ORDER RELATING TO DELPHI CORPORATION

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS") has notified Delphi Corporation ("Delphi"), of its intention to initiate an administrative proceeding against Delphi pursuant to Section 766.18(a) of the Export Administration Regulations (the "Regulations"),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (the "Act"),² through issuance of a proposed charging letter to Delphi that alleged that Delphi committed three violations of the Regulations. Specifically, these charges are:

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Charges 1-3  15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Triethanolamine to South Africa and the People’s Republic of China (“PRC”) Without the Required License

On three occasions between on or about February 6, 2004 and on or about January 19, 2005, Delphi engaged in conduct prohibited by the Regulations by exporting triethanolamine, an item classified under Export Control Classification Number (“ECCN”) 1C350.c.9 and controlled for chemical and biological weapons proliferation reasons, to South Africa and the PRC without the Department of Commerce license required by Section 742.2 of the Regulations. In so doing, Delphi committed three violations of Section 764.2(a) of the Regulations.

WHEREAS, BIS and Delphi have entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein, and

WHEREAS, I have approved of the terms of such Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of $50,000 is assessed against Delphi. Payment shall be suspended for a period of one year from the date of entry of this Order and thereafter shall be waived, provided that during the period of suspension, Delphi has committed no violation of the Act, or any regulation, order, or license issued thereunder.

SECOND, that the proposed charging letter, the Settlement Agreement, and this Order shall be made available to the public.

This Order, which constitutes the final agency action in this matter, is effective immediately.

[Signature]
Kevin Delli-Conti
Acting Assistant Secretary of Commerce
for Export Enforcement

Entered this 15th day of June, 2009.
UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
WASHINGTON, D.C. 20230

In the Matter of:

Delphi Corporation
5825 Delphi Drive
Troy, Michigan 48098

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between Delphi Corporation ("Delphi") and the Bureau of Industry and Security, U.S. Department of Commerce ("BIS") (collectively, the "Parties"), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2008)) (the "Regulations"), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the "Act"),

WHEREAS, Delphi filed a partial voluntary self-disclosure with BIS’s Office of Export Enforcement;

WHEREAS, BIS has notified Delphi of its intention to initiate an administrative proceeding against it, pursuant to the Act and the Regulations;

The violations alleged to have been committed occurred during 2004 and 2005. The Regulations governing the violations at issue are found in the 2004 and 2005 versions of the Code of Federal Regulations. See 15 C.F.R. Parts 730-774 (2004-05). The 2009 Regulations govern the procedural aspects of this case.

Since August 21, 2001 the Act has been in lapse. However, the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of July 23, 2008 (73 Fed. Reg. 43,603 (July 25, 2008)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1707 (2000)).
WHEREAS, BIS has issued a proposed charging letter to Delphi that alleged that it committed three violations of the Regulations, specifically:

**Charges 1-3** 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Triethanolamine to South Africa and the People’s Republic of China (“PRC”) Without the Required License

On three occasions between on or about February 6, 2004 and on or about January 19, 2005, Delphi engaged in conduct prohibited by the Regulations by exporting triethanolamine, an item classified under Export Control Classification Number (“ECCN”) 1C350.c.9 and controlled for chemical and biological weapons proliferation reasons, to South Africa and the PRC without the Department of Commerce license required by Section 742.2 of the Regulations. In so doing, Delphi committed three violations of Section 764.2(a) of the Regulations.

WHEREAS, Delphi has reviewed the proposed charging letter and is aware of the allegations made against it and the administrative sanctions which could be imposed against it if the allegations are found to be true;

WHEREAS, Delphi fully understands the terms of this Agreement and the Order (“Order”) that the Assistant Secretary of Commerce for Export Enforcement will issue if he approves this Agreement as the final resolution of this matter;

WHEREAS, Delphi enters into this Agreement voluntarily and with full knowledge of its rights;

WHEREAS, Delphi states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, Delphi neither admits nor denies the allegations contained in the proposed charging letter;

WHEREAS, Delphi wishes to settle and dispose of all matters alleged in the proposed charging letter by entering into this Agreement; and

WHEREAS, Delphi agrees to be bound by the Order, if entered;
NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Delphi, under the Regulations, in connection with the matters alleged in the proposed charging letter.

2. The following sanction shall be imposed against Delphi in complete settlement of the alleged violations of the Regulations relating to the transactions detailed in the voluntary self-disclosure and the proposed charging letter:
   a. Delphi shall be assessed a civil penalty in the amount of $50,000, all of which shall be suspended for a period of one year from the date of entry of the Order and thereafter shall be waived, provided that during the period of suspension, Delphi has committed no violation of the Act, or any regulation order, or license issued thereunder.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Delphi hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if entered), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in any charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if entered; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if entered.

4. Upon entry of the Order, BIS will not initiate any further administrative proceeding against Delphi in connection with any violation of the Act or the Regulations arising out of the transactions identified in the proposed charging letter.

5. BIS will make the proposed charging letter, this Agreement, and the Order, if entered, available to the public.
6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the U.S. Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by entering the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

9. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE

[Signature]

Thomas Madigan
Director
Office of Export Enforcement

Date: 5/27/09

DELPHI CORPORATION

[Signature]

Maureen Pearson
Global Customs & Export Counsel

Date: 15 May 2009
PROPOSED CHARGING LETTER

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Delphi Corporation
5825 Delphi Drive
Troy, Michigan 48098

Attn: Rodney O’Neal
President and Chief Executive Officer

Dear Mr. O’Neal:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Delphi Corporation, (“Delphi”), of Troy, Michigan, has committed three violations of the Export Administration Regulations (the “Regulations”), which are issued under the authority of the Export Administration Act of 1979, as amended (the “Act”). Specifically, BIS charges that Delphi committed the following violations:

Charges 1-3 15 C.F.R. § 764.2(a) - Engaging in Prohibited Conduct by Exporting Triethanolamine to South Africa and the People’s Republic of China (“PRC”) Without the Required License

As described in greater detail in the attached Schedule of Violations, which is incorporated herein by reference, on three occasions between on or about February 6, 2004 and on or about January 19, 2005, Delphi engaged in conduct prohibited by the Regulations by exporting triethanolamine, an item classified under Export Control Classification Number (“ECCN”) 1C350.e.9 and controlled for chemical and biological weapons proliferation reasons, to South Africa and the PRC without the Department of Commerce license required by Section 742.2 of the Regulations. In so doing, Delphi committed three violations of Section 764.2(a) of the Regulations.


Accordingly, Delphi is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

- The maximum civil penalty allowed by law of up to the greater of $250,000 per violation or twice the value of the transaction that is the basis of the violation;\(^3\)
- Denial of export privileges; and/or
- Exclusion from practice before BIS.

If Delphi fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. See 15 C.F.R. §§ 766.6 and 766.7. If Delphi defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Delphi. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

Delphi is further notified that it is entitled to an agency hearing on the record if it files a written demand for one with its answer. See 15 C.F.R. § 766.6. Delphi is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. See 15 C.F.R. §§ 766.3(a) and 766.4.

The Regulations provide for settlement without a hearing. See 15 C.F.R. § 766.18. Should Delphi have a proposal to settle this case, Delphi or its representative should transmit it to the attorney representing BIS named below.

Delphi is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Delphi may be eligible for assistance from the Office of the National Ombudsman of the Small Business Administration in this matter. To determine eligibility and get more information, please see: http://www.sba.gov/ombudsman/.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Delphi's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

U.S. Coast Guard ALJ Docketing Center
40 S. Gay Street
Baltimore, Maryland 21202-4022

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In addition, a copy of Delphi's answer must be served on BIS at the following address:

Chief Counsel for Industry and Security  
Attention: Thea D. R. Kendler, Esq.  
Room H-3839  
United States Department of Commerce  
14th Street and Constitution Avenue, N.W.  
Washington, D.C.  20230

Thea Kendler is the attorney representing BIS in this case; any communications that Delphi may wish to have concerning this matter should occur through him. Ms. Kendler may be contacted by telephone at (202) 482-5301.

Sincerely,

Thomas Madigan  
Director  
Office of Export Enforcement