 Aptiv Benefit Plans/Delphi Technologies Benefit Plans.

(a) Except as otherwise provided herein or as set forth on Schedule 2.3(a), effective as of the Plan Split Date, in the case of the Split DC Plans and the Split Nonqualified Plans, and the Distribution Date, in the case of all other Aptiv Benefit Plans and Aptiv Non-U.S. Benefit Plans, the Aptiv Group will be exclusively responsible for administering each Aptiv Benefit Plan and Aptiv Non-U.S. Benefit Plan in accordance with its terms and for all obligations and liabilities with respect to the Aptiv Benefit Plans and Aptiv Non-U.S. Benefit Plans and all benefits owed to participants in the Aptiv Benefit Plans and Aptiv Non-U.S. Benefit Plans, whether arising before, on or after the Distribution Date.

(b) Except as otherwise provided herein or as set forth on Schedule 2.3(b), effective as of the Plan Split Date in the case of the Delphi Technologies Spinoff DC Plans and the Delphi Technologies Spinoff Nonqualified Plans, and the Distribution Date, in the case of all other Delphi Technologies Benefit Plans and Delphi Technologies Non-U.S. Benefit Plans, the Delphi Technologies Group will be exclusively responsible for administering each Delphi Technologies Benefit Plan and Delphi Technologies Non-U.S. Benefit Plan in accordance with its terms and for all obligations and liabilities with respect to the Delphi Technologies Benefit Plans and Delphi Technologies Non-U.S. Benefit Plans and all benefits owed to participants in the Delphi Technologies Benefit Plans and Delphi Technologies Non-U.S. Benefit Plans, whether arising before, on or after the Distribution Date or Plan Split Date, as applicable.

Section 2.4 Employee Transfers. Any employee whose employment transfers pursuant to one of the following categories will be a “ Delayed Transfer Employee ” provided such employee was continuously employed by a member of the Delphi Technologies Group or the Aptiv Group (as applicable) from the Distribution Date through the date of the employment transfer: (a) within 6 months after the Distribution Date from the Aptiv Group to the Delphi Technologies Group or from the Delphi Technologies Group to the Aptiv Group because such employee was inadvertently and erroneously treated as employed by the wrong employer on the Distribution Date; (b) within 30 months after the Distribution Date from the Aptiv Group to the Delphi Technologies Group if such employee was on disability leave on the Distribution Date and such transfer occurs immediately upon the employee returning to work; or (c) before or, at the expiration of, as determined by Aptiv, the applicable period of the Transition Services Agreement or Contract Manufacturing Services Agreements under which such employee provides services. Notwithstanding anything herein to the contrary, no employee will be considered a Delayed Transfer Employee unless the mutual agreement with respect to, and the Applicable Transfer Date of, the Delayed Transfer Employee occurs on or before the end of the maximum period during which the transfer is permitted to occur, as detailed above. With respect to any employees whose employment transfers prior to the Distribution Date in accordance with a local asset or stock transfer agreement (“ Early Transfer Employees ”), the treatment of Liabilities set forth in this Employee Matters Agreement that applies to employees who transfer employment on the Distribution Date shall also apply to such Early Transfer Employees.

Section 2.5 Delayed Transfer Employees under Contract Manufacturing Services Agreements .

(a) Delphi Technologies or another member of the Delphi Technologies Group that is party to a Contract Manufacturing Services Agreement listed on Schedule 2.5 shall make an offer of employment to each salaried and hourly Aptiv Group employee allocable to the provision of manufacturing services for the Delphi Technologies Group under the Contract Manufacturing Services Agreement as determined by Aptiv (“ Production Employee ”). The employment of each Production Employee shall be transferred to Delphi Technologies or another member of the Delphi Technologies Group at such time as determined by Aptiv during the transition of production to Delphi Technologies following the Distribution Date. The Production Employee’s employment shall be considered continuous and uninterrupted under applicable Law and the terms and conditions applicable to the Production Employee’s employment after such transfer shall be, in the aggregate, substantially comparable to those terms and conditions of service applicable immediately before such transfer.

(b) Delphi Technologies or another member of the Delphi Technologies Group shall assume all Liabilities with respect to Production Employees who accept an offer of employment by, or who are transferred to, Delphi Technologies or another member of the Delphi Technologies Group. Delphi Technologies or a member of the Delphi Technologies Group shall reimburse the Aptiv Group for any severance payable by Aptiv or a member of the Aptiv Group under any severance arrangements with respect to each Production Employee who is not offered employment by Delphi

Technologies or a member of the Delphi Technologies Group or who refuses to enter into a new employment agreement or accept employment with Delphi Technologies or any member of the Delphi Technologies Group upon presentation of an offer of employment by Delphi Technologies or a member of the Delphi Technologies Group. Notwithstanding the foregoing, if Aptiv or a member of the Aptiv Group, rather than taking any action to sever the employment relationship continues to continuously employ the Production Employee who is either not offered employment by Delphi Technologies or a member of the Delphi Technologies Group or who refuses to enter into a new employment agreement with Delphi Technologies or a member of the Delphi Technologies Group, Delphi Technologies shall no longer be liable for any costs associated with the continuous employment of such Production Employee including, but not limited to, the salary, benefits or any applicable severance payments.

ARTICLE III
NON-U.S. RETIREMENT AND BENEFIT PLANS AND NON-U.S. EMPLOYEE TRANSFERS

Section 3.1 Non-U.S. Plans Generally. Except as otherwise provided below, effective as of the Distribution Date, (i) Aptiv or a member of the Aptiv Group will retain each Aptiv Non-U.S. Benefit Plan and (ii) Delphi Technologies or a member of the Delphi Technologies Group will retain or assume each Delphi Technologies Non-U.S. Benefit Plan. To the extent that the applicable Law of any jurisdiction requires that, in connection with the transactions contemplated by this Employee Matters Agreement, the Separation Agreement or the other Ancillary Agreements, all or a portion of the Aptiv Non-U.S. Benefit Plans listed on Schedule 3.1 will be assumed by a member of the Delphi Technologies Group or be applicable to the Non-U.S. Delphi Technologies Employees on and after the Distribution Date for such period of time permitted or required under applicable Law, Delphi Technologies will cause the Delphi Technologies Group to assume such Aptiv Non-U.S. Plans or apply the terms of such Aptiv Non-U.S. Benefit Plan to Non-U.S. Delphi Technologies Employees.

(a) Non-U.S. Pension Plans.

(i) Mexico Pension Plan.

(A) Effective as of the Plan Split Date, Delphi Diesel Systems S. de R.L. de C.V. has established and adopted a defined benefit pension plan (the "Mexico Spinoff Pension Plan") to provide retirement benefits to certain Non-U.S. Delphi Technologies Employees in Mexico who participated in the Delphi Diesel Systems S. de R.L. de C.V. Pension Plan, Delphi Sistemas de Energia Chihuahua S. de R.L. de C.V. Pension Plan, Sistemas Electricos y Conmutadores S. de R.L. de C.V. Pension Plan, Delphi Automotive Systems S. de R.L. de C.V. or Delphi Delco Electronics de Mexico S. de R.L. de C.V. Pension Plan (the "Mexico Split Pension Plans") prior to the Plan Split Date. The Mexico Spinoff Pension Plan assumed liability for all benefits accrued or earned by

Non-U.S. Delphi Technologies Employees and their Plan Payees under the Mexico Split Pension Plans as of the Plan Split Date. As of the Plan Split Date, Delphi Technologies or a member of the Delphi Technologies Group is solely responsible for taking all necessary, reasonable, and appropriate actions to maintain and administer the Mexico Spinoff Pension Plan so that it complies with applicable local law. As of the Plan Split Date, the liabilities under the Mexico Split Pension Plans relating to Delphi Technologies Employees, Former Delphi Technologies Business Employees, and their Plan Payees have ceased to be liabilities of the Mexico Split Pension Plans, and have been assumed by the Mexico Spinoff Pension Plan, and the Aptiv Group and the Mexico Split Pension Plans will retain all liabilities with respect to Aptiv Employees and Former Aptiv Business Employees.

(B) On the Plan Split Date, Aptiv or a member of the Aptiv Group caused the Mexico Split Pension Plans (or any applicable trust related thereto) to transfer to the Mexico Spinoff Pension Plan (or any applicable trust related thereto) a portion of the assets of the Mexico Split Pension Plans, in cash or in kind, equal to the assets associated with the Sistemas Electricos y Conmutadores S. de R.L. de C.V. Pension Plan, the Delphi Sistemas de Energia S. de R.L. de C.V. Pension Plan and the Delphi Diesel Systems S. de R.L. de C.V. Pension Plan that are fully being assumed by the Mexico Spinoff Pension Plan and for the Delphi Automotive Systems S. de R.L. de C.V. and the Delphi Delco Electronics de Mexico S. de R.L. de C.V. Pension Plan where only a portion of the liabilities are assumed, assets will transfer with the projected benefit obligation as of the Distribution Date on a pro-rata basis pursuant to Section 3.1(a)(i)(A).

(ii) Japan Pension Plan.

(A) Effective as of the Plan Split Date, Delphi Japan Limited Co. has established and adopted a defined benefit pension plan (the “Japan Spinoff Pension Plan”) to provide retirement benefits to certain Non-U.S. Delphi Technologies Employees in Japan who participated in the Delphi Automotive Systems Japan, Ltd. Pension Plan (the “Japan Split Pension Plan”) prior to the Plan Split Date. The Japan Spinoff Pension Plan assumed liability for all benefits accrued or earned by Delphi Technologies Employees and their Plan Payees under the Japan Split Pension Plan as of the Plan Split Date. As of the Plan Split Date, Delphi Technologies or a member of the Delphi Technologies Group is solely responsible for taking all necessary, reasonable, and appropriate actions to maintain and administer the Japan Spinoff Pension Plan so that it complies with applicable local law. As of the Plan Split Date, the

liabilities under the Japan Split Pension Plan relating to Delphi Technologies Employees, Former Delphi Technologies Business Employees, and their Plan Payees have ceased to be liabilities of the Japan Split Pension Plan, and have been assumed by the Japan Spinoff Pension Plan, and the Aptiv Group and the Japan Split Pension Plan will retain all liabilities with respect to Aptiv Employees and Former Aptiv Business Employees.

(B) On the Plan Split Date, because the Japan Split Pension Plan is unfunded, no assets have been transferred to the Japan Spinoff Pension Plan.

(iii) France Pension Plan.

(A) Effective as of the Plan Split Date, Delphi Automotive France SAS has established and adopted a defined benefit pension plan (the “France Spinoff Pension Plan”) to provide retirement benefits to certain Non-U.S. Delphi Technologies Employees in France who participated in the France Executive Plan (the “France Split Pension Plan”) prior to the Plan Split Date. The France Spinoff Pension Plan assumed liability for all benefits accrued or earned by Delphi Technologies Employees and their Plan Payees under the France Split Pension Plan as of the Plan Split Date. As of the Plan Split Date, Delphi Technologies or a member of the Delphi Technologies Group is solely responsible for taking all necessary, reasonable, and appropriate actions to maintain and administer the France Spinoff Pension Plan so that it complies with applicable local law. As of the Plan Split Date, the liabilities under the France Split Pension Plan relating to Delphi Technologies Employees, Former Delphi Technologies Business Employees, and their Plan Payees have ceased to be liabilities of the France Split Pension Plan, and have been assumed by the France Spinoff Pension Plan, and the Aptiv Group and the France Split Pension Plan will retain all liabilities with respect to Aptiv Employees and Former Aptiv Business Employees.

(B) On the Plan Split Date, because the France Split Pension Plan is unfunded, no assets have been transferred to the France Spinoff Pension Plan.

(iv) Germany Pension Plan.

(A) Effective as of the Plan Split Date, Delphi Powertrain Systems Deutschland GmbH has established and adopted a defined benefit pension plan (the “German Spinoff Pension Plan”) to provide retirement benefits to certain Non-U.S. Delphi Technologies Employees in Germany who participated in the

Germany Delphi Deutschland GmbH Pension Plan (the “German Split Pension Plan”) prior to the Plan Split Date. The German Spinoff Pension Plan assumed liability for all benefits accrued or earned by Delphi Technologies Employees and their Plan Payees under the German Split Pension Plan as of the Plan Split Date. As of the Plan Split Date, Delphi Technologies or a member of the Delphi Technologies Group is solely responsible for taking all necessary, reasonable, and appropriate actions to maintain and administer the German Spinoff Pension Plan so that it complies with applicable local law. As of the Plan Split Date, the liabilities under the German Split Pension Plan relating to Delphi Technologies Employees have ceased to be liabilities of the German Split Pension Plan, and have been assumed by the German Spinoff Pension Plan, and the Aptiv Group and the German Split Pension Plan will retain all liabilities with respect to Aptiv Employees and Former Aptiv Business Employees.

(B) On the Plan Split Date, because the German Split Pension Plan is unfunded, no assets have been transferred to the German Spinoff Pension Plan.

(v) Top-Hat Pan European Plan. No later than the Distribution Date, Delphi Technologies or another member of the Delphi Technologies Group shall assume all Liabilities with respect to the Delphi Pan-European Executive Retirement Plan (the “Top-Hat Pan European Plan”) for an employee who transfers employment to Delphi Technologies or another member of the Delphi Technologies Group.

(b) Non-U.S. Defined Contribution Plans.

(i) Effective as of the Distribution Date, Delphi Technologies or another member of the Delphi Technologies Group will adopt and establish certain defined contribution plans, and, if applicable, a related master trust or trust (such plans and trusts, the “Delphi Technologies Spinoff Non-U.S. DC Plans”). Each Delphi Technologies Spinoff Non-U.S. DC Plan will have terms and features (including employer contribution provisions) that are substantially similar to one of the Non-U.S. Benefit Plans listed on Schedule 3.1(b) (such Benefit Plans, the “Split Non-U.S. DC Plans”) such that (for the avoidance of doubt) each Split Non-U.S. DC Plan is substantially replicated by a corresponding Delphi Technologies Spinoff Non-U.S. DC Plan. Delphi Technologies or a member of the Delphi Technologies Group will be solely responsible for taking all necessary, reasonable, and appropriate actions to establish, maintain and administer the Delphi Technologies Spinoff Non-U.S. DC Plans so that they comply with applicable Laws. Each Delphi Technologies Spinoff Non-U.S. DC Plan will assume liability for all benefits accrued or earned (whether or not vested) by Delphi Technologies Employees and Former Delphi Technologies Business Employees under the corresponding Split Non-U.S. DC Plan as of the Distribution Date or Applicable Transfer Date, except for Brazil, in which case the liabilities will transfer the day after the receipt of the applicable regulatory approvals.

(ii) On or as soon as reasonably practicable following the Distribution Date or Applicable Transfer Date (but not later than 30 days thereafter, except for Brazil which will occur within 30 days after receipt of the applicable regulatory approvals), Aptiv or another member of the Aptiv Group will cause each Split Non-U.S. DC Plan to transfer to the applicable Delphi Technologies Spinoff Non-U.S. DC Plan, and Delphi Technologies or another member of the Delphi Technologies Group will cause such Delphi Technologies Spinoff Non-U.S. DC Plan to accept the transfer of, the accounts, liabilities and related assets in such Split Non-U.S. DC Plan attributable to Delphi Technologies Employees. The transfer of assets will be in cash or in-kind (as determined by the transferor) and include outstanding loan balances.

(iii) On or as soon as reasonably practicable following the Applicable Transfer Date (but not later than 30 days thereafter), Delphi Technologies or a member of the Delphi Technologies Group will cause the accounts, related liabilities, and related assets in the corresponding Delphi Technologies Spinoff Non-U.S. DC Plan(s) attributable to any Aptiv Transferees and their respective Plan Payees (including any outstanding loan balances) to be transferred in cash or in-kind to the applicable Split Non-U.S. DC Plan(s). Aptiv or another member of the Aptiv Group will cause the applicable Split Non-U.S. DC Plan(s) to accept such transfer of accounts, liabilities and assets.

(iv) From and after the Distribution Date, except as specifically provided in paragraph (iii) above, Delphi Technologies and the Delphi Technologies Group will be solely and exclusively responsible for all obligations and liabilities with respect to, or in any way related to, the Delphi Technologies Spinoff Non-U.S. DC Plans, whether accrued before, on or after the Distribution Date. For the avoidance of doubt, the Delphi Technologies Spinoff Non-U.S. DC Plans will, to the extent required by Law and the terms of the applicable Delphi Technologies Spinoff Non-U.S. DC Plans, have the sole and exclusive obligation to restore the unvested portion of any account attributable to any individual who becomes employed by a member of the Delphi Technologies Group and whose employment with Aptiv or any of its Affiliates, or a member of the Aptiv Group, terminated on or before the Distribution at a time when such individual's benefits under the Split Non-U.S. DC Plans were not fully vested.

(v) Continuation of Elections. As of the Distribution Date, or Applicable Transfer Date, Delphi Technologies (acting directly or through a member of the Delphi Technologies Group) will cause the Delphi Technologies Spinoff Non-U.S. DC Plans to recognize and maintain all elections (to the extent still applicable and reasonable), including investment and payment form elections, beneficiary designations, and the rights of alternate payees under qualified domestic relations orders with respect to Delphi Technologies Employees and their respective Plan Payees under the corresponding Split Non-U.S. DC Plan.

(vi) Contributions Due. All amounts payable to the Split Non-U.S. DC Plans with respect to employee deferrals, matching contributions and employer contributions for Delphi Technologies Employees and Former Delphi Technologies Business Employees relating to a time period ending on or prior to the Distribution Date, determined in accordance with the terms and provisions of the Split Non-U.S. DC Plans and applicable Law will be paid by Aptiv or another member of the Aptiv Group to the appropriate Split Non-U.S. DC Plan prior to the date of any asset transfer described in Section 3.1(b).

Section 3.2 Non-U.S. Employees. Notwithstanding anything to the contrary contained in this Employee Matters Agreement, except as otherwise provided on Schedule 3.2, any employee who is employed by a member of the Aptiv Group in a non-U.S. jurisdiction immediately prior to the Distribution Date, and who is required by applicable Law to transfer, or who has accepted a transfer of employment (on the same or different terms that applied prior to the Distribution), to a member of the Delphi Technologies Group in connection with the transactions contemplated by this Employee Matters Agreement, the Separation Agreement or the other Ancillary Agreements, will transfer automatically on the Distribution Date to Delphi Technologies or a member of the Delphi Technologies Group in accordance with such applicable Law and will be deemed to be a Delphi Technologies Employee and a Non-U.S. Delphi Technologies Employee for purposes of this Employee Matters Agreement. Notwithstanding anything to the contrary herein, the following terms will apply to all Non-U.S. Delphi Technologies Employees:

(a) To the extent that (i) the applicable Law of any jurisdiction, (ii) any applicable Collective Bargaining Agreement or other applicable agreement with a works council or economic committee, or (iii) any applicable employment agreement would require Delphi Technologies or its Affiliates (including a member of the Delphi Technologies Group) to provide any terms of employment to any Non-U.S. Delphi Technologies Employee that are more favorable than those otherwise provided for in this Employee Matters Agreement in connection with the Distribution, then Delphi Technologies will cause a member of the Delphi Technologies Group to provide such Non-U.S. Delphi Technologies Employee with such more favorable terms. Delphi Technologies will be responsible for liabilities for, and will cause the Delphi Technologies Group to provide all compensation or benefits (whether statutory, contractual or otherwise) to, each Non-U.S. Delphi Technologies Employee arising from or related to the transactions contemplated by this Employee Matters Agreement, the Separation Agreement, or the other Ancillary Agreements, or the related transfer of the employee to Delphi Technologies or a member of the Delphi Technologies Group.

(b) Aptiv and Delphi Technologies agree that, to the extent provided or required under the applicable Laws of certain foreign jurisdictions and except as provided below, the Collective Bargaining Agreements as set forth on Schedule 3.2(b) that are applicable to the Non-U.S. Delphi Technologies Employees in such

jurisdictions, will have effect after the Distribution as if originally made between a member of the Delphi Technologies Group (or a union, works council, or trade organization of which a Delphi Technologies Group entity is a member) and the other parties to the Collective Bargaining Agreement until the earlier of the expiration of the original term of such agreement or the date on which a new, negotiated agreement becomes effective.

(c) Notwithstanding the foregoing, the terms of the Collective Bargaining Agreements in the countries listed on Schedule 3.2(c) shall not apply to any employee hired by Delphi Technologies or a member of the Delphi Technologies Group following the Distribution whose employment is based outside of the United States. Furthermore, the following Collective Bargaining Agreements will be treated as follows on and after the Distribution Date:

(i) The Collective Bargaining Agreements designated as People's Republic of China CBAs on Schedule 3.2(c)(i) (the "PRC CBAs") will not automatically apply to Non-U.S. Delphi Technologies Employees in China after the Distribution. Delphi Technologies or a member of the Delphi Technologies Group in China shall either negotiate and adopt new collective bargaining agreements that will apply to the Non-U.S. Delphi Technologies Employees in China or obtain approval from the other parties to the PRC CBAs for the terms of the PRC CBAs to apply to the Non-U.S. Delphi Technologies Employees in China after the Distribution until the expiration of the original terms of the PRC CBAs or such earlier time as agreed upon by the parties.

(ii) The Collective Bargaining Agreements designated as Mexico CBAs on Schedule 3.2(c)(i) (the "Mexico CBAs") will not automatically apply to Non-U.S. Delphi Technologies Employees in Mexico after the Distribution. Aptiv shall cause Delphi Technologies or a member of the Delphi Technologies Group in Mexico to negotiate and adopt a new collective bargaining agreement with the trade union/employee representative that will apply to the Non-U.S. Delphi Technologies Employees in Mexico after the Distribution.

(d) Aptiv and Delphi Technologies agree that, to the extent provided or required under the applicable Laws of certain foreign jurisdictions, any employment agreements between Aptiv or one of its Affiliates and any Non-U.S. Delphi Technologies Employee will have effect after the Distribution (or transfer date, as applicable) as if originally made between the Delphi Technologies Group and the other parties to such employment agreement until the earlier of the expiration of the original term of such agreement or the date on which a new, negotiated agreement becomes effective.

Section 3.3 Delphi Technologies Spinoff Non-U.S. Welfare Plans. Effective as of the Distribution Date or Applicable Transfer Date, as applicable, Delphi Technologies or a member of the Delphi Technologies Group will provide all welfare benefits required under the applicable Laws of certain foreign jurisdictions to Non-U.S. Delphi Technologies Employees and, if necessary, establish certain welfare benefit plans (such

plans, the “Delphi Technologies Spinoff Non-U.S. Welfare Plans”). Delphi Technologies will cause each Delphi Technologies Spinoff Non-U.S. Welfare Plan to have terms and features (including benefit coverage options and employer contribution provisions) that are substantially similar to one of the Aptiv Benefit Plans listed on Schedule 3.3 (such Aptiv Benefit Plans, the “Split Non-U.S. Welfare Plans”) such that (for the avoidance of doubt) each Split Non-U.S. Welfare Plan is substantially replicated by a Delphi Technologies Spinoff Non-U.S. Welfare Plan, except as otherwise provided on Schedule 3.3. From and after the Distribution Date or Applicable Transfer Date, as applicable, Delphi Technologies will cause each Delphi Technologies Spinoff Non-U.S. Welfare Plan to cover those Non-U.S. Delphi Technologies Employees and their Plan Payees who immediately prior to the Distribution or Applicable Transfer Date were participating in, or entitled to present or future benefits under, the corresponding Split Non-U.S. Welfare Plan, except as otherwise provided in the Transition Services Agreement.

ARTICLE IV SERVICE CREDIT

Section 4.1 Service Credit for Employee Transfers. The Benefit Plans will provide the following service crediting rules effective as of the Distribution Date:

(a) From and after the Distribution Date, in the case of all Delphi Technologies Benefit Plans, Delphi Technologies will, and will cause its Affiliates and successors to, provide credit under the Delphi Technologies Benefit Plans to each Delphi Technologies Employee (and Former Delphi Technologies Business Employee, if applicable) for all service with the Aptiv Group prior to the Distribution Date or Plan Split Date, as applicable, for purposes of eligibility, vesting, and benefit service under the appropriate Delphi Technologies Benefit Plans in which the Delphi Technologies Employee (and Former Delphi Technologies Business Employee, if applicable) is otherwise eligible, subject to the terms of those plans; provided, however, that service will not be recognized to the extent that such recognition would result in the duplication of benefits taking into account both Aptiv Benefit Plans and Delphi Technologies Benefit Plans.

(b) A Delayed Transfer Employee’s service with the Delphi Technologies Group or the Aptiv Group (as applicable) following the Distribution will be recognized for purposes of eligibility, vesting and benefit service under the appropriate Aptiv Benefit Plans or Delphi Technologies Benefit Plans in which they are otherwise eligible, subject to the terms of those plans; provided, however, that service will not be recognized to the extent that such recognition would result in the duplication of benefits taking into account both Aptiv Benefit Plans and Delphi Technologies Benefit Plans.

(c) Except as provided in Section 4.1(b), with respect to an employee hired by the Delphi Technologies Group or the Aptiv Group after the Distribution Date, the Benefit Plans of the Delphi Technologies Group for employees hired by the Delphi Technologies Group or Aptiv Group for employees hired by the Aptiv Group will not recognize such employee’s service with the Aptiv Group for employees hired by the Delphi Technologies Group or the Delphi Technologies Group for employees hired by the Aptiv Group unless required by Law.

ARTICLE V
LITIGATION AND COMPENSATION

Section 5.1 Employee-Related Litigation.

(a) Notwithstanding any provision of this Employee Matters Agreement to the contrary, Liability with respect to any Pre-Distribution Action: (i) will be a Delphi Technologies Liability if it relates to Delphi Technologies Employees and/or Former Delphi Technologies Business Employees; (ii) will be an Aptiv Liability if it relates to Aptiv Employees and/or Former Aptiv Business Employees; and (iii) will be a shared Liability between Aptiv and Delphi Technologies to the extent it cannot be readily attributed to Aptiv Employees and Former Aptiv Business Employees, on the one hand, or Delphi Technologies Employees and Former Delphi Technologies Business Employees, on the other hand, as described in clauses (i) and (ii).

Section 5.2 Vacation. Except to the extent not permitted by applicable law, the Aptiv Group will assume or retain, as applicable, responsibility for accrued vacation attributable to Aptiv Employees as of the Distribution Date, or Applicable Transfer Date. Except to the extent not permitted by applicable law, the Delphi Technologies Group will assume or retain, as applicable, responsibility for accrued vacation attributable to Delphi Technologies Employees as of the Distribution Date, or Applicable Transfer Date.

Section 5.3 Annual Bonuses.

(a) As of the Distribution Date, Aptiv will determine the projected level of achievement for the applicable performance objectives under the AIP and the DLIP for 2017 based on (i) actual performance measured as of the most recent practicable date preceding the Distribution Date and (ii) projected performance for the remainder of the applicable performance period.

(b) Eligible employees of the Aptiv Group and Delphi Technologies Group will continue to participate in the Aptiv Annual Incentive Plan (“AIP”) through December 31, 2017. The Aptiv Group will determine the awards earned under the AIP for 2017 for all Aptiv Employees and Former Aptiv Business Employees (including with reference to the level of achievement described in Section 5.3(a) and taking into account actual performance during the period from the Distribution Date through the end of the applicable performance period), and be responsible for and pay any such awards. Delphi Technologies will determine the awards earned under the AIP for 2017 for all Delphi Technologies Employees and Former Delphi Technologies Business Employees (including with reference to the level of achievement described in Section 5.3(a) and taking into account actual performance during the period from the Distribution Date through the end of the applicable performance period), and be responsible for and pay any such awards.

(c) Eligible employees of the Aptiv Group and the Delphi Technologies Group will continue to participate in the Delphi Automotive PLC Leadership Incentive Plan (the “DLIP”) through December 31, 2017. The determination of whether any portion of an award under the DLIP with respect to the 2017 fiscal year (a “2017 DLIP Award”) has been earned will be made based upon the achievement of the applicable management objectives measured as of December 31, 2017. Such determination will be made by the Aptiv Compensation Committee in accordance with the DLIP; provided, however, that, except as otherwise determined by the Aptiv Compensation Committee in compliance with applicable Law or the DLIP, the portion of each 2017 DLIP Award deemed earned will be determined taking into account actual performance during the period from the Distribution Date through the end of the applicable performance period. With respect to Delphi Technologies Employees, the amount of any 2017 DLIP Award will be based on the full 2017 fiscal year. Notwithstanding any provision of the DLIP, the Aptiv Group will pay each 2017 DLIP Award held by an Aptiv Employee or a Former Aptiv Business Employee, and Delphi Technologies will pay each 2017 DLIP Award held by a Delphi Technologies Employee or a Former Delphi Technologies Business Employee.

(d) The Aptiv Group will be responsible for establishing and paying any annual bonus for its employees for performance periods commencing in 2018 or, for any Aptiv Transferee whose Applicable Transfer Date is in a year after 2017, the year in which the Applicable Transfer Date occurs, and the Delphi Technologies Group will be responsible for establishing and paying any annual bonus for its employees for performance periods commencing in 2018 or, for any Delphi Technologies Transferee whose Applicable Transfer Date is in a year after 2017, the year in which the Applicable Transfer Date occurs.

Section 5.4 Employment Agreements. Effective as of the Distribution, Delphi Technologies or a member of the Delphi Technologies Group will assume and be solely responsible for any Employment Agreement to which a Delphi Technologies Employee is a party (a “Delphi Technologies Employment Agreement”), including the agreements listed on Schedule 5.4, and the Aptiv Group will have no liabilities with respect thereto. Notwithstanding any provision to the contrary, (a) the Delphi Technologies Employment Agreements will be the responsibility of one or more members of the Delphi Technologies Group following the Distribution Date; and (b) except as otherwise set forth in Article III, Aptiv or the Aptiv Group, as applicable, will retain and be solely and exclusively responsible for all obligations and Liabilities with respect to, or in any way related to, any Employment Agreement that is not a Delphi Technologies Employment Agreement.

ARTICLE VI
CERTAIN WELFARE BENEFIT PLAN MATTERS

Section 6.1 Delphi Technologies Spinoff Welfare Plans.

(a) Effective not later than the Distribution, Delphi Technologies or a member of the Delphi Technologies Group will establish certain other welfare benefit plans (such plans, the “Delphi Technologies Spinoff Welfare Plans”). Delphi Technologies will cause each Delphi Technologies Spinoff Welfare Plan to have terms and features (including benefit coverage options and employer contribution provisions) that are substantially similar to one of the Aptiv Benefit Plans listed on Schedule 6.1(a) (such Aptiv Benefit Plans, the “Split Welfare Plans”) such that (for the avoidance of doubt) each Split Welfare Plan is substantially replicated by a Delphi Technologies Spinoff Welfare Plan, except as otherwise provided on Schedule 6.1(a). From and after the Distribution Date or Applicable Transfer Date, Delphi Technologies will cause each Delphi Technologies Spinoff Welfare Plan, subject to the terms of such plans, to cover those Delphi Technologies Employees and their Plan Payees who immediately prior to the Distribution or Applicable Transfer Date were participating in, or entitled to present or future benefits under, the corresponding Split Welfare Plan, except as otherwise provided in the Transition Services Agreement. Notwithstanding the foregoing, with respect to any severance benefits owed to any Aptiv Employee or Former Aptiv Business Employee as a result of a termination of employment occurring on or prior to the Distribution Date (the “Retained Severance Benefits”), the Aptiv Group and the applicable Aptiv Welfare Plans (including the Split Welfare Plans) will be solely responsible for all such Retained Severance Benefits. With respect to any severance benefits owed to any Delphi Technologies Employee or Former Delphi Technologies Business Employee as a result of a termination of employment occurring on or prior to the Distribution Date, the Delphi Technologies Group and the applicable Delphi Technologies Spinoff Welfare Plans will be solely responsible for all such severance benefits. The Delphi Technologies Group and the Delphi Technologies Spinoff Welfare Plans will be solely responsible for all claims incurred by Delphi Technologies Employees and their Plan Payees under the Delphi Technologies Spinoff Welfare Plans and Split Welfare Plans that are unpaid as of the Distribution Date or Applicable Transfer Date, as applicable, (except with respect to Retained Severance Benefits or as otherwise provided in the Transition Services Agreement) (“Delphi Technologies Welfare Claims”) before, on and after the Distribution Date or Applicable Transfer Date, but only to the extent such claims are not otherwise payable under an insurance policy held by the Aptiv Group. To the extent any Delphi Technologies Welfare Claims are payable under an insurance policy held by the Aptiv Group, Aptiv will take all commercially reasonable actions necessary to process such claims and obtain payment under the applicable insurance policy. Effective as of the Distribution Date or Applicable Transfer Date, Aptiv will cause Delphi Technologies Employees (and Former Delphi Technologies Business Employees, if applicable) and their Plan Payees to cease to be covered by the Aptiv Welfare Plans (including the Split Welfare Plans), except as otherwise provided in the Transition Services Agreement. The Aptiv Group and the Aptiv Welfare Plans will remain solely responsible for all claims incurred by Aptiv Employees, Former Aptiv Business Employees and their Plan Payees, whether incurred before, on, or after the Distribution Date.

(b) For purposes of Article VI, a claim will be deemed “incurred” on the date that the event that gives rise to the claim occurs (for purposes of life insurance, severance, sickness, accident, and disability programs) or on the date that treatment or services are provided (for purposes of health care programs).

Section 6.2 Continuation of Elections. As of the Distribution Date, or Applicable Transfer Date, Delphi Technologies will cause the Delphi Technologies Spinoff Welfare Plans to recognize elections and designations (including, without limitation, all coverage and contribution elections and beneficiary designations, all continuation coverage and conversion elections, and all qualified medical child support orders and other orders issued by courts of competent jurisdiction) in effect with respect to Delphi Technologies Employees (or Former Delphi Technologies Business Employees, if applicable) prior to the Distribution Date, or Applicable Transfer Date, under the corresponding Split Welfare Plan, to the extent such elections and designations and orders are applicable to such Split Welfare Plan, and apply and maintain in force comparable elections and designations and orders under the Delphi Technologies Spinoff Welfare Plans for the remainder of the period or periods for which such elections or designations are by their original terms effective.

Section 6.3 Deductibles, Cost-Sharing Provisions, and Coverage Maximums. As of the Distribution Date, or Applicable Transfer Date, Delphi Technologies will cause the Delphi Technologies Spinoff Welfare Plans to recognize all amounts applied to deductibles, co-payments and out-of-pocket maximums with respect to Delphi Technologies Employees (and Former Delphi Technologies Business Employees, if applicable) under the corresponding Split Welfare Plan during the plan year in which the Distribution or Applicable Transfer Date occurs, and the Delphi Technologies Spinoff Welfare Plans will not impose any limitations on coverage for preexisting conditions other than such limitations as were applicable under the corresponding Split Welfare Plan prior to the Distribution Date or Applicable Transfer Date. As of the Distribution Date, or Applicable Transfer Date, Delphi Technologies will cause the Delphi Technologies Spinoff Welfare Plans to recognize all amounts (e.g., days or dollars) accrued towards coverage maximums with respect to Delphi Technologies Employees (and Former Delphi Technologies Business Employees, if applicable) under the corresponding Split Welfare Plan during the plan year in which the Distribution or Applicable Transfer Date occurs.

Section 6.4 Flexible Spending Account Treatment. Notwithstanding anything in Sections 6.2 and 6.3 to the contrary, with respect to the portion of a Split Welfare Plan that consists of medical and dependent care flexible spending accounts (the “Aptiv Flexible Account Plan”), as of the Distribution Date or Applicable Transfer Date, Delphi Technologies will be solely responsible for all liabilities with respect to Delphi Technologies Employees and Former Delphi Technologies Business Employees, if applicable, and the applicable Delphi Technologies Spinoff Welfare Plan (the “Delphi Technologies Flexible Account Plan”) will, as required under Section 6.2, give effect to the elections of Delphi Technologies Employees (and Former Delphi Technologies Business Employees, if applicable) that were in effect under the corresponding Split Welfare Plan as of the Distribution Date or Applicable Transfer Date. After the Distribution Date or Applicable Transfer Date, the Delphi Technologies Flexible Account Plan will be responsible for reimbursement of all previously reimbursable medical expense and dependent care claims incurred by Delphi Technologies Employees (and Former Delphi Technologies Business Employees, if applicable), regardless of when the claims were incurred. Notwithstanding the foregoing, if a Delayed Transfer Employee returning from disability leave has no election in place under the Aptiv Flexible Account Plan, such employee may make a new election under the Delphi Technologies Flexible Account Plan as of the Applicable Transfer Date.

Section 6.5 Workers' Compensation. The Aptiv Group will be solely responsible for all United States (including its territories) workers' compensation claims of Aptiv Employees and Former Aptiv Business Employees, regardless of when the Workers' Compensation Events to which such claims relate occur. The Aptiv Group will have sole authority for administering, making decisions with respect to, and paying all United States (including its territories) workers' compensation claims of Delphi Technologies Employees with respect to Workers' Compensation Events occurring before the Distribution Date or Applicable Transfer Date ("Delphi Technologies Workers' Compensation Claims"), subject to the prior consent of Delphi Technologies, which consent shall not be unreasonably withheld. The consent described in the immediately preceding sentence will be evidenced in writing with respect to any decision relating to (a) the settlement of a Delphi Technologies Workers' Compensation Claim, (b) the designation of an "allowed condition," or (c) the administration of ongoing litigation. Delphi Technologies will, and will cause any other Delphi Technologies Entity (and each of their respective successors and assigns) to, jointly and severally indemnify, defend and hold harmless Aptiv and each member of the Aptiv Group and each of their respective successors and assigns from and against any and all Damages incurred by Aptiv arising out of or in connection with a Delphi Technologies Workers' Compensation Claim, only if such Damages arise after the Distribution Date, and only to the extent such Damages are not payable under an insurance policy held by the Aptiv Group. To the extent any such Damages are payable under an insurance policy held by the Aptiv Group, Aptiv will take all commercially reasonable actions necessary to obtain payment of such Damages under the applicable insurance policy. The Delphi Technologies Group will be solely responsible for all workers' compensation claims of Delphi Technologies Employees (and Former Delphi Technologies Business Employees, if applicable) with respect to Workers' Compensation Events occurring on or after the Distribution Date.

Section 6.6 COBRA. Effective as of the Distribution Date or Applicable Transfer Date, Delphi Technologies or a member of the Delphi Technologies Group will assume or will cause the Delphi Technologies Spinoff Welfare Plans to assume sole responsibility for compliance with COBRA after the Distribution Date or Applicable Transfer Date for all Delphi Technologies Employees (and Former Delphi Technologies Business Employees, if applicable) and their "qualified beneficiaries" for whom a "qualifying event" occurs on or after the Distribution Date or the Applicable Transfer Date; provided, however, that Aptiv or a member of the Aptiv Group will be responsible for furnishing any election notice required under COBRA to any Delphi Technologies Transferee. Aptiv, the Aptiv Group, or a Split Welfare Plan will remain solely responsible for compliance with COBRA before, on and after the Distribution Date or Applicable Transfer Date for Aptiv Employees, Former Aptiv Business Employees, and their "qualified beneficiaries"; provided, however, that Delphi Technologies or a member of the Delphi Technologies Group will be responsible for furnishing any election notice required under COBRA to any Aptiv Transferee. The terms "qualified beneficiaries" and

“qualifying event” will have the meanings given to them under Code Section 4980B and ERISA Sections 601-608. For the avoidance of doubt, Section 6.1(a) will govern whether the Delphi Technologies Spinoff Welfare Plans or Split Welfare Plans are responsible for claims incurred by Delphi Technologies Employees or their qualified beneficiaries while receiving continuation coverage under COBRA.

ARTICLE VII
U.S. TAX-QUALIFIED DEFINED CONTRIBUTION PLANS

Section 7.1 Delphi Technologies Spinoff DC Plans.

(a) Effective as of the Plan Split Date, Delphi Technologies or another member of the Delphi Technologies Group will adopt and establish certain defined contribution plans that are intended to qualify under Code Section 401(a), and a related master trust or trusts exempt under Code Section 501(a) (such plans and trusts, the “Delphi Technologies Spinoff DC Plans”). Each Delphi Technologies Spinoff DC Plan will have terms and features (including employer contribution provisions) that are substantially similar to one of the Benefit Plans listed on Schedule 7.1(a) (such Benefit Plans, the “Split DC Plans”) such that (for the avoidance of doubt) each Split DC Plan is substantially replicated by a corresponding Delphi Technologies Spinoff DC Plan. Delphi Technologies or a member of the Delphi Technologies Group will be solely responsible for taking all necessary, reasonable, and appropriate actions (including the submission of the Delphi Technologies Spinoff DC Plans to the Internal Revenue Service for a determination of tax-qualified status) to establish, maintain and administer the Delphi Technologies Spinoff DC Plans so that they are qualified under Section 401 (a) of the Code and that the related trusts thereunder are exempt under Section 501(a) of the Code. Each Delphi Technologies Spinoff DC Plan will assume liability for all benefits accrued or earned (whether or not vested) by Delphi Technologies Employees and Former Delphi Technologies Business Employees, as applicable, under the corresponding Split DC Plan as of the Plan Split Date or Applicable Transfer Date.

(b) On or as soon as reasonably practicable following the Plan Split Date or Applicable Transfer Date (but not later than 30 days thereafter), Aptiv or another member of the Aptiv Group will cause each Split DC Plan to transfer to the applicable Delphi Technologies Spinoff DC Plan, and Delphi Technologies or another member of the Delphi Technologies Group will cause such Delphi Technologies Spinoff DC Plan to accept the transfer of, the accounts, liabilities and related assets in such Split DC Plan attributable to Delphi Technologies Employees and Former Delphi Technologies Business Employees, if applicable, and their respective Plan Payees. The transfer of assets will be in cash or in kind (as determined by the transferor) and include outstanding loan balances.

(c) On or as soon as reasonably practicable following the Applicable Transfer Date (but not later than 30 days thereafter), Delphi Technologies or a member of the Delphi Technologies Group will cause the accounts, related liabilities, and related assets in the corresponding Delphi Technologies Spinoff DC Plan(s) attributable to any Aptiv Transferees and their respective Plan Payees (including any outstanding loan

balances) to be transferred in cash or in-kind (as determined by the transferor) in accordance with Code Section 414(I) and Treasury Regulation Section 1.414(I)-1 and Section 208 of ERISA to the applicable Split DC Plan(s). Aptiv or another member of the Aptiv Group will cause the applicable Split DC Plan(s) to accept such transfer of accounts, liabilities and assets.

(d) From and after the Plan Split Date, except as specifically provided in paragraph (c) above, Delphi Technologies and the Delphi Technologies Group will be solely and exclusively responsible for all obligations and liabilities with respect to, or in any way related to, the Delphi Technologies Spinoff DC Plans, whether accrued before, on or after the Plan Split Date. For the avoidance of doubt, the Delphi Technologies Spinoff DC Plans will, to the extent required by Law and the terms of the applicable Delphi Technologies Spinoff DC Plans, have the sole and exclusive obligation to restore the unvested portion of any account attributable to any individual who becomes employed by a member of the Delphi Technologies Group and whose employment with Aptiv or any of its Affiliates, or a member of the Aptiv Group, terminated on or before the Plan Split Date at a time when such individual's benefits under the Split DC Plans were not fully vested.

Section 7.2 Continuation of Elections. As of the Plan Split Date, or Applicable Transfer Date, as applicable, Delphi Technologies (acting directly or through a member of the Delphi Technologies Group) will cause the Delphi Technologies Spinoff DC Plans to recognize and maintain all elections (to the extent still applicable and reasonable), including investment and payment form elections, beneficiary designations, and the rights of alternate payees under qualified domestic relations orders with respect to Delphi Technologies Employees and their respective Plan Payees under the corresponding Split DC Plan.

Section 7.3 Contributions Due. All amounts payable to the Split DC Plans with respect to employee deferrals, matching contributions and employer contributions for Delphi Technologies Employees and Former Delphi Technologies Business Employees, if applicable, relating to a time period ending on or prior to the Plan Split Date, determined in accordance with the terms and provisions of the Split DC Plans, ERISA and the Code, will be paid by Aptiv or another member of the Aptiv Group to the appropriate Split DC Plan prior to the date of any asset transfer described in Section 7.1(b).

ARTICLE VIII NONQUALIFIED RETIREMENT PLANS

Section 8.1 Delphi Technologies Spinoff Nonqualified Plans.

(a) Effective as of the Plan Split Date, Delphi Technologies or another member of the Delphi Technologies Group will establish certain nonqualified retirement plans (such plans, the “Delphi Technologies Spinoff Nonqualified Plans”). Each Delphi Technologies Spinoff Nonqualified Plan will have terms and features (including employer contribution provisions) that are substantially similar to one of the Aptiv

Benefit Plans listed on Schedule 8.1(a) (such plans, the “Split Nonqualified Plans”) such that (for the avoidance of doubt), each Split Nonqualified Plan is substantially replicated by a corresponding Delphi Technologies Spinoff Nonqualified Plan. Delphi Technologies or a member of the Delphi Technologies Group will be solely responsible for taking all necessary, reasonable, and appropriate actions to establish, maintain and administer the Delphi Technologies Spinoff Nonqualified Plans so that they do not result in adverse Tax consequences under Code Section 409A. Each Delphi Technologies Spinoff Nonqualified Plan will assume liability for all benefits accrued or earned (whether or not vested) by Delphi Technologies Employees and their respective Plan Payees under the corresponding Split Nonqualified Plan as of the Plan Split Date. From and after the Plan Split Date, Delphi Technologies and the Delphi Technologies Group will be solely and exclusively responsible for all obligations and liabilities with respect to, or in any way related to, the Delphi Technologies Spinoff Nonqualified Plans, whether accrued before, on or after the Plan Split Date.

(b) From and after the Plan Split Date, Aptiv and the Aptiv Group will be solely and exclusively responsible for all obligations and liabilities with respect to, or in any way related to, the nonqualified retirement plans sponsored or maintained by a member of the Aptiv Group (including, but not limited to, the Split Nonqualified Plans) to the extent such obligations and liabilities are not specifically assumed by a Delphi Technologies Group member or the Delphi Technologies Spinoff Nonqualified Plans pursuant to Section 8.1(a).

(c) Aptiv will retain and be solely and exclusively responsible for all obligations and liabilities with respect to, or in any way related to, any arrangements between Aptiv or its Affiliates and certain service providers and former service providers with respect to the plans set forth on Schedule 8.1(c).

Section 8.2 No Distributions on Separation. Aptiv and Delphi Technologies acknowledge that neither the Distribution nor any of the other transactions contemplated by this Employee Matters Agreement (including the split of certain plans as of the Plan Split Date), the Separation Agreement, or the other Ancillary Agreements will trigger a payment or distribution of compensation under any Benefit Plan that is a nonqualified retirement plan for any Aptiv Employee, Delphi Technologies Employee, Former Aptiv Business Employee or Former Delphi Technologies Business Employee and, consequently, that the payment or distribution of any compensation to which any Aptiv Employee, Delphi Technologies Employee, Former Aptiv Business Employee or Former Delphi Technologies Business Employee is entitled under any such Benefit Plan will occur upon such individual’s separation from service from the Aptiv Group or the Delphi Technologies Group, as applicable, or at such other time as specified in the applicable Benefit Plan.

Section 8.3 Section 409A. Aptiv and Delphi Technologies will cooperate in good faith so that the Distribution will not result in adverse Tax consequences under Code Section 409A to any current or former employee of any member of the Aptiv Group or any member of the Delphi Technologies Group, or their respective Plan Payees, in respect of his or her benefits under any Aptiv Benefit Plan or Delphi Technologies Benefit Plan.

Section 8.4 Continuation of Elections. As of the Plan Split Date, or Applicable Transfer Date and as permitted by Code Section 409A, Delphi Technologies (acting directly or through a member of the Delphi Technologies Group) will cause each Delphi Technologies Spinoff Nonqualified Plan to recognize and maintain all elections (to the extent still applicable and reasonable), including deferral, investment and payment form elections, beneficiary designations, and the rights of alternate payees under qualified domestic relations orders with respect to Delphi Technologies Employees and their Plan Payees under the corresponding Split Nonqualified Plan.

Section 8.5 Delayed Transfer Employees.

(a) Any Delphi Technologies Transferee will be treated in the same manner as a Delphi Technologies Employee under this Article VIII, except that such Delphi Technologies Transferee may experience a separation from service from Aptiv (within the meaning of Code Section 409A) on his or her Applicable Transfer Date. Such a Delphi Technologies Transferee's Applicable Transfer Date will be treated as the Distribution Date.

(b) The Aptiv Group will assume and be solely responsible, pursuant to the terms of the applicable Split Nonqualified Plan, for any benefits accrued by any Aptiv Transferee under any Delphi Technologies Spinoff Nonqualified Plan, and the Delphi Technologies Group will have no liability with respect thereto. Any Aptiv Transferee will be treated in the same manner as an Aptiv Employee under this Article VIII, except that such Aptiv Transferee may experience a separation from service from Delphi Technologies (within the meaning of Code Section 409A) on his or her Applicable Transfer Date. Such an Aptiv Transferee's Applicable Transfer Date will be treated as the Distribution Date.

ARTICLE IX
APTIV EQUITY COMPENSATION AWARDS

Section 9.1 Outstanding Aptiv Equity Compensation Awards.

(a) Each Aptiv Equity Compensation Award that is outstanding as of the Distribution Date will be adjusted as described below, so that each Aptiv Equity Compensation Award held by an Aptiv Participant will be adjusted to be an Adjusted Aptiv Equity Compensation Award, and each Aptiv Equity Compensation Award held by a Delphi Technologies Participant will be adjusted to be a Delphi Technologies Equity Compensation Award, unless otherwise provided in this Section 9.1(a); provided, however, that, effective immediately prior to the Distribution, the Aptiv Compensation Committee may provide for different adjustments with respect to some or all of a holder's Aptiv Equity Compensation Awards. For greater certainty, any adjustments made by the Aptiv Compensation Committee will be deemed incorporated by reference herein as if fully set forth below and will be binding on the parties hereto and their respective Subsidiaries.

(i) With respect to Aptiv Time-Based RSUs:

(A) Aptiv Time-Based RSUs held by each Aptiv Participant will be adjusted, effective as of the Distribution Date and immediately prior to the Distribution, pursuant to the adjustment provisions of the applicable Aptiv LTIP, to be Adjusted Aptiv Time-Based RSUs. Subject to the adjustment provisions of the applicable Aptiv LTIP, the Adjusted Aptiv Time-Based RSUs otherwise will be subject to substantially the same terms, vesting conditions and other restrictions, if any, that were applicable to the respective Aptiv Time-Based RSUs immediately prior to the Distribution Date. The number of such Adjusted Aptiv Time-Based RSUs for each such Aptiv Participant will be equal to the product (rounded up to the nearest whole unit) of (1) the number of such Aptiv Time-Based RSUs held by such Aptiv Participant immediately prior to the Distribution Date and (2) a fraction, (a) the numerator of which is the Pre-Distribution Aptiv Price and (b) the denominator of which is the Post-Distribution Aptiv Price.

(B) Aptiv Time-Based RSUs held by each Delphi Technologies Participant will be adjusted, effective as of the Distribution Date and immediately prior to the Distribution, pursuant to the adjustment provisions of the applicable Aptiv LTIP, to be Delphi Technologies Time-Based RSUs. Subject to the adjustment provisions of the applicable Aptiv LTIP, the Delphi Technologies Time-Based RSUs otherwise will be subject to substantially the same terms, vesting conditions and other restrictions, if any, that were applicable to the respective Aptiv Time-Based RSUs immediately prior to the Distribution Date. The number of such Delphi Technologies Time-Based RSUs for each such Delphi Technologies Participant will be equal to the product (rounded up to the nearest whole unit) of (1) the number of such Aptiv Time-Based RSUs held by such Delphi Technologies Participant immediately prior to the Distribution Date and (2) a fraction, the numerator of which is the Pre-Distribution Aptiv Price and the denominator of which is the Delphi Technologies Price.

(ii) With respect to Aptiv Performance-Based RSUs:

(A) Aptiv Performance-Based RSUs held by each Aptiv Participant will be adjusted, effective as of the Distribution Date and immediately prior to the Distribution, pursuant to the adjustment provisions of the applicable Aptiv LTIP, to be Adjusted Aptiv Performance-Based RSUs. The target number of such Adjusted

Aptiv Performance-Based RSUs will be equal to the product (which will be rounded up to the nearest whole unit) of (1) the target number of such Aptiv Performance-Based RSUs held by such Aptiv Participant immediately prior to the Distribution and (2) a fraction, (a) the numerator of which is the Pre-Distribution Aptiv Price and (b) the denominator of which is the Post-Distribution Aptiv Price. Subject to the adjustment provisions of the applicable Aptiv LTIP, the Adjusted Aptiv Performance-Based RSUs otherwise will be subject to substantially the same terms, vesting conditions and other restrictions, if any, that were applicable to the respective Aptiv Performance-Based RSUs immediately prior to the Distribution Date. The determination of whether any portion of an Adjusted Aptiv Performance-Based RSU award held by an Aptiv Participant has been earned will be made by the Aptiv Compensation Committee based upon the achievement of the applicable management objectives for the applicable performance period during the first quarter of the calendar year following the calendar year in which the applicable performance period ends, subject to the terms of the Adjusted Aptiv Performance-Based RSU award.

(B) Aptiv Performance-Based RSUs held by each Delphi Technologies Participant will be adjusted, effective as of the Distribution Date and immediately prior to the Distribution, pursuant to the adjustment provisions of the applicable Aptiv LTIP, to be Delphi Technologies Performance-Based RSUs. The target number of such Delphi Technologies Performance-Based RSUs will be equal to the product (which will be rounded up to the nearest whole unit) of (1) the target number of such Aptiv Performance-Based RSUs held by such Delphi Technologies Participant immediately prior to the Distribution and (2) a fraction, (a) the numerator of which is the Pre-Distribution Aptiv Price and (b) the denominator of which is the Delphi Technologies Price. Subject to the adjustment provisions of the applicable Aptiv LTIP, the Delphi Technologies Performance-Based RSUs otherwise will be subject to substantially the same terms, vesting conditions and other restrictions, if any, that were applicable to the respective Aptiv Performance-Based RSUs immediately prior to the Distribution Date. The determination of whether any portion of a Delphi Technologies Performance-Based RSU award held by a Delphi Technologies Participant has been earned will be made by the Delphi Technologies Compensation Committee based upon the achievement of the applicable management objectives for the applicable performance period during the first quarter of the calendar year following the calendar year in which the applicable performance period ends, in accordance with the terms of the Delphi Technologies Performance-Based RSU award. References to the Delphi Technologies Compensation Committee in this Section 9.1(a)(ii)(B) will be deemed references to the Aptiv Compensation Committee to the extent necessary to comply with Section 162(m) of the Code.

(b) Prior to the Distribution Date, Delphi Technologies will establish equity compensation plans, including the Delphi Technologies LTIP, so that upon the Distribution, Delphi Technologies will have in effect an equity compensation plan that allows grants of equity compensation awards subject to substantially the same terms as those that apply to the applicable Aptiv Equity Compensation Awards. From and after the Distribution Date, each Delphi Technologies Equity Compensation Award will be subject to the terms of the applicable Delphi Technologies equity compensation plan, the award agreement and such other applicable writings governing such Delphi Technologies Equity Compensation Award and any Employment Agreement to which the applicable holder is a party. From and after the Distribution Date, Delphi Technologies will retain, pay, perform, fulfill and discharge all Liabilities arising out of or relating to the Delphi Technologies Equity Compensation Awards. Aptiv will retain, pay, perform, fulfill and discharge all Liabilities arising out of or relating to the Aptiv Equity Compensation Awards.

(c) In all events, the adjustments provided for in this Section 9.1 will be made in a manner that, as determined by Aptiv, avoids adverse Tax consequences to holders under Code Section 409A.

Section 9.2 Conformity with Non-U.S. Laws. Notwithstanding anything to the contrary in this Agreement, (a) to the extent any of the provisions in this Article IX (or any equity award described herein) do not conform with applicable non-U.S. laws (including provisions for the collection of withholding taxes), such provisions shall be modified to the extent necessary to conform with such non-U.S. laws in such manner as is equitable and to preserve the intent hereof, as determined by the parties in good faith, and (b) the provisions of this Article IX may be modified to the extent necessary to avoid undue cost or administrative burden arising out of the application of this Article IX to awards subject to non-U.S. laws.

Section 9.3 Tax Withholding and Reporting.

(a) Except as otherwise required by applicable non-U.S. law, the appropriate member of the Aptiv Group will be responsible for all payroll taxes, withholding and reporting with respect to Aptiv Equity Compensation Awards held by Aptiv Employees, Former Aptiv Business Employees and Former Delphi Technologies Business Employees. Except as otherwise required by applicable non-U.S. law, the appropriate member of the Delphi Technologies Group will be responsible for all payroll taxes, withholding and reporting with respect to Delphi Technologies Equity Compensation Awards held by Delphi Technologies Employees.

(b) If Aptiv or Delphi Technologies determines in its reasonable judgment that any action required under this Article IX will not achieve the intended tax, accounting and legal results, including, without limitation, the intended results under Code Section 409A or FASB ASC Topic 718 – Stock Compensation, then at the request of Aptiv or Delphi Technologies, as applicable, Aptiv and Delphi Technologies will mutually cooperate in taking such actions as are necessary or appropriate to achieve such results, or most nearly achieve such results if the originally-intended results are not fully attainable.

(c) Tax deductions with respect to Aptiv Equity Compensation Awards and Delphi Technologies Equity Compensation Awards will be allocated in accordance with the Tax Matters Agreement.

Section 9.4 Employment Treatment.

(a) Continuous employment with the Delphi Technologies Group and the Aptiv Group following the Distribution Date will be deemed to be continuing service for purposes of vesting for the Delphi Technologies Equity Compensation Awards and the Aptiv Equity Compensation Awards. However, in the event that a Delphi Technologies Employee terminates employment after the Distribution Date and becomes employed by the Aptiv Group, for purposes of Article IX, the Delphi Technologies Employee will be deemed terminated and the terms and conditions of the applicable performance incentive plan under which grants were made will apply. Similarly, in the event that an Aptiv Employee terminates employment after the Distribution Date and becomes employed by the Delphi Technologies Group, for purposes of Article IX, the Aptiv Employee will be deemed terminated and the terms and conditions of the performance incentive plan under which grants were made will apply. Notwithstanding the foregoing, for purposes of this Article IX only, if an individual is a Delayed Transfer Employee, such individual will not be considered to have terminated on his or her Applicable Transfer Date. In addition, a non-employee member of the board of directors of Aptiv or Delphi Technologies will be treated in a similar manner to that described in this Section 9.4(a).

(b) If, after the Distribution Date, Aptiv or Delphi Technologies identifies an administrative error in the individuals identified as holding Aptiv Equity Compensation Awards and Delphi Technologies Equity Compensation Awards, the amount of such awards so held, the vesting level of such awards, or any other similar error, Aptiv and Delphi Technologies will mutually cooperate in taking such actions as are necessary or appropriate to place, as nearly as reasonably practicable, the individual and Aptiv and Delphi Technologies in the position in which they would have been had the error not occurred.

Section 9.5 Equity Award Administration. Delphi Technologies and Aptiv agree that Fidelity Brokerage Services LLC will be the administrator and recordkeeper for the Delphi Technologies and Aptiv Equity Compensation Awards outstanding as of the Distribution for the life of the relevant awards, unless the parties mutually agree otherwise.

Section 9.6 Registration. Delphi Technologies will register the Delphi Technologies Stock relating to the Delphi Technologies Equity Compensation Awards and make any necessary filings with the appropriate Governmental Authorities as required under U.S. and foreign securities Laws.

ARTICLE X
BENEFIT PLAN REIMBURSEMENTS, BENEFIT PLAN THIRD-PARTY CLAIMS

Section 10.1 General Principles. From and after the Distribution Date, any services that a member of the Delphi Technologies Group will provide to the members of the Aptiv Group or that a member of the Aptiv Group will provide to the members of the Delphi Technologies Group relating to any Benefit Plans will be set forth in the Transition Services Agreements (and, to the extent provided therein, a member of the Delphi Technologies Group or the Aptiv Group will provide administrative services referred to in this Employee Matters Agreement).

Section 10.2 Benefit Plan Third-Party Claims. Any Third-Party Claim relating to the matters addressed in this Agreement shall be governed by the applicable provisions of the Separation Agreement.

ARTICLE XI
INDEMNIFICATION

Section 11.1 Indemnification. All Liabilities assumed by or allocated to Delphi Technologies or the Delphi Technologies Group pursuant to this Employee Matters Agreement will be deemed to be Delphi Technologies Liabilities for purposes of Article V of the Separation Agreement, and all Liabilities retained or assumed by or allocated to Aptiv or the Aptiv Group pursuant to this Employee Matters Agreement will be deemed to be Aptiv Liabilities for purposes of Article V of the Separation Agreement. All such Delphi Technologies Liabilities and Aptiv Liabilities shall be governed by the applicable indemnification terms of the Separation Agreement.

ARTICLE XII
COOPERATION

Section 12.1 Cooperation. Following the date of this Employee Matters Agreement, Aptiv and Delphi Technologies will, and will cause their respective Subsidiaries, agents and vendors to, use commercially reasonable efforts to cooperate with respect to any employee compensation, benefits or human resources systems matters that Aptiv or Delphi Technologies, as applicable, reasonably determines require the cooperation of both Aptiv and Delphi Technologies in order to accomplish the objectives of this Employee Matters Agreement. Without limiting the generality of the preceding sentence, (a) Aptiv and Delphi Technologies will cooperate in coordinating each of their respective payroll systems in connection with the transfers of Aptiv Employees to the Aptiv Group and the Distribution, (b) Aptiv will, and will cause its Subsidiaries to, transfer records to Delphi Technologies as reasonably necessary for the proper administration of the Delphi Technologies Benefit Plans, to the extent such records are in Aptiv's possession, (c) Aptiv and Delphi Technologies will share, with

each other and with their respective agents and vendors (without obtaining releases), all employee, participant and beneficiary information necessary for the efficient and accurate administration of the Benefit Plans, and (d) Aptiv and Delphi Technologies will share such information as is necessary to administer equity awards pursuant to Article IX, to provide any required information to holders of such equity awards, and to make any governmental filings with respect thereto.

ARTICLE XIII MISCELLANEOUS

Section 13.1 Vendor Contracts. Prior to the Distribution, Aptiv and Delphi Technologies will use reasonable best efforts to (a) negotiate with the current Third Party providers to separate and assign the applicable rights and obligations under each group insurance policy, health maintenance organization, administrative services contract, Third Party administrator agreement, letter of understanding or arrangement that pertains to one or more Aptiv Benefit Plans and one or more Delphi Technologies Benefit Plans (each, a “Vendor Contract”) to the extent that such rights or obligations pertain to Delphi Technologies Employees and their respective Plan Payees or, in the alternative, to negotiate with the current Third Party providers to provide substantially similar services to the Delphi Technologies Benefit Plans on substantially similar terms under separate contracts with Delphi Technologies or the Delphi Technologies Benefit Plans and (b) to the extent permitted by the applicable Third Party provider, obtain and maintain pricing discounts or other preferential terms under the Vendor Contracts.

Section 13.2 Employment Taxes Withholding Reporting Responsibility. Delphi Technologies and Aptiv hereby agree to follow the standard procedure for United States employment Tax withholding as provided in Section 4 of Rev. Proc. 2004-53, I.R.B. 2004-34. Aptiv will withhold and remit all employment taxes for the last payroll date preceding the Distribution Date with respect to all current and former employees of Aptiv and Delphi Technologies who receive wages on such payroll date.

Section 13.3 Data Privacy. The parties agree that any applicable data privacy Laws and any other obligations of the Delphi Technologies Group and the Aptiv Group to maintain the confidentiality of any employee information or information held by any benefit plans in accordance with applicable Law will govern the disclosure of employee information among the parties under this Employee Matters Agreement. Delphi Technologies and Aptiv will ensure that they each have in place appropriate technical and organizational security measures to protect the personal data of the Delphi Technologies Employees, Former Delphi Technologies Business Employees, Aptiv Employees and Former Aptiv Business Employees.

Section 13.4 Third Party Beneficiaries. Nothing contained in this Employee Matters Agreement will be construed to create any third-party beneficiary rights in any Person, including without limitation any Delphi Technologies Employee, Aptiv Employee, Former Aptiv Business Employee, or Former Delphi Technologies Business Employee (including any dependent or beneficiary thereof) nor will this Employee Matters Agreement be deemed to amend any Benefit Plan of Aptiv, Delphi Technologies, or their Affiliates or to prohibit Aptiv, Delphi Technologies or their respective Affiliates from amending or terminating any Benefit Plan.

Section 13.5 Effect if Distribution Does Not Occur. If the Distribution does not occur, then all actions and events that are, under this Employee Matters Agreement, to be taken or occur effective as of the Distribution, or otherwise in connection with the Distribution will not be taken or occur except to the extent specifically agreed by the parties.

Section 13.6 Incorporation of Separation Agreement Provisions. The following provisions of the Separation Agreement are hereby incorporated herein by reference, and unless otherwise expressly specified herein, such provisions will apply as if fully set forth herein (references in this Section 13.6 to an “Article” or “Section” will mean Articles or Sections of the Separation Agreement, and references in the material incorporated herein by reference will be references to the Separation Agreement): Article IV (relating to Dispute Resolution); Article V (relating to Mutual Releases; Indemnification; Cooperation; Insurance); Article VI (relating to Exchange of Information; Confidentiality); Article VII (relating to Further Assurances and Additional Covenants); and Article X (relating to Miscellaneous).

Section 13.7 No Representation or Warranty. Each of Aptiv (on behalf of itself and each other Aptiv Entity) and Delphi Technologies (on behalf of itself and each other Delphi Technologies Entity) understands and agrees that, except as expressly set forth in this Employee Matters Agreement, the Separation Agreement or in any other Ancillary Agreement, no party (including its Affiliates) to this Employee Matters Agreement, the Separation Agreement or any other Ancillary Agreement, makes any representation or warranty with respect to any matter in this Employee Matters Agreement, including, without limitation, any representation or warranty with respect to the legal or Tax status or compliance of any Benefit Plan, compensation arrangement or Employment Agreement, and Aptiv disclaims any and all liability with respect thereto. Except as expressly set forth in this Employee Matters Agreement, the Separation Agreement or any other Ancillary Agreement, none of Aptiv, Delphi Technologies or any of their respective Subsidiaries (including their respective Affiliates) makes any representation or warranty about and will not have any Liability for the accuracy of or omissions from any information, documents or materials made available in connection with entering into this Employee Matters Agreement, the Separation Agreement or any other Ancillary Agreement or the transactions contemplated hereby or thereby.

IN WITNESS WHEREOF, the parties have caused this Employee Matters Agreement to be executed on the date first written above by their respective duly authorized officers.

DELPHI AUTOMOTIVE PLC

By: /s/ Bradley A. Spiegel

Name: Bradley A. Spiegel

Title: Attorney-in-Fact

DELPHI TECHNOLOGIES PLC

By: /s/ David M. Sherbin

Name: David M. Sherbin

Title: Vice President, General Counsel and Secretary

[Signature Page to Employee Matters Agreement]

FORM OF CONTRACT MANUFACTURING SERVICES AGREEMENT

THIS CONTRACT MANUFACTURING SERVICES AGREEMENT (this “Agreement”), dated as of **December 4, 2017** (the “Effective Date”), by and between [APTIV ENTITY] (“Supplier”), and [DELPHI TECHNOLOGIES ENTITY] (“Customer”). Each of Supplier and Customer is referred to herein as a “Party” and collectively as the “Parties”.

WITNESSETH

WHEREAS, Delphi Automotive PLC (“Aptiv”) and Delphi Technologies PLC (“Delphi Technologies”) have entered into that certain Separation and Distribution Agreement, dated as of November 15, 2017 (the “Separation and Distribution Agreement”), pursuant to which Aptiv and Delphi Technologies have agreed that Aptiv will transfer the Delphi Technologies Business to Delphi Technologies and distribute the shares in Delphi Technologies to the shareholders of Aptiv on the terms and conditions set forth in the Separation and Distribution Agreement.

WHEREAS, in order to facilitate the operation of the Delphi Technologies Business by Delphi Technologies and its Affiliates, Supplier has agreed to manufacture, at Supplier's Facility, Customer's requirements for the products identified in **Exhibit A** (the “Products”), utilizing production assets owned by Supplier or Customer, as the case may be, and raw materials, components and other supplies purchased by or on behalf of Customer, in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of entering into the Separation and Distribution Agreement, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1 **DEFINITIONS**

1.1 For purposes of this Agreement, capitalized terms shall have the meaning set forth in the body of this Agreement or as set forth below in this ARTICLE 1. To the extent any capitalized terms are not defined herein, they shall have the meanings set forth in the Separation and Distribution Agreement.

(a) “China” means, for the purpose of this Agreement, People's Republic of China, excluding Hong Kong, Taiwan and Macau.

(b) “Cost of Engineering Support” means all cash expenditures, accruals or cost allocations, arising from, relating to or in connection with providing Engineering Support, including all cash expenditures, accruals and cost allocations relating to: (i) procurement of materials, goods and services, including life-time buys of materials or goods from suppliers and all applicable premiums; (ii) labor costs and expenses (including wages, salaries, benefits, overtime charges and severance expenses), whether attributable to hourly or salaried employees and including all such costs and expenses arising in connection with the cancellation by Customer of any Engineering Support; (iii) operating supplies, maintenance, repair, replacement and acquisition of machinery and equipment, including related tooling, jigs, dies, gauges, fixtures, molds, patterns and other accessories; (iv) general or administrative functions; (v) export, logistics, personnel lodging and transportation expenses; (vi) building, storage and management of raw material, works-in-process and finished goods inventory; (vii) obsolescence of material, work-in-progress and finished goods, whether sold at a loss or scrapped; and (viii) use, maintenance and operation of the applicable facility hosting the personnel providing, or the operations of, the Engineering Support,

including factory overhead, rental and leasehold payments, taxes, insurance premiums, information technology system costs allocable to the operation of the applicable manufacturing facility.

(c) “Customer Production Assets” means the machinery and equipment, including related tooling, jigs, dies, gauges, fixtures, molds, patterns and other accessories owned by Customer that are used by Supplier in connection with the manufacturing of Products for Customer.

(d) “Engineering Support” means, with respect to a Product, all activities arising from, relating to or in connection with: (i) Product design or specifications changes, Product manufacturing process changes or any other changes; (ii) building of Product prototypes; (iii) customer validation; (iv) manufacturing engineering support; (v) product quality issues; and (vi) testing related to items (i) through (v).

(e) “Ex Works” has the meaning as defined in Incoterms 2010.

(f) “Losses” means any liability, loss, cost, expense, debt or obligation of any kind, character or description, and whether known or unknown, accrued, absolute, contingent or otherwise, and regardless of when asserted or by whom.

(g) “Order Lead Time” means, with respect to a Product, the period of time preceding the scheduled delivery date of such Product that is specified in **Exhibit A**, as changed from time to time by Supplier in its reasonable discretion.

(h) “Product Cost” means, with respect to a Product, Supplier's cost of manufacturing such Product as determined by Supplier in accordance with **Exhibit B**.

(i) “Production Assets” means collectively the Customer Production Assets and Supplier Production Assets.

(j) “Production Lead Time” means, with respect to a Product, the period of time preceding the scheduled delivery date of such Product that is specified in **Exhibit A**, as changed from time to time by Supplier in its reasonable discretion.

(k) “Production Materials” means raw materials, components, subassemblies, parts, other supplies and any industrial services required for the manufacturing of Products, including Shared Production Materials.

(l) “Purchasing Collaboration Agreement” means that certain Purchasing Collaboration Agreement entered into by and between Aptiv and Delphi Technologies on or around the date hereof.

(m) “Service Parts” means products that are no longer required for regular vehicle production.

(n) “Shared Production Materials” means Production Materials that are required for the manufacturing of: (i) Products for Customer's customers; and (ii) other products for Supplier's customers.

(o) “Supplier Production Assets” means the machinery and equipment, including related tooling, jigs, dies, gauges, fixtures, molds, patterns and other accessories owned by Supplier

that is used for the production of both: (i) Products for Customer; and (ii) other products for Supplier's customers.

(p) “Supplier's Facility” means Supplier's manufacturing facility located at 123 Chang Yang St., Suzhou, China.

(q) “Termination Charges” means, with respect to a Product, all expenditures, accruals or cost allocations arising from, relating to or incurred in connection with Supplier's end of production of such Product earlier than the Contractual Expiration Date, including all those relating to: (i) the termination or cancellation of procurement of materials, goods and services, including supplier compensation payments, cancellation penalties, payments for obsolescence of material, work-in-progress and finished goods (whether sold at a loss or scrapped) or life-time buys of materials or goods from suppliers and all applicable premiums; (ii) the termination of employees or contract employees, including any wages, salaries and benefits through the earlier of the Contractual Termination Date and the date the obligation to pay such wages, salary and benefits expires, severance costs, relocation costs, outplacement services, training costs and other termination-related payments; (iii) any overtime charges incurred in connection with last-time buys or building of a bank of materials; (iv) the disposal or scrapping of materials, work-in-progress or finished goods; (v) machinery and equipment, including related tooling, jigs, dies, gauges, fixtures, molds, patterns and other accessories, whether incurred as a result of the disposal or scrapping thereof, an adjustment in the allocable share of depreciation and amortization or otherwise; (vi) the surrender or vacation of unused manufacturing space dedicated to the relevant Product, including rental and leasehold payments, an allocable share of depreciation and amortization taxes and insurance premiums through the Contractual Expiration Date; and (vii) the write-off of net book value of production assets upon disposal or destruction of these production assets, in each case, regardless of whether such cash expenditures, accruals and cost allocations are incurred or disbursed prior or after the end of production of the relevant Product.

(r) “Transfer Date” means the earlier of: (i) April 1, 2018; and (ii) the date that Customer's information technology systems are capable of processing customer and supplier orders.

1.2 Each of the following terms is defined in the Section set forth opposite such term:

Term Article / Section

Agreement Preamble
Aptiv Recitals
Change Proposal 3.2
Claim 12.1
Contractual Expiration Date 2.8
Customer Preamble
Customer's Property 10.1
Delivery Date 7.2
Delphi Technologies Recitals
Dispute 15.4
Dispute Committee 15.4
Effective Date Preamble
End-of-Manufacturing Date 2.8
Equitable Adjustments 3.2
Final Offer 2.9
Force Majeure 14.1
Forecasts 2.3
Manufacturing Service Fee 4.1
OEM 2.8
Offer 2.9
Operational Committee 15.1
Parties Preamble
Party Preamble
Products Recitals
Reduced Order 2.7
Repossessed Property 10.3(a)
Separation and Distribution Agreement Recitals
Supplier Preamble
Supplier's Quote 2.9
Technical Manufacturing Documents ARTICLE 11
Total Product Cost Exhibit B
Warranty Period 7.2

1.3 The titles, headings and captions contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Unless otherwise indicated to the contrary herein by the context or use thereof: (a) the words "hereby," "herewith," "herein," "hereto," "hereof" and words of similar import refer to this Agreement as a whole and not to any particular Section or paragraph hereof; (b) the words "include," "includes" or "including" shall be deemed to be followed by the words "without limitation"; (c) masculine gender shall also include the feminine and neutral genders, and vice versa; (d) words importing the singular shall also include the plural, and vice versa; (e) references to "Articles," "Sections," "Exhibits," "Annexes" or "Schedules" shall be to articles, sections, exhibits, annexes or schedules of or to this Agreement; (f) all Exhibits, Annexes or Schedules are hereby incorporated in and made a part of this Agreement as if set forth in full herein, and any capitalized terms used in such Exhibits, Annexes or Schedules and

not otherwise defined therein shall have the meaning set forth in this Agreement; (g) “writing,” “written” and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form; (h) all references to “days” mean calendar days unless otherwise indicated; (i) derivative forms of defined terms shall have correlative meanings; and (j) the term “or” shall not be deemed to be exclusive.

ARTICLE 2

MANUFACTURING SERVICES

2.1 Customer appoints Supplier as a contract manufacturer for the purpose of providing services necessary for the manufacture for Customer of Products on the terms and conditions set forth in this Agreement. Supplier accepts such appointment and agrees to manufacture the Products in accordance with the terms of this Agreement.

2.2 Customer agrees to purchase manufacturing services, and Supplier agrees to provide manufacturing services, utilizing the Production Assets and Production Materials, for one hundred (100%) percent of Customer's requirements for each Product from the Effective Date until the Contractual Expiration Date of such Product, except as specifically provided otherwise herein.

2.3 Customer shall cause its original equipment manufacturer (“OEM”) customers to provide Supplier directly with three (3) months' rolling forecasts (using an EDI format) of its requirements for the Products (“Forecasts”), provided that Supplier shall have no obligation to: (i) fulfill any requirements for Products in accordance with the terms of this Section if it has received no Forecasts with respect to such requirements; and (ii) accept any changes to Forecasts relating to a specific delivery date that are submitted within the applicable Production Lead Time or any binding instructions to release Products that are issued within the applicable Order Lead Time before the Customer's desired delivery date for the Product. Supplier shall deliver ordered Products in the quantities, on the dates, and at the times specified by Customer in releases issued in accordance with the terms of this Section. Supplier shall be relieved from any obligation to fulfill Customer's requirements for a Product to the extent that: (i) the quantities of Production Materials consigned by Customer and delivered to Supplier's Facility are insufficient to fulfill Customer's requirements for Products; or (ii) such requirements exceed the lesser of: (x) Supplier's maximum production capacity for such Products as set forth on **Exhibit A** or as subsequently agreed by Supplier and Customer, provided that for any Products that are manufactured on Supplier Production Assets, Supplier shall be responsible for ensuring that it has production capacity that is sufficient to satisfy contractual commitments by Customer to supply Products to its customers as set forth on **Exhibit A**; and (y) the requirements for such Products specified by Customer in the last Forecasts provided by Customer to Supplier prior to the beginning of the applicable Production Lead Time. Supplier, at no incremental cost to it, will use good faith efforts to meet Customer's requirements in excess of the applicable maximum production capacity or requirements specified in the last Forecasts issued prior to the beginning of the applicable Production Lead Time. However, if Supplier determines in good faith that it will need to incur additional costs, including for overtime or for investments in machinery, equipment, tooling and test equipment in order to fulfill Customer's forecasted requirements, then Supplier shall promptly notify Customer and Customer shall determine whether or not to pay such costs or make such investments at its own cost or to revise its forecasts in accordance with Supplier's applicable maximum production capacity. Supplier shall have no liability to Customer for any failure or delay in satisfying orders for Products that exceed the applicable maximum production capacity or the requirements specified in the last relevant Forecasts issued prior to the beginning of the applicable Production Lead Time.

2.4 Supplier may change unilaterally and in its reasonable discretion the Production Lead Time or Order Lead Time applicable to a Product. Supplier shall promptly notify Customer in writing of such change. Notwithstanding the foregoing, if a change in the Production Lead Time or Order Lead Time, as the case may be, applicable to a Product is likely, in Supplier's reasonable opinion, to cause material costs and expenses to Customer, including premium freight, Supplier shall obtain Customer's written consent (not to be unreasonably withheld, delayed or withdrawn) before Supplier can implement the new Production Lead Time or Order Lead Time, as the case may be, in respect of the relevant Product.

2.5 Customer will be and will remain the owner of the Products and all work-in-progress with respect thereto while they remain in Supplier's Facility. Customer will bear the risk of loss, theft and damage to the Products, work-in-progress and finished goods while they are in the custody or control of Supplier or any of Supplier's suppliers, subcontractors or agents. Customer will be responsible for the cost of repairing or replacing the Products if they are stolen, worn out, damaged or destroyed other than due to Supplier's gross negligence or willful misconduct.

2.6 Supplier will pay or reimburse Customer for the cost of any premium (more expeditious) method of transportation that is required to allow delivery of Products to Customer's end customers in accordance with Customer's applicable delivery schedules only to the extent that Supplier's failure to have Products ready for shipment on the applicable delivery date and time to meet Customer's delivery schedules using the method of transportation originally specified or utilized by Customer is caused by Supplier's failure to comply with the terms of this Agreement. In particular, Supplier shall not be liable for any premium freight charge associated with emergency orders, a failure of a supplier of Production Materials to deliver such Production Materials in a timely manner or in the ordered quantities or that may be caused by a change in the delivery date or time of the ordered Products after Customer has instructed Supplier to release Products in accordance with Section 2.3.

2.7 If Customer places and Supplier accepts an order with Supplier for less than one hundred (100%) percent of Customer's requirements for any or all Products (“Reduced Order”), Supplier shall only be obligated to provide manufacturing services for the lower percentage of Customer's requirements for such Products as set forth on the Reduced Order, from the date that the Reduced Order is placed with Supplier through the remainder of this Agreement.

2.8 “Contractual Expiration Date” means, for each Product, the date specified in Exhibit A opposite such Product. Customer shall notify Supplier in writing of any change in the Contractual Expiration Date for a Product immediately after it has been informed thereof by the relevant OEM, and in any event no later than thirty (30) days after becoming aware thereof. Supplier will have no obligation to continue manufacturing any product after the original Contractual Expiration Date but Customer may place a one-time final order for production and service parts related to such Product at a price equal to the then-applicable Manufacturing Service Fee; provided, that, any such order from Customer must be issued to Supplier by the earlier of: (x) six (6) months prior to the original Contractual Expiration Date; and (y) four (4) months after Supplier receives Customer's notice. Supplier will have no obligation to fulfill any order that is received by Supplier after the date required under the preceding sentence. If Customer provides Supplier with a final order in accordance with this Section 2.8, Supplier shall manufacture the Products ordered under the final order and deliver them to Customer as Customer requires over a period of up to six (6) months after the date of receipt of the final order by Supplier (the “End-of-Manufacturing Date”). All Products ordered from Supplier under the final order that have not been delivered to Customer on the End-of-Manufacturing Date will be delivered to Customer in one final shipment from Supplier within seven (7) days after the End-of-Manufacturing Date or any

other date agreed upon between Customer and Supplier. Supplier shall thereafter have no further obligation to provide such Products to Customer.

2.9 Notwithstanding the terms of Section 2.8, if an OEM desires to extend the production of any Product beyond the Contractual Expiration Date for that Product, Customer shall: (i) notify Supplier of such proposed extension promptly after having been notified thereof; (ii) provide Supplier with all relevant information known to Customer regarding such proposed extension, including but not limited to, the length of the proposed extension for the relevant Product, any change in the prices paid by the OEM to Customer and any new anticipated capital expenditures that would be required for the continued production of Products during the extension period; and (iii) offer Supplier the opportunity to continue to supply the Product during the proposed extension period (the “Offer”). If Supplier desires to continue to supply the Product during the proposed extension period, Supplier will notify Customer, within fifteen (15) days of Supplier's receipt of the Offer, of the terms on which Supplier is willing to continue to supply the relevant Product to Customer (the “Supplier's Quote”). Customer will inform Supplier whether Customer accepts such terms within ten (10) days after Customer receives Supplier's Quote. If Customer does not accept Supplier's Quote, Customer is free to award the business to a third party, on terms and conditions that are more favorable to Customer than those set forth in Supplier's Quote but before awarding the business to a third party on terms that are less favorable to Customer than Supplier's Quote, Customer shall offer Supplier, in writing (the “Final Offer”), an opportunity to supply the Product on the terms that Customer is prepared to award the business to another supplier (which terms shall be set forth in the notice from Customer to Supplier). Supplier shall have ten (10) days after it receives the Final Offer to accept or reject such offer, it being understood that any failure to accept the Final Offer in writing shall constitute a rejection by Supplier. If Supplier rejects the Final Offer, Customer shall have the right to award the business to a third-party on terms at least as favorable to Customer as those it offered to Supplier but not on terms that are less favorable to Customer.

ARTICLE 3

ENGINEERING SUPPORT; SPECIFICATION, DESIGN, MANUFACTURING PROCESSES AND PLACE OF DELIVERY CHANGES

3.1 Upon Customer's written request, Supplier shall use commercially reasonable efforts to provide Engineering Support for Customer. Customer shall pay Supplier a fee equal to the Cost of Engineering Support PLUS ten percent (10%) of such Cost of Engineering Support. Notwithstanding the foregoing, Customer will have no obligation to pay for Engineering Support which is required to remedy Supplier's breach of the warranty set forth in Section 7.1.

3.2 If, as a result of Engineering Support provided or otherwise, Customer decides to make any changes to the specifications or design of, or the manufacturing processes applicable to a Product (“Change Proposal”), Customer and Supplier will equitably determine any adjustment in the Manufacturing Service Fee for the relevant Product or in other terms of this Agreement that may be affected by the Change Proposal, including (without limitation) Customer's payment of the costs of modifications to any Production Asset necessary to implement such changes (“Equitable Adjustments”). Upon Customer's request, Supplier will provide Customer with reasonable supporting information for the determination of any such Equitable Adjustments, including documentation reasonably substantiating changes in Customer's cost of production and the time to implement such changes. Supplier and Customer will work to resolve any disagreement arising out of such changes in good faith. Supplier will not be required to implement any Change Proposal until Supplier and

Customer mutually agree upon the nature and scope of the changes to be made and any equitable Adjustments required.

ARTICLE 4
MANUFACTURING SERVICE FEE; PAYMENT

4.1 In consideration for the services of manufacturing Products pursuant to this agreement, Customer shall pay Supplier on a monthly basis a manufacturing service fee determined as set forth on **Exhibit B** (the “Manufacturing Service Fee”).

4.2 Customer shall pay any invoice for: (a) Manufacturing Service Fees; (b) Engineering Support; (c) Termination Charges; (d) Production Materials ordered by Supplier as an agent for Customer in accordance with Section 8.2; or (e) otherwise issued in accordance with the terms of this Agreement within thirty (30) days after the receipt date of such invoice.

4.3 Supplier may suspend performance of any order or require payment in cash, security or other adequate assurance satisfactory to Supplier when, in Supplier's reasonable opinion, the financial condition of Customer or other reasonable grounds for insecurity warrant such action. If Customer fails to comply with Supplier's requirement for a change in the form of payment or provide Supplier in writing with the required assurance within a reasonable time after receipt of Supplier's demand by Customer, Supplier will be entitled to terminate this Agreement in accordance with the terms of Section 17.3.

ARTICLE 5
DELIVERY

5.1 All Products shall be delivered by Supplier to Customer on an Ex Works, Supplier's Facility basis, unless agreed otherwise in writing by the Parties. Nothing contained in the standard Ex Works terms shall limit or modify Customer's responsibilities under Section 2.5.

5.2 Supplier shall pack and mark the Products in accordance with current practice as of the Effective Date, unless agreed otherwise between the Parties.

5.3 Customer appoints Supplier as its agent, and Supplier agrees to its appointment as an agent for Customer, for, on behalf of Customer, arranging for delivery of the Products to the Supplier OEM customers in accordance with the delivery terms specified in the relevant OEM customer contracts binding on Customer and notified in writing by Customer to Supplier. For the avoidance of doubt, Customer shall bear all risks of loss, theft and damage of or to the Products arising during or in connection with the loading, transportation and delivery of such Products to the relevant Supplier OEM customers.

ARTICLE 6
INCORRECT QUANTITIES OR TYPE

6.1 If Customer discovers any discrepancy between: (i) the quantity or type of Products ordered by Customer and that received by Customer; or (ii) the quantity or type of Products invoiced by Supplier and that received by Customer, Customer will immediately notify Supplier thereof, and in any event in less than thirty (30) days.

6.2 If the discrepancy is a shortage and Supplier invoiced Customer for services related to the full amount of Products ordered, Supplier shall, at Customer's option: (i) adjust the invoice;

(ii) make a cash refund to adjust for such shortage; or (iii) as quickly as commercially and reasonably practicable, on Customer's demand and at Supplier's cost and expense, supply the number of units in such shortage to Customer. Supplier shall be entitled to any insurance proceeds paid to Customer in respect of a shortage for which it replaces units or compensates Customer.

6.3 In case of an overage in any shipment, irrespective of when and by which Party discovered, Customer shall keep such quantity and pay the amount invoiced or the amount to be invoiced if the invoice did not include such overage, and Supplier shall take reasonable actions to try to prevent such overages from occurring in future shipments.

6.4 For purposes of verifying and substantiating any claim(s) for compensation made by Customer under this Agreement, Customer shall provide to Supplier reasonable access to Customer's premises and such information as Supplier shall reasonably request.

6.5 Supplier shall not be obligated to make cash refunds or provide additional products for shortages when the notice of the shortage is not delivered within thirty (30) days as provided in Section 6.1 above.

ARTICLE 7 **QUALITY**

7.1 Supplier warrants to Customer, its successors and assigns that the Products delivered to Customer in accordance with the terms of this Agreement will be free from defects in workmanship. Supplier does not make any warranty with respect to any Engineering Support provided by Supplier to Customer.

7.2 The period for each of the warranties set forth in Section 7.1 with respect to a specific Product (the "Warranty Period") will commence upon delivery of such Product to Customer ("Delivery Date") and end twenty-four (24) months after such Delivery Date, unless Supplier and Customer have agreed otherwise in writing.

7.3 In the event Customer discovers any quality problems with the Products delivered hereunder, Customer shall promptly advise Supplier and the Parties shall seek to remedy any such problems from occurring in the future. If Customer can reasonably demonstrate that a Product fails to conform to the warranties set forth in Section 7.1 of this Agreement and provide reasonable supporting evidence for such failure, Supplier, at its sole option, will either repair or replace the non-conforming Products as Customer's sole and exclusive remedy. For the avoidance of doubt, Supplier shall not be liable for any breach of the warranties set forth in Section 7.1 and Customer will have no legal remedy from Supplier for the relevant nonconforming Products if such breach is caused by Customer's Property or a failure of a supplier of Production Materials to comply with its obligations under its supply contracts with Customer. The Warranty Period for any repaired or replacement Product will be the balance of the Warranty Period for the original non-conforming Product remaining from the date Supplier was notified of the warranty claim of the Product.

7.4 EXCEPT FOR THE WARRANTIES SET FORTH IN SECTION 7.1, SUPPLIER EXPRESSLY DISCLAIMS TO THE FULL EXTENT PERMISSIBLE BY LAW ANY WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AS TO THE NATURE OR STANDARD OF THE SERVICES OR PRODUCTS WHICH SUPPLIER MAY PROVIDE HEREUNDER, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF

MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE AND ALL WARRANTIES ARISING FROM ANY COURSE OF DEALING OR USAGE OF TRADE.

7.5 SECTION 7.3 CONSTITUTES CUSTOMER'S SOLE AND EXCLUSIVE REMEDIES FOR A BREACH OF THE WARRANTIES SET FORTH IN SECTION 7.1. SUPPLIER WILL HAVE A REASONABLE TIME TO PROVIDE A REMEDY IN ACCORDANCE WITH SECTION 7.3.

ARTICLE 8
PRODUCTION MATERIALS; PROCUREMENT AGENCY;
PRODUCTION SCRAP; INSPECTIONS

8.1 Except as set forth in Section 8.2, Customer shall be exclusively responsible for all supply activities related to Production Materials (other than their receipt by Supplier and handling inside of Supplier's Facility), including but not limited to:

(a) source-selecting all Production Materials;

(b) procuring all Production Materials including: (i) negotiating the price and all other terms applicable to the supply of Production Materials to Customer; (ii) placing orders (including last-time buy orders) providing for delivery of Production Materials directly to Supplier's Facility with, and issuing production forecasts and delivery releases to, the relevant suppliers; (iii) arranging for delivery of Production Materials directly to Supplier's Facility in timely fashion at no cost to Supplier and paying for all related logistics cost (including any premium freight charge that would be incurred to arrange for the delivery of Production Materials at Supplier's Facility in timely fashion); and (iv) receiving and settling all supplier invoices for Production Materials; and

(c) handling any warranty claims and other claims related to Production Materials, cost recoveries and termination and resourcing processes against the relevant suppliers.

(d) Supplier and Customer acknowledge that: (i) certain of the activities necessary to fulfill Customer's obligations under this ARTICLE 8 will be provided by Supplier or its affiliates to Customer or its affiliates under a Transition Services Agreement between Aptiv and Delphi Technologies, dated as of the Effective Date, for the period set forth in the Transition Services Agreement; and (ii) Aptiv and Delphi Technologies have agreed to endeavor to jointly conduct certain of their procurement activities in accordance with the terms of the Purchasing Collaboration Agreement. Nothing contained in this Agreement increases Supplier's obligations or liability under the Transition Services Agreement and nothing contained in the Transition Services Agreement relieves Customer of any obligations or reduces Customer's liability under this Agreement.

8.2 Notwithstanding the provisions of Section 8.1, Customer appoints Supplier as its agent, and Supplier agrees to its appointment as an agent for Customer, for the following activities:

(a) until the Transfer Date, on behalf of Customer, ordering and paying for all Production Materials required by Supplier for fulfilling Customer's requirements for Products based on Forecasts;

(b) after the Transfer Date and for the remaining term of this Agreement, on behalf of Customer, ordering and paying for all Shared Production Materials required by Supplier for fulfilling Customer's requirements for Products based on Forecasts; and

(c) throughout the term of this Agreement, releasing quantity schedules for all Production Materials to the relevant suppliers.

8.3 The Production Materials ordered by Supplier as an agent for Customer will be and remain the sole property of Customer in accordance with the terms of Section 10.1 and Customer shall bear the risk of loss, theft and damage of and to ordered Production Materials in accordance with the terms of Section 10.2.

8.4 Customer and Supplier will cooperate with each other in order to establish a SAP/ERP system that allows Customer, among other things, to order Production Materials from its suppliers and process orders from, and generate invoices to, its customers, as soon as reasonably feasible after the Effective Date but in any case no later than April 1, 2018.

8.5 Supplier shall be liable to Customer for the cost of production scrap related to a Product only to the extent that the level of production scrap related to such Product materially exceeds the production scrap level specified in **Exhibit A** for such Products.

8.6 Notwithstanding the terms of Section 10.2, Supplier shall be responsible for any incoming inspections in accordance with Supplier's standard processes, provided that such inspection shall be limited to identifying: (i) any discrepancy between the quantity or type of Production Materials ordered by Customer and that received by Supplier; or (ii) any apparent damage to the condition of the Production Materials received by Supplier. Supplier shall promptly advise Customer of any such discrepancy or damage.

8.7 Production Materials will be consigned by Customer with Supplier in accordance with the terms of ARTICLE 10.

ARTICLE 9
CUSTOMER UNDERTAKINGS

9.1 Until the Transfer Date, Customer appoints Supplier as its agent, and Supplier agrees to its appointment as an agent for Customer, for, on behalf of Customer: (i) receiving and processing purchase orders for Products from Customer's end customers; and (ii) issuing invoices for the ordered Products to, and collecting on such invoices from, Customer's end customers. Supplier shall transfer the cash or cash equivalents received as an agent from Customer's end customers in accordance with Section 2.5(g) of the Separation and Distribution Agreement.

9.2 Customer shall have sole responsibility for the customer relationships related to Products, including customer satisfaction, warranty and other customer obligations. Supplier shall have no contractual relationship with, and no responsibility to, the end customers of the Products with respect to the Products.

ARTICLE 10
BAILMENT OF CUSTOMER PRODUCTION ASSETS
AND PRODUCTION MATERIALS

10.1 All Products and work-in-progress with respect thereto, Customer Production Assets, Production Materials and all other materials and items (whether or not such materials are in any way modified, altered or processed) that Customer furnishes to Supplier and all refurbishments or replacements of any of the foregoing items, in each case whether in the custody or control of Supplier

or Supplier's suppliers, subcontractors or agents (collectively, "Customer's Property") are, will be and will remain the property of Customer and are and will be held by Supplier on a bailment basis. Title to all replacement parts, additions, improvements and accessories of the Customer's Property will vest in Customer immediately upon attachment to or incorporation into Customer's Property. Customer will provide Supplier, upon Supplier's request, with a written inventory or other accounting of all Customer's Property. Supplier shall obtain Customer's prior written approval (not to be unreasonably withheld, withdrawn or delayed) to any modification of a Customer Production Asset.

10.2 While Customer's Property is in the custody or control of Supplier or any Supplier's supplier, subcontractor or agent and until Supplier delivers Customer's Property to Customer, Customer bears the risk of loss, theft and damage to Customer's Property. Customer **will** be responsible for the cost of repairing or replacing Customer's Property if it is stolen, worn out, damaged or destroyed other than due to Supplier's gross negligence or willful misconduct. Supplier will: (a) perform maintenance of Customer's Property but solely to the extent such maintenance is routine or preventive; (b) repair Customer's Property or replace malfunctioning or defective Customer's Property that either is not reparable or the cost of repair of which exceeds the cost of replacement, in each case at Customer's expense to the extent such expense is not already included in the calculation of the Manufacturing Service Fee pursuant to **Exhibit B**, provided that if the cost of such repair or replacement exceeds U.S. \$10,000, Supplier shall first seek Customer's prior written consent; (c) deem Customer's Property to be Customer's personal property, including in connection with any agreements between Supplier and any third party; and (d) not move Customer's Property from Supplier's Facility without prior written approval from Customer. Supplier will not sell, lend, rent, encumber, pledge, lease, transfer or otherwise dispose of Customer's Property. With respect to provision (b), until Customer agrees to pay the cost of repairing or replacing the Customer's Property, Supplier shall be relieved from any obligation to provide Products for the manufacturing of which the relevant Customer's Property is necessary and Supplier shall have no liability hereunder for its failure to deliver such Products in accordance with the terms of this Agreement.

10.3 Return of Customer's Property

(a) Supplier agrees that Customer has the right, subject to reasonable prior notice, to take possession of or to require that Supplier delivers, Customer's Property to Customer (the "Repossessed Property") prior to the Contractual Expiration Date, provided that: (i) the repossession of Repossessed Property shall be deemed to be a termination of this Agreement by Customer in accordance with the terms of Section 17.6 with respect to all Products for the manufacturing of which the Repossessed Property is necessary; (ii) Supplier shall be immediately relieved from any obligation hereunder to deliver Products for the manufacturing of which the Repossessed Property is necessary; and (iii) Supplier will have no obligation to deliver the Repossessed Property to Customer, unless Customer has fully paid all amounts owed to Supplier in connection with the Repossessed Property in accordance with the terms of this ARTICLE 10.

(b) Upon occurrence of the Contractual Expiration Date for a Product, Customer shall pick up Customer's Property which is exclusively used for the manufacturing of such Product within forty-five (45) days: (i) after the relevant Contractual Expiration Date if Customer has not placed an end-of-production order for service parts related to such Product in accordance with the terms of Section 2.8; or (ii) after the End-of-Manufacturing Date if Customer has placed an end-of-production order for service parts related to such Product. Supplier will have no obligation to deliver the relevant Customer's Property to Customer, unless Customer has fully paid all amounts owed to Supplier in connection with Customer's Property in accordance with the terms of this ARTICLE 10.

Any failure by Customer to pick up Customer's Property within the aforementioned applicable period will be deemed to be an authorization granted to Supplier, at its option, to arrange for pick-up and transportation of the Customer's Property to Customer's main facility or to dispose of the Customer's Property, in each case at Customer's sole cost and expense.

(c) Any Customer's Property (including Repossessed Property) returned to Customer in accordance with the terms of this ARTICLE 10 will be delivered to Customer Ex Works at Supplier's Facility. Supplier will dismantle, pack and prepare for shipment or relocation, and load (including, without limitation, skidding, movement to and removal from or within Supplier's Facility) the relevant Customer's Property and Customer shall be responsible for all costs and expenses arising in connection with such activities. Customer shall be solely responsible for repairing any damage to Supplier's Facility resulting from the removal of the Customer's Property. Customer, its employees, agents, representatives and contractors, shall comply with all applicable laws, ordinances, regulations and standards and all applicable Supplier safety rules and regulations while on Supplier's Facility. Customer shall defend and indemnify Supplier from and against all Losses arising from, related to or caused by the performance of any work or obligation under this Agreement by Customer or its employees, agents, representatives and subcontractors on Supplier's Facility or the use of the property of Supplier.

10.4 THE CUSTOMER'S PROPERTY (INCLUDING THE REPOSSESSED PROPERTY) RETURNED TO CUSTOMER BY SUPPLIER HEREUNDER ARE RETURNED ON AN "AS-IS — WHERE-IS" BASIS, WITH ALL FAULTS, AND SUPPLIER MAKES NO WARRANTIES OR REPRESENTATIONS WHATSOEVER, EXPRESS OR IMPLIED, CONCERNING ANY OF THE CUSTOMER'S PROPERTY.

ARTICLE 11

TECHNICAL DOCUMENTS

Customer hereby grants to Supplier, or undertakes to ensure that Supplier is granted, as the case may be, a non-exclusive, non-transferable right to use all patents, technical information and other forms of intellectual property rights associated with the Products for the purposes of fulfilling its obligations under this Agreement. Customer shall from time to time furnish to Supplier all drawings, specifications, assembly instructions, quality standards and other documentary information (collectively, the "Technical Manufacturing Documents") which are necessary to provide the service of manufacturing Products pursuant to the terms of this Agreement. Customer shall have full responsibility for the design of Products and related manufacturing processes. Customer represents that it has the full right under its license agreements to have Supplier provide such manufacturing services to it under this Agreement.

ARTICLE 12

INDEMNIFICATION

12.1 Customer shall defend, indemnify and hold Supplier harmless from any and all Losses suffered or incurred by Supplier in connection with any and all demands, audits, actions and causes of action to the extent arising from or relating to: (a) any Products or Engineering Support, including any product liability or similar claims, any claims by Customer's OEM customers, and any actual or alleged infringement of any third party intellectual property by reason of the design, manufacture, sale or use of Products or provision of Engineering Support; provided that Supplier shall remain liable for its obligations under Section 7.3 of this Agreement; (b) any Customer's Property or Technical Manufacturing Documents, including any actual or alleged infringement of any third party intellectual

property by reason of the consignment or use of Customer's Property or processing or incorporation into the Products of Production Materials or use of Customer's Technical Manufacturing Documents or any claims by a supplier of Production Materials related to the supply of Production Materials in accordance with the terms of Section 8.2; (c) any and all actions taken by Supplier as an agent for Customer in accordance with the terms of Sections 5.3, 8.2 and 9.1; (d) any and all actions taken by Customer in connection with the Products or Engineering Support or this Agreement; (e) the actions of any employee, representative, subcontractor (including suppliers of Production Materials) or agent of Customer (including death, personal injury and/or property damage); or (f) Customer's negligence or willful misconduct, in each case except to the extent that such Losses arose solely from the gross negligence or willful misconduct of Supplier or its Representatives (any demands, audits, actions and causes of action to the extent arising under paragraphs (a) through (f) above, a "Claim").

12.2 Supplier shall defend, indemnify and hold Customer harmless from any and all Losses suffered or incurred by Customer in connection with Supplier's gross negligence or willful misconduct; provided, however, that Supplier's aggregate maximum liability to Customer under this Agreement shall not exceed the aggregate amount of fees received pursuant to this Agreement in connection with the supply of Products and provision of Engineering Support.

12.3 Each Party acknowledges and agrees that the contractual remedies provided hereunder for failure to comply with the terms of this Agreement shall be the sole and exclusive remedies of the Parties and their Affiliates and their respective successors or assigns in respect of any claim arising under or out of this Agreement.

12.4 The provisions of Section 5.5 of the Separation and Distribution Agreement shall apply to indemnification claims under this Agreement, *mutatis mutandis*.

ARTICLE 13 **LIMITATION OF LIABILITY**

NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER SUPPLIER NOR CUSTOMER SHALL BE LIABLE UNDER THIS AGREEMENT TO THE OTHER FOR ANY CONSEQUENTIAL, SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY, REMOTE, SPECULATIVE OR SIMILAR DAMAGES OR ANY LOST PROFITS OR DAMAGES CALCULATED BASED ON A MULTIPLE OF PROFITS, REVENUE OR ANY OTHER FINANCIAL METRICS IN EXCESS OF COMPENSATORY DAMAGES OF THE OTHER ARISING IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY (OTHER THAN ANY SUCH LIABILITY WITH RESPECT TO A THIRD-PARTY CLAIM AS TO WHICH A PARTY IS ENTITLED TO BE INDEMNIFIED HEREUNDER).

ARTICLE 14 **FORCE MAJEURE**

14.1 Except for the payment obligations of either Party, each Party shall be temporarily excused from performing its obligations under this Agreement for so long as such performance is prevented or delayed by any event of Force Majeure. The term "Force Majeure" shall, for purposes of this Agreement, be defined as: (i) any acts of God, natural disasters or wars; (ii) any strike, lockout or labor dispute at the plant of a Party or its suppliers; (iii) any shortage or curtailment of utilities, materials or transportation; (iv) any act or omission of any government authority; or (v) any other cause beyond the reasonable control of a Party.

14.2 A Party affected by an event of Force Majeure shall promptly notify the other party and shall use commercially reasonable efforts to overcome and mitigate such event of Force Majeure. Without limiting the foregoing, if Supplier is unable to supply any Products due to Force Majeure, Customer shall be free to purchase such Products from other suppliers for so long as Supplier remains unable to do so.

ARTICLE 15
OPERATIONAL COMMITTEE; DISPUTE COMMITTEE

15.1 Each Party shall designate their respective employees identified below to conduct the activities described in Section 15.3 (such designated employees, collectively, the “Operational Committee”):

- (a) Customer's Plant Manager; and
- (b) Supplier's Plant Manager.

Each Party may elect from time to time, upon reasonable prior notice to the other Party, to have employees who are not members of the Operational Committee attend meetings of the Operational Committee to participate in discussions of specific topics scheduled for discussion during such meeting. Each Party may change from time to time in its discretion its members of the Operational Committee; provided that it shall inform the other Party in writing and shall ensure that the newly appointed member has comparable expertise to the replaced employee.

15.2 Members of the Operational Committee will meet either physically or telephonically, as is acceptable to a majority of the members of the Operational Committee, as follows:

- (a) within the first two (2) months after the Effective Date, once a week;
- (b) within the last ten (10) months of the twelve (12) month period after the Effective Date, every other week; and
- (c) during the remainder of the term of this Agreement, once per calendar quarter.

Notwithstanding the foregoing, each Party may at any time elect to convene an ad hoc meeting of the Operational Committee; provided that: (i) it has submitted in writing to the other Party a description of the matters it would like to discuss during such ad hoc meeting; and (ii) the other Party agrees these matters should be discussed ahead of the next regularly scheduled meeting of the Operational Committee. The Parties will jointly determine the date and the format of such meeting.

Each Party shall cause its members of the Operational Committee to participate in the meetings of the Operational Committee in accordance with the schedule set forth above; provided that a Party may elect in its discretion to refer any matter falling within the responsibility of the Operational Committee as set forth in Section 15.3 to the Dispute Committee if the members of the Operational Committee of the other Party with the expertise to address the relevant matters repeatedly fail to be available to discuss such matters in a meeting of the Operational Committee.

15.3 The Operational Committee is responsible for the following activities:

- (a) reviewing and discussing all matters that require the Parties' cooperation or consultation with each other hereunder or joint actions from the Parties;

- (b) reviewing and discussing appropriate actions with respect to any operational day-to-day matter for the management or resolution of which the Agreement provides no guidance;
- (c) reviewing and discussing all claims, issues, disagreements or disputes that may arise from, under or in connection with this Agreement; and
- (d) reviewing and discussing all matters that a Party elects to refer to the Operational Committee.

15.4 Any matter described in Section 15.3 that the Operational Committee fails to address or resolve to the satisfaction of both Parties within sixty (60) days after the circumstances leading to the dispute have first been discussed during a meeting of the Operational Committee (a “ Dispute ”) may be referred by any Party to Supplier's Vice President, Integrated Supply Chain and Customer's Vice President, Powertrain Electronics & Electrification (such designed executives, the “ Dispute Committee ”). The Parties shall attempt in good faith to resolve the dispute by negotiation between their respective representatives on the Dispute Committee. The Parties agree that the members of the Dispute Committee shall have full and complete authority on behalf of their respective Parties to resolve any Disputes submitted to the Dispute Committee pursuant to this Section 15.4. If the Dispute Committee fails to reach agreement on a satisfactory resolution of the Disputes within thirty (30) days of the date of referral of the relevant Dispute to the Dispute Committee by the Operational Committee, such Dispute shall be resolved by arbitration in accordance with the terms of Section 4.2 of the Separation and Distribution Agreement.

ARTICLE 16

GOVERNING LAW; DISPUTE RESOLUTION

16.1 This Agreement (and any claims or disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any Party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the laws of China, including all matters of validity, construction, effect, enforceability, performance and remedies.

16.2 Article IV of the Separation and Distribution Agreement shall apply to all Disputes arising out of or relating to this Agreement, *mutatis mutandis*.

ARTICLE 17

TERM AND TERMINATION

17.1 This Agreement shall become effective on the Effective Date and shall remain in effect, in respect of each Product, until the Contractual Expiration Date of such Product, except that this Agreement shall terminate in respect of each Product with respect to which Customer has placed a one-time final order in accordance with Section 2.8 of this Agreement, on the date of receipt of such order by Supplier. Supplier will have no obligation under this Agreement to continue to supply a Product beyond the Contractual Expiration Date of such Product (as set forth in Exhibit A), even if Customer and its OEM customer agree to extend the duration of series production of such Product beyond its Contractual Expiration Date. Any service part obligation of Customer to its OEM customers for the Products on Exhibit A shall be governed, as far as Supplier is concerned, by the terms of Section 2.7. Notwithstanding the foregoing, the provisions of ARTICLE 4, ARTICLE 7, ARTICLE 10, ARTICLE 12, ARTICLE 13, ARTICLE 16 and ARTICLE 18 shall survive the expiration or termination by any reason whatsoever.

17.2 Notwithstanding any provision to the contrary and unless terminated earlier in accordance with the terms of this ARTICLE 17, this Agreement will terminate of its own accord with respect to all Products on July 31, 2021.

17.3 If either Party fails to perform any of its material duties or obligations pursuant to this Agreement and such breach is not cured within fifteen (15) days, in the event such breach involves the payment of money, or within thirty (30) days, with respect to any other breach, after notice to such Party specifying the nature of such failure, the other Party may terminate this Agreement in its entirety, or with respect to any or all of the services provided to the defaulting Party, upon further notice to the defaulting Party.

17.4 Either Party may terminate this Agreement immediately upon the occurrence of any of the following events:

(a) the other Party: (i) is prevented from performing its obligations by reason of an event of Force Majeure for a period of six (6) months or more; (ii) becomes insolvent; or (iii) enters bankruptcy, receivership, liquidation, composition of creditors, dissolution or similar proceeding; or

(b) a significant portion of the assets of the other Party necessary for the performance of this Agreement becomes subject to attachment, embargo or expropriation; or

(c) the performance of this Agreement becomes in any material respect impossible or commercially impracticable by virtue of any order, action, regulation, interference or intervention of any government or agency thereof.

17.5 Starting from March 31, 2018, Supplier may immediately terminate this Agreement in respect of a Product if, during a six (6) month period, Supplier receives from Customer, with respect to such Product, no orders or orders for less than 1,000 pieces in total.

17.6 Customer may terminate this Agreement without cause upon six (6) months' notice to Supplier in respect of one, several or all Products prior to the relevant Contractual Expiration Date, provided that: (i) Customer shall be liable for any Termination Charges related to the terminated Product(s); and that (ii) Supplier may adjust in its reasonable discretion the Service Manufacturing Fee for the non-terminated Products if Supplier reasonably determines that the termination of the supply of the relevant Product(s) will increase the cost of production of the non-terminated Products.

17.7 The provisions of this Article are without prejudice to any other rights or remedies either Party may have by reason of the default of the other Party.

ARTICLE 18

GENERAL PROVISIONS

18.1 Government Approvals. All the Parties shall be responsible for compliance with and for the obtaining of such approvals and/or permits as may be required under national, state and local laws, ordinances, regulations and rules as may be applicable to the performance of their respective responsibilities and obligations under this Agreement.

18.2 Relationship of the Parties. The relationship of the Parties to one another is that of independent contractors and no Party nor its agents or employees shall be considered employees or agents of another Party, unless specifically provided otherwise herein. This Agreement does not constitute and shall not be construed as constituting a partnership or joint venture or grant of a franchise

between Supplier and Customer. Neither Party shall have the right to bind the other Party to any obligations to third parties, unless specifically provided otherwise herein.

18.3 Assignment; Successors and Assigns; No Third Party Beneficiaries . This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided, however, that no Party may assign its respective rights or delegate its respective obligations under this Agreement without the express prior written consent of the other Party. Notwithstanding the foregoing, no such consent shall be required for the assignment of a Party's rights and obligations under this Agreement in whole in connection with a change of control of a Party so long as the resulting, surviving or transferee person assumes all the obligations of the relevant party thereto by operation of law or pursuant to an agreement in form and substance reasonably satisfactory to the other Party. Nothing herein is intended to, or shall be construed to, prohibit either Party or any member of its Affiliates from being party to or undertaking a change of control. No provision of this Agreement is intended to confer any rights, benefits, remedies or Losses hereunder upon any person other than the Parties and their respective successors and permitted assigns.

18.4 Amendments and Waivers .

(a) No provisions of this Agreement shall be waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party.

(b) No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

18.5 Notices . All notices, requests, claims, demands or other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic transmission with receipt confirmed (followed by delivery of an original via overnight courier service), or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 18.5):

If to Customer, to :

Delphi Technologies PLC
5825 Innovation Dr.
Troy, MI 48098
Attention: Liam Butterworth, President and Chief Executive Officer

With a copy (which shall not constitute notice) to :

Delphi Technologies PLC
5825 Innovation Dr.
Troy, MI 48098
Attention: James Harrington, General Counsel

If to Supplier, to :

Delphi Automotive PLC
5725 Innovation Dr.
Troy, MI 48098
Attention: Joseph Massaro, Senior Vice President and Chief Financial Officer

With a copy (which shall not constitute notice) to :

Delphi Automotive PLC
5725 Innovation Drive
Troy, MI 48098
Attention: David Sherbin, Senior Vice President, General Counsel, Secretary and Chief Compliance Officer

Any Party may, by notice to the other Party, change the address and contact person to which any such notices are to be given.

18.6 Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

18.7 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

18.8 Controlling Terms. Unless provided otherwise herein, the provisions of this Agreement shall govern Supplier's manufacture of Products for Customer. This Agreement contains all the representations and agreements between the Parties and there are no other agreements or understandings, oral or in writing, regarding the matters covered hereby, except for those orders issued by Customer to Supplier pursuant to Section 2.4 and accepted by Supplier. Any terms submitted by Customer, including on any document or form submitted by Customer which are in addition to or inconsistent with those set forth herein, are hereby expressly rejected by Supplier and shall not apply to Customer's purchase of Products from Supplier unless agreed to in a writing signed by both Parties.

18.9 Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each Party shall have received a counterpart hereof signed by all of the other Parties. The exchange of a fully executed Agreement (in counterparts or otherwise) by electronic transmission in .PDF or other equivalent format or by facsimile shall be sufficient to bind the Parties to the terms and conditions of this Agreement.

18.10 Entire Agreement. This Agreement, the Separation and Distribution Agreement and the exhibits, annexes and schedules hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions,

writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the Parties with respect to such subject matter other than those set forth or referred to herein.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in duplicate by their duly authorized representatives as of the day and year first above written.

TAX MATTERS AGREEMENT

BY AND BETWEEN

DELPHI AUTOMOTIVE PLC

AND

DELPHI TECHNOLOGIES PLC

DATED AS OF DECEMBER 4, 2017

TABLE OF CONTENTS

		<u>Page</u>
Section 1.	Definition of Terms	1
Section 2.	Allocation of Tax Liabilities and Tax-Related Losses	10
Section 2.01	General Rule	10
Section 2.02	General Allocation Principles	11
Section 2.03	Allocation Conventions	11
Section 3.	Preparation and Filing of Tax Returns	12
Section 3.01	Aptiv Separate Returns and Joint Returns	12
Section 3.02	Delphi Technologies Separate Returns	12
Section 3.03	Tax Reporting Practices	12
Section 3.04	Protective Section 336(e) Election	13
Section 3.05	Delphi Technologies Carrybacks and Claims for Refund	14
Section 3.06	Apportionment of Tax Attributes	14
Section 3.07	UK Group Relief	15
Section 3.08	Equity Compensation	15
Section 4.	Tax Payments	16
Section 4.01	Taxes Shown on Tax Returns	16
Section 4.02	Adjustments Resulting in Underpayments	16
Section 4.03	Indemnification Payments	16
Section 5.	Tax Benefits	17
Section 5.01	Tax Refunds	17
Section 5.02	Other Tax Benefits	17
Section 6.	Intended Tax Treatment	18
Section 6.01	Restrictions on Members of the Delphi Technologies Group	18
Section 6.02	Restrictions on Members of the Aptiv Group	19
Section 6.03	Procedures Regarding Opinions and Rulings	20
Section 6.04	Liability for Specified Separation Taxes and Tax-Related Losses	20
Section 7.	Assistance and Cooperation	21
Section 7.01	Assistance and Cooperation	21
Section 7.02	Tax Return Information	22
Section 7.03	Reliance by Aptiv	22
Section 7.04	Reliance by Delphi Technologies	22
Section 7.05	Other Separation Taxes	23
Section 8.	Tax Records	23
Section 8.01	Retention of Tax Records	23
Section 8.02	Access to Tax Records	23
Section 8.03	Preservation of Privilege	24
Section 9.	Tax Contests	24
Section 9.01	Notice	24

Section 9.02	Control of Tax Contests	25
Section 10.	Survival of Obligations	26
Section 11.	Tax Treatment of Interest	27
Section 12.	Gross-Up of Indemnification Payments	27
Section 13.	Dispute Resolution	27
Section 14.	General Provisions	27
Section 14.01	Entire Agreement; Construction; Corporate Power	27
Section 14.02	Other Agreements	28
Section 14.03	Governing Law	28
Section 14.04	Construction	28
Section 14.05	Performance	28
Section 14.06	Payment Terms	28
Section 14.07	No Admission of Liability	29

TAX MATTERS AGREEMENT

This TAX MATTERS AGREEMENT (this “*Agreement*”) is entered into effective as of December 4, 2017, by and between Delphi Automotive PLC, a public limited company formed under the laws of Jersey (“*Aptiv*”) and Delphi Technologies PLC, a public limited company formed under the laws of Jersey and wholly owned subsidiary of Aptiv (“*Delphi Technologies*”). Aptiv and Delphi Technologies are each a “*Party*” and are sometimes referred to herein collectively as the “*Parties*” Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Section 1 of this Agreement.

RECITALS

WHEREAS, Aptiv, acting together with its Subsidiaries, currently conducts the Aptiv Business and the Delphi Technologies Business;

WHEREAS, Aptiv and Delphi Technologies have entered into a Separation and Distribution Agreement, dated as of November 15, 2017 (the “*Separation Agreement*”) pursuant to which the Separation will be consummated;

WHEREAS, the Parties intend that (i) the Distribution will qualify as a distribution under Section 355(a) of the Internal Revenue Code of 1986, as amended (the “*Code*”) and (ii) the Internal Distribution will qualify for tax-free treatment under Sections 368(a)(1)(D) and 355 of the Code; and

WHEREAS, Aptiv and Delphi Technologies desire to set forth their agreement on the rights and obligations of Aptiv and Delphi Technologies and the members of the Aptiv Group and the Delphi Technologies Group, respectively, with respect to (A) the administration and allocation of federal, state, local, and foreign Taxes incurred in Tax Periods beginning prior to the Distribution Date, (B) Taxes resulting from the Distribution and transactions effected in connection with the Distribution and (C) various other Tax matters.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements, provisions and covenants contained in this Agreement, the Parties hereby agree as follows:

Section 1. Definition of Terms. For purposes of this Agreement (including the recitals hereof), the following terms have the following meanings:

“*Active Trade or Business*” means (i) with respect to the Delphi Technologies SAG, the active conduct (as defined in Section 355(b)(2) of the Code and the Treasury Regulations thereunder) of the US Powertrain Business as conducted immediately prior to the Distribution by the Delphi Technologies SAG, and (ii) with respect to the Internal SpinCo SAG, the active conduct (as defined in Section 355(b)(2) of the Code and the Treasury Regulations thereunder) of the US Powertrain Business as conducted immediately prior to the Internal Distribution by the Internal SpinCo SAG.

“*Adjusted Grossed-Up Basis*” has the meaning set forth in Section 3.04(b) of this Agreement.

“ **Adjustment Request** ” means any formal or informal claim or request filed with any Tax Authority, or with any administrative agency or court, for the adjustment, refund, or credit of Taxes, including (i) any amended Tax Return claiming adjustment to the Taxes as reported on the Tax Return or, if applicable, as previously adjusted, (ii) any claim for equitable recoupment or other offset, and (iii) any claim for refund or credit of Taxes previously paid.

“ **Affiliate** ” has the meaning set forth in the Separation Agreement.

“ **Aggregate Deemed Asset Disposition Price** ” has the meaning set forth in Section 3.04(b) of this Agreement.

“ **Agreement** ” means this Tax Matters Agreement.

“ **Ancillary Agreement** ” has the meaning set forth in the Separation Agreement; *provided, however*, that for purposes of this Agreement, this Agreement shall not constitute an Ancillary Agreement.

“ **Aptiv** ” has the meaning set forth in the preamble to this Agreement.

“ **Aptiv Business** ” has the meaning set forth in the Separation Agreement.

“ **Aptiv Equity Compensation Award** ” has the meaning set forth in the Employee Matters Agreement.

“ **Aptiv Group** ” has the meaning set forth in the Separation Agreement.

“ **Aptiv Separate Return** ” means any Tax Return of or including any member of the Aptiv Group (including any consolidated, combined or unitary return) that does not include any member of the Delphi Technologies Group.

“ **Aptiv Stock** ” has the meaning set forth in the Separation Agreement.

“ **Aptiv Disqualifying Act** ” means, with respect to any Specified Separation Taxes, (a) any act, or failure or omission to act, by any member of the Aptiv Group following the Distribution that results in any Party (or any of its Affiliates) being liable for such Specified Separation Taxes pursuant to a Final Determination, (b) the direct or indirect acquisition of all or a portion of the shares of Internal Distributing (or any transaction or series of related transactions that is deemed to be such an acquisition for purposes of Section 355(e) of the Code and the Treasury Regulations promulgated thereunder) by any means whatsoever by any Person, including pursuant to an issuance of shares by Internal Distributing or Aptiv, (c) any event (or series of events) involving Capital Stock of Aptiv or any assets of any member of the Aptiv Group or (d) any failure to be true, inaccuracy in, or breach of any of the representations or statements contained in the Representation Letters.

“ **Assets** ” has the meaning set forth in the Separation Agreement.

“ **Business Day** ” has the meaning set forth in the Separation Agreement.

“**Capital Stock**” means all classes or series of capital stock of a corporation, including (i) common stock, (ii) all options, warrants and other rights to acquire such capital stock and (iii) all instruments properly treated as stock in such corporation for U.S. federal Income Tax purposes.

“**Closing of the Books Method**” means the apportionment of items between portions of a Tax Period based on a closing of the books and records on the close of the Distribution Date (in the event that the Distribution Date is not the last day of the Tax Period, as if the Distribution Date were the last day of the Tax Period), subject to adjustment for items accrued on the Distribution Date that are properly allocable to the Tax Period following the Distribution, as jointly determined by Aptiv and Delphi Technologies; *provided* that any items not susceptible to such apportionment shall be apportioned on the basis of elapsed days during the relevant portion of the Tax Period.

“**Code**” has the meaning set forth in the recitals to this Agreement.

“**Controlling Party**” has the meaning set forth in Section 9.02(c) of this Agreement.

“**Delphi Technologies**” has the meaning provided in the preamble to this Agreement.

“**Delphi Technologies Business**” has the meaning set forth in the Separation Agreement.

“**Delphi Technologies Carryback**” means any net operating loss, net capital loss, excess Tax credit, or other similar Tax item of any member of the Delphi Technologies Group which may or must be carried from one Tax Period to another prior Tax Period under the Code or other applicable Tax Law.

“**Delphi Technologies Disqualifying Act**” means, with respect to any Specified Separation Taxes, following the Distribution, (a) any act, or failure or omission to act, including, without limitation, the breach of any covenant contained herein, by any member of the Delphi Technologies Group that results in any Party (or any of its Affiliates) being liable for such Specified Separation Taxes pursuant to a Final Determination, regardless of whether such act or failure to act is covered by a Ruling or Unqualified Tax Opinion, (b) the direct or indirect acquisition of all or a portion of the shares of Internal SpinCo (or any transaction or series of related transactions that is deemed to be such an acquisition for purposes of Section 355(e) of the Code and the Treasury Regulations promulgated thereunder) by any means whatsoever by any Person, including pursuant to an issuance of shares by Internal SpinCo or Delphi Technologies or (c) any event (or series of events) involving Capital Stock of Delphi Technologies or any assets of any member of the Delphi Technologies Group.

“**Delphi Technologies Equity Awards**” means options, share appreciation rights, restricted shares, share units or other compensatory rights with respect to Delphi Technologies Stock.

“**Delphi Technologies Equity Compensation Award**” has the meaning set forth in the Employee Matters Agreement.

“**Delphi Technologies Group**” has the meaning set forth in the Separation Agreement.

“ **Delphi Technologies SAG** ” means the separate affiliated group of Delphi Technologies, within the meaning of Section 355(b)(3)(B) of the Code.

“ **Delphi Technologies Separate Return** ” means any Tax Return of or including any member of the Delphi Technologies Group (including any consolidated, combined or unitary return) that does not include any member of the Aptiv Group.

“ **Delphi Technologies Stock** ” has the meaning set forth in the Separation Agreement.

“ **Dispute** ” has the meaning set forth in the Separation Agreement.

“ **Distribution** ” means the issuance of ordinary shares of Delphi Technologies to holders of Aptiv ordinary shares on the Record Date on a pro rata basis.

“ **Distribution Date** ” has the meaning set forth in the Separation Agreement.

“ **Effective Time** ” has the meaning set forth in the Separation Agreement.

“ **Employee Matters Agreement** ” has the meaning set forth in the Separation Agreement.

“ **Final Allocation** ” has the meaning set forth in Section 3.06(b) of this Agreement.

“ **Final Determination** ” means the final resolution of liability for any Tax, which resolution may be for a specific issue or adjustment or for any Tax Period, (i) by IRS Form 870 or 870-AD (or any successor forms thereto), on the date of acceptance by or on behalf of the taxpayer, or by a comparable form under the laws of a state, local, or foreign taxing jurisdiction, except that a Form 870 or 870-AD or comparable form shall not constitute a Final Determination to the extent that it reserves (whether by its terms or by operation of law) the right of the taxpayer to file a claim for refund or the right of the Tax Authority to assert a further deficiency in respect of such issue or adjustment or for such Tax Period (as the case may be); (ii) by a decision, judgment, decree, or other order by a court of competent jurisdiction, which has become final and unappealable; (iii) by a closing agreement or accepted offer in compromise under Sections 7121 or 7122 of the Code, or a comparable agreement under the laws of a state, local, or foreign taxing jurisdiction; (iv) by any allowance of a refund or credit in respect of an overpayment of a Tax, but only after the expiration of all periods during which such refund may be recovered (including by way of offset) by the jurisdiction imposing such Tax; (v) by a final settlement resulting from a treaty-based competent authority determination; or (vi) by any other final disposition, including by reason of the expiration of the applicable statute of limitations, the execution of a pre-filing agreement with the IRS or other Tax Authority, or by mutual agreement of the Parties.

“ **Governmental Authority** ” has the meaning set forth in the Separation Agreement.

“ **Group** ” means (a) with respect to Aptiv, the Aptiv Group, and (b) with respect to Delphi Technologies, the Delphi Technologies Group, as the context requires.

“ **Income Tax** ” means all U.S. federal, state, local and foreign income, franchise or similar Taxes imposed on (or measured by) net income or net profits, and any interest, penalties, additions to Tax or additional amounts in respect of the foregoing.

“ **Intended Tax Treatment** ” means the qualification of (i) the Distribution as a distribution under Section 355(a) of the Code, (ii) the Internal Distribution for tax-free treatment under Sections 368(a)(1)(D) and 355 of the Code and (iii) the IP Transfer as a transaction to which Section 367(d) of the Code applies.

“ **Internal Distributing** ” means Delphi Corporation, a Delaware corporation.

“ **Internal Distribution** ” means the distribution by Internal Distributing of its shares in Internal SpinCo to Internal Distributing’s shareholder in connection with the Separation.

“ **Internal SpinCo** ” means Delphi Powertrain Systems, LLC, a Delaware limited liability company.

“ **Internal SpinCo SAG** ” means the separate affiliated group of Internal SpinCo, within the meaning of Section 355(b)(3)(B) of the Code.

“ **IP Transfer** ” means, collectively, any transfers of intellectual property from the United States (or a United States entity) to Barbados (or a Barbados entity) to facilitate, or otherwise in connection with, the Separation.

“ **IRS** ” means the U.S. Internal Revenue Service or any successor agency.

“ **Joint Return** ” means any Tax Return that includes, by election or otherwise, one or more members of the Aptiv Group together with one or more members of the Delphi Technologies Group.

“ **Law** ” has the meaning set forth in the Separation Agreement.

“ **Liabilities** ” has the meaning set forth in the Separation Agreement.

“ **Loss** ” has the meaning set forth in Section 5.02 of this Agreement.

“ **Non-Controlling Party** ” has the meaning set forth in Section 9.02(c) of this Agreement.

“ **Notified Action** ” shall have the meaning set forth in Section 6.03(a) of this Agreement.

“ **Other Separation Taxes** ” means any Taxes imposed on the Aptiv Group or the Delphi Technologies Group in connection with the transactions comprising the Separation, other than Specified Separation Taxes.

“ **Parties** ” and “ **Party** ” have the meaning set forth in the preamble to this Agreement.

“ **Past Practices** ” has the meaning set forth in Section 3.03(a) of this Agreement.

“ **Payment Date** ” means, with respect to a Tax Return, (A) the due date for any required installment of estimated Taxes, (B) the due date (determined without regard to extensions) for filing such Tax Return, or (C) the date such Tax Return is filed, as the case may be.

“ **Payor** ” has the meaning set forth in Section 4.03(a) of this Agreement.

“ **Person** ” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a Governmental Authority or any department, agency or political subdivision thereof, without regard to whether any entity is treated as disregarded for U.S. federal Income Tax purposes.

“ **Post-Distribution Period** ” means any Tax Period beginning after the Distribution Date and, in the case of any Straddle Period, the portion of such Tax Period beginning on the day after the Distribution Date.

“ **Pre-Distribution Period** ” means any Tax Period ending on or before the Distribution Date and, in the case of any Straddle Period, the portion of such Straddle Period ending on and including the Distribution Date.

“ **Prime Rate** ” has the meaning set forth in the Separation Agreement.

“ **Prior Group** ” means any group that filed or was required to file (or will file or be required to file) a Tax Return, for a Tax Period or portion thereof ending at the close of the Distribution Date, on an affiliated, consolidated, combined, unitary, fiscal unity or other group basis (including as permitted by Section 1501 of the Code) that includes at least one member of the Delphi Technologies Group.

“ **Privilege** ” means any privilege that may be asserted under applicable law, including, any privilege arising under or relating to the attorney-client relationship (including the attorney-client and work product privileges), the accountant-client privilege and any privilege relating to internal evaluation processes.

“ **Proposed Acquisition Transaction** ” means a transaction or series of transactions (or any agreement, understanding or arrangement, within the meaning of Section 355(e) of the Code and Treasury Regulations § 1.355-7, or any other regulations promulgated thereunder, to enter into a transaction or series of transactions), whether such transaction is supported by Delphi Technologies management or shareholders, is a hostile acquisition, or otherwise, as a result of which any Person or any group of related Persons would directly or indirectly, including through an acquisition of Capital Stock of Delphi Technologies, acquire, or have the right to acquire, a number of shares of Capital Stock of Internal SpinCo that would, when combined with any other direct or indirect changes in ownership of Capital Stock of Internal SpinCo pertinent for purposes of Section 355(e) of the Code, comprise forty percent (40%) or more of (i) the value of all outstanding shares of stock of Internal SpinCo as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series, or (ii) the total combined voting power of all outstanding shares of voting shares of Internal SpinCo as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series. Notwithstanding the foregoing, a Proposed Acquisition Transaction shall not include (i) the adoption by Internal SpinCo or Delphi Technologies of a shareholder rights plan, (ii) issuances

by Internal SpinCo or Delphi Technologies that satisfy Safe Harbor VIII (relating to acquisitions in connection with a person's performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulations § 1.355-7(d), including such issuances net of exercise price and/or tax withholding (*provided, however*, that any sale of such stock in connection with a net exercise or tax withholding is not exempt under this clause (ii) unless it satisfies the requirements of Safe Harbor VII of Treasury Regulations § 1.355-7(d)) or (iii) acquisitions that satisfy Safe Harbor VII of Treasury Regulations § 1.355-7(d). For purposes of determining whether a transaction constitutes an indirect acquisition, any recapitalization resulting in a shift of voting power or any redemption of shares shall be treated as an indirect acquisition of shares by the non-exchanging shareholders. For purposes of this definition, each reference to Internal SpinCo shall include a reference to any entity treated as a successor thereto. This definition and the application thereof is intended to monitor compliance with Section 355(e) of the Code and shall be interpreted accordingly. Any clarification of, or change in, the statute or regulations promulgated under Section 355(e) of the Code or official IRS guidance with respect thereto shall be incorporated in this definition and its interpretation.

“ **Proposed Allocation** ” shall have the meaning set forth in Section 3.06(b) of this Agreement.

“ **Protective Section 336(e) Election** ” has the meaning set forth in Section 3.04(a) of this Agreement.

“ **Record Date** ” has the meaning set forth in the Separation Agreement.

“ **Representation Letters** ” means the statements of facts and representations, officer's certificates, representation letters and any other materials delivered or deliverable by Aptiv, and any of its Affiliates, in connection with the rendering by Tax Advisors of the Tax Opinions.

“ **Required Party** ” has the meaning set forth in Section 4.03(a) of this Agreement.

“ **Responsible Party** ” means, with respect to any Tax Return, the Party having responsibility for preparing and filing such Tax Return under this Agreement.

“ **Retention Date** ” has the meaning set forth in Section 8.01 of this Agreement.

“ **Ruling** ” has the meaning set forth in Section 6.01(b) of this Agreement.

“ **Section 336(e) Allocation Statement** ” has the meaning set forth in Section 3.04(b) of this Agreement.

“ **Section 336(e) Tax Benefit Percentage** ” means, with respect to any Specified Separation Taxes and Tax-Related Losses related to the Internal Distribution, the percentage equal to one hundred percent (100%) minus the percentage of such Specified Separation Taxes and Tax-Related Losses related to the Internal Distribution for which Aptiv is entitled to indemnification under this Agreement.

“ **Separation** ” means, collectively, all of the transactions undertaken to separate the Delphi Technologies Business from the Aptiv Business in connection with the Distribution.

“**Separation Agreement**” has the meaning set forth in the recitals to this Agreement.

“**Shared Contract**” has the meaning set forth in the Separation Agreement.

“**Specified Separation Taxes**” means any and all Taxes incurred by the Aptiv Group or the Delphi Technologies Group as a result of the failure of the Intended Tax Treatment.

“**Straddle Period**” means any Tax Period that begins before and ends after the Distribution Date.

“**Subsidiary**” has the meaning set forth in the Separation Agreement.

“**Tax**” or “**Taxes**” means any income, gross income, gross receipts, profits, capital stock, franchise, withholding, payroll, social security, workers compensation, unemployment, disability, property, ad valorem, value added, stamp, excise, severance, occupation, service, sales, use, license, lease, transfer, import, export, escheat, alternative minimum, universal service fund, estimated or other tax (including any fee, assessment, or other charge in the nature of or in lieu of any tax), imposed by any Governmental Authority or political subdivision thereof, and any interest, penalty, additions to tax or additional amounts in respect of the foregoing.

“**Tax Advisor**” means a Tax counsel or accountant, in each case of recognized national standing.

“**Tax Attribute**” means a net operating loss, net capital loss, unused investment credit, unused foreign Tax credit (including credits of a foreign company under Section 902 of the Code), excess charitable contribution, general business credit, research and development credit, earnings and profits, basis, or any other Tax Item that could reduce a Tax or create a Tax Benefit.

“**Tax Authority**” means, with respect to any Tax, the Governmental Authority or political subdivision thereof that imposes such Tax, and the agency (if any) charged with the collection of such Tax for such entity or subdivision.

“**Tax Benefit**” means any refund, credit, or other item that causes reduction in otherwise required liability for Taxes.

“**Tax Contest**” means an audit, review, examination, contest, litigation, investigation or any other administrative or judicial proceeding with the purpose or effect of redetermining Taxes (including any administrative or judicial review of any claim for refund).

“**Tax Item**” means, with respect to any Income Tax, any item of income, gain, loss, deduction, or credit.

“**Tax Law**” means the Law of any Governmental Authority or political subdivision thereof relating to any Tax.

“**Tax Opinions**” means any opinions of Tax Advisors deliverable to Aptiv in connection with the Internal Distribution and the Distribution.

“ **Tax Period** ” means, with respect to any Tax, the period for which the Tax is reported as provided under the Code or other applicable Tax Law.

“ **Tax Records** ” means any (i) Tax Returns, (ii) Tax Return workpapers, (iii) documentation relating to any Tax Contests, and (iv) any other books of account or records (whether or not in written, electronic or other tangible or intangible forms and whether or not stored on electronic or any other medium) maintained or required to be maintained under the Code or other applicable Tax Laws or under any record retention agreement with any Tax Authority, in each case filed or required to be filed with respect to or otherwise relating to Taxes.

“ **Tax-Related Losses** ” means, with respect to any Specified Separation Taxes, (i) all accounting, legal and other professional fees, and court costs incurred in connection with such Specified Separation Taxes, as well as any other out-of-pocket costs incurred in connection with such Specified Separation Taxes; and (ii) all costs, expenses and damages associated with shareholder litigation or controversies and any amount paid by Aptiv (or any Aptiv Affiliate) or Delphi Technologies (or any Delphi Technologies Affiliate) in respect of the liability of shareholders, whether paid to shareholders or to the IRS or any other Tax Authority.

“ **Tax Return** ” means any report of Taxes due, any claim for refund of Taxes paid, any information return with respect to Taxes, or any other similar report, statement, declaration, or document filed or required to be filed under the Code or other Tax Law with respect to Taxes, including any attachments, exhibits, or other materials submitted with any of the foregoing, and including any amendments or supplements to any of the foregoing.

“ **Third Party** ” means any Person other than the Parties or any of their respective Subsidiaries.

“ **Treasury Regulations** ” means the regulations promulgated from time to time under the Code as in effect for the relevant Tax Period.

“ **UK Group Relief** ” means (i) group relief capable of being surrendered or claimed pursuant to Part 5 of the UK Corporation Tax Act 2010, or (ii) the notional transfer of an asset or reallocation of a gain or loss pursuant to section 171A or section 179A of the UK Taxation of Chargeable Gains Act 1992 and the notional reallocation of a gain pursuant to section 792 of the UK Corporation Tax Act 2009.

“ **Unqualified Tax Opinion** ” means an unqualified “will” opinion of a Tax Advisor, which Tax Advisor is reasonably acceptable to Aptiv, on which Aptiv may rely to the effect that a transaction will not adversely affect the Intended Tax Treatment. Any such opinion must assume that the Distribution, the Internal Distribution and the IP Transfer would have qualified for the Intended Tax Treatment if the transaction in question did not occur.

“ **US Powertrain Business** ” means the portion of the Delphi Technologies Business conducted within the United States.

“ **Valuations** ” means the valuations and methodologies prepared for Aptiv to facilitate, or otherwise in connection with, the Separation and the carrying values reflected on Delphi Technologies’ opening balance sheet following the Distribution.

Section 2. Allocation of Tax Liabilities and Tax-Related Losses .

Section 2.01 General Rule.

(a) *Aptiv Liability.* Except with respect to Taxes and Tax-Related Losses described in Section 2.01(b) of this Agreement, Aptiv shall be liable for, and shall indemnify and hold harmless the Delphi Technologies Group from and against any liability for:

- (i) Taxes that are allocated to Aptiv under this Section 2;
- (ii) any Tax resulting from a breach of any of Aptiv's covenants in this Agreement, the Separation Agreement or any Ancillary Agreement;
- (iii) Specified Separation Taxes and Tax-Related Losses that are allocated to Aptiv under Section 6.04(a) of this Agreement;
- (iv) Other Separation Taxes; and
- (v) Taxes imposed on Delphi Technologies or any member of the Delphi Technologies Group pursuant to the provisions of Treasury Regulations § 1.1502-6 (or similar provisions of state, local, or foreign Tax Law) as a result of any such member being or having been a member of a Prior Group.

(b) *Delphi Technologies Liability.* Delphi Technologies shall be liable for, and shall indemnify and hold harmless the Aptiv Group from and against any liability for:

- (i) Taxes which are allocated to Delphi Technologies under this Section 2;
- (ii) any Tax resulting from a breach of any of Delphi Technologies' covenants in this Agreement, the Separation Agreement or any Ancillary Agreement; and
- (iii) any Specified Separation Taxes and Tax-Related Losses that are allocated to Delphi Technologies under Section 6.04(a) of this Agreement.

(c) In furtherance of Section 2.01(a)(iv) and the allocation of Other Separation Taxes to Aptiv, both Parties understand that the transactions comprising the Separation will trigger the Other Separation Taxes (the amount of which has not been definitively quantified yet) and Delphi Technologies hereby agrees that, in lieu of any responsibility for such Taxes, it will, as part of the Separation, pay Aptiv \$180 million and, in exchange, Aptiv will assume all responsibility for the Other Separation Taxes and Delphi Technologies will have no liability therefor and is hereby released from any claim or liability in respect of the Other Separation Taxes.

Section 2.02 General Allocation Principles. Except as otherwise provided in this Section 2 or in Section 6.04(a) of this Agreement, all Taxes shall be allocated as follows:

(a) *Allocation of Taxes for Joint Returns.* Aptiv shall be responsible for all Taxes reported, or required to be reported, on any Joint Return that any member of the Aptiv Group files or is required to file under the Code or other applicable Tax Law; *provided, however,* that to the extent any such Joint Return includes any Tax Item attributable to any member of the Delphi Technologies Group or to the Delphi Technologies Business for any Post-Distribution Period, Delphi Technologies shall be responsible for all Taxes attributable to such Tax Items, computed in a manner reasonably determined by Aptiv.

(b) *Allocation of Taxes for Separate Returns.*

(i) Aptiv shall be responsible for all Taxes reported, or required to be reported, on an Aptiv Separate Return.

(ii) Delphi Technologies shall be responsible for all Taxes reported, or required to be reported, on a Delphi Technologies Separate Return.

(c) *Taxes Not Reported on Tax Returns.*

(i) Aptiv shall be responsible for any Tax attributable to any member of the Aptiv Group or to the Aptiv Business that is not required to be reported on a Tax Return.

(ii) Delphi Technologies shall be responsible for any Tax attributable to any member of the Delphi Technologies Group or to the Delphi Technologies Business that is not required to be reported on a Tax Return.

Section 2.03 Allocation Conventions.

(a) All Taxes allocated pursuant to Section 2.02 of this Agreement shall be allocated in accordance with the Closing of the Books Method; *provided, however,* that if applicable Tax Law does not permit a Delphi Technologies Group member to close its Tax Period on the Distribution Date, the Tax attributable to the operations of the members of the Delphi Technologies Group for any Pre-Distribution Period shall be the Tax computed using the Closing of the Books Method.

(b) Any Tax Item of Delphi Technologies or any member of the Delphi Technologies Group arising from a transaction engaged in outside of the ordinary course of business on the Distribution Date after the Effective Time shall be properly allocable to Delphi Technologies and any such transaction by or with respect to Delphi Technologies or any member of the Delphi Technologies Group occurring after the Effective Time shall be treated for all Tax purposes (to the extent permitted by applicable Tax Law) as occurring at the beginning of the day following the Distribution Date in accordance with the principles of Treasury Regulation § 1.1502-76(b) or any similar provisions of state, local or foreign Law.

Section 3. Preparation and Filing of Tax Returns .

Section 3.01 Aptiv Separate Returns and Joint Returns.

(a) Aptiv shall prepare and file, or cause to be prepared and filed, all Aptiv Separate Returns and Joint Returns, and each member of the Delphi Technologies Group to which any such Joint Return relates shall execute and file such consents, elections and other documents as Aptiv may determine, after consulting with Delphi Technologies in good faith, are required or appropriate, or otherwise requested by Aptiv in connection with the filing of such Joint Return. Delphi Technologies will elect and join, and will cause its respective Affiliates to elect and join, in filing any Joint Returns that Aptiv determines are required to be filed or that Aptiv elects to file, in each case pursuant to this Section 3.01(a).

(b) The Parties and their respective Affiliates shall elect to close the Tax Period of each Delphi Technologies Group member on the Distribution Date, to the extent permitted by applicable Tax Law.

Section 3.02 Delphi Technologies Separate Returns. Delphi Technologies shall prepare and file (or cause to be prepared and filed) all Delphi Technologies Separate Returns.

Section 3.03 Tax Reporting Practices.

(a) *General Rule.* Except as provided in Section 3.03(b) of this Agreement, Aptiv shall prepare any Straddle Period Joint Return in accordance with past practices, permissible accounting methods, elections or conventions (“*Past Practices*”) used by the members of the Aptiv Group and the members of the Delphi Technologies Group prior to the Distribution Date with respect to such Tax Return, and to the extent any items, methods or positions are not covered by Past Practices, then Aptiv shall prepare such Tax Return in accordance with reasonable Tax accounting practices selected by Aptiv. With respect to any Tax Return that Delphi Technologies has the obligation and right to prepare, or cause to be prepared, under this Section 3, to the extent such Tax Return could affect Aptiv, such Tax Return shall be prepared in accordance with Past Practices used by the members of the Aptiv Group and the members of the Delphi Technologies Group prior to the Distribution Date with respect to such Tax Return, and to the extent any items, methods or positions are not covered by Past Practices, such Tax Return shall be prepared in accordance with reasonable Tax accounting practices selected by Delphi Technologies.

(b) *Consistency with Intended Tax Treatment.* The Parties shall prepare all Tax Returns consistent with (i) the Intended Tax Treatment and (ii) the Valuations unless, in each case, and then only to the extent, an alternative position is required pursuant to a Final Determination.

(c) *Shared Contracts.* Each of Delphi Technologies and Aptiv shall, and shall cause the members of its Group to, (i) treat for all Tax purposes the portion of each Shared Contract inuring to its respective businesses as Assets owned by, and/or Liabilities of, as applicable, such Party, or its Subsidiaries, as applicable, not later than the Effective Time, and (ii) neither report nor take any Tax position (on a Tax Return or otherwise) inconsistent with such treatment (unless required by applicable Law).

Section 3.04 Protective Section 336(e) Election.

(a) *General.* The Parties hereby agree to make a timely protective election under Section 336(e) of the Code and Treasury Regulations § 1.336-2(j) (and any similar provision of applicable state or local Tax Law) for each applicable member of the Aptiv Group and Delphi Technologies Group with respect to the Internal Distribution (the “**Protective Section 336(e) Election**”) in accordance with Treasury Regulations § 1.336-2(h). For the avoidance of doubt, (i) this Section 3.04(a) is intended to constitute a written, binding agreement to make the Protective Section 336(e) Election within the meaning of Treasury Regulations § 1.336-2(h)(1)(i), and (ii) it is intended that the Protective Section 336(e) Election will have no effect unless, pursuant to a Final Determination, the Internal Distribution is treated as a “qualified stock disposition” within the meaning of Treasury Regulations § 1.336-1(b)(6).

(b) *Cooperation and Reporting.* Aptiv and Delphi Technologies shall cooperate in making the Protective Section 336(e) Election, including filing any statements, amending any Tax Returns or undertaking such other actions reasonably necessary to carry out the Protective Section 336(e) Election. Aptiv and Delphi Technologies shall jointly determine the “**Aggregate Deemed Asset Disposition Price**” and the “**Adjusted Grossed-Up Basis**” (each as defined under applicable Treasury Regulations) and the allocation of such Aggregate Deemed Asset Disposition Price and Adjusted Grossed-Up Basis among the disposition date assets of Internal SpinCo and its Subsidiaries, each in accordance with the applicable provisions of Section 336(e) of the Code and applicable Treasury Regulations (the “**Section 336(e) Allocation Statement**”). To the extent the Protective Section 336(e) Election becomes effective, each Party agrees not to take any position (and to cause each of its Affiliates not to take any position) that is inconsistent with the Protective Section 336(e) Election, including the Section 336(e) Allocation Statement, on any Tax Return, in connection with any Tax Contest or for any other Tax purposes (in each case, excluding any position taken for financial accounting purposes), except as may be required by a Final Determination.

(c) *Tax Benefit Payment by Delphi Technologies.* In the event that the Internal Distribution fails to qualify for the Intended Tax Treatment and Aptiv is not entitled to indemnification for one hundred percent (100%) of any Specified Separation Taxes and Tax- Related Losses relating to the Internal Distribution arising from such failure, Aptiv shall be entitled to quarterly payments from Delphi Technologies equal to the Section 336(e) Tax Benefit Percentage of the actual Tax savings if, as and when realized by the Delphi Technologies Group arising from the step up in Tax basis (including, for the avoidance of doubt, any such step up attributable to payments made pursuant to this Section 3.04(c)) resulting from the Protective Section 336(e) Election, determined on a “with and without” basis (treating any deductions or amortization attributable to the step up in Tax basis resulting from the Protective 336(e) Election, or any other recovery of such step up, as the last items claimed for any taxable year, including after the utilization of any available net operating loss carryforwards); *provided, however*, that such payments: (i) shall be reduced by all reasonable costs incurred by any member of the Delphi Technologies Group to amend any Tax Returns or other governmental filings related to such Protective Section 336(e) Election; and (ii) shall not exceed the amount of any Specified Separation Taxes and Tax-Related Losses relating to the Internal Distribution incurred by the Aptiv Group (not taking into account this Section 3.04(c)) as a result of such failure for which Aptiv is not entitled to indemnification under this Agreement.

Section 3.05 Delphi Technologies Carrybacks and Claims for Refund.

(a) Delphi Technologies hereby agrees that, unless Aptiv consents in writing (which consent may not be unreasonably withheld, conditioned, or delayed) or as required by Law, (i) no member of the Delphi Technologies Group (nor its successors) shall file any Adjustment Request with respect to any Tax Return that could affect any Joint Return or any other Tax Return reflecting Taxes that are allocated to Aptiv under Section 2 and (ii) any available elections to waive the right to claim any Delphi Technologies Carryback in any Joint Return or any other Tax Return reflecting Taxes that are allocated to Aptiv under Section 2 shall be made, and no affirmative election shall be made to claim any such Delphi Technologies Carryback. In the event that Delphi Technologies (or the appropriate member of the Delphi Technologies Group) is prohibited by applicable Law from waiving or otherwise forgoing a Delphi Technologies Carryback or Aptiv consents to a Delphi Technologies Carryback (which consent may not be unreasonably withheld, conditioned, or delayed), Aptiv shall cooperate with Delphi Technologies, at Delphi Technologies' expense, in seeking from the appropriate Tax Authority such Tax Benefit as reasonably would result from such Delphi Technologies Carryback, to the extent that such Tax Benefit is directly attributable to such Delphi Technologies Carryback, and shall pay over to Delphi Technologies the amount of such Tax Benefit within ten (10) days after such Tax Benefit is recognized by the Aptiv Group; *provided, however*, that Delphi Technologies shall indemnify and hold the members of the Aptiv Group harmless from and against any and all collateral Tax consequences resulting from or caused by any such Delphi Technologies Carryback, including, without limitation, the loss or postponement of any benefit from the use of Tax Attributes generated by a member of the Aptiv Group if (i) such Tax Attributes expire unused, but would have been utilized but for such Delphi Technologies Carryback, or (ii) the use of such Tax Attributes is postponed to a later Tax Period than the Tax Period in which such Tax Attributes would have been used but for such Delphi Technologies Carryback.

(b) Aptiv hereby agrees that, unless Delphi Technologies consents in writing (which consent may not be unreasonably withheld, conditioned, or delayed) or as required by Law, no member of the Aptiv Group shall file any Adjustment Request with respect to any Delphi Technologies Separate Return.

Section 3.06 Apportionment of Tax Attributes.

(a) Tax Attributes arising in a Pre-Distribution Period will be allocated to (and the benefits and burdens of such Tax Attributes will inure to) the members of the Aptiv Group and the members of the Delphi Technologies Group in accordance with the Code, Treasury Regulations, and any other applicable Tax Law, and, in the absence of controlling legal authority or unless otherwise provided under this Agreement, including pursuant to Section 3.07, Tax Attributes shall be allocated to the legal entity that created such Tax Attributes.

(b) Except as provided in Section 3.07, on or before the first anniversary of the Distribution Date, Aptiv shall deliver to Delphi Technologies its determination in writing of the portion, if any, of any earnings and profits, Tax Attributes, overall foreign loss or other affiliated, consolidated, combined, unitary, fiscal unity or other group basis Tax Attribute which is allocated or apportioned to the members of the Delphi Technologies Group under applicable Tax Law and this Agreement (“**Proposed Allocation**”). Delphi Technologies shall have sixty (60) days to review the Proposed Allocation and provide Aptiv any comments with respect thereto.

Aptiv shall accept any such comments that are reasonable, and such resulting determination will become final (“*Final Allocation*”). All members of the Aptiv Group and Delphi Technologies Group shall prepare all Tax Returns in accordance the Final Allocation. In the event of an adjustment to the earnings and profits, any Tax Attributes, overall foreign loss or other affiliated, consolidated, combined, unitary, fiscal unity or other group basis attribute, Aptiv shall promptly notify Delphi Technologies in writing of such adjustment. For the avoidance of doubt, Aptiv shall not be liable to any member of the Delphi Technologies Group for any failure of any determination under this Section 3.06(b) to be accurate under applicable Tax Law; provided such determination was made in good faith.

(c) Except as otherwise provided herein, to the extent that the amount of any Tax Attribute is later reduced or increased by a Tax Authority or Tax Proceeding, such reduction or increase shall be allocated to the Party to which such Tax Attribute was allocated pursuant to Section 3.06(a) of this Agreement, as agreed by the Parties.

Section 3.07 UK Group Relief.

(a) Aptiv shall determine the amounts for purposes of UK Group Relief available to be surrendered (i) by any member of the Aptiv Group to any member of the Delphi Technologies Group, or (ii) by any member of the Delphi Technologies Group to any member of the Aptiv Group, as the case may be.

(b) The Parties shall make, or shall cause to be made, such elections and shall take such other actions that are necessary or appropriate to give effect to the surrender of any amounts referred to in Section 3.07(a) to the extent permitted under applicable Law, and to ensure that such surrenders are allowed in full by HM Revenue & Customs.

(c) In consideration of such surrenders as are referred to in Section 3.07(a)(i), Delphi Technologies shall procure that the relevant member of the Delphi Technologies Group shall pay to the relevant member of the Aptiv Group such amount of UK corporation Tax as is saved by the relevant member of the Delphi Technologies Group (including where UK corporation Tax previously paid has been refunded) as a result of the relevant surrender, such amount to be paid no later than the time which such UK corporation Tax saved would otherwise have been paid to a Tax Authority.

(d) In consideration of such surrenders as are referred to in Section 3.07(a)(ii), Aptiv shall procure that the relevant member of the Aptiv Group shall pay to the relevant member of the Delphi Technologies Group such amount of UK corporation Tax as is saved by the relevant member of the Aptiv Group (including where UK corporation Tax previously paid has been refunded) as a result of the relevant surrender, such amount to be paid no later than the time which such UK corporation Tax saved would otherwise have been paid to a Tax Authority.

Section 3.08 Equity Compensation. Tax deductions with respect to Aptiv Equity Compensation Awards and Delphi Technologies Equity Compensation Awards shall be allocated to the members of the Aptiv Group and the members of the Delphi Technologies Group in accordance with the Code, Treasury Regulations, and any other applicable Tax Law.

Section 4. Tax Payments .

Section 4.01 Taxes Shown on Tax Returns. Aptiv shall pay (or cause to be paid) to the proper Tax Authority the Tax shown as due on any Tax Return that a member of the Aptiv Group is responsible for preparing under Section 3 of this Agreement, and Delphi Technologies shall pay (or cause to be paid) to the proper Tax Authority the Tax shown as due on any Tax Return that a member of the Delphi Technologies Group is responsible for preparing under Section 3 of this Agreement. At least seven (7) Business Days prior to any Payment Date for any Straddle Period Joint Return, Delphi Technologies shall pay to Aptiv the amount Delphi Technologies is responsible for under the provisions of Section 2 as calculated pursuant to this Agreement.

Section 4.02 Adjustments Resulting in Underpayments. In the case of any adjustment pursuant to a Final Determination with respect to any Tax, the Party to which such Tax is allocated pursuant to this Agreement shall pay to the applicable Tax Authority when due any additional Tax required to be paid as a result of such adjustment.

Section 4.03 Indemnification Payments.

(a) Except as provided in the last sentence of Section 4.01 or Section 6.04(b) of this Agreement, if any Party (the “**Payor**”) is required under applicable Tax Law to pay to a Tax Authority a Tax that another Party (the “**Required Party**”) is liable for under this Agreement, the Required Party shall reimburse the Payor within twenty (20) Business Days of delivery by the Payor to the Required Party of an invoice for the amount due, accompanied by evidence of payment and a statement detailing the Taxes paid and describing in reasonable detail the particulars relating thereto. The reimbursement shall include interest on the Tax payment computed at the Prime Rate based on the number of days from the date of the Payor’s payment to the Tax Authority to the date of reimbursement by the Required Party under this Section 4.03. Except as otherwise provided in the following sentence, the Required Party shall also pay to the Payor any reasonable costs and expenses related to the foregoing (including reasonable attorneys’ fees and expenses) within five (5) days after the Payor’s written demand therefor. If and to the extent any Specified Separation Taxes are determined regarding the failure of the Intended Tax Treatment, the Party allocated responsibility for Tax-Related Losses associated with such Specified Separation Taxes under Section 2.01 of this Agreement shall pay such Tax-Related Losses to Aptiv (if such responsible Party is Delphi Technologies) or Delphi Technologies (if such responsible Party is Aptiv) within five (5) days after written demand therefor.

(b) All indemnification payments under this Agreement shall be made by Aptiv directly to Delphi Technologies and by Delphi Technologies directly to Aptiv; *provided, however*, that if the Parties mutually agree for administrative convenience with respect to any such indemnification payment, any member of the Aptiv Group, on the one hand, may make such indemnification payment to any member of the Delphi Technologies Group, on the other hand, and vice versa.

Section 5. Tax Benefits .

Section 5.01 Tax Refunds. Aptiv shall be entitled (subject to the limitations provided in Section 3.05 of this Agreement) to any refund (and any interest thereon received from the applicable Tax Authority) of Taxes for which Aptiv is liable hereunder, and Delphi Technologies shall be entitled (subject to the limitations provided in Section 3.05 of this Agreement) to any refund (and any interest thereon received from the applicable Tax Authority) of Taxes for which Delphi Technologies is liable hereunder. A Party receiving a refund to which another Party is entitled hereunder shall pay over such refund to such other Party within twenty (20) Business Days after such refund is received (together with interest computed at the Prime Rate based on the number of days from the date the refund was received to the date the refund was paid over).

Section 5.02 Other Tax Benefits.

(a) If (i) a member of the Delphi Technologies Group actually realizes any Tax Benefit, other than a Tax Benefit resulting from a Protective Section 336(e) Election, as a result of any liability, obligation, loss or payment (each, a "Loss") for which a member of the Aptiv Group is required to indemnify any member of the Delphi Technologies Group pursuant to this Agreement, the Separation Agreement or any Ancillary Agreement (in each case, without duplication of any amounts payable or taken into account under this Agreement, the Separation Agreement or any Ancillary Agreement), or (ii) if a member of the Aptiv Group actually realizes any Tax Benefit as a result of any Loss for which a member of the Delphi Technologies Group is required to indemnify any member of the Aptiv Group pursuant to this Agreement, the Separation Agreement or any Ancillary Agreement (in each case, without duplication of any amounts payable or taken into account under this Agreement, the Separation Agreement or any Ancillary Agreement), and, in each case, such Tax Benefit would not have arisen but for such adjustment or Loss (determined on a "with and without" basis), Delphi Technologies (in the case of the foregoing clause (i)) or Aptiv (in the case of the foregoing clause (ii)), as the case may be, shall make a payment to the other Party in an amount equal to the amount of such actually realized Tax Benefit in cash within ten (10) Business Days of actually realizing such Tax Benefit. To the extent that any Tax Benefit (or portion thereof) in respect of which any amounts were paid over pursuant to the foregoing provisions of this Section 5.02(a) is subsequently disallowed by the applicable Tax Authority, the Party that received such amounts shall promptly repay such amounts (together with any penalties, interest or other charges imposed by the relevant Tax Authority) to the other Party.

(b) No later than ten (10) Business Days after a Tax Benefit described in Section 5.02(a) is actually realized by a member of the Aptiv Group or a member of the Delphi Technologies Group, Aptiv or Delphi Technologies, as the case may be, shall provide the other Party with a written calculation of the amount payable to such other Party pursuant to Section 5.02(a). In the event that Aptiv or Delphi Technologies, as the case may be, disagrees with any such calculation described in this Section 5.02(b), such Party shall so notify the other Party in writing within twenty (20) Business Days of receiving such written calculation. The Parties shall endeavor in good faith to resolve such disagreement, and, failing that, the amount payable under this Section 5.02 shall be determined in accordance with Section 13 of this Agreement.

Section 6. Intended Tax Treatment .

Section 6.01 Restrictions on Members of the Delphi Technologies Group.

(a) Delphi Technologies will not, and will not permit any other member of the Delphi Technologies Group to, take or fail to take, as applicable, (i) any action where such action or failure to act would be inconsistent with or cause to be untrue any statement, information, covenant or representation in the Representation Letters or Valuations, (ii) any action which could reasonably be expected to adversely affect the Intended Tax Treatment or (iii) any position on a Tax Return which could reasonably be expected to adversely affect any member of the Aptiv Group.

(b) Delphi Technologies and each other member of the Delphi Technologies Group agrees that, from the Distribution Date until the first Business Day after the two-year anniversary of the Distribution Date:

(i) Delphi Technologies will continue and cause to be continued the Active Trade or Business of the Delphi Technologies SAG and cause Internal SpinCo to continue the Active Trade or Business of the Internal SpinCo SAG;

(ii) Delphi Technologies will not enter into any Proposed Acquisition Transaction or, to the extent Delphi Technologies or any other member of the Delphi Technologies Group has the right to prohibit any Proposed Acquisition Transaction, permit any Proposed Acquisition Transaction to occur (whether by (A) redeeming rights under a shareholder rights plan, (B) finding a tender offer to be a “permitted offer” under any such plan or otherwise causing any such plan to be inapplicable or neutralized with respect to any Proposed Acquisition Transaction, (C) approving any Proposed Acquisition Transaction, whether for purposes of Section 203 of the General Corporation Law of the State of Delaware or any similar corporate statute, any “fair price” or other provision of the charter or bylaws of Delphi Technologies or Internal SpinCo, as applicable, (D) amending its certificate of incorporation to declassify its Board of Directors or approving any such amendment, or otherwise);

(iii) Delphi Technologies will not, nor will it agree to, merge, consolidate or amalgamate with any other Person, unless, in the case of a merger, consolidation, Delphi Technologies is the survivor of the merger or consolidation; and Internal SpinCo will not, nor will it agree to, merge, consolidate or amalgamate with any other Person, unless, in the case of a merger, consolidation, Internal SpinCo is the survivor of the merger or consolidation;

(iv) Delphi Technologies will not in a single transaction or series of transactions sell, transfer or otherwise dispose of (including any transaction treated for U.S. federal Income Tax purposes as a sale, transfer or disposition), or permit any other member of the Delphi Technologies Group to sell, transfer or otherwise dispose of, 30% or more of the gross assets of any Active Trade or Business (such percentage to be measured based on fair market value as of the Distribution Date), in each case other than (A) sales, transfers or other dispositions of assets in the ordinary course of business, (B) any cash paid to acquire assets from an unrelated Person in an arm’s-length transaction, (C) any assets transferred to a Person that is disregarded as an entity separate from the

transferor for U.S. federal Income Tax purposes, (D) any mandatory or optional repayment (or pre-payment) of any indebtedness of Delphi Technologies or any member of the Delphi Technologies Group, or (E) any sales, transfers or other dispositions of assets within the Delphi Technologies SAG or the Internal SpinCo SAG;

(v) Delphi Technologies will not redeem or otherwise repurchase (directly or through an Affiliate) any stock, or rights to acquire stock, of Delphi Technologies, except (A) to the extent such repurchases satisfy Section 4.05(1)(b) of Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by Revenue Procedure 2003-48), (B) to the extent reasonably necessary to pay the total tax liability arising from the vesting of a Delphi Technologies Equity Award, or (C) through a net exercise of a Delphi Technologies Equity Award;

(vi) Delphi Technologies will not amend, or permit any other member of the Delphi Technologies Group to amend, its certificate of incorporation (or other organizational documents), or take any other action, whether through a shareholder vote or otherwise, affecting the voting rights of the Capital Stock of Delphi Technologies or Internal SpinCo (including, without limitation, through the conversion of one class of Capital Stock of Delphi Technologies or Internal SpinCo into another class of Capital Stock of Delphi Technologies or Internal SpinCo); and

(vii) Delphi Technologies will not take, or permit any other member of the Delphi Technologies Group to take, any other action or actions (including any action or transaction that would be reasonably likely to be inconsistent with any representation made in the Representation Letters or with the Valuations) which in the aggregate (and taking into account any other transactions described in this subparagraph (b)) would reasonably be expected to result in a failure to preserve the Intended Tax Treatment;

unless prior to taking any such action set forth in the foregoing clauses (i) through (vii), (A) Delphi Technologies shall have obtained a ruling from the IRS (“**Ruling**”) to the effect that a transaction will not affect the Intended Tax Treatment, and Aptiv shall have received such a Ruling in form and substance satisfactory to Aptiv in its reasonable discretion, which discretion shall be exercised in good faith solely to preserve the Intended Tax Treatment, (B) Delphi Technologies shall have provided Aptiv with an Unqualified Tax Opinion in form and substance satisfactory to Aptiv in its reasonable discretion (and in determining whether an opinion is satisfactory, Aptiv may consider, among other factors, the appropriateness of any underlying assumptions and management’s representations if used as a basis for the opinion) or (C) Aptiv shall have waived the requirement to obtain such Ruling or Unqualified Tax Opinion.

Section 6.02 Restrictions on Members of the Aptiv Group. Aptiv will not, and will not permit any other member of the Aptiv Group to, take or fail to take, as applicable, any action where such action or failure to act would be inconsistent with or cause to be untrue any statement, information, covenant or representation in any Representation Letters or Tax Opinions. Aptiv agrees that it will not take or fail to take, or permit any member of the Aptiv Group, as the case may be, to take or fail to take, any action which could reasonably be expected to adversely affect the Intended Tax Treatment of the Distribution.

Section 6.03 Procedures Regarding Opinions and Rulings.

(a) If Delphi Technologies notifies Aptiv that it desires to take one of the actions described in Section 6.01 (b) of this Agreement (a “**Notified Action**”), Aptiv shall cooperate with Delphi Technologies and use its commercially reasonable efforts to seek to obtain a Ruling or Unqualified Tax Opinion for the purpose of permitting Delphi Technologies to take the Notified Action unless Aptiv shall have waived the requirement to obtain such Ruling or Unqualified Tax Opinion. If such a Ruling is to be sought, Aptiv shall apply for such ruling and Aptiv and Delphi Technologies shall jointly control the process of obtaining such Ruling. In no event shall Aptiv be required to file any request for a Ruling under this Section 6.03(a) unless Delphi Technologies represents that (i) it has read such request, and (ii) all information and representations, if any, relating to any member of the Delphi Technologies Group, contained in such request documents are (subject to any qualifications therein) true, correct and complete. Delphi Technologies shall reimburse Aptiv for all reasonable costs and expenses incurred by the Aptiv Group in connection with such cooperation within thirty (30) Business Days after receiving an invoice from Aptiv therefor.

(b) Aptiv shall have the right to obtain a Ruling or tax opinion at any time in its sole and absolute discretion. If Aptiv determines to obtain a Ruling or tax opinion, Delphi Technologies shall (and shall cause its Affiliates to) cooperate with Aptiv and take any and all actions reasonably requested by Aptiv in connection with obtaining the Ruling or tax opinion (including, without limitation, by making any reasonable representation or covenant or providing any materials or information requested by the IRS or any Tax Advisor. Aptiv shall reimburse Delphi Technologies for all reasonable costs and expenses incurred by the Delphi Technologies Group in connection with such cooperation within thirty (30) Business Days after receiving an invoice from Delphi Technologies therefor.

(c) Following the Effective Time, Delphi Technologies shall not, nor shall Delphi Technologies permit any of its Affiliates to, seek any guidance from the IRS or any other Tax Authority (whether written, verbal or otherwise) at any time concerning the Separation (including the impact of any transaction on the Intended Tax Treatment) without obtaining Aptiv’s prior written consent, such consent not to be unreasonably withheld, conditioned or delayed.

Section 6.04 Liability for Specified Separation Taxes and Tax-Related Losses.

(a) In the event that Specified Separation Taxes become due and payable to a Tax Authority pursuant to a Final Determination, then, notwithstanding anything to the contrary in this Agreement:

(i) if such Specified Separation Taxes are attributable to a Delphi Technologies Disqualifying Act, then Delphi Technologies shall be responsible for such Specified Separation Taxes and corresponding Tax-Related Losses;

(ii) if such Specified Separation Taxes are attributable to an Aptiv Disqualifying Act, then Aptiv shall be responsible for such Specified Separation Taxes and corresponding Tax-Related Losses; and

(iii) if such Specified Separation Taxes are attributable to both a Delphi Technologies Disqualifying Act and an Aptiv Disqualifying Act, or are not attributable to either a Delphi Technologies Disqualifying Act or an Aptiv Disqualifying Act, then responsibility for such Specified Separation Taxes and corresponding Tax-Related Losses shall be shared by Delphi Technologies and Aptiv in proportion to their respective fair market values as of the day after the Distribution Date (determined using the closing Delphi Technologies Stock and Aptiv Stock prices as of such date).

(b) Delphi Technologies shall pay Aptiv the amount of any Specified Separation Taxes for which Delphi Technologies is responsible under this Section 6.04 as a result of a Final Determination no later than two (2) Business Days after the date such Specified Separation Taxes are determined as a result of a Final Determination to be due. Notwithstanding the foregoing, Delphi Technologies shall pay Aptiv the amount of any Specified Separation Taxes for which Delphi Technologies is responsible under this Section 6.04 within seven (7) Business Days of written demand therefor by Aptiv if Aptiv determines that the payment of Specified Separation Taxes earlier than a Final Determination with respect to such Specified Separation Taxes is necessary or prudent to obtain a favorable resolution of a Tax Contest relating to Specified Separation Taxes.

Section 7. Assistance and Cooperation .

Section 7.01 Assistance and Cooperation.

(a) The Parties shall cooperate (and cause their respective Affiliates to cooperate) with each other and with each other's agents, including accounting firms and legal counsel, in connection with Tax matters relating to the Parties and their Affiliates, including (i) preparation and filing of Tax Returns, (ii) determining the liability for and amount of any Taxes due (including estimated Taxes) or the right to and amount of any refund of Taxes, (iii) examinations of Tax Returns, and (iv) any administrative or judicial proceeding in respect of Taxes assessed or proposed to be assessed. Such cooperation shall include making all information and documents in their possession relating to any other Party and its Affiliates reasonably available to such other Party as provided in Section 8 of this Agreement. Each of the Parties shall also make available to any other Party, as reasonably requested and available, personnel (including officers, directors, employees and agents of the Parties or their respective Affiliates) responsible for preparing, maintaining, and interpreting information and documents relevant to Taxes, and personnel reasonably required as witnesses or for purposes of providing information or documents in connection with any administrative or judicial proceedings relating to Taxes. Delphi Technologies and each other member of the Delphi Technologies Group shall cooperate with Aptiv and take any and all actions reasonably requested by Aptiv in connection with obtaining the Tax Opinions (including, without limitation, by making any new representation or covenant, confirming any previously made representation or covenant or providing any materials or information requested by any Tax Advisor; provided that neither Delphi Technologies nor any other member of the Delphi Technologies Group shall be required to make or confirm any representation or covenant that is inconsistent with historical facts or as to future matters or events over which it has no control).

(b) Any information or documents provided under this Agreement shall be kept confidential by the Party receiving the information or documents, except as may otherwise be necessary in connection with the filing of Tax Returns or in connection with any administrative or judicial proceedings relating to Taxes. In addition, in the event that Aptiv determines that the provision of any information or documents to Delphi Technologies or any of its Affiliates, or Delphi Technologies determines that the provision of any information or documents to Aptiv or any Aptiv Affiliate, could be commercially detrimental, violate any Law or agreement or waive any Privilege, the Parties shall use commercially reasonable efforts to permit each other's compliance with its obligations under this Section 7 in a manner that avoids any such harm or consequence.

Section 7.02 Tax Return Information. Each of Aptiv and Delphi Technologies, and each member of their respective Groups, acknowledges that time is of the essence in relation to any request for information, assistance or cooperation made pursuant to Section 7.01 of this Agreement or this Section 7.02. Each of Aptiv and Delphi Technologies, and each member of their respective Groups, acknowledges that failure to conform to the reasonable deadlines set by the Party making such request could cause irreparable harm. Each Party shall provide to the other Party information and documents relating to its Group reasonably required by the other Party to prepare Tax Returns, including any pro forma returns required by the Responsible Party for purposes of preparing such Tax Returns. Any information or documents the Responsible Party requires to prepare such Tax Returns shall be provided in such form as the Responsible Party reasonably requests and at or prior to the time reasonably specified by the Responsible Party so as to enable the Responsible Party to file such Tax Returns on a timely basis.

Section 7.03 Reliance by Aptiv. If any member of the Delphi Technologies Group supplies information to a member of the Aptiv Group in connection with a Tax liability and an officer of a member of the Aptiv Group signs a statement or other document under penalties of perjury in reliance upon the accuracy of such information, then upon the written request of such member of the Aptiv Group identifying the information being so relied upon, the chief financial officer of Delphi Technologies (or any officer of Delphi Technologies as designated by the chief financial officer of Delphi Technologies) shall certify in writing that to his or her knowledge (based upon consultation with appropriate employees) the information so supplied is accurate and complete. Delphi Technologies agrees to indemnify and hold harmless each member of the Aptiv Group and its directors, officers and employees from and against any fine, penalty or other cost or expense of any kind attributable to a member of the Delphi Technologies Group having supplied, pursuant to this Section 7, a member of the Aptiv Group with inaccurate or incomplete information in connection with a Tax liability.

Section 7.04 Reliance by Delphi Technologies. If any member of the Aptiv Group supplies information to a member of the Delphi Technologies Group in connection with a Tax liability and an officer of a member of the Delphi Technologies Group signs a statement or other document under penalties of perjury in reliance upon the accuracy of such information, then upon the written request of such member of the Delphi Technologies Group identifying the

information being so relied upon, the chief financial officer of Aptiv (or any officer of Aptiv as designated by the chief financial officer of Aptiv) shall certify in writing that to his or her knowledge (based upon consultation with appropriate employees) the information so supplied is accurate and complete. Aptiv agrees to indemnify and hold harmless each member of the Delphi Technologies Group and its directors, officers and employees from and against any fine, penalty or other cost or expense of any kind attributable to a member of the Aptiv Group having supplied, pursuant to this Section 7, a member of the Delphi Technologies Group with inaccurate or incomplete information in connection with a Tax liability.

Section 7.05 Other Separation Taxes. Delphi Technologies shall (and shall cause its Affiliates to) reasonably cooperate with Aptiv to correct any errors in the chronology or completion of any transactions intended to facilitate, or otherwise effectuated in connection with, the Separation, and take any and all commercially reasonable actions requested by Aptiv to minimize any Other Separation Taxes.

Section 8. Tax Records .

Section 8.01 Retention of Tax Records. Each of Aptiv and Delphi Technologies shall preserve and keep all Tax Records exclusively relating to the assets and activities of its Group for Pre-Distribution Periods, and Aptiv shall preserve and keep all other Tax Records relating to Taxes of the Aptiv and Delphi Technologies Groups for Pre-Distribution Periods, for so long as the contents thereof may be or become material in the administration of any matter under the Code or other applicable Tax Law, but in any event until the later of (i) the expiration of any applicable statutes of limitations, or (ii) seven (7) years after the Distribution Date (such later date, the “**Retention Date**”). After the Retention Date, each of Aptiv and Delphi Technologies may dispose of such Tax Records upon sixty (60) Business Days’ prior written notice to the other Party. If, prior to the Retention Date, (a) Aptiv or Delphi Technologies reasonably determines that any Tax Records which it would otherwise be required to preserve and keep under this Section 8 are no longer material in the administration of any matter under the Code or other applicable Tax Law and the other Party agrees, then such first Party may dispose of such Tax Records upon sixty (60) Business Days’ prior notice to the other Party. Any notice of an intent to dispose given pursuant to this Section 8.01 shall include a list of the Tax Records to be disposed of describing in reasonable detail each file, book, or other record accumulation being disposed. The notified Parties shall have the opportunity, at their cost and expense, to copy or remove, within such sixty (60) Business Day period, all or any part of such Tax Records. If, at any time prior to the Retention Date, a Party or any of its Affiliates determines to decommission or otherwise discontinue any computer program or information technology system used to access or store any Tax Records, then such program or system may be decommissioned or discontinued upon ninety (90) Business Days’ prior notice to the other Party and the other Party shall have the opportunity, at its cost and expense, to copy, within such ninety (90) Business Day period, all or any part of the underlying data relating to the Tax Records accessed by or stored on such program or system.

Section 8.02 Access to Tax Records. The Parties and their respective Affiliates shall make available to each other for inspection and copying during normal business hours upon reasonable notice all Tax Records (and, for the avoidance of doubt, any pertinent underlying data accessed or stored on any computer program or information technology system) in their

possession pertaining to (i) in the case of any Tax Return of the Aptiv Group, the portion of such return that relates to Taxes for which the Delphi Technologies Group may be liable pursuant to this Agreement or (ii) in the case of any Tax Return of the Delphi Technologies Group, the portion of such return that relates to Taxes for which the Aptiv Group may be liable pursuant to this Agreement, and shall permit the other Party and its Affiliates, authorized agents and representatives and any representative of a Tax Authority or other Tax auditor direct access, at the cost and expense of the requesting Party, during normal business hours upon reasonable notice to any computer program or information technology system used to access or store any Tax Records, in each case to the extent reasonably required by the other Party in connection with the preparation of Tax Returns or financial accounting statements, audits, litigation, or the resolution of items under this Agreement.

Section 8.03 Preservation of Privilege. The Parties and their respective Affiliates shall not provide access to, copies of, or otherwise disclose to any Person any documentation relating to Taxes existing prior to the Distribution Date to which Privilege may reasonably be asserted without the prior written consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed.

Section 9. Tax Contests .

Section 9.01 Notice. Each Party shall provide prompt notice to the other Party of any written communication from a Tax Authority regarding any pending Tax audit, assessment or proceeding or other Tax Contest of which it becomes aware (i) related to Taxes for Tax Periods for which it is indemnified by the other Party hereunder or for which it may be required to indemnify the other Party hereunder, (ii) relating to a Delphi Technologies Separate Return for a Pre-Distribution Period or Straddle Period that could reasonably be expected to adversely affect any member of the Aptiv Group or for any other Tax Period that could reasonably be expected to materially adversely affect any member of the Aptiv Group, or (iii) otherwise relating to the Intended Tax Treatment or the Separation (including the resolution of any Tax Contest relating thereto). Such notice shall attach copies of the pertinent portion of any written communication from a Tax Authority and contain factual information (to the extent known) describing any asserted Tax liability in reasonable detail and shall be accompanied by copies of any notice and other documents received from any Tax Authority in respect of any such matters. If an indemnified Party has knowledge of an asserted Tax liability with respect to a matter for which it is to be indemnified hereunder and such Party fails to give the indemnifying Party prompt notice of such asserted Tax liability and the indemnifying Party is entitled under this Agreement to contest the asserted Tax liability, then (x) to the extent the indemnifying Party is precluded from contesting the asserted Tax liability in any forum as a result of the failure to give prompt notice, the indemnifying Party shall have no obligation to indemnify the indemnified Party for any Taxes arising out of such asserted Tax liability, and (y) to the extent the indemnifying Party is not precluded from contesting the asserted Tax liability in any forum, but such failure to give prompt notice results in a material monetary detriment to the indemnifying Party, then any amount which the indemnifying Party is otherwise required to pay the indemnified Party pursuant to this Agreement shall be reduced by the amount of such detriment.

Section 9.02 Control of Tax Contests.

(a) *Aptiv Control.* Notwithstanding anything in this Agreement to the contrary, Aptiv shall have the right to control any Tax Contest with respect to any Tax matters relating to (i) a Joint Return, (ii) an Aptiv Separate Return, (iii) Specified Separation Taxes and (iv) Other Separation Taxes. Subject to Section 9.02(c) and Section 9.02(d) of this Agreement, Aptiv shall have absolute discretion with respect to any decisions to be made, or the nature of any action to be taken, with respect to any such Tax Contest.

(b) *Delphi Technologies Control.* Except as otherwise provided in this Section 9.02, Delphi Technologies shall have the right to control any Tax Contest with respect to any Delphi Technologies Separate Return. Subject to Section 9.02(c) and Section 9.02(d) of this Agreement, Delphi Technologies shall have reasonable discretion, after consultation with Aptiv, with respect to any decisions to be made, or the nature of any action to be taken, with respect to any such Tax Contest relating to a Delphi Technologies Separate Return for a Pre-Distribution Period or Straddle Period that could reasonably be expected to adversely affect any member of the Aptiv Group or for any other Tax Period that could reasonably be expected to materially adversely affect any member of the Aptiv Group, and absolute discretion with respect to any decisions to be made, or the nature of any action to be taken, with respect to any other such Tax Contest.

(c) *Settlement Rights.* The Controlling Party shall have the sole right to contest, litigate, compromise and settle any Tax Contest without obtaining the prior consent of the Non-Controlling Party; *provided*, that to the extent any such Tax Contest (i) could give rise to a claim for indemnity by the Controlling Party or its Affiliates against the Non-Controlling Party or its Affiliates under this Agreement, or (ii) is with respect to a Delphi Technologies Separate Return for a Pre-Distribution Period or Straddle Period and could reasonably be expected to adversely affect any member of the Aptiv Group or for any other Tax Period that could reasonably be expected to materially adversely affect any member of the Aptiv Group, then the Controlling Party shall not settle any such Tax Contest without the Non-Controlling Party's prior written consent (which consent may not be unreasonably withheld, conditioned, or delayed and, in the case of a Tax Contest relating to Specified Separation Taxes, must take into account the reasonable likelihood of success of such Tax Contest on its merits without regard to the ability of Delphi Technologies to pay). Subject to Section 9.02(e) of this Agreement, and unless waived by the Parties in writing, in connection with any potential adjustment in a Tax Contest as a result of which adjustment the Non-Controlling Party may reasonably be expected to become liable to make any indemnification payment to the Controlling Party under this Agreement: (I) the Controlling Party shall keep the Non-Controlling Party informed in a timely manner of all actions taken or proposed to be taken by the Controlling Party with respect to such potential adjustment in such Tax Contest; (II) the Controlling Party shall timely provide the Non-Controlling Party copies of any written materials relating to such potential adjustment in such Tax Contest received from any Tax Authority; (III) the Controlling Party shall timely provide the Non-Controlling Party with copies of any correspondence or filings submitted to any Tax Authority or judicial authority in connection with such potential adjustment in such Tax Contest; (IV) the Controlling Party shall consult with the Non-Controlling Party and offer the Non-Controlling Party a reasonable opportunity to comment before submitting any written materials prepared or furnished in connection with such potential adjustment in such Tax Contest; and (V) the Controlling Party shall defend such Tax Contest diligently and in good faith. The failure of the Controlling Party to take any action specified in the preceding sentence with respect to the Non-Controlling Party shall not relieve the Non-Controlling Party of any liability and/or

obligation which it may have to the Controlling Party under this Agreement except to the extent that the Non-Controlling Party was actually harmed by such failure, and in no event shall such failure relieve the Non-Controlling Party from any other liability or obligation which it may have to the Controlling Party. In the case of any Tax Contest described in this Section 9, “ **Controlling Party** ” means the Party entitled to control the Tax Contest under such Section and “ **Non-Controlling Party** ” means (x) Aptiv if Delphi Technologies is the Controlling Party and (y) Delphi Technologies if Aptiv is the Controlling Party.

(d) Tax Contest Participation. Subject to Section 9.02(e) of this Agreement, and unless waived by the Parties in writing, the Controlling Party shall provide the Non-Controlling Party with written notice reasonably in advance of, and the Non-Controlling Party shall have the right to attend, any formally scheduled meetings with Tax Authorities or hearings or proceedings before any judicial authorities in connection with any potential adjustment in a Tax Contest (i) pursuant to which the Non-Controlling Party may reasonably be expected to become liable to make any indemnification payment to the Controlling Party under this Agreement or (ii) that is with respect to a Delphi Technologies Separate Return for a Pre-Distribution Period or Straddle Period and could reasonably be expected to adversely affect any member of the Aptiv Group or for any other Tax Period and could reasonably be expected to materially adversely affect any member of the Aptiv Group. The failure of the Controlling Party to provide any notice specified in this Section 9.02(d) to the Non-Controlling Party shall not relieve the Non-Controlling Party of any liability or obligation which it may have to the Controlling Party under this Agreement except to the extent that the Non-Controlling Party was actually harmed by such failure, and in no event shall such failure relieve the Non-Controlling Party from any other liability or obligation which it may have to the Controlling Party.

(e) Joint Returns. Notwithstanding anything in this Section 9 to the contrary, in the case of a Tax Contest related to a Joint Return, the rights of Delphi Technologies and its Affiliates under Section 9.02(c) and Section 9.02(d) of this Agreement shall be limited in scope to the portion of such Tax Contest relating to Taxes for which Delphi Technologies may reasonably be expected to become liable to make any indemnification payment to Aptiv under this Agreement.

(f) Power of Attorney. Each member of the Delphi Technologies Group shall execute and deliver to Aptiv (or such member of the Aptiv Group as Aptiv shall designate) any power of attorney or other similar document reasonably requested by Aptiv (or such designee) in connection with any Tax Contest (as to which Aptiv is the Controlling Party) described in this Section 9. Each member of the Aptiv Group shall execute and deliver to Delphi Technologies (or such member of the Delphi Technologies Group as Delphi Technologies shall designate) any power of attorney or other similar document requested by Delphi Technologies (or such designee) in connection with any Tax Contest (as to which Delphi Technologies is the Controlling Party) described in this Section 9.

Section 10. Survival of Obligations. The representations, warranties, covenants and agreements set forth in this Agreement shall be unconditional and absolute and shall remain in effect without limitation as to time.

Section 11. Tax Treatment of Interest . Anything herein or in the Separation Agreement to the contrary notwithstanding, to the extent one Party makes a payment of interest to the other Party under this Agreement with respect to the period from the date that the Party receiving the interest payment made a payment of Tax to a Tax Authority to the date that the Party making the interest payment reimbursed the Party receiving the interest payment for such Tax payment, the interest payment shall be treated as interest expense to the Party making such payment (deductible to the extent provided by Law) and as interest income by the Party receiving such payment (includible in income to the extent provided by Law). The amount of the payment shall not be adjusted to take into account any associated Tax Benefit to the Party making such payment or increase in Tax to the Party receiving such payment.

Section 12. Gross-Up of Indemnification Payments . Except to the extent provided in Section 11, any Tax indemnity payment made by a Party under this Agreement shall be increased as necessary so that after making all payments in respect to Taxes imposed on or attributable to such indemnity payment, the recipient Party receives an amount equal to the sum it would have received had no such Taxes been imposed.

Section 13. Dispute Resolution . Any and all Disputes arising hereunder shall be resolved through the procedures provided in Article IV of the Separation Agreement.

Section 14. General Provisions .

Section 14.01 Entire Agreement; Construction; Corporate Power.

(a) This Agreement, the Ancillary Agreements and the exhibits, annexes and schedules hereto and thereto, contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the Parties with respect to such subject matter other than those set forth or referred to herein or therein; for the avoidance of doubt, the preceding clause shall apply to all other agreements, whether or not written, in respect of any Tax between or among any member or members of the Aptiv Group, on the one hand, and any member or members of the Delphi Technologies Group, on the other hand, which agreements shall be of no further effect between the parties thereto and any rights or obligations existing thereunder shall be fully and finally settled, calculated as of the date hereof. Except as expressly set forth in the Separation Agreement or any Ancillary Agreement: (i) all matters relating to Taxes and Tax Returns of the Parties and their respective Subsidiaries, to the extent such matters are the subject of this Agreement, shall be governed exclusively by this Agreement; and (ii) for the avoidance of doubt, in the event of any conflict between the Separation Agreement or any Ancillary Agreement, on the one hand, and this Agreement, on the other hand, with respect to such matters, the terms and conditions of this Agreement shall govern.

(b) Each Party acknowledges that it and each other Party may execute this Agreement by facsimile, stamp or mechanical signature. Each Party expressly adopts and confirms each such facsimile, stamp or mechanical signature made in its respective name as if it were a manual signature, agrees that it shall not assert that any such signature is not adequate to bind such Party to the same extent as if it were signed manually and agrees that at the reasonable request of any other Party at any time it shall as promptly as reasonably practicable cause this Agreement to be manually executed (any such execution to be as of the date of the initial date thereof).

Section 14.02 Other Agreements. Except as expressly set forth herein, this Agreement is not intended to address, and should not be interpreted to address, the matters specifically and expressly covered by the Separation Agreement or the Ancillary Agreements.

Section 14.03 Governing Law. This Agreement (and any claims or Disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any Party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of New York, irrespective of the choice of laws principles of the State of New York, including all matters of validity, construction, effect, enforceability, performance and remedies.

Section 14.04 Construction. This Agreement shall be construed as if jointly drafted by the Parties and no rule of construction or strict interpretation shall be applied against either Party. The Parties represent that this Agreement is entered into with full consideration of any and all rights which the Parties may have. The Parties have conducted such investigations they thought appropriate, and have consulted with such advisors as they deemed appropriate regarding this Agreement and their rights and asserted rights in connection therewith. The Parties are not relying upon any representations or statements made by the other Party, or such other Party's employees, agents, representatives or attorneys, regarding this Agreement, except to the extent such representations are expressly set forth or incorporated in this Agreement. The Parties are not relying upon a legal duty, if one exists, on the part of the other Party (or such other Party's employees, agents, representatives or attorneys) to disclose any information in connection with the execution of this Agreement or their preparation, it being expressly understood that neither Party shall ever assert any failure to disclose information on the part of the other Party as a ground for challenging this Agreement.

Section 14.05 Performance. Each Party shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any Subsidiary or Affiliate of such Party.

Section 14.06 Payment Terms.

(a) Except as otherwise expressly provided to the contrary in this Agreement, any amount to be paid or reimbursed by a Party (where applicable, or a member of such Party's Group) to the other Party (where applicable, or a member of such other Party's Group) under this Agreement shall be paid or reimbursed hereunder within sixty (60) days after presentation of an invoice or a written demand therefor, in either case setting forth, or accompanied by, reasonable documentation or other reasonable explanation supporting such amount.

(b) Except as expressly provided to the contrary in this Agreement, any amount not paid when due pursuant to this Agreement (and any amount billed or otherwise invoiced or demanded and properly payable that is not paid within sixty (60) days of such bill, invoice or other demand) shall bear interest at a rate per annum equal to the Prime Rate, from time to time in effect, plus two percent (2%), calculated for the actual number of days elapsed, accrued from the date on which such payment was due up to the date of the actual receipt of payment.

(c) Without the consent of the Party receiving any payment under this Agreement specifying otherwise, all payments to be made by either Aptiv or Delphi Technologies under this Agreement shall be made in U.S. dollars. Except as expressly provided herein, any amount which is not expressed in U.S. dollars shall be converted into U.S. dollars by using the exchange rate published on Bloomberg at 5:00 pm, Eastern time, on the day before the relevant date, or in *The Wall Street Journal* on such date if not so published on Bloomberg. Except as expressly provided herein, in the event that any Tax indemnity payment required to be made hereunder may be denominated in a currency other than U.S. dollars, the amount of such payment shall be converted into U.S. dollars on the date in which notice of the claim is given to the indemnifying Party.

Section 14.07 No Admission of Liability. The allocation of assets and liabilities herein is solely for the purpose of allocating such assets and liabilities between Aptiv and Delphi Technologies and is not intended as an admission of liability or responsibility for any alleged liabilities vis-à-vis any Third Party, including with respect to the liabilities of any non-wholly owned subsidiary of Aptiv or Delphi Technologies.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

DELPHI AUTOMOTIVE PLC

By: /s/ Bradley A. Spiegel

Name: Bradley A. Spiegel

Its: Attorney-in-Fact

DELPHI TECHNOLOGIES PLC

By: /s/ David M. Sherbin

Name: David M. Sherbin

Its: Vice President, General Counsel and Secretary

DELPHI TECHNOLOGIES PLC

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Year ended December 31,				
	2017	2016	2015	2014	2013
	(dollars in millions)				
Gain (loss) before income taxes, minority interest, and equity income	\$ 420	\$ 318	\$ 398	\$ 440	\$ 374
Minority interest in pre-tax income of subsidiaries that have not incurred fixed charges	(41)	(39)	(27)	(23)	(22)
Portion of rentals deemed to be interest	5	4	4	4	6
Interest and related charges on debt	15	1	3	4	5
Earnings available for fixed charges	<u>\$ 399</u>	<u>\$ 284</u>	<u>\$ 378</u>	<u>\$ 425</u>	<u>\$ 363</u>
Fixed charges:					
Portion of rentals deemed to be interest	\$ 5	\$ 4	\$ 4	\$ 4	\$ 6
Interest and related charges on debt	15	1	3	4	5
Total fixed charges	<u>\$ 20</u>	<u>\$ 5</u>	<u>\$ 7</u>	<u>\$ 8</u>	<u>\$ 11</u>
Ratio of earnings to fixed charges	20.0	56.8	54.0	53.1	33.0

DELPHI TECHNOLOGIES PLC

All Subsidiaries

<u>Business Entity</u>	<u>Ownership Form</u>	<u>Domestic Jurisdiction (Entity Owned)</u>
Delphi Electronics Overseas Company Ltd	Indirect	England and Wales
Delphi Financial Operations UK Limited	Indirect	England and Wales
Delphi Holdfi Holdings S.a r.l.	Indirect	Luxembourg
Hartridge Limited	Indirect	England and Wales
Alliance Friction Technology Pvt Ltd	Indirect	India
Delphi-TVS Diesel Systems Ltd	Indirect	India
Delphi Diesel Systems Pension Trustees Limited	Indirect	England and Wales
D2 Industrial Development and Production SRL	Indirect	Romania
Delphi Diesel Systems Romania Srl	Indirect	Romania
Delphi France SAS	Indirect	France
Delphi Powertrain Systems Korea Ltd.	Indirect	Korea
Delphi Holdfi Luxembourg S.a r.l.	Indirect	Luxembourg
Delphi Financial Services (UK) Limited	Indirect	England and Wales
Delphi Lockheed Automotive Pension Trustees Limited	Indirect	England and Wales
Delphi Automotive Operations UK Limited	Indirect	England and Wales
Delphi Financial Operations UK Limited	Indirect	England and Wales
Delphi Holdfi Luxembourg S.a r.l.	Indirect	Luxembourg
AS Catalizadores Ambientales, S. de R.L. de C.V.	Indirect	Mexico
Delphi Diesel Systems, S. de R.L. de C.V.	Indirect	Mexico
Delphi Japan Limited Co.	Indirect	Japan
Delphi Powertrain Systems, LLC	Indirect	Delaware
Delphi Powertrain Technologies General Partnership	Indirect	Delaware
AS Catalizadores Ambientales, S. de R.L. de C.V.	Indirect	Mexico
Closed Joint Stock Company "Delphi Samara"	Indirect	Russian Federation
Delphi Automotive Systems Australia Ltd.	Indirect	Australia
Delphi Automotive Systems Luxembourg S.A.	Indirect	Luxembourg
Delphi Canada Inc.	Indirect	Ontario
Delphi Diesel Systems Romania Srl	Indirect	Romania
Delphi Diesel Systems S.L.	Indirect	Spain
Delphi Diesel Systems, S. de R.L. de C.V.	Indirect	Mexico
Delphi France Holding SAS	Indirect	France
Delphi Netherlands BV	Indirect	Netherlands
Delphi Otomotiv Sistemleri Sanayi ve Ticaret Anonim Sirket	Indirect	Turkey

Delphi Powertrain Systems Deutschland GmbH	Indirect	Germany
Delphi Powertrain Systems Hungary Kft	Indirect	Hungary
Delphi Powertrain Systems Indústria e Comércio Ltda.	Indirect	Brazil
Delphi Powertrain Systems Italia Srl	Indirect	Italy
Delphi Powertrain Systems Operations Luxembourg S.à.r.l.	Indirect	Luxembourg
Delphi Powertrain Systems Portugal SA	Indirect	Portugal
Delphi Propulsion Systems Private Limited	Indirect	India
Delphi Singapore Investments Pte. Ltd.	Indirect	Singapore
Delphi Technologies Malta Holding Limited	Indirect	Malta
TecAlliance GmbH	Indirect	Federal Republic of Germany
Delphi Technologies Korea LLC	Indirect	Korea
Delphi Powertrain Systems Poland Sp. z.o.o.	Indirect	Poland
Delphi Luxembourg Investments S.a r.l.	Indirect	Luxembourg
Delphi Powertrain International Services, LLC	Indirect	Delaware
Delphi Diesel Systems (Yantai) Co., Ltd.	Indirect	Republic of China
Beijing Delphi Wan Yuan Engine Management Systems Company, Ltd.	Indirect	Peoples Republic of China
Delphi Automotive Systems Singapore Investments Pte Ltd	Indirect	Singapore
Delphi Automotive Taiwan Ltd.	Indirect	Taiwan
Delphi Diesel Systems (Yantai) Co., Ltd.	Indirect	Republic of China
Delphi Propulsion Systems Private Limited	Indirect	India
Delphi Shanghai Dynamics and Propulsion Systems Co., Ltd.	Indirect	Peoples Republic of China
Delphi Powertrain Technologies General Partnership	Indirect	Delaware
Tula Technology, Inc.	Indirect	Delaware
Delphi Technologies IP Limited	Indirect	Barbados
Delphi Powertrain Systems Management Limited	Direct	England and Wales
Delphi Technologies Financing UK Limited	Direct	England and Wales
Delphi Powertrain Systems Holdings SARL	Direct	Luxembourg
Delphi Powertrain Corporation	Direct	Delaware

Ownership type indicates whether each subsidiary or affiliate is directly owned by Delphi Technologies PLC or indirectly owned by a subsidiary of Delphi Technologies PLC.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-221861) pertaining to the Delphi Technologies PLC Long-Term Incentive Plan of our reports dated February 26, 2018, with respect to the consolidated financial statements and schedule of Delphi Technologies PLC and the effectiveness of internal control over financial reporting of Delphi Technologies PLC included in this Annual Report (Form 10-K) of Delphi Technologies PLC for the year ended December 31, 2017.

/s/ Ernst & Young LLP

Detroit, Michigan
February 26, 2018

CERTIFICATIONS

Certification of Principal Executive Officer

I, Liam Butterworth, certify that:

1. I have reviewed this annual report on Form 10-K of Delphi Technologies PLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2018

/s/ Liam Butterworth

Liam Butterworth

President & Chief Executive Officer

(Principal Executive Officer)

CERTIFICATIONS

Certification of Principal Financial Officer

I, Vivid Sehgal, certify that:

1. I have reviewed this annual report on Form 10-K of Delphi Technologies PLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2018

/s/ Vivid Sehgal

Vivid Sehgal

Chief Financial Officer

(Principal Financial Officer)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of this annual report on Form 10-K of Delphi Technologies PLC (the “Company”) for the period ended December 31, 2017 , with the Securities and Exchange Commission on the date hereof (the “Report”), I, Liam Butterworth, Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 26, 2018

/s/ Liam Butterworth

Liam Butterworth

President & Chief Executive Officer

(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of this annual report on Form 10-K of Delphi Technologies PLC (the “Company”) for the period ended December 31, 2017 , with the Securities and Exchange Commission on the date hereof (the “Report”), I, Vivid Sehgal, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 26, 2018

/s/ Vivid Sehgal

Vivid Sehgal

Chief Financial Officer

(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.