

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

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<b>In re</b>	:	<b>Chapter 11</b>
	:	
<b>TK HOLDINGS INC., et al.,</b>	:	<b>Case No. 17-11375 (BLS)</b>
	:	
<b>Debtors.<sup>1</sup></b>	:	<b>(Jointly Administered)</b>
	:	
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**JOINT CHAPTER 11 PLAN OF REORGANIZATION  
OF TK HOLDINGS INC. AND ITS AFFILIATED DEBTORS**

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Dated: November [ ], 2017  
Wilmington, Delaware

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Takata Americas (9766); TK Finance, LLC (2753); TK China, LLC (1312); TK Holdings Inc. (3416); Takata Protection Systems Inc. (3881); Interiors in Flight Inc. (4046); TK Mexico Inc. (8331); TK Mexico LLC (9029); TK Holdings de Mexico, S. de R.L. de C.V. (N/A); Industrias Irvin de Mexico, S.A. de C.V. (N/A); Takata de Mexico, S.A. de C.V. (N/A); and Strosshe-Mex, S. de R.L. de C.V. (N/A). Except as otherwise set forth herein, the Debtors' international affiliates and subsidiaries are not debtors in these chapter 11 cases. The location of the Debtors' corporate headquarters is 2500 Takata Drive, Auburn Hills, Michigan 48326.

Each of Takata Americas, TK Finance, LLC, TK China, LLC, TK Holdings Inc., Takata Protection Systems Inc., Interiors in Flight Inc., TK Mexico Inc., TK Mexico LLC, TK Holdings de Mexico, S. de R.L. de C.V., Industrias Irvin de Mexico, S.A. de C.V., Takata de Mexico, S.A. de C.V., and Strosshe-Mex, S. de R.L. de C.V. (each, a “**Debtor**” and collectively, the “**Debtors**”) proposes the following joint chapter 11 plan of reorganization pursuant to section 1121(a) of the Bankruptcy Code. Capitalized terms used herein shall have the meanings set forth in section 1.1 below.

## ARTICLE I DEFINITIONS AND INTERPRETATION.

### 1.1 Definitions.

The following terms shall have the respective meanings specified below:

**Access Agreement** means that certain access and security agreement dated August 9, 2017, entered into by certain Consenting OEMs and certain Takata entities, including the Debtors [filed at Docket No. 953].

**Acquired Non-Debtor Affiliates** means each of the affiliates of the Debtors, the capital stock or other equity interests of which will be acquired by the Plan Sponsor pursuant to the U.S. Acquisition Agreement or any Cross-Conditioned Agreement (as defined in the U.S. Acquisition Agreement), as set forth on Schedule A hereto.

**Adequate Protection Claim** has the meaning assigned in the Adequate Protection Order.

**Adequate Protection Order** means, collectively, the interim and final orders of the Bankruptcy Court, dated June 27, 2017 and October 3, 2017 [Docket Nos. 107 & 953], respectively, authorizing the Debtors to, among other things, enter into the Global Accommodation Agreement and granting the Adequate Protection Claims.

**Administrative Expense Claim** means any Claim, other than an Adequate Protection Claim, for costs and expenses of administration of the Chapter 11 Cases pursuant to sections 327, 328, 330, 365, 503(b), 507(a)(2), or 507(b) of the Bankruptcy Code, including (i) the actual and necessary costs and expenses incurred on or after the Petition Date and through the Effective Date of preserving the Estates and operating the Debtors’ businesses, (ii) Fee Claims, (iii) all fees and charges assessed against the Estates pursuant to sections 1911 through 1930 of chapter 123 of title 28 of the United States Code, (iv) all Allowed Claims that are to be treated as Administrative Expense Claims pursuant to a Final Order of the Bankruptcy Court under section 546(c)(2) of the Bankruptcy Code, (v) Cure Claims, and (vi) Administrative Expense OEM Claims.

**Administrative Expense Claims Bar Date** means the deadline for filing requests for payment of certain Administrative Expense Claims, which shall be the first Business Day that is sixty (60) days following the Effective Date, unless otherwise ordered by the Bankruptcy Court.

***Administrative Expense OEM Claim*** means any Claim of an OEM arising out of or relating to a Takata product sold or supplied to an OEM on or after the Petition Date, but prior to the Closing Date, including any Consenting OEM PSAN Administrative Expense Claims.

***Administrative Expense PI/WD Claim*** means any Claim for alleged personal injury, wrongful death, or other similar Claim or Cause of Action against the Debtors allegedly arising out of or relating to a Takata product sold or supplied to an OEM or any other Person on or after the Petition Date, but prior to the Closing Date, regardless of whether the injury occurs before or after the Closing Date, but excluding any Administrative Expense PSAN PI/WD Claim.

***Administrative Expense PSAN PI/WD Claim*** means any Claim for alleged personal injury, wrongful death, or other similar Claim or Cause of Action against the Debtors arising out of or relating to an injury allegedly caused as a result of a non-desiccated or desiccated PSAN Inflator sold or supplied to an OEM or any other Person on or after the Petition Date, but prior to the Closing Date, regardless of whether the injury occurs before or after the Closing Date.

***Agreed Allocation*** means the method of allocating recoveries on account of certain Allowed Claims among the Consenting OEMs, as described in the Customer Allocation Schedule attached hereto as Exhibit 1.

***Allocable Share*** means, as applicable under the circumstances, (i) the percentage of Purchase Price received by each of IIM, SMX, TDM, or the TKH Debtors under the U.S. Acquisition Agreement, as applicable, relative to the aggregate Purchase Price received by all such Debtors, (ii) the percentage of Purchase Price received by each of the Debtors under the U.S. Acquisition Agreement, as applicable, relative to the aggregate Purchase Price received by all Debtors, or (iii) amounts in the Legacy Trusts Reserves or the Post-Closing Reserve attributable to a particular Debtor in the reasonable discretion of the Legacy Trustee (in the case of the Reorganized TK Holdings Trust Reserve) or the Plan Administrator (in the case of the Warehousing Trust Reserve and the Post-Closing Reserve), based on the assets of such Debtor contributed to or monetized by the Legacy Trusts or Reorganized Takata.

***Allowed*** means, with respect to any Claim or Interest, (i) any Claim to which the Debtors and the holder of the Claim agree to the amount of the Claim or a court of competent jurisdiction has determined the amount of the Claim by Final Order, (ii) any Claim or Interest that is compromised, settled, or otherwise resolved pursuant to the authority of the Debtors or Reorganized Debtors, as applicable, in a Final Order of the Bankruptcy Court, (iii) any Claim that is listed in the Schedules as liquidated, non-contingent, and undisputed, (iv) any Claim or Interest arising on or before the Effective Date as to which no objection to allowance has been interposed within the time period set forth in the Plan, and (v) any Claim or Interest expressly allowed hereunder; *provided, however*, that the Reorganized Debtors shall retain all Claims and defenses with respect to Allowed Claims that are reinstated or otherwise Unimpaired pursuant to this Plan.

***Amended By-Laws*** means, with respect to a Reorganized Debtor, such Reorganized Debtor's amended and restated by-laws or operating agreement, a substantially final

form of which shall be contained in the Plan Supplement to the extent they contain material changes to the existing documents.

**Amended Certificate of Incorporation** means, with respect to each Reorganized Debtor, such Reorganized Debtor's amended or amended and restated certificate of incorporation or certificate of formation, a substantially final form of which shall be contained in the Plan Supplement.

**Asset** means all of the rights, title, and interests of a Debtor in and to property of whatever type or nature, including real, personal, mixed, intellectual, tangible, and intangible property.

**Assumed Liabilities** has the meaning assigned in the U.S. Acquisition Agreement.

**Assumed PSAN Contracts** means, collectively, the Modified Assumed PSAN Contracts and the Standalone PSAN Assumed Contracts.

**Authorized Purposes** means those actions that Reorganized Takata and/or the Plan Administrator are authorized to perform solely as follows: (i) continue the operations of Reorganized Takata during the Operating Term, (ii) supervise the construction, manufacture, assembly, sale, and/or distribution to the PSAN Consenting OEMs of PSAN Inflators related to the NHTSA Consent Order or any similar order by other regulatory authorities related to recalls, to the extent applicable, and pursuant to the terms of any Assumed PSAN Contract and any renewals or extensions thereof or in respect of production of current model series, (iii) upon expiration of the Operating Term or as any such assets are no longer needed to support production of PSAN Inflators by Reorganized Takata, liquidate the PSAN Assets, (iv) perform its obligations under the Transition Services Agreement, the Shared Services Agreement, and the Plan Sponsor Backstop Funding Agreement, (v) pay the costs and fees of the Special Master and any monitor(s) appointed by the DOJ or NHTSA, and (vi) serve as trustee or executive officer (as applicable) of the Warehousing Trust and carry out the duties of the Plan Administrator with respect to the Warehousing Trust as set forth in the Plan.

**Available Cash** means, collectively, the IIM Available Cash, the SMX Available Cash, the TDM Available Cash, the TKAM Available Cash, the TKC Available Cash, the TKF Available Cash, and the TKH Available Cash.

**Avoidance Actions** means any and all actual or potential Claims or Causes of Action to avoid a transfer of property or an obligation incurred by any of the Debtors pursuant to any applicable section of the Bankruptcy Code, including sections 502(d), 544, 545, 547, 548, 549, 550, 551, 553(b), and 724(a) of the Bankruptcy Code, or under similar or related state or federal statutes and common law.

**Backstop Expiration Date** has the meaning assigned in the Plan Sponsor Backstop Funding Agreement.

**Backstop Funding Cap** has the meaning assigned in the Plan Sponsor Backstop Funding Agreement.

**Backstopped Claims** has the meaning assigned in the Plan Sponsor Backstop Funding Agreement.

**Bankruptcy Code** means title 11 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Cases.

**Bankruptcy Court** means the United States Bankruptcy Court for the District of Delaware having jurisdiction over the Chapter 11 Cases and, to the extent any reference made under section 157 of title 28 of the United States Code is withdrawn or the Bankruptcy Court is determined not to have authority to enter a Final Order on an issue, the unit of such District Court having jurisdiction over the Chapter 11 Cases under section 151 of title 28 of the United States Code.

**Bankruptcy Rules** means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Cases, and any local rules of the Bankruptcy Court.

**Bar Date Order** means the order of the Bankruptcy Court, dated October 4, 2017 [Docket No. 959], establishing deadlines by which a proof of Claim must be filed with respect to certain Claims.

**Business Day** means any day other than a Saturday, a Sunday, or any other day on which banking institutions in New York, NY are authorized or required by law or executive order to close.

**Business Incentive Plan Payment** has the meaning assigned in the U.S. Acquisition Agreement.

**Cash** means legal tender of the United States of America.

**Cash Proceeds** means, collectively, the IIM Cash Proceeds, the SMX Cash Proceeds, the TDM Cash Proceeds, the TKAM Cash Proceeds, the TKC Cash Proceeds, the TKF Cash Proceeds, and the TKH Cash Proceeds.

**Cause of Action** means any action, class action, Claim, cross-claim, third-party claim, cause of action, controversy, demand, right, Lien, indemnity, contribution, guaranty, suit, obligation, liability, debt, damage, judgment, account, defense, remedy, offset, power, privilege, license, and franchise of any kind or character whatsoever, known or unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, foreseen or unforeseen, direct or indirect, choate or inchoate, secured or unsecured, assertable directly or derivatively (including, without limitation, under alter ego theories), whether arising before, on, or after the Petition Date, in contract or in tort, at law or in equity, or pursuant to any other theory of law. For the avoidance of doubt, Cause of Action includes: (i) any right of setoff, counterclaim, or recoupment and any Claim for breach of contract or for breaches of duties imposed by law or in equity; (ii) the right to object to Claims or Interests; (iii) any Claim or cause of action pursuant to section 362 of the Bankruptcy Code or chapter 5 of the Bankruptcy Code; (iv) any

Claim or defense, including fraud, mistake, duress, and usury and any other defenses set forth in section 558 of the Bankruptcy Code; and (v) any Claims under any state or foreign law, including any fraudulent transfer or similar claims.

**Channeling Injunction** means the permanent injunction provided for in section 10.7 of this Plan with respect to PSAN PI/WD Claims against the Protected Parties to be issued pursuant to the Confirmation Order.

**Chapter 11 Case** means, with respect to a Debtor, such Debtor's case under chapter 11 of the Bankruptcy Code commenced on the Petition Date in the Bankruptcy Court, jointly administered with all other Debtors' cases under chapter 11 of the Bankruptcy Code, and styled *In re TK Holdings Inc., et al.*, Ch. 11 Case No. 17-11375 (BLS).

**Civil Rehabilitation Court** means the 20th Department of the Civil Division of the Tokyo District Court, or any other Japanese court having jurisdiction over the Japan Proceedings.

**Claim** means a "claim," as defined in section 101(5) of the Bankruptcy Code.

**Claims Administrator(s)** means individually or collectively, the Legacy Trustee, the OEM Claims Administrator, and the PSAN PI/WD Trustee, some or all of whom may be the same Person or the Special Master. The identity of each Claims Administrator shall be disclosed as part of the Plan Supplement.

**Claims Estimation Report** means the report produced by the claims estimation expert retained by the Debtors to estimate existing and future PSAN PI/WD Claims, Administrative Expense PSAN PI/WD Claims, and Post-Closing PI/WD Claims.

**Claims Reserves** means, collectively, the IIM Claims Reserve, the SMX Claims Reserve, the TDM Claims Reserve, the TKAM Claims Reserve, the TKC Claims Reserve, the TKF Claims Reserve, the TKH Claims Reserve, and the Post-Closing PI/WD Claims Reserve.

**Class** means any group of Claims or Interests classified under this Plan pursuant to section 1122(a) of the Bankruptcy Code.

**Closing Date** has the meaning assigned in the U.S. Acquisition Agreement.

**Component Parts** means component parts, Service Parts, assemblies, components, and/or other Products.

**Confirmation Date** means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order.

**Confirmation Hearing** means the hearing to be held by the Bankruptcy Court regarding confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

**Confirmation Order** means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code and approving the Plan Settlement.

**Consenting OEM Bailor** means each Consenting OEM (or its applicable Consenting OEM Tier One or Consenting OEM Contract Manufacturer) that requires Module Production, Kitting Operations, or PSAN Service Parts production (each as defined in the Indemnity Agreement) and that bails to Plan Sponsor or any Acquired Non-Debtor Affiliate, PSAN Inflators purchased prior to the Closing Date by such Consenting OEM (or its applicable Consenting OEM Tier One or Consenting OEM Contract Manufacturer) from the Debtors.

**Consenting OEM Contract Manufacturer** means a third party (that is not itself a Consenting OEM) that (i) manufactures or assembles, or manufactured or assembled, automobiles for a Consenting OEM and (ii) is or was at any point in time previously a party to a Purchase Order with the Debtors for the manufacture or sale of Products that have been or will be incorporated into a Consenting OEM's automobiles. For clarity, any such third party shall be deemed to be a Consenting OEM Contract Manufacturer only with respect to the applicable Consenting OEM for which it manufactures or assembles, or manufactured or assembled, automobiles containing Products.

**Consenting OEM PSAN Administrative Expense Claim** means any Claim of a Consenting OEM arising out of or relating to a Takata product containing a non-desiccated or desiccated PSAN Inflator sold or supplied to an OEM on or after the Petition Date, but prior to the Closing Date.

**Consenting OEM PSAN Contract Manufacturer** means a third party (that is not itself a Consenting OEM) that (i) manufactures or assembles, or manufactured or assembled, automobiles for a Consenting OEM and (ii) is or was a party to a Purchase Order with the Debtors for the manufacture or sale of PSAN Inflators that are or were at any point in time previously incorporated into the Consenting OEM's automobiles. For clarity, any such third party shall be deemed to be a Consenting OEM PSAN Contract Manufacturer only with respect to the applicable Consenting OEM for which it manufactures or assembles, or manufactured or assembled, automobiles containing PSAN Inflators.

**Consenting OEM PSAN Cure Claim** means any Cure Claim with respect to an Assumed PSAN Contract.

**Consenting OEM PSAN Tier One** means, for any Consenting OEM, any Consenting OEM Tier One, including a Directed PSAN Tier One, solely to the extent that it sources or uses or at any point in time previously sourced or used PSAN Inflators from the Debtors that are or were supplied to, or incorporated into Component Parts of, such Consenting OEM. For clarity, any such supplier shall be deemed to be a Consenting OEM PSAN Tier One only with respect to the applicable Consenting OEM to which it supplies or supplied, or into whose Component Parts it incorporates or incorporated, PSAN Inflators from Takata.

**Consenting OEM Tier One** means, for any Consenting OEM, a supplier, including a Directed Tier One, to such Consenting OEM solely to the extent that such supplier sources or uses or at any point in time previously sourced or used components, parts, or

assemblies from the Debtors that are, were, or will be supplied to, or incorporated into, Component Parts of such Consenting OEM; *provided, however*, that no Consenting OEM shall itself be a Consenting OEM Tier One. For clarity, any such supplier shall be deemed to be a Consenting OEM Tier One only with respect to the applicable Consenting OEM to which it supplies or supplied such components, parts, or assemblies.

**Consenting OEMs** means those OEMs that purchase or have purchased PSAN Inflators from the Debtors that are party to the Indemnity Agreement and the Global Settlement Agreement and are subject to the Agreed Allocation, or that become party to the Indemnity Agreement and the Global Settlement Agreement and are subject to the Agreed Allocation prior to the Effective Date; *provided, however*, that for purposes of any consent or approval right of the Consenting OEMs set forth in this Plan, “Consenting OEMs” shall mean the “Initial Consenting OEMs” (as defined in the U.S. RSA) that have voting rights under the U.S. RSA at the time such consent or approval right is exercised.

**Cure Amount** means the payment of Cash or the distribution of other property (as the parties may agree or the Bankruptcy Court may order) as necessary to (i) cure a monetary default by the Debtors in accordance with the terms of an executory contract or unexpired lease of the Debtors and (ii) permit the Debtors to assume such executory contract or unexpired lease under section 365(a) of the Bankruptcy Code.

**Cure Claim** means a Claim for cure in connection with the assumption or assumption and assignment of an executory contract or unexpired lease under section 365(a) of the Bankruptcy Code, including any Consenting OEM PSAN Cure Claim.

**Cure Claims Cap** has the meaning assigned in the U.S. Acquisition Agreement.

**Cure Dispute** means an unresolved objection regarding assumption, Cure Amount, “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code), or other issues related to assumption of an executory contract or unexpired lease.

**Debtor(s)** has the meaning set forth in the introductory paragraph of this Plan.

**Direct Expense Payment** means a Debtor’s direct payment to an advisor or other third party providing services to the Plan Sponsor in connection with the Restructuring Transactions for such advisor’s or other third party’s expenses in accordance with section 12.6 of this Plan.

**Directed PSAN Tier One** means a Consenting OEM PSAN Tier One that is or was at any point in time previously directed pursuant to a formal agreement with the applicable Consenting OEM to source or use PSAN Inflators from the Debtors (including under any purchase agreement, supply contract, purchase order, or other contract providing for such directed sourcing relationship). For clarity, any such supplier shall be deemed to be a Directed PSAN Tier One only with respect to the applicable Consenting OEM with which it has or had a formal directed-buy agreement in respect of PSAN Inflators (including under any purchase agreement, supply contract, purchase order, or other contract providing for such directed sourcing relationship).



***Directed Tier One*** means a Consenting OEM Tier One that is or was at any point in time previously directed pursuant to a formal agreement with the applicable Consenting OEM to source or use components, parts, or assemblies from the Debtors (including under any purchase agreement, supply contract, purchase order, or other contract providing for such directed sourcing relationship). For clarity, any such supplier shall be deemed to be a Directed Tier One only with respect to the applicable Consenting OEM with which it has or had a formal directed-buy agreement (including under any purchase agreement, supply contract, purchase order, or other contract providing for such directed sourcing relationship) to source or use components, parts, or assemblies from the Debtors.

***Disallowed*** means any Claim, or any portion thereof, that (i) has been disallowed by a Final Order or a settlement, (ii) is Scheduled at zero or as contingent, disputed, or unliquidated and as to which a proof of claim bar date has been established but no proof of claim has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court, including the Bar Date Order, or otherwise deemed timely filed under applicable law, or (iii) is not Scheduled and as to which a proof of claim bar date has been established but no proof of claim has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or otherwise deemed timely filed under applicable law.

***Disbursing Agent*** means any Entity in its capacity as a disbursing agent under sections 6.6 and 6.7 hereof, including the applicable Claims Administrator, that acts in such a capacity to make Distributions pursuant to the Plan.

***Disclosure Statement*** means the disclosure statement for this Plan, as supplemented from time to time, which is prepared and distributed in accordance with sections 1125, 1126(b), and 1145 of the Bankruptcy Code, Bankruptcy Rules 3016 and 3018, and other applicable law, and all exhibits, schedules, supplements, modifications, amendments, annexes, and attachments to such disclosure statement.

***Disputed*** means any Claim that is not yet Allowed or Disallowed.

***Disputed Claims Reserves*** means, collectively, the IIM Disputed Claims Reserve, the SMX Disputed Claims Reserve, the TDM Disputed Claims Reserve, and the TKH Disputed Claims Reserve.

***Disputed Cure Claim*** means the amount that a counterparty to a Cure Dispute alleges must be paid in order for an executory contract or unexpired lease to either be assumed by the Debtors or assumed by the Debtors and assigned to the Plan Sponsor.

***Disputed Cure Claims Reserve*** means the amount of IIM Cash Proceeds, SMX Cash Proceeds, TDM Cash Proceeds, and TKH Cash Proceeds, based on the percentage of each of IIM's, SMX's, TDM's, and the TKH Debtors' Disputed Cure Claims, as applicable, relative to the aggregate amount of such Debtors' Disputed Cure Claims, to be reserved in a segregated account in the applicable Debtor's Claims Reserve in the reasonable discretion of the Debtors, after consultation with the Plan Sponsor, necessary to pay (i) the aggregate amount of Disputed Cure Claims for Purchased Contracts less (y) the amount equal to the Cure Claims Cap less any

other Cure Claims paid by the Plan Sponsor on the Effective Date, or (ii) such lower amount as ordered by the Bankruptcy Court.

***Dissolution Date Cash*** means any Cash in the Reorganized TK Holdings Trust, Reorganized Takata, or the Warehousing Trust, including Cash in the Post-Closing Reserve and the Legacy Trusts Reserves (as applicable) and Post-Closing Cash, remaining upon dissolution of any such entity pursuant to this Plan.

***Distribution*** means any initial or periodic payment or transfer of consideration to holders of Allowed Claims and Interests made under this Plan.

***Distribution Date*** means any of the Initial Distribution Date or the Periodic Distribution Dates.

***Distribution Formula*** means the distribution formula provided for in section 6.2 of the Plan, including its subparagraphs.

***Distribution Record Date*** means the record date for purposes of making Distributions under the Plan on account of Allowed Claims, which date shall be the Effective Date.

***District Court*** means the United States District Court for the District of Delaware.

***DOJ*** means the United States Department of Justice.

***DOJ OEM Restitution Fund*** means the OEM restitution fund established under paragraphs 1 and 2 of the DOJ Restitution Order.

***DOJ PI/WD Restitution Fund*** means the personal injury and wrongful death restitution fund established under paragraphs 3 and 4 of the DOJ Restitution Order.

***DOJ Restitution Claim*** means the \$850 million in restitution payable for the benefit of OEMs pursuant to paragraphs 1 and 2 of the DOJ Restitution Order.

***DOJ Restitution Order*** means the Joint Restitution Order entered by the United States District Court for the Eastern District of Michigan on February 27, 2017 in the case captioned *U.S. v. Takata Corporation*, Case No. 16-cr-20810 (E.D. Mich.).

***Economic Loss Claim*** means any Claim or Cause of Action, whether individual, class, or collective, against the Debtors for damages, including actual, compensatory, general, special, punitive, incidental, consequential, expectation, nominal, equitable, restitutionary, and statutory damages, arising out of or related to any recalls or the presence of one or more PSAN Inflators in a vehicle. Economic Loss Claims do not include PSAN PI/WD Claims, Administrative Expense PSAN PI/WD Claims, Administrative Expense PI/WD Claims, OEM Claims, Administrative Expense OEM Claims, Cure Claims, Other PI/WD Claims, or the Mexico Class Action Claims.

**Effective Date** means the date which is the first Business Day on which (i) all conditions precedent to the effectiveness of this Plan set forth in section 9.1 hereof have been satisfied or waived in accordance with the terms of this Plan and (ii) no stay of the Confirmation Order is in effect.

**Effective Date Available Cash** means, collectively, the IIM Effective Date Available Cash, the SMX Effective Date Available Cash, the TDM Effective Date Available Cash, the TKAM Effective Date Available Cash, the TKC Effective Date Available Cash, the TKF Effective Date Available Cash, and the TKH Effective Date Available Cash.

**Entity** has the meaning set forth in section 101(15) of the Bankruptcy Code.

**Estate(s)** means individually or collectively, the estate or estates of the Debtors created under section 541 of the Bankruptcy Code.

**Excluded Assets** has the meaning assigned in the U.S. Acquisition Agreement.

**Exculpated Parties** means, collectively, (i) the Debtors, (ii) Reorganized Takata, (iii) the Consenting OEMs, (iv) the Plan Administrator, (v) the members of the Oversight Committee, (vi) the Future Claims Representative, (vii) the Plan Sponsor Parties, (viii) the Claims Administrators, and (ix) with respect to each of the foregoing Persons in clauses (i) through (viii), such Persons' predecessors, successors, assigns, subsidiaries, affiliates, managed accounts or funds, current and former officers, directors, principals, equity holders, members, partners, managers, employees, subcontractors, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors and other professionals, and such Persons' respective heirs, executors, estates, servants and nominees.

**Fee Claim** means a Claim for professional services rendered or costs incurred on or after the Petition Date and on or prior to the Effective Date by Professional Persons.

**Fee Escrow Account** means an interest-bearing account in an amount equal to the total estimated amount of Fee Claims and funded by the Debtors on the Effective Date.

**Final Order** means an order of the Bankruptcy Court or any other court of competent jurisdiction (i) as to which the time to appeal shall have expired and as to which no appeal shall then be pending or (ii) if a timely appeal shall have been filed or sought, either (A) (1) no stay of the order shall be in effect and (2) the appeal would not reasonably be expected to prevent or materially impede the consummation of the Restructuring Transactions or have a material adverse effect on the discharge granted under this Plan, or the releases, injunctions, or exculpations granted under this Plan in favor of the Plan Sponsor, or (B) if such a stay shall have been granted, then (1) (x) the stay shall have been dissolved or lifted and (y) the appeal would not reasonably be expected to prevent or materially impede the consummation of the Restructuring Transactions or have a material adverse effect on the discharge granted under this Plan, or the releases, injunctions, or exculpations granted under this Plan in favor of the Plan Sponsor, or (2) a Final Order of the district court, circuit court, or other applicable court having jurisdiction to hear such appeal shall have affirmed the order and the time allowed to appeal from such affirmance or to seek review or rehearing (other than a motion pursuant to Rule 60(b) of the

Federal Rules of Civil Procedure) thereof shall have expired; *provided, however*, that no order shall fail to be a “Final Order” solely because of the possibility that a motion pursuant to sections 502(j) or 1144 of the Bankruptcy Code or under Rule 60 of the Federal Rules of Civil Procedure or Bankruptcy Rule 9024 or any similar motion brought outside the United States may be filed with respect to such order.

***Future Claims Representative*** means the legal representative appointed by the *Order Appointing Roger Frankel as Legal Representative for Future Personal Injury Claimants Nunc Pro Tunc to July 20, 2017* [Docket No. 703], which was entered by the Bankruptcy Court on September 6, 2017, for individuals with PSAN PI/WD Claims based on injuries sustained after the Petition Date.

***General Unsecured Claims*** means any OEM Unsecured Claim, any PSAN PI/WD Claim, and any Other General Unsecured Claim.

***Global Accommodation Agreement*** means the Accommodation Agreement between certain Consenting OEMs and certain Takata entities outside of Japan, including the Debtors, dated July 18, 2017, as amended, modified, and supplemented from time to time.

***Global Settlement Agreement*** means the settlement agreement between the Consenting OEMs and certain Takata entities, which provides for payment of such Consenting OEMs’ claims in exchange for a release in favor of Plan Sponsor and the applicable Takata entity.

***IIM*** means Industrias Irvin de Mexico, S.A. de C.V.

***IIM Available Cash*** means (i) IIM Effective Date Available Cash, (ii) \$100,000 of the Plan Settlement Turnover Amount, solely in the event that the Mexico Class Action Claims have not been fully resolved (through adjudication, settlement, or otherwise) prior to the Effective Date, (iii) IIM Surplus Reserved Cash from the IIM Claims Reserve that is made available to the IIM Recovery Funds and the IIM Disputed Claims Reserves in accordance with section 5.5(d)(i) of the Plan, and (iv) any Residual Value funded by or allocable to IIM.

***IIM Cash Proceeds*** means the Purchase Price allocated to IIM either directly or indirectly under the U.S. Acquisition Agreement and all Cash and Cash equivalents of IIM not acquired by the Plan Sponsor.

***IIM Claims Reserve*** means the amount of IIM Cash Proceeds to be used or reserved on the Effective Date necessary to pay, if any, (i) IIM’s share of the Disputed Cure Claims Reserve, (ii) Other Secured Claims, (iii) Administrative Expense Claims (including (a) Administrative Expense PI/WD Claims and (b) Administrative Expense PSAN PI/WD Claims, as estimated pursuant to the Claims Estimation Report), (iv) Priority Claims, and (v) the Mexico Class Action Claims, all as against IIM. The IIM Claims Reserve shall be held by the Reorganized TK Holdings Trust and administered by the Legacy Trustee.

***IIM Disputed Claims Reserve*** means the reserve to be established by the Debtors and maintained by the applicable Claims Administrator, which shall be funded with IIM Available Cash based on the Distribution Formula, which reserve shall be held for the benefit of

holders of subsequently Allowed General Unsecured Claims against IIM for distribution in accordance with the procedure set forth in ARTICLE VII. The IIM Disputed Claims Reserve shall be held by the Reorganized TK Holdings Trust.

***IIM Effective Date Available Cash*** means the IIM Cash Proceeds, less (i) the IIM Claims Reserve, (ii) IIM's Allocable Share of the PSAN PI/WD Trust Reserve, (iii) IIM's Allocable Share of the Legacy Trusts Reserves, and (iv) the Plan Settlement Payment paid from the IIM Cash Proceeds pursuant to the Plan Settlement Payment Waterfall.

***IIM OEM Fund*** means the fund established under this Plan to resolve Allowed OEM Unsecured Claims against IIM and funded with IIM Available Cash in accordance with the Distribution Formula.

***IIM Other Creditors Fund*** means the fund established pursuant to this Plan to resolve Allowed Other General Unsecured Claims against IIM and funded with IIM Available Cash in accordance with the Distribution Formula. The IIM Other Creditors Fund shall be held by the Reorganized TK Holdings Trust and administered by the Legacy Trustee.

***IIM PSAN PI/WD Fund*** means the fund established pursuant to this Plan to resolve Allowed PSAN PI/WD Claims against IIM and funded with PSAN PI/WD Insurance Proceeds, IIM Available Cash in accordance with the Distribution Formula, and PSAN PI/WD Top-Up Amounts, which fund shall be placed in the PSAN PI/WD Trust; *provided, however*, that any PSAN PI/WD Top-Up Amount contributed to the IIM PSAN PI/WD Fund shall be made available only to holders of Allowed PSAN PI/WD Claims whose vehicles were manufactured by such Participating OEM.

***IIM Recovery Funds*** means, collectively, the IIM OEM Fund, the IIM Other Creditors Fund, and the IIM PSAN PI/WD Fund.

***IIM Surplus Reserved Cash*** means a surplus in funding of (i) the IIM Claims Reserve, (ii) IIM's Allocable Share of the PSAN PI/WD Trust Reserve, (iii) IIM's Allocable Share of the Post-Closing Reserve, and (iv) IIM's Allocable Share of the Legacy Trusts Reserves.

***Impaired*** means, with respect to a Claim, Interest, or a Class of Claims or Interests, "impaired" within the meaning of such term in section 1124 of the Bankruptcy Code.

***Indemnity Agreement*** means the Indemnity and Release Agreement between the Consenting OEMs and certain Plan Sponsor entities, dated November [ ], 2017, a copy of which is attached hereto as Exhibit 2.

***Independent Consultant*** means the independent consultant engaged to conduct an assessment and make a report to the PSAN Consenting OEMs on a quarterly basis of Reorganized Takata's operations pursuant to section 5.7(n) of the Plan.

***Independent Member*** means the member of the Oversight Committee selected by the Debtors, subject to the reasonable consent of the Requisite PSAN Consenting OEMs and the

Warehouse Consenting OEMs, which member shall not be an “insider” (as defined in section 101(31) of the Bankruptcy Code) of the Debtors, any Consenting OEM, or the Plan Sponsor.

**Initial Distribution Date** means the date occurring on or as soon as reasonably practicable after the Effective Date, but in no event more than thirty (30) days after the Effective Date, on which the Disbursing Agent makes an initial Distribution to holders of Allowed General Unsecured Claims.

**Intercompany Claim** means any Claim against a Debtor held by another Debtor or an affiliate of a Debtor.

**Intercompany Interest** means an Interest in a Debtor held by another Debtor or an affiliate of a Debtor or an Interest in an affiliate of a Debtor held by a Debtor.

**Interest** means any equity security (as defined in section 101(16) of the Bankruptcy Code) in a Debtor or direct or indirect subsidiary of a Debtor, including all shares, common stock or units, preferred stock or units, or other instrument evidencing any fixed or contingent ownership interest in any Debtor or any direct or indirect subsidiary of a Debtor, including any option, warrant, or other right, contractual or otherwise, to acquire any such interest in a Debtor or direct or indirect subsidiary of a Debtor, whether or not transferable and whether fully vested or vesting in the future, that existed immediately before the Effective Date.

**Internal Revenue Code** means the Internal Revenue Code of 1986, as amended from time to time.

**Japan Debtors** means TKJP, Takata Kyushu Corporation, and Takata Service Corporation.

**Japan Proceedings** means the civil rehabilitation proceedings of the Japan Debtors.

**Key Employee Bonus Plan** has the meaning assigned in the U.S. Acquisition Agreement.

**Legacy Cost Report** means a report prepared by TKH, with the input and consent of the Takata entities party to the Plan Sponsor Backstop Funding Agreement, prior to the Closing Date regarding the categories of the PSAN Legacy Costs (as defined in the Plan Sponsor Backstop Funding Agreement) in form and substance acceptable to the Consenting OEMs and disclosed to the Plan Sponsor with an opportunity for input, which shall be reasonably considered by Takata and the Consenting OEMs.

**Legacy Trustee** means the Person to be appointed pursuant to the Plan to, among other things, (i) act as trustee of the Reorganized TK Holdings Trust pursuant to the terms of the Reorganized TK Holdings Trust Agreement, (ii) manage the Other Creditors Funds and, if the Special Master does not agree to merge the OEM Funds with the DOJ OEM Restitution Fund or otherwise administer the OEM Funds, the OEM Funds, (iii) administer, dispute, object to, compromise, or otherwise resolve all Claims (other than (a) PSAN PI/WD Claims, (b) after the Non-PSAN PI/WD Claims Termination Date, Administrative Expense PI/WD Claims and

Administrative Expense PSAN PI/WD Claims, and (c) if the Special Master agrees to merge the OEM Funds with the DOJ OEM Restitution Fund or otherwise administer the OEM Funds, OEM Unsecured Claims) against the Debtors, (iv) make Distributions to holders of Allowed Claims (other than Allowed (a) PSAN PI/WD Claims, (b) after the Non-PSAN PI/WD Claims Termination Date, Administrative Expense PI/WD Claims and Administrative Expense PSAN PI/WD Claims and, (c) if the Special Master agrees to merge the OEM Funds with the DOJ OEM Restitution Fund or otherwise administer the OEM Funds, OEM Unsecured Claims), the PSAN PI/WD Trust, and, if the Special Master agrees to merge the OEM Funds with the DOJ OEM Restitution Fund or otherwise administer the OEM Funds, the OEM Funds; and (v) manage and administer the Claims Reserves.

**Legacy Trusts** means, collectively, the Reorganized TK Holdings Trust and Warehousing Trust.

**Legacy Trusts Post-Closing Cash** means, collectively, the Reorganized TK Holdings Trust Post-Closing Cash and the Warehousing Trust Post-Closing Cash.

**Legacy Trusts Reserves** means the Reorganized TK Holdings Trust Reserve and the Warehousing Trust Reserve.

**Lien** has the meaning set forth in section 101(37) of the Bankruptcy Code.

**Mexico Class Action Claims** means Claims based on the class action brought by Acciones Colectivas de Sinaloa, A.C. against TDM, IIM, TKH, and others before the Ninth Federal Judge in the state of Sinaloa, Mexico, captioned *ACS v. Takata de México, S.A. de C.V. et al*, Acción colectiva 95/2016.

**Modified Assumed OEM Contract** means any Non-Standalone OEM Contract that has been modified as set forth in the Indemnity Agreement at or prior to the Closing Date to apply only to non-PSAN Inflator Products.

**Modified Assumed PSAN Contract** means any Non-Standalone OEM Contract of a PSAN Consenting OEM, Consenting OEM PSAN Contract Manufacturer, or Consenting OEM PSAN Tier One that has been modified as set forth in the Indemnity Agreement at or prior to the Closing Date to apply only to PSAN Inflators.

**NHTSA** means the National Highway Transportation Safety Administration.

**NHTSA Claims** means any Claim of NHTSA for unpaid civil penalties due and owing under the NHTSA Consent Order.

**NHTSA Consent Order** means, collectively, the Consent Orders dated November 3, 2015 and May 18, 2015 and the Amendment, dated May 4, 2016, to the November 3, 2015 Consent Order, as they may be further amended, modified, or supplemented, issued by NHTSA in the NHTSA proceeding captioned *In re EA 15-001 Air Bag Inflator Rupture*.

**NHTSA Preservation Order** means that certain Preservation Order and Testing Control Plan issued by NHTSA to TKH, dated February 24, 2015.

***Non-PSAN PI/WD Claims Termination Date*** means the date on which all of the following have occurred: (i) all Claims (other than (a) PSAN PI/WD Claims, (b) Administrative Expense PI/WD Claims, and (c) Administrative Expense PSAN PI/WD Claims) against the Debtors have been resolved, such that there are no more Disputed Claims (other than (a) PSAN PI/WD Claims, (b) Administrative Expense PI/WD Claims, and (c) Administrative Expense PSAN PI/WD Claims); (ii) the Operating Term has concluded and Reorganized Takata has wound down all operations and liquidated all Assets; and (iii) the Legacy Trusts have liquidated all Assets other than Cash.

***Non-Standalone OEM Contracts*** means Purchase Orders of Consenting OEMs, Consenting OEM Contract Manufacturers, and Consenting OEM Tier Ones that (i) are not standalone Purchase Orders and (ii) cover the manufacture or sale of both PSAN Inflators and other Products, including related airbag modules.

***OEM*** means an original equipment manufacturer of automobiles.

***OEM Assumed Contracts*** means, collectively, the Modified Assumed OEM Contracts and the Standalone OEM Assumed Contracts.

***OEM Claim*** means any Claim of an OEM (including, but not limited to, a Claim related to tooling, engineering, development, design, and other services) arising from or relating to a Takata product, including, but not limited to, any product consisting of or containing a non-desiccated or desiccated PSAN Inflator, developed, designed, manufactured, stored, transported, disposed of, sold, supplied, distributed, or supported by Takata prior to the Petition Date. For the avoidance of doubt, the term “OEM Claim” (x) shall not include the DOJ Restitution Claim and (y) shall include the Adequate Protection Claims.

***OEM Claims Administrator*** means the Person, which may include the Legacy Trustee or the Special Master, to be appointed pursuant to the Plan to, among other things, (i) manage the OEM Funds, (ii) administer, dispute, object to, compromise, or otherwise resolve OEM Unsecured Claims against the Debtors, and (iii) make Distributions to holders of Allowed OEM Unsecured Claims.

***OEM Funds*** means, collectively, the IIM OEM Fund, the SMX OEM Fund, the TDM OEM Fund, and the TKH OEM Fund. If the Special Master agrees to such treatment, the OEM Funds shall be merged with the DOJ OEM Restitution Fund and administered by the Special Master in accordance with the terms of the Plan.

***OEM Unsecured Claim*** means an OEM Claim, to the extent unsecured or treated as an unsecured Claim under this Plan.

***Operating Term*** means the term for the continuation of Reorganized Takata’s Authorized Purposes, which shall cease upon the earlier of (i) such time as production of PSAN Inflators is no longer necessary to comply with the terms (including any extensions or renewals) of the Assumed PSAN Contracts and any renewals or extensions thereof in respect of production for any current model series (including current and past model Service Parts) and (ii) five years after the Effective Date; *provided, however*, that the Operating Term will be automatically



extended if necessary to implement the terms of the NHTSA Consent Order or any other order by authorities related to recall, to the extent applicable.

***Other Creditors Funds*** means, collectively, the IIM Other Creditors Fund, the SMX Other Creditors Fund, the TDM Other Creditors Fund, and the TKH Other Creditors Fund.

***Other Excluded Assets*** means any Excluded Assets other than (i) the PSAN Assets, (ii) the Warehoused PSAN Assets, and (iii) any contracts or leases that are rejected by the Debtors or the Reorganized Debtors, pursuant to the Plan or otherwise.

***Other General Unsecured Claim*** means any unsecured Claim against the Debtors not entitled to priority of payment under section 507(a) of the Bankruptcy Code, other than an OEM Unsecured Claim, a PSAN PI/WD Claim, or any Claim assumed by the Plan Sponsor under the U.S. Acquisition Agreement. Other General Unsecured Claims include, but are not limited to, any claim brought by a State or Territory of the United States, any Economic Loss Claim, any Other PI/WD Claim, any antitrust class action Claims, any Intercompany Claims, and any Mexico Class Action Claims solely as against TKH.

***Other PI/WD Claim*** means any Claim for alleged personal injury, wrongful death, or other similar Claim or Cause of Action against the Debtors arising out of or relating to an injury allegedly caused by a Takata Product, other than Products with desiccated or non-desiccated PSAN Inflators, sold or supplied to an OEM or any other Person prior to the Petition Date.

***Other Priority Claim*** means any Claim other than an Administrative Expense Claim, an Adequate Protection Claim, or a Priority Tax Claim that is entitled to priority of payment as specified in section 507(a) of the Bankruptcy Code.

***Other Secured Claim*** means any Secured Claim against a Debtor other than a Priority Tax Claim or an Adequate Protection Claim.

***Oversight Committee*** means the three (3) member oversight committee of Reorganized Takata and the Warehousing Trust.

***Participating OEM*** means a Consenting OEM that contributes its respective PSAN PI/WD Top-Up Amount to the PSAN PI/WD Funds in accordance with a Participating OEM Contribution Agreement.

***Participating OEM Contribution Agreement*** means an agreement, substantially in the form to be filed with the Plan Supplement, to be entered into on the Effective Date between the PSAN PI/WD Trustee and the applicable Participating OEM with respect to such Participating OEM's commitment to fund its PSAN PI/WD Top-Up Amount; provided, however, that a Participating OEM's commitment to fund its PSAN PI/WD Top-Up Amount may be satisfied by making either a single contribution or periodic contributions to the PSAN PI/WD Trust as PSAN PI/WD Claims become Allowed PSAN PI/WD Claims.

***Periodic Distribution Date*** means periodically as determined by the applicable Claims Administrator in its reasonable discretion, but unless otherwise ordered by the

Bankruptcy Court, (i) the first Periodic Distribution Date shall be no later than the first Business Day that is 180 days after the Initial Distribution Date, (ii) until the second anniversary of the Effective Date, every subsequent Periodic Distribution Date shall be no later than the date that is the first Business Day that is 180 days after the immediately preceding Periodic Distribution Date, and (iii) after the second anniversary of the Effective Date, every subsequent Periodic Distribution Date shall be no later than the first Business Day that is 365 days after the immediately preceding Periodic Distribution Date.

***Permitted Liens*** has the meaning assigned in the U.S. Acquisition Agreement.

***Person*** means an individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, limited liability partnership, trust, estate, unincorporated organization, governmental unit (as defined in section 101(27) of the Bankruptcy Code), or other Entity.

***Petition Date*** means June 25, 2017.

***Plan*** means this joint chapter 11 plan of reorganization for the Debtors, including all appendices, exhibits, schedules, and supplements hereto, as it may be altered, amended, or modified from time to time in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the terms hereof.

***Plan Administrator*** means the Person appointed under this Plan to perform the Authorized Purposes.

***Plan Administrator Agreement*** means the plan administrator agreement governing the Plan Administrator. The Plan Administrator Agreement shall be filed with the Plan Supplement.

***Plan Document*** means any of the documents of the Debtors, other than this Plan, to be executed, delivered, assumed, or performed in connection with the occurrence of the Effective Date, including the documents to be included in the Plan Supplement.

***Plan Injunction*** means the injunctions issued pursuant to section 10.5 of the Plan.

***Plan Settlement*** means the settlement of the Settled OEM Claims pursuant to section 5.15 of the Plan.

***Plan Settlement Payment*** means Cash in an amount equal to (i) the positive difference between (A) \$850 million and (B) the aggregate amount of (I) all payments made to (or at the direction of) the Special Master from any source, including any payment made to (or at the direction of) the Special Master in any other insolvency proceeding, or any payments by OEMs to (or at the direction of) the Special Master in connection with the Restructuring Transactions, in each case (x) solely on account of the DOJ Restitution Claim and (y) excluding any payments made to (or at the direction of) the Special Master pursuant to this Plan and (II) any amounts received by the OEMs that are credited by the Special Master against such OEMs' share of the DOJ Restitution Claim in accordance with the Agreed Allocation, plus (ii) the Plan Settlement Turnover Amount.

**Plan Settlement Payment Waterfall** means the waterfall for payment of the Plan Settlement Payment by the Debtors set forth in section 5.15(c) of this Plan.

**Plan Settlement Turnover Amount** means up to \$400,000 of the Plan Settlement Payment payable by the Debtors pursuant to the Plan Settlement Payment Waterfall, which shall constitute Available Cash for IIM, SMX, TDM, and the TKH Debtors; *provided, however*, that if the Mexico Class Action Claims have been fully resolved (through adjudication, settlement, or otherwise) prior to the Effective Date, the Plan Settlement Turnover Amount shall be \$200,000 of the Plan Settlement Payment and shall not constitute IIM Available Cash or TDM Available Cash.

**Plan Sponsor** means, collectively, Joyson KSS Auto Safety, S.A., a Luxembourg *société anonyme*, and one or more of its current or future Subsidiaries or Affiliates (each as defined in the U.S. Acquisition Agreement).

**Plan Sponsor Party** or **Plan Sponsor Parties** means, individually or collectively, the Plan Sponsor and any Person that makes a loan to or investment in the Plan Sponsor for purposes of consummating the sale of the Purchased Assets to the Plan Sponsor pursuant to this Plan.

**Plan Sponsor Backstop Funding** has the meaning assigned in the Plan Sponsor Backstop Funding Agreement.

**Plan Sponsor Backstop Funding Agreement** means that certain backstop agreement entered into by the Plan Sponsor, KSS Holdings, Inc., TKJP, the Debtors, certain other Takata entities, and the Consenting OEMs, dated as of November [\_\_\_], 2017, as amended, modified, or supplemented, a copy of which is attached hereto as Exhibit 3.

**Plan Sponsor Backstop Funding Repayment** has the meaning assigned in the Plan Sponsor Backstop Funding Agreement.

**Plan Supplement** means the supplement or supplements to the Plan containing certain documents relevant to the implementation of the Plan, to be filed with the Bankruptcy Court no later than ten (10) days prior to the deadline set to file objections to confirmation of the Plan, which shall include the Reorganized TK Holdings Limited Liability Company Operating Agreement, the Reorganized TK Holdings Trust Agreement, the PSAN PI/WD Trust Agreement, the PSAN PI/WD TDP, any Participating OEM Contribution Agreement, any Amended By-Laws, any Amended Certificate of Incorporation, the Plan Administrator Agreement, the Shared Services Agreement, the identity of each Claims Administrator, the identity of the Plan Administrator, the identity of each member of the Oversight Committee, the identity of the initial PSAN PI/WD Trustee, the identity of the initial members of the PSAN PI/WD Trust Advisory Committee, and the schedule of any Causes of Action (including Avoidance Actions) not acquired by the Plan Sponsor or waived pursuant to section 10.11 of the Plan.

**Post-Closing Cash** means, collectively, the Legacy Trusts Post-Closing Cash and the Reorganized Takata Post-Closing Cash.

**Post-Closing PI/WD Claim** means any Claim for alleged personal injury, wrongful death, or other similar Claim or Cause of Action against the Reorganized Debtors allegedly arising out of or relating to a Takata product containing a non-desiccated or desiccated PSAN Inflator, sold or supplied to an OEM or any other Person on or after the Effective Date.

**Post-Closing PI/WD Claims Reserve** means the amount of TDM Cash Proceeds and TKH Cash Proceeds to be reserved on the Effective Date in accordance with the Claims Estimation Report necessary to pay Post-Closing PI/WD Claims, less the projected amount of any Dissolution Date Cash of Reorganized Takata that shall be reserved and used to pay Post-Closing PI/WD Claims in accordance with section 5.7(o) of the Plan. The Post-Closing PI/WD Claims Reserve shall be held by the Reorganized TK Holdings Trust and administered by the Legacy Trustee until the Non-PSAN PI/WD Claims Termination Date and thereafter shall be held in the PSAN PI/WD Trust and administered by the PSAN PI/WD Trustee.

**Post-Closing Reserve** means Cash in an amount necessary for the post-Effective Date operations, working capital, and wind-down of Reorganized Takata and the costs and fees of the Special Master and any monitor(s) appointed by the DOJ or NHTSA, including, without limitation, in connection with any oversight of the Plan Sponsor (including the Acquired Non-Debtor Affiliates) to the extent arising out of the Sale (as defined in the U.S. RSA) or the Restructuring (as defined in the Global Accommodation Agreement), to be (i) reserved on the Effective Date from the TKH Cash Proceeds and the TDM Cash Proceeds, (ii) funded on the Effective Date by non-Debtor affiliates, (iii) funded, to the extent necessary, by the Plan Sponsor Backstop Funding in accordance with the terms and subject to the conditions set forth in the Plan Sponsor Backstop Funding Agreement, and (iv) funded periodically from Surplus Reserved Cash and Post-Closing Cash in accordance with section 5.5 of this Plan. The Post-Closing Reserve shall be administered by the Plan Administrator.

**Priority Claim** means any Priority Tax Claim or Other Priority Claim.

**Priority Tax Claim** means any Claim of a governmental unit (as defined in section 101(27) of the Bankruptcy Code) of the kind entitled to priority in payment under sections 502(i) and 507(a)(8) of the Bankruptcy Code.

**Pro Rata Share** means, with respect to an Allowed Claim (i) within the same Class, the proportion that an Allowed Claim bears to the aggregate amount of Allowed Claims and Disputed Claims within such Class or (ii) among Classes 4 through 6, the proportion that a Class of Allowed Claims bears to the aggregate amount of Allowed Claims in such Classes.

**Products** means any and all products developed, designed, manufactured, marketed or sold, in research or development, or supported by, Takata, including under any Purchase Order, whether work in progress or in final form.

**Professional Person** means any Person retained by order of the Bankruptcy Court in connection with these Chapter 11 Cases pursuant to sections 327, 328, 330, 331, 503(b), or 1103 of the Bankruptcy Code, excluding any ordinary course professional retained pursuant to an order of the Bankruptcy Court.

**Protected Party** means any of the following Persons: (i) Debtors' non-Debtor affiliates (including the Acquired Non-Debtor Affiliates), (ii) Reorganized Takata, (iii) the Participating OEMs, (iv) the Plan Sponsor Parties, and (v) with respect to each of the foregoing Persons in clauses (i) through (iv), such Persons' predecessors, successors, assigns, subsidiaries, affiliates, managed accounts or funds, current and former officers, directors, principals, equity holders, members, partners, managers, employees, subcontractors, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors and other professionals, and such Persons' respective heirs, executors, estates, servants and nominees, as applicable.

**PSAN** means phase-stabilized ammonium nitrate, which is used as the propellant in certain airbag inflators.

**PSAN Assets** has the meaning assigned in the U.S. Acquisition Agreement and includes, for the avoidance of doubt, Modified Assumed PSAN Contracts and Standalone PSAN Assumed Contracts, but excluding the Warehoused PSAN Assets.

**PSAN Consenting OEM** means a Consenting OEM that may require PSAN Inflator production and sale from Reorganized Takata after the Closing Date and that, prior to December 1, 2017 (or such later date as may be agreed to by the Requisite PSAN Consenting OEMs as of such deadline and the Debtors), has (i) provided written notice to the Debtors of such potential production requirements for December 1, 2017 through the Closing Date and after the Closing Date and (ii) entered into an agreement with the Debtors that is mutually agreeable to the Debtors and such Consenting OEM that sets forth, among other things, (a) such potential post-Closing Date production requirements, as may be reduced by PSAN Inflators sold to such Consenting OEM on or after December 1, 2017 through the Closing Date, and (ii) such Consenting OEM's obligations in respect of any cancellation of its projected post-Closing Date requirements (or portion thereof) of PSAN Inflators, after taking into account PSAN Inflators sold to such Consenting OEM on or after December 1, 2017 through the Closing Date. For the avoidance of doubt, in no event will such Consenting OEMs be required to purchase any PSAN Inflators from Reorganized Takata that are not needed by such Consenting OEMs.

**PSAN Inflator** has the meaning assigned in the U.S. Acquisition Agreement.

**PSAN PI/WD Claim** means any Claim for alleged personal injury, wrongful death, or other similar Claim or Cause of Action arising out of or relating to an injury allegedly caused by a product consisting of or containing a non-desiccated or desiccated PSAN Inflator sold or supplied to an OEM or any other Person prior to the Petition Date, regardless of whether the injury occurs prepetition or postpetition, including on or after the Closing Date.

**PSAN PI/WD Funds** means, collectively, the IIM PSAN PI/WD Fund, the SMX PSAN PI/WD Fund, the TDM PSAN PI/WD Fund, the TKH PSAN PI/WD Fund, and any PSAN PI/WD Insurance Proceeds made available to the Debtors from any PSAN PI/WD Insurance Policies, and the PSAN PI/WD Top-Up Amounts, if applicable, but, in the case of each PSAN PI/WD Top-Up Amount, solely with respect to Distributions made to holders of PSAN PI/WD Claims whose injuries resulted from a vehicle manufactured by the applicable Participating OEM. If the Special Master agrees to such treatment, the PSAN PI/WD Funds

shall be merged with the DOJ PI/WD Restitution Fund and administered by the Special Master in accordance with the terms of the Plan and the PSAN PI/WD Trust Agreement.

***PSAN PI/WD Insurance Policies*** means those insurance policies providing for coverage to the Debtors held by any Takata entity for Takata Products or any PSAN PI/WD Claim.

***PSAN PI/WD Insurance Proceeds*** means (i) available insurance proceeds with respect to a PSAN PI/WD Claim, (ii) the right to receive proceeds of any PSAN PI/WD Insurance Policy, and (iii) the right to receive the proceeds or benefits of any coverage action or litigation pertaining to a PSAN PI/WD Insurance Policy, but excluding, in the case of each of (i) through (iii), proceeds of, or rights to receive proceeds of, any insurance policy that constitutes a Purchased Asset.

***PSAN PI/WD Privileged Information*** means any privileged information that relates, in whole or in part, to any Takata product, any PSAN PI/WD Claim, or any other matters assumed by or assigned to the PSAN PI/WD Trust, including, without limitation, (i) the Debtors' books and records transferred to the PSAN PI/WD Trustee in accordance with section 5.9(o) of this Plan, (ii) any privileged information containing a factual or legal analysis or review of any PSAN PI/WD Claim, (iii) any privileged information evaluating the reasonableness, effectiveness, or confirmability of the Plan or any other plan of reorganization or plan of liquidation filed or that could be filed in the Chapter 11 Cases, (iv) any privileged information that was created in connection with a Participating OEM becoming a Participating OEM, (v) any privileged information exchanged by the Debtors or their professionals, on the one hand, and any official creditors' committee(s), the Consenting OEMs, non-Debtor affiliates, or their respective professionals, on the other hand, related to the Plan, the Plan Documents, any Participating OEM Contribution Agreements or the PSAN PI/WD Claims, and (vi) any privileged information containing a factual or legal analysis of the Debtors' or any Consenting OEMs' obligations or potential exposure in connection with any Takata product, PSAN PI/WD Claim or any litigation related thereto.

***PSAN PI/WD TDP*** means the distribution procedures to be implemented by the PSAN PI/WD Trust pursuant to the terms and conditions of the Plan, as they may be amended from time to time.

***PSAN PI/WD Top-Up Amount*** means, with respect to each Participating OEM, the amount of consideration such Participating OEM shall contribute to the PSAN PI/WD Trust in accordance with the Participating OEM Contribution Agreement applicable to such Participating OEM. The PI/WD Top-Up Amount for each Participating OEM and the list of Participating OEMs shall be as set forth on a schedule to be filed with the solicitation version of the Disclosure Statement.

***PSAN PI/WD Trust*** means the trust established to administer the PSAN PI/WD Funds.

***PSAN PI/WD Trust Advisory Committee(s)*** means one or more trust advisory committees created pursuant to the PSAN PI/WD Trust Agreement, as may be reconstituted from time to time in accordance with the terms thereof and section 5.9(n) of this Plan.

***PSAN PI/WD Trust Agreement*** means the trust agreement establishing and delineating the terms and conditions for the creation and operation of the PSAN PI/WD Trust, as it may be amended from time to time.

***PSAN PI/WD Trust Expenses*** means any and all costs, expenses, fees, taxes, disbursements, debts, or obligations incurred for the administration of the PSAN PI/WD Trust pursuant to the PSAN PI/WD Trust Agreement, to be paid by the PSAN PI/WD Trust from the PSAN PI/WD Trust Reserve.

***PSAN PI/WD Trust Reserve*** means the amount from the IIM Cash Proceeds, SMX Cash Proceeds, TDM Cash Proceeds and TKH Cash Proceeds, pursuant to each Debtor's Allocable Share to fund the PSAN PI/WD Trust Expenses.

***PSAN PI/WD Trust Termination Date*** means the date on which the PSAN PI/WD Trust is terminated as determined pursuant to the terms of the PSAN PI/WD Trust Agreement.

***PSAN PI/WD Trustee*** means the Person, which may include the Legacy Trustee or the Special Master, to be appointed pursuant to the Plan to act as trustee of the PSAN PI/WD Trust pursuant to the terms of the PSAN PI/WD Trust Agreement and PSAN PI/WD TDP.

***PSAN Tier One Agreements*** means OEM Assumed Contracts relating to Module Production, Kitting Operations, and PSAN Service Parts production (each as defined in the Indemnity Agreement).

***PSAN Warehouse*** means any warehouse used to store PSAN Inflators as of the Closing Date, as required by the NHTSA Preservation Order or other applicable law or regulation, or which have been put in place voluntarily by Takata prior to the Closing, in each case as contemplated by the Legacy Cost Report.

***Purchase Orders*** has the meaning assigned in the U.S. Acquisition Agreement.

***Purchase Price*** has the meaning assigned in the U.S. Acquisition Agreement.

***Purchased Assets*** has the meaning assigned in the U.S. Acquisition Agreement.

***Purchased Contracts*** has the meaning assigned in the U.S. Acquisition Agreement.

***Recovery Funds*** means, collectively, the IIM Recovery Funds, the SMX Recovery Funds, the TDM Recovery Funds, and the TKH Recovery Funds.

***Releases*** means the releases provided for in section 10.6 of the Plan, including its subparagraphs.

**Released Parties** means, collectively, (i) the Debtors, (ii) the Plan Administrator, (iii) the Oversight Committee, (iv) the Future Claims Representative, (v) the Plan Sponsor Parties, (vi) the Debtors' non-Debtor affiliates (including the Acquired Non-Debtor Affiliates), (vii) the Claims Administrators, and (viii) with respect to each of the foregoing Persons in clauses (i) through (vii), such Persons' predecessors, successors, assigns, subsidiaries, affiliates, managed accounts or funds, current and former officers and directors, principals, equity holders, members, partners, managers, employees, subcontractors, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors and other professionals, and such Persons' respective heirs, executors, estates, servants, and nominees, in each case in their capacity as such. In addition, (x) any Consenting OEM that elects, in a timely-submitted ballot for voting on the Plan, to provide a release of the Debtors and certain related parties in form and substance to be agreed to by the Debtors and the Consenting OEMs, and (y) with respect to such Consenting OEM, the parties set forth in clause (viii) above, shall also be Released Parties solely for purposes of section 10.6(a) of this Plan. For the avoidance of doubt, except for the foregoing sentence, no Consenting OEM shall be considered a Released Party under the Plan.

**Reorganized Debtor(s)** means individually, any Debtor and, collectively, all Debtors, in each case as reorganized as of the Effective Date in accordance with this Plan.

**Reorganized Takata** means Reorganized TK Holdings and its subsidiaries.

**Reorganized Takata Business Model** means a business model prepared by TKH, with the input of certain Takata entities, prior to the Closing Date regarding the anticipated operations of Reorganized Takata during its estimated Operating Term and acceptable to the PSAN Consenting OEMs.

**Reorganized Takata Post-Closing Cash** means Cash recovered by the Plan Administrator as a result of continued operations of Reorganized Takata after the Closing Date or the liquidation of any remaining assets of Reorganized Takata, excluding Distributions on account of Intercompany Interests held by Reorganized TK Holdings.

**Reorganized TK Holdings** means a limited liability company organized under the laws of Delaware, which shall be the parent holding company of the Reorganized Debtors, the equity of which shall be issued to the Reorganized TK Holdings Trust.

**Reorganized TK Holdings Limited Liability Company Operating Agreement** means Reorganized TK Holdings' limited liability company operating agreement, which shall govern Reorganized TK Holdings' business operations and provide the Oversight Committee with certain governance rights. The Reorganized TK Holdings Limited Liability Company Operating Agreement shall be filed with the Plan Supplement.

**Reorganized TK Holdings Trust** means that certain trust to be created on the Effective Date to, among other things, (i) own the sole equity interest in Reorganized TK Holdings, (ii) be a beneficial owner of the Warehousing Trust, (iii) hold the Recovery Funds (other than the PSAN PI/WD Funds and, if the Special Master agrees to merge the OEM Funds with the DOJ OEM Restitution Fund or otherwise administer the OEM Funds, the OEM Funds),



(iv) hold the Other Excluded Assets, and (v) administer Claims (other than (a) PSAN PI/WD Claims, (b) after the Non-PSAN PI/WD Claims Termination Date, Administrative Expense PI/WD Claims and Administrative Expense PSAN PI/WD Claims, and (c) if the Special Master agrees to merge the OEM Funds with the DOJ OEM Restitution Fund or otherwise administer the OEM Funds, the OEM Unsecured Claims) after the Effective Date.

***Reorganized TK Holdings Trust Agreement*** means that certain trust agreement that, among other things, establishes and governs the Reorganized TK Holdings Trust.

***Reorganized TK Holdings Trust Assets*** means (i) the Other Creditors Funds and, if the Special Master does not agree to merge the OEM Funds with the DOJ OEM Restitution Fund or otherwise administer the OEM Funds, the OEM Funds, (ii) the Claims Reserves, (iii) the Disputed Claims Reserves, (iv) the Reorganized TK Holdings Trust Reserve, (v) any Causes of Action (including Avoidance Actions) not acquired by the Plan Sponsor or waived pursuant to section 10.11 of the Plan, (vi) the sole equity interest of Reorganized TK Holdings, (vii) a beneficial ownership in the Warehousing Trust, and (viii) the Other Excluded Assets.

***Reorganized TK Holdings Trust Post-Closing Cash*** means Cash recovered by the Reorganized TK Holdings Trust and proceeds from the liquidation of assets in the Reorganized TK Holdings Trust, such as the pursuit of Causes of Action retained by the Reorganized TK Holdings Trust and distributions after the Effective Date on account of Intercompany Interests held by the Reorganized Debtors as set forth in sections 5.5(e)(i) and 5.13 of the Plan. The Legacy Trustee shall account for the Reorganized TK Holdings Trust Post-Closing Cash as allocable to particular Reorganized Debtors based on each Debtor's Allocable Share.

***Reorganized TK Holdings Trust Reserve*** means Cash in an amount necessary to fund and administer the Reorganized TK Holdings Trust on and after the Effective Date, to be (i) reserved on the Effective Date from the Cash Proceeds, (ii) funded on the Effective Date by non-Debtor affiliates, and (iii) funded periodically from Surplus Reserved Cash and Post-Closing Cash in accordance with section 5.5 of this Plan. The Reorganized TK Holdings Trust Reserve shall be held by the Reorganized TK Holdings Trust and managed by the Legacy Trustee.

***Requisite Consenting OEMs*** has the meaning assigned in the U.S. RSA.

***Requisite PSAN Consenting OEMs*** has the meaning assigned in the U.S. RSA.

***Residual Value*** means any Dissolution Date Cash in the Reorganized TK Holdings Trust, Reorganized Takata, or the Warehousing Trust that is not needed to satisfy Claims against Reorganized Takata or the Warehousing Trust (as applicable) upon dissolution thereof or to fund the Post-Closing Reserve, the Legacy Trusts Reserves, or the Claims Reserves and is either made available to the Recovery Funds and the Disputed Claims Reserves or becomes TKAM Available Cash, TKC Available Cash, or TKF Available Cash, as applicable, in accordance sections 5.6(l), 5.7(o), and 5.8(j) of the Plan.

***Restructuring Expenses*** means the Expenses (as defined in the U.S. Acquisition Agreement).

***Restructuring Support Parties*** means, collectively, the Plan Sponsor and the Consenting OEMs.

***Restructuring Transactions*** means one or more transactions pursuant to section 1123(a)(5)(D) of the Bankruptcy Code to occur on the Effective Date or as soon as reasonably practicable thereafter, that may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate this Plan, including (i) the sale of the Purchased Assets to the Plan Sponsor pursuant to the U.S. Acquisition Agreement free and clear of any and all Claims, Interests, Liens, other encumbrances, and liabilities of any kind, other than Assumed Liabilities and Permitted Liens, (ii) the vesting of the PSAN Assets in Reorganized Takata free and clear of any and all Claims, Interests, Liens, other encumbrances, and liabilities of any kind, (iii) the vesting of the Warehoused PSAN Assets and Other Excluded Assets in the applicable Legacy Trust free and clear of all Claims, Interests, Liens, other encumbrances, and liabilities of any kind, and (iv) the creation of the Claims Reserves and the Recovery Funds to make Distributions to holders of Allowed General Unsecured Claims.

***Schedule of Assumed Contracts*** means the schedule of executory contracts and unexpired leases to either be assumed by the applicable Debtor (other than any Assumed PSAN Contracts, which shall be assumed (or, to the extent not executory, assigned) automatically under section 8.4 hereof) or assumed by the applicable Debtor and assigned to the Warehousing Trust, to be filed in accordance with the Solicitation Procedures Order.

***Schedule of Assumed and Assigned Contracts*** means the schedule of executory contracts and unexpired leases, in form reasonably acceptable to the Plan Sponsor, to be assumed by the applicable Debtor and assigned to the Plan Sponsor (other than any OEM Assumed Contracts, which are addressed in Section 8.4 of the Plan), with the consent of the Plan Sponsor, to be filed in accordance with the Solicitation Procedures Order.

***Schedule of Rejected Contracts*** means the schedule of executory contracts and unexpired leases, in form reasonably acceptable to the Plan Sponsor, to be rejected by the applicable Debtor, to be filed in accordance with the Solicitation Procedures Order.

***Scheduled*** means, with respect to any Claim, the status, priority, and amount, if any, of such Claim as set forth in the Schedules.

***Schedules*** means the schedules of Assets and liabilities, statements of financial affairs, lists of holders of Claims and Interests and all amendments or supplements thereto filed by the Debtors with the Bankruptcy Court to the extent such filing is not waived pursuant to an order of the Bankruptcy Court.

***Secured Claim*** means a Claim to the extent (i) secured by a Lien on property of a Debtor's Estate, the amount of which is equal to or less than the value of such property (A) as set forth in this Plan, (B) as agreed to by the holder of such Claim and the Debtors, or (C) as determined by a Final Order in accordance with section 506(a) of the Bankruptcy Code or (ii) subject to any setoff right of the holder of such Claim under section 553 of the Bankruptcy Code.

***Securities Act*** means the Securities Act of 1933, as amended.

***Service Parts*** means any Consenting OEM's, Consenting OEM Contract Manufacturer's, Consenting OEM Tier One's, or Consenting OEM Bailor's service parts requirements (including current model service parts and past model service parts, but excluding PSAN Inflators).

***Settled OEM Claims*** means the Consenting OEMs' Adequate Protection Claims, Consenting OEM PSAN Cure Claims, and Consenting OEM PSAN Administrative Expense Claims against the Debtors that are settled pursuant to the Plan Settlement in section 5.15 of the Plan.

***Shared Services*** means those support services provided by the Plan Administrator and Reorganized Takata to the Warehousing Trust pursuant to the terms of the Shared Services Agreement.

***Shared Services Agreement*** means that certain shared services agreement, entered into between Reorganized TK Holdings and the Warehousing Trust as of the Closing Date.

***Special Master*** means the special master appointed under the DOJ Restitution Order.

***SMX*** means Strosshe-Mex, S. de R.L. de C.V.

***SMX Available Cash*** means (i) SMX Effective Date Available Cash, (ii) \$100,000 of the Plan Settlement Turnover Amount, (iii) SMX Surplus Reserved Cash from the SMX Claims Reserve that is made available to the SMX Recovery Funds and the SMX Disputed Claims Reserves in accordance with section 5.5(d)(i) of the Plan, and (iv) any Residual Value funded by or allocable to SMX.

***SMX Cash Proceeds*** means the Purchase Price allocated to SMX either directly or indirectly under the U.S. Acquisition Agreement and all Cash and Cash equivalents of SMX not acquired by the Plan Sponsor.

***SMX Claims Reserve*** means the amount of SMX Cash Proceeds to be used or reserved on the Effective Date necessary to pay, if any, (i) SMX's share of the Disputed Cure Claims Reserve, (ii) Other Secured Claims, (iii) Administrative Expense Claims (including (a) Administrative Expense PI/WD Claims and (b) Administrative Expense PSAN PI/WD Claims, as estimated pursuant to the Claims Estimation Report), and (iv) Priority Claims, all as against SMX. The SMX Claims Reserve shall be held by the Reorganized TK Holdings Trust and administered by the Legacy Trustee.

***SMX Disputed Claims Reserve*** means the reserve to be established by the Debtors and maintained by the applicable Claims Administrator, which shall be funded with SMX Available Cash based on the Distribution Formula, which reserve shall be held for the benefit of holders of subsequently Allowed General Unsecured Claims against SMX for distribution in accordance with the procedures set forth in ARTICLE VII. The SMX Disputed Claims Reserve shall be held by the Reorganized TK Holdings Trust.

***SMX Effective Date Available Cash*** means the SMX Cash Proceeds, less (i) the SMX Claims Reserve, (ii) SMX's Allocable Share of the PSAN PI/WD Trust Reserve, (iii) SMX's Allocable Share of the Legacy Trusts Reserves, and (iv) the Plan Settlement Payment paid from the SMX Cash Proceeds pursuant to the Plan Settlement Payment Waterfall.

***SMX OEM Fund*** means the fund established under this Plan to resolve Allowed OEM Unsecured Claims against SMX and funded with SMX Available Cash in accordance with the Distribution Formula.

***SMX Other Creditors Fund*** means the fund established pursuant to this Plan to resolve Allowed Other General Unsecured Claims against SMX and funded with SMX Available Cash in accordance with the Distribution Formula. The SMX Other Creditors Fund shall be held by the Reorganized TK Holdings Trust and administered by the Legacy Trustee.

***SMX PSAN PI/WD Fund*** means the fund established pursuant to this Plan to resolve Allowed PSAN PI/WD Claims against SMX and funded with PSAN PI/WD Insurance Proceeds, SMX Available Cash in accordance with the Distribution Formula, and PSAN PI/WD Top-Up Amounts, which fund shall be placed in the PSAN PI/WD Trust; *provided, however*, that any PSAN PI/WD Top-Up Amount contributed to the SMX PSAN PI/WD Fund shall be made available only to holders of Allowed PSAN PI/WD Claims whose vehicles were manufactured by such Participating OEM.

***SMX Recovery Funds*** means, collectively, the SMX OEM Fund, the SMX Other Creditors Fund, and the SMX PSAN PI/WD Fund.

***SMX Surplus Reserved Cash*** means a surplus in funding of (i) the SMX Claims Reserve, (ii) SMX's Allocable Share of the PSAN PI/WD Trust Reserve, (iii) SMX's Allocable Share of the Post-Closing Reserve, and (iv) SMX's Allocable Share of the Legacy Trusts Reserves.

***Solicitation Procedures Motion*** means the Debtors' motion for entry of an order (i) approving the Disclosure Statement, (ii) establishing procedures for the assumption and assignment of executory contracts and unexpired leases under the Plan and the form of cure notices and assumption notices related thereto, (iii) establishing the Voting Deadline, (iv) approving solicitation procedures, distribution of solicitation packages, and establishing a deadline and procedures for temporary allowance of Claims for voting purposes, (v) approving the form of ballots and voting instructions, and (vi) approving the form and manner of notice of the Confirmation Hearing and related issues.

***Solicitation Procedures Order*** means an order of the Bankruptcy Court approving the Solicitation Procedures Motion.

***Standalone OEM Assumed Contracts*** means all Purchase Orders of Consenting OEMs, Consenting OEM Contract Manufacturers, and Consenting OEM Tier Ones relating solely to non-PSAN Inflator Component Part programs of Consenting OEMs.

***Standalone PSAN Assumed Contracts*** means all Purchase Orders of PSAN Consenting OEMs, Consenting OEM PSAN Contract Manufacturers, and Consenting OEM PSAN Tier Ones relating solely to PSAN Inflators.

***Subordinated Claim*** means (i) any Claim that is subject to subordination under section 510 of the Bankruptcy Code and (ii) a Claim for a fine, penalty, forfeiture, multiple, exemplary or punitive damages, or otherwise not predicated upon compensatory damages, and that would be subordinated in a chapter 7 case pursuant to section 726(a)(4) of the Bankruptcy Code or otherwise.

***Surplus Reserved Cash*** means either (i) a surplus in funding of the Post-Closing Reserve, the Legacy Trusts Reserves, or the Claims Reserves, as applicable, or (ii) the IIM Surplus Reserved Cash, the SMX Surplus Reserved Cash, the TDM Surplus Reserved Cash, the TKAM Surplus Reserved Cash, the TKC Surplus Reserved Cash, the TKF Surplus Reserved Cash, and the TKH Surplus Reserved Cash, collectively.

***Takata*** means, collectively, TKJP and its worldwide direct and indirect subsidiaries, including TKH, TAKATA Aktiengesellschaft, and TAKATA Sachsen GmbH.

***TDM*** means Takata de Mexico, S.A. de C.V.

***TDM Available Cash*** means (i) TDM Effective Date Available Cash, (ii) \$100,000 of the Plan Settlement Turnover Amount, solely in the event that the Mexico Class Action Claims have not been fully resolved (through adjudication, settlement, or otherwise) prior to the Effective Date, (iii) TDM Surplus Reserved Cash from the TDM Claims Reserve that is made available to the TDM Recovery Funds and the TDM Disputed Claims Reserves in accordance with section 5.5(d)(i) of the Plan, and (iv) any Residual Value funded by or allocable to TDM.

***TDM Cash Proceeds*** means the Purchase Price allocated to TDM either directly or indirectly under the U.S. Acquisition Agreement and all Cash and Cash equivalents of TDM not acquired by the Plan Sponsor.

***TDM Claims Reserve*** means the amount of TDM Cash Proceeds to be used or reserved on the Effective Date necessary to pay, if any, (i) TDM's share of the Disputed Cure Claims Reserve, (ii) Other Secured Claims, (iii) Administrative Expense Claims (including (a) Administrative Expense PI/WD Claims and (b) Administrative Expense PSAN PI/WD Claims, as estimated pursuant to the Claims Estimation Report), (iv) Priority Claims, and (v) the Mexico Class Action Claims, all as against TDM. The TDM Claims Reserve shall be held by the Reorganized TK Holdings Trust and administered by the Legacy Trustee.

***TDM Disputed Claims Reserve*** means the reserve to be established by the Debtors and maintained by the applicable Claims Administrator, which shall be funded with TDM Available Cash based on the Distribution Formula, which reserve shall be held for the benefit of holders of subsequently Allowed General Unsecured Claims against TDM for distribution in accordance with the procedure set forth in ARTICLE VII. The TDM Disputed Claims Reserve shall be held by the Reorganized TK Holdings Trust.

***TDM Effective Date Available Cash*** means the TDM Cash Proceeds, less (i) the TDM Claims Reserve, (ii) TDM's Allocable Share of the PSAN PI/WD Trust Reserve, (iii) TDM's Allocable Share of the Legacy Trusts Reserves, (iv) TDM's Allocable Share of the Post-Closing Reserve, (v) TDM's Allocable Share of the Post-Closing PI/WD Claims Reserve required to be funded on the Effective Date, if any, and (vi) the Plan Settlement Payment paid from the TDM Cash Proceeds pursuant to the Plan Settlement Payment Waterfall.

***TDM OEM Fund*** means the fund established under this Plan to resolve Allowed OEM Unsecured Claims against TDM and funded with TDM Available Cash in accordance with the Distribution Formula.

***TDM Other Creditors Fund*** means the fund established pursuant to this Plan to resolve Allowed Other General Unsecured Claims against TDM and funded with TDM Available Cash in accordance with the Distribution Formula. The TDM Other Creditors Fund shall be held by the Reorganized TK Holdings Trust and administered by the Legacy Trustee.

***TDM PSAN PI/WD Fund*** means the fund established pursuant to this Plan to resolve Allowed PSAN PI/WD Claims against TDM and funded with PSAN PI/WD Insurance Proceeds, TDM Available Cash in accordance with the Distribution Formula, and PSAN PI/WD Top-Up Amounts, which fund shall be placed in the PSAN PI/WD Trust; *provided, however*, that any PSAN PI/WD Top-Up Amount contributed to the TDM PSAN PI/WD Fund shall be made available only to holders of Allowed PSAN PI/WD Claims whose vehicles were manufactured by such Participating OEM.

***TDM Recovery Funds*** means, collectively, the TDM OEM Fund, the TDM Other Creditors Fund, and the TDM PSAN PI/WD Fund.

***TDM Surplus Reserved Cash*** means a surplus in funding of (i) the TDM Claims Reserve, (ii) TDM's Allocable Share of the PSAN PI/WD Trust Reserve, (iii) TDM's Allocable Share of the Post-Closing Reserve, and (iv) TDM's Allocable Share of the Legacy Trusts Reserves.

***TKAM*** means Takata Americas.

***TKAM Available Cash*** means (i) TKAM Effective Date Available Cash, (ii) TKAM Surplus Reserved Cash from the TKAM Claims Reserve that becomes TKAM Available Cash in accordance with section 5.5(d)(i) of the Plan, and (iii) any Residual Value funded by or allocable to TKAM.

***TKAM Cash Proceeds*** means the Purchase Price allocated to TKAM either directly or indirectly under the U.S. Acquisition Agreement and all Cash and Cash equivalents of TKAM not acquired by the Plan Sponsor.

***TKAM Claims Reserve*** means the amount of the TKAM Cash Proceeds to be used or reserved on the Effective Date necessary to pay, if any, (i) Other Secured Claims, (ii) Administrative Expense Claims, and (iii) Priority Claims, all as against TKAM. The TKAM Claims Reserve shall be held by the Reorganized TK Holdings Trust and administered by the Legacy Trustee.

***TKAM Effective Date Available Cash*** means the TKAM Cash Proceeds and any amounts distributed on the Effective Date to TKAM on account of its equity interests in subsidiaries, less (i) the TKAM Claims Reserve and (ii) the Plan Settlement Payment paid from the TKAM Cash Proceeds pursuant to the Plan Settlement Payment Waterfall.

***TKAM Surplus Reserved Cash*** means a surplus in funding of the TKAM Claims Reserve, as determined by the Legacy Trustee.

***TKC*** means TK China, LLC.

***TKC Available Cash*** means (i) TKC Effective Date Available Cash, (ii) TKC Surplus Reserved Cash from the TKC Claims Reserve that becomes TKC Available Cash in accordance with section 5.5(d)(i) of the Plan, and (iii) any Residual Value funded by or allocable to TKC.

***TKC Cash Proceeds*** means the Purchase Price allocated to TKC either directly or indirectly under the U.S. Acquisition Agreement and all Cash and Cash equivalents of TKC not acquired by the Plan Sponsor.

***TKC Claims Reserve*** means the amount of the TKC Cash Proceeds to be used or reserved on the Effective Date necessary to pay, if any, (i) Other Secured Claims, (ii) Administrative Expense Claims, and (iii) Priority Claims, all as against TKC. The TKC Claims Reserve shall be held by the Reorganized TK Holdings Trust and administered by the Legacy Trustee.

***TKC Effective Date Available Cash*** means the TKC Cash Proceeds and any amounts distributed on the Effective Date to TKC on account of its equity interests in subsidiaries, less (i) the TKC Claims Reserve and (ii) the Plan Settlement Payment paid from the TKC Cash Proceeds pursuant to the Plan Settlement Payment Waterfall.

***TKC Surplus Reserved Cash*** means a surplus in funding of the TKC Claims Reserve, as determined by the Legacy Trustee.

***TKF*** means TK Finance, LLC.

***TKF Available Cash*** means (i) TKF Effective Date Available Cash, (ii) TKF Surplus Reserved Cash from the TKF Claims Reserve that becomes TKF Available Cash in accordance with section 5.5(d)(i) of the Plan, and (iii) any Residual Value funded by or allocable to TKF.

***TKF Cash Proceeds*** means the Purchase Price allocated to TKF either directly or indirectly under the U.S. Acquisition Agreement and all Cash and Cash equivalents of TKF not acquired by the Plan Sponsor.

***TKF Claims Reserve*** means the amount of the TKF Cash Proceeds to be used or reserved on the Effective Date necessary to pay, if any, (i) Other Secured Claims, (ii) Administrative Expense Claims, and (iii) Priority Claims, all as against TKF. The TKF Claims

Reserve shall be held by the Reorganized TK Holdings Trust and administered by the Legacy Trustee.

***TKF Effective Date Available Cash*** means the TKF Cash Proceeds and any amounts distributed on the Effective Date to TKF on account of its equity interests in subsidiaries, less (i) the TKF Claims Reserve and (ii) the Plan Settlement Payment paid from the TKF Cash Proceeds pursuant to the Plan Settlement Payment Waterfall.

***TKF Surplus Reserved Cash*** means a surplus in funding of the TKF Claims Reserve, as determined by the Legacy Trustee.

***TKH*** means TK Holdings Inc.

***TKH Available Cash*** means (i) TKH Effective Date Available Cash, (ii) \$100,000 of the Plan Settlement Turnover Amount, (iii) TKH Surplus Reserved Cash from the TKH Claims Reserve that is made available to the TKH Recovery Funds and the TKH Disputed Claims Reserves in accordance with section 5.5(d)(i) of the Plan, and (iv) any Residual Value funded by or allocable to the TKH Debtors.

***TKH Cash Proceeds*** means the Purchase Price allocated to the TKH Debtors either directly or indirectly under the U.S. Acquisition Agreement and all Cash and Cash equivalents of the TKH Debtors not acquired by the Plan Sponsor.

***TKH Claims Reserve*** means the amount of TKH Cash Proceeds to be used or reserved on the Effective Date necessary to pay, if any, (i) the TKH Debtors' share of the Disputed Cure Claims Reserve, (ii) Other Secured Claims, (iii) Administrative Expense Claims (including (a) Administrative Expense PI/WD Claims and (b) Administrative Expense PSAN PI/WD Claims, as estimated pursuant to the Claims Estimation Report), (iv) Priority Claims, and (v) NHTSA Claims, all as against the TKH Debtors. The TKH Claims Reserve shall be held by the Reorganized TK Holdings Trust and administered by the Legacy Trustee, unless specified otherwise herein.

***TKH Debtors*** means TKH, Takata Protection Systems, Inc., Interiors in Flight Inc., TK Mexico Inc., TK Mexico LLC, and TK Holdings de Mexico, S. de R.L. de C.V.

***TKH Disputed Claims Reserve*** means the reserve to be established by the Debtors and maintained by the applicable Claims Administrator, which shall be funded with the TKH Available Cash based on the Distribution Formula, which reserve shall be held for the benefit of holders of subsequently Allowed General Unsecured Claims against the TKH Debtors for distribution in accordance with the procedures set forth in ARTICLE VII. The TKH Disputed Claims Reserve shall be held by the Reorganized TK Holdings Trust.

***TKH Effective Date Available Cash*** means the TKH Cash Proceeds and any amounts distributed on the Effective Date to TKH on account of its equity interests in subsidiaries, less (i) the TKH Claims Reserve, (ii) the TKH Debtors' Allocable Share of the Post-Closing Reserve, (iii) the TKH Debtors' Allocable Share of the Post-Closing PI/WD Claims Reserve required to be funded on the Effective Date, if any, (iv) the TKH Debtors' Allocable Share of the PSAN PI/WD Trust Reserve, (v) the TKH Debtors' Allocable Share of the Legacy



Trusts Reserves, and (vi) the Plan Settlement Payment paid from the TKH Cash Proceeds pursuant to the Plan Settlement Payment Waterfall.

***TKH OEM Fund*** means the fund established under this Plan to resolve Allowed OEM Unsecured Claims against the TKH Debtors and funded with TKH Available Cash in accordance with the Distribution Formula.

***TKH Other Creditors Fund*** means the fund established pursuant to this Plan to resolve Allowed Other General Unsecured Claims against the TKH Debtors and funded with TKH Available Cash in accordance with the Distribution Formula. The TKH Other Creditors Fund shall be held by the Reorganized TK Holdings Trust and administered by the Legacy Trustee.

***TKH PSAN PI/WD Fund*** means the fund established pursuant to the Plan to resolve Allowed PSAN PI/WD Claims against the TKH Debtors and funded with PSAN PI/WD Insurance Proceeds, TKH Available Cash in accordance with the Distribution Formula, and PSAN PI/WD Top-Up Amounts, which fund shall be placed in the PSAN PI/WD Trust; *provided, however*, that any PSAN PI/WD Top-Up Amount contributed to the PSAN PI/WD Fund will be made available only to holders of Allowed PSAN PI/WD Claims whose vehicles were manufactured by such Participating OEM.

***TKH Recovery Funds*** means, collectively, the TKH OEM Fund, the TKH Other Creditors Fund, and the TKH PSAN PI/WD Fund.

***TKH Surplus Reserved Cash*** means a surplus in funding of (i) the TKH Claims Reserve, (ii) the Post-Closing PI/WD Claims Reserve, (iii) the TKH Debtors' Allocable Share of the PSAN PI/WD Trust Reserve, (iv) the TKH Debtors' Allocable Share of the Post-Closing Reserve, and (v) the TKH Debtors' Allocable Share of the Legacy Trusts Reserves.

***TKJP*** means Takata Corporation.

***Transferred Employees*** has the meaning assigned in the U.S. Acquisition Agreement.

***Transition Services Agreement*** means that certain services agreement, entered into between Reorganized TK Holdings and the Plan Sponsor as of the Closing Date, which agreement shall be acceptable to the Consenting OEMs, the Debtors, and the Plan Sponsor (notwithstanding anything to the contrary in the U.S. RSA).

***U.S. Acquisition Agreement*** means that certain Asset Purchase Agreement, dated as of November [ ], 2017, by and among TKH, TKAM, TK Holdings de Mexico S. de R.L. de C.V., TK Mexico LLC, IIM, SMX, TDM, Joyson KSS Auto Safety S.A., a Luxembourg *société anonyme*, and solely for purposes of Section 7.22 thereof, KSS Holdings, Inc., a copy of which is attached hereto as Exhibit 4.

***U.S. RSA*** means that certain Restructuring Support Agreement, dated as of November [ ], 2017, by and among the Debtors, the Consenting OEMs, and the Plan Sponsor, as the same may be amended, restated, or otherwise modified in accordance with its terms.

**U.S. Trustee** means the United States Trustee for Region 3.

**Unimpaired** means, with respect to a Claim, Interest, or Class of Claims or Interests, not “impaired” within the meaning of such term in section 1124 of the Bankruptcy Code.

**Updated Claims Estimation Report** means the Claims Estimation Report as updated on the Non-PSAN PI/WD Claims Termination Date solely with respect to Administrative Expense PSAN PI/WD Claims and Post-Closing PI/WD Claims.

**Voting Deadline** means [DATE] at [TIME] prevailing Eastern Time, or such date and time as may be set by the Bankruptcy Court.

**Warehouse Consenting OEM** means any Consenting OEM from whose branded vehicles PSAN Inflators were removed pursuant to recall or otherwise and preserved by Takata as of the Closing Date, as required by the NHTSA Preservation Order, other applicable law or regulation, or voluntarily. The Warehouse Consenting OEMs are identified on Schedule B to the Plan.

**Warehoused PSAN Assets** means (i) the PSAN Inflators (a) preserved by Takata pursuant to the NHTSA Preservation Order, (b) otherwise preserved, voluntarily or involuntarily, by Takata, and (c) otherwise preserved as contemplated by the Legacy Cost Report, (ii) the leases for the PSAN Warehouses, and (iii) the machinery, equipment and other tangible assets, and a nonexclusive license (pursuant to the Intellectual Property License Agreement (as defined in the U.S. Acquisition Agreement)) to Acquired Intellectual Property (as such term is defined in the U.S. Acquisition Agreement and each Cross-Conditioned Agreement (as defined in the U.S. Acquisition Agreement), respectively) for which ownership is assigned to the Plan Sponsor, in each case that is necessary for compliance with the NHTSA Preservation Order, the preservation of PSAN Inflators as contemplated by the Legacy Cost Report, or operation of PSAN Warehouses.

**Warehousing Trust** means the trust or other Entity or Entities, including a corporation and limited liability company, established under the Plan to administer and maintain the Warehoused PSAN Assets in accordance with the NHTSA Preservation Order and otherwise.

**Warehousing Trust Agreement** means the trust or other governing agreement establishing and delineating the terms and conditions for the creation and operation of the Warehousing Trust and providing the Oversight Committee with certain governance rights.

**Warehousing Trust Assets** means the Warehoused PSAN Assets and the Warehousing Trust Reserve.

**Warehousing Trust Post-Closing Cash** means Cash recovered by the Warehousing Trust. The Plan Administrator shall account for the Warehousing Trust Post-Closing Cash as allocable to a particular Reorganized Debtor based on each Debtor’s Allocable Share.

***Warehousing Trust Reserve*** means Cash in an amount necessary to fund and administer the Warehousing Trust, including the costs of maintenance, shipping, and disposal of the Warehoused PSAN Assets, on and after the Effective Date, to be (i) reserved on the Effective Date from the Cash Proceeds, (ii) funded on the Effective Date by non-Debtor affiliates, (iii) funded, to the extent necessary, by the Plan Sponsor Backstop Funding in accordance with the terms and subject to the conditions set forth in the Plan Sponsor Backstop Funding Agreement, and (iv) funded periodically from Surplus Reserved Cash and Post-Closing Cash in accordance with section 5.5 of this Plan. The Warehousing Trust Reserve shall be held by the Warehousing Trust and managed by the Plan Administrator.

### **1.2 Interpretation; Application of Definitions; Rules of Construction.**

Unless otherwise specified, all section or exhibit references in this Plan are to the respective section in or exhibit to this Plan, as the same may be amended, waived, or modified from time to time in accordance with the terms hereof and the U.S. RSA. The words “herein,” “hereof,” or “hereunder,” and other words of similar import refer to this Plan as a whole and not to any particular section, subsection, or clause contained therein and have the same meaning as “in this Plan,” “of this Plan,” and “under this Plan,” respectively. The words “includes” and “including” are not limiting. The headings in this Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof. For purposes herein: (i) in the appropriate context, each term, whether stated in the singular or plural, shall include both the singular and plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (ii) any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the reference document shall be substantially in that form or substantially on those terms and conditions; *provided, however*, that the rule of interpretation set forth in this clause (ii) shall not be imputed to any contract, lease, instrument, release, indenture, or other agreement as to which the Restructuring Support Parties have consent rights pursuant to the U.S. RSA, and such consent rights shall be as set forth in the U.S. RSA and incorporated herein pursuant to section 1.4 of the Plan; (iii) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; and (iv) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

### **1.3 Reference to Monetary Figures.**

All references in this Plan to monetary figures shall refer to the legal tender of the United States of America unless otherwise expressly provided.

### **1.4 Consent Rights of Restructuring Support Parties.**

Notwithstanding anything herein to the contrary, any and all consent rights of the Restructuring Support Parties set forth in the U.S. RSA with respect to the form and substance of this Plan, all exhibits to the Plan, the Plan Supplement, and the other Plan Documents, including any amendments, restatements, supplements, or other modifications to such documents, and any consents, waivers, or other deviations under or from any such documents, shall be incorporated

herein by this reference (including to the applicable definitions in section 1.1 hereof) and fully enforceable as if stated in full herein.

### **1.5 Controlling Document.**

In the event of an inconsistency between ARTICLES I through XII of this Plan and the Plan Supplement or any other exhibit to this Plan, the terms of the relevant document in the Plan Supplement or such exhibit shall control unless otherwise specified in such Plan Supplement document or exhibit. In the event of an inconsistency between this Plan and any other instrument or document created or executed pursuant to this Plan, or between this Plan and the Disclosure Statement, this Plan shall control. The provisions of this Plan and of the Confirmation Order shall be construed in a manner consistent with each other so as to effectuate the purposes of each; *provided, however*, that if there is determined to be any inconsistency between any provision of this Plan and any provision of the Confirmation Order that cannot be reconciled, then, solely to the extent of such inconsistency, the provisions of the Confirmation Order shall govern, and any such provisions of the Confirmation Order shall be deemed a modification of this Plan.

## **ARTICLE II ADMINISTRATIVE EXPENSE CLAIMS, FEE CLAIMS, AND PRIORITY TAX CLAIMS.**

### **2.1 Administrative Expense Claims Bar Date.**

Except as provided for herein or in any order of the Bankruptcy Court, and subject to section 503(b)(1)(D) of the Bankruptcy Code, holders of Administrative Expense Claims (other than holders of Administrative Expense Claims paid in the ordinary course of business, holders of Fee Claims, holders of Cure Claims, holders of Consenting OEM PSAN Administrative Expense Claims, holders of Administrative Expense PSAN PI/WD Claims, and holders of Administrative Expense PI/WD Claims) must file and serve on the Debtors requests for the payment of such Administrative Expense Claims not already Allowed by a Final Order in accordance with the procedures specified in the Confirmation Order, on or before the Administrative Expense Claims Bar Date or be forever barred, estopped, and enjoined from asserting such Claims against the Debtors or their assets or properties, and such Claims shall be deemed discharged as of the Effective Date.

### **2.2 Allowance of Administrative Expense Claims.**

An Administrative Expense Claim, with respect to which a request for payment has been properly and timely filed pursuant to section 2.1 of this Plan, shall become an Allowed Administrative Expense Claim if no objection to such request is filed by the applicable Claims Administrator with the Bankruptcy Court on or before one hundred twenty (120) days after the Effective Date, or on such later date as may be fixed by the Bankruptcy Court. If an objection is timely filed, the Administrative Expense Claim shall become an Allowed Administrative Expense Claim only to the extent allowed by Final Order or such Claim is settled, compromised, or otherwise resolved by the applicable Claims Administrator pursuant to section 7.6 of the Plan.

**2.3 Payment of Allowed Administrative Expense Claims.**

(a) **Administrative Expense Claims.** Except to the extent that a holder of an Allowed Administrative Expense Claim (other than a Fee Claim, Consenting OEM PSAN Cure Claim, Consenting OEM PSAN Administrative Expense Claim, Administrative Expense PSAN PI/WD Claim, or Administrative Expense PI/WD Claim) agrees to a different treatment, the holder of such Allowed Administrative Expense Claim shall receive, on account of such Allowed Claim, Cash in an amount equal to the Allowed amount of such Claim from the Debtors or from the Plan Sponsor (solely to the extent such Claim is an Assumed Liability), within thirty (30) days following the later to occur of (i) the Effective Date and (ii) the date on which such Administrative Expense Claim shall become an Allowed Claim; *provided, however*, that Allowed Administrative Expense Claims against any of the Debtors representing liabilities incurred in the ordinary course of business by the Debtors, as debtors in possession, shall be paid by either the Plan Sponsor to the extent such Allowed Administrative Expense Claims are Assumed Liabilities or the Reorganized TK Holdings Trust, as applicable, in the ordinary course of business, consistent with past practice and in accordance with the terms and subject to the conditions of any orders or agreements governing, instruments evidencing, or other documents establishing, such liabilities.

(b) **Consenting OEM PSAN Administrative Expense Claims.** Subject to approval of the Plan Settlement by the Bankruptcy Court, the Consenting OEM PSAN Administrative Expense Claims shall be deemed fully and finally satisfied upon consummation of the Plan Settlement in accordance with section 5.15 of the Plan.

(c) **Administrative Expense PI/WD Claims.** Prior to the Non-PSAN PI/WD Claims Termination Date, Administrative Expense PI/WD Claims shall be paid in Cash in full as they are Allowed from the IIM Claims Reserve, the SMX Claims Reserve, the TDM Claims Reserve, or the TKH Claims Reserve, as applicable, which shall include amounts sufficient to pay in full all Administrative Expense PI/WD Claims against IIM, SMX, TDM, and the TKH Debtors, respectively, for injuries that have not occurred as of the Closing Date, as estimated by the Debtors in their reasonable discretion. After the Non-PSAN PI/WD Claims Termination Date, amounts equal to the total estimated amounts of Administrative Expense PI/WD Claims shall be transferred from the IIM Claims Reserve, the SMX Claims Reserve, the TDM Claims Reserve, and the TKH Claims Reserve, as applicable, to a segregated account in the PSAN PI/WD Trust, and the PSAN PI/WD Trustee shall thereafter be responsible for resolving and paying Administrative Expense PI/WD Claims. The IIM Claims Reserve, the SMX Claims Reserve, the TDM Claims Reserve, and TKH Claims Reserve, as applicable (prior to the Non-PSAN PI/WD Claims Termination Date), and the PSAN PI/WD Trust (on or after the Non-PSAN PI/WD Claims Termination Date) shall have all defenses, cross-claims, offsets, and recoupments regarding Administrative Expense PI/WD Claims that the applicable Debtor has or would have had under applicable law.

(d) **Administrative Expense PSAN PI/WD Claims.** Prior to the Non-PSAN PI/WD Claims Termination Date, Administrative Expense PSAN PI/WD Claims shall be paid in Cash in full as they are Allowed from the IIM Claims Reserve, the SMX Claims Reserve, the TDM Claims Reserve, or the TKH Claims Reserve, as applicable, which shall include amounts sufficient to pay in full all Administrative Expense PSAN PI/WD Claims

against IIM, SMX, TDM, and the TKH Debtors, respectively, for injuries that have not occurred as of the Closing Date, as set forth in the Claims Estimation Report. On the Effective Date, a segregated bank account shall be established in each of the IIM Claims Reserve, the SMX Claims Reserve, the TDM Claims Reserve, and the TKH Claims Reserve, to the extent applicable, for the benefit of the holders of Allowed Administrative Expense PSAN PI/WD Claims against IIM, SMX, TDM, and the TKH Debtors and funded with amounts sufficient to pay in full all estimated Administrative Expense PSAN PI/WD Claims against IIM, SMX, TDM, and the TKH Debtors, respectively, as set forth in the Claims Estimation Report. After the Non-PSAN PI/WD Claims Termination Date, amounts equal to the total estimated amount of Administrative Expense PSAN PI/WD Claims, as set forth in the Updated Claims Estimation Report, shall be transferred from the IIM Claims Reserve, the SMX Claims Reserve, the TDM Claims Reserve, and the TKH Claims Reserve, as applicable, to a segregated account in the PSAN PI/WD Trust, and the PSAN PI/WD Trustee shall thereafter be responsible for resolving and paying Administrative Expense PSAN PI/WD Claims. In no event shall any Administrative Expense PSAN PI/WD Claim be asserted against the Plan Sponsor and any such Claim shall be asserted exclusively against the Reorganized TK Holdings Trust prior to the Non-PSAN PI/WD Claims Termination Date and the PSAN PI/WD Trust after the Non-PSAN PI/WD Claims Termination Date. The IIM Claims Reserve, the SMX Claims Reserve, the TDM Claims Reserve, and the TKH Claims Reserve, as applicable (prior to the Non-PSAN PI/WD Claims Termination Date), and the PSAN PI/WD Trust (on or after the Non-PSAN PI/WD Claims Termination Date) shall have all defenses, cross-claims, offsets, and recoupments regarding Administrative Expense PSAN PI/WD Claims that the applicable Debtor has or would have had under applicable law.

#### **2.4 Adequate Protection Claims.**

Subject to approval of the Plan Settlement by the Bankruptcy Court, the Adequate Protection Claims shall be deemed fully and finally satisfied upon consummation of the Plan Settlement in accordance with section 5.15 of the Plan.

#### **2.5 NHTSA Claims.**

The NHTSA Claims shall be allowed in the aggregate amount of \$50 million, subject to downward adjustment for any payments made by the Debtors to NHTSA on account of the NHTSA Claims prior to the Effective Date. On the Effective Date or as soon as reasonably practicable thereafter, the NHTSA Claims shall be paid in full in Cash from the TKH Cash Proceeds, in full and final satisfaction of such Claims.

#### **2.6 Treatment of Fee Claims.**

All Professional Persons seeking awards by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Effective Date under sections 327, 328, 330, 331, 503(b)(2), 503(b)(3), 503(b)(4), 503(b)(5), or 1103 of the Bankruptcy Code shall (i) file, on or before the date that is forty five (45) days after the Effective Date, their respective applications for final allowances of compensation for services rendered and reimbursement of expenses incurred and (ii) be paid in full, in Cash, in such amounts as are Allowed by the Bankruptcy Court or authorized to be paid

in accordance with the order(s) relating to or allowing any such Fee Claim. On the Effective Date, the Debtors shall establish and fund the Fee Escrow Account. The Debtors shall fund the Fee Escrow Account with Cash equal to the Professional Persons' good faith estimates of the Fee Claims. Funds held in the Fee Escrow Account shall not be considered property of the Debtors' Estates or property of the Reorganized Debtors, but shall revert to the Reorganized TK Holdings Trust only after all Fee Claims allowed by the Bankruptcy Court have been irrevocably paid in full. The Fee Escrow Account shall be held in trust for Professional Persons retained by the Debtors and for no other parties until all Fee Claims Allowed by the Bankruptcy Court have been paid in full. Fees owing to the applicable Professional Persons shall be paid in Cash to such Professional Persons from funds held in the Fee Escrow Account when such Claims are Allowed by an order of the Bankruptcy Court or authorized to be paid under the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals; *provided, however*, that the Reorganized Debtors' obligations with respect to Fee Claims shall not be limited by nor deemed limited to the balance of funds held in the Fee Escrow Account. To the extent that funds held in the Fee Escrow Account are insufficient to satisfy the amount of accrued Fee Claims owing to the Professional Persons, such Professional Persons shall have an Allowed Administrative Expense Claim for any such deficiency, which shall be satisfied in accordance with section 2.3 of this Plan (but for the avoidance of doubt shall not be subject to any Administrative Expense Claims Bar Date). No Claims, Interests, Liens, other encumbrances, or liabilities of any kind shall encumber the Fee Escrow Account in any way.

### **2.7 Treatment of Priority Tax Claims.**

Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a different treatment, on the Effective Date or as soon thereafter as is reasonably practicable, the holder of such Allowed Priority Tax Claim shall receive, on account of such Allowed Priority Tax Claim, either Cash in an amount equal to the Allowed amount of such Claim or such other treatment as may satisfy section 1129(a)(9) of the Bankruptcy Code.

## **ARTICLE III CLASSIFICATION OF CLAIMS AND INTERESTS.**

### **3.1 Classification in General.**

A Claim or Interest is placed in a particular Class for all purposes, including voting, confirmation, and Distributions under this Plan and under sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or Interest is classified in a particular Class for the purpose of receiving Distributions pursuant to this Plan only to the extent that such Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or Interest is also classified in a particular Class for the purpose of receiving Distributions hereunder only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and such Claim or Interest has not been satisfied, released, or otherwise settled prior to the Effective Date. In no event shall any holder of an Allowed Claim be entitled to receive payments under this Plan that, in the aggregate, exceed the Allowed amount of such holder's Claim.

### 3.2 Summary of Classification of Claims and Interests.

The following table designates the Classes of Claims against and Interests in the Debtors and specifies which Classes are (i) Impaired and Unimpaired under this Plan, (ii) entitled to vote to accept or reject this Plan in accordance with section 1126 of the Bankruptcy Code, and (iii) deemed to accept or reject this Plan:

<b><u>Class</u></b>	<b><u>Type of Claim or Interest</u></b>	<b><u>Impairment</u></b>	<b><u>Entitled to Vote</u></b>
Class 1(a)	Other Secured Claims against TKAM	Unimpaired	No (Presumed to accept)
Class 1(b)	Other Secured Claims against TKF	Unimpaired	No (Presumed to accept)
Class 1(c)	Other Secured Claims against TKC	Unimpaired	No (Presumed to accept)
Class 1(d)	Other Secured Claims against the TKH Debtors	Unimpaired	No (Presumed to accept)
Class 1(e)	Other Secured Claims against IIM	Unimpaired	No (Presumed to accept)
Class 1(f)	Other Secured Claims against TDM	Unimpaired	No (Presumed to accept)
Class 1(g)	Other Secured Claims against SMX	Unimpaired	No (Presumed to accept)
Class 2(a)	Other Priority Claims against TKAM	Unimpaired	No (Presumed to accept)
Class 2(b)	Other Priority Claims against TKF	Unimpaired	No (Presumed to accept)
Class 2(c)	Other Priority Claims against TKC	Unimpaired	No (Presumed to accept)
Class 2(d)	Other Priority Claims against the TKH Debtors	Unimpaired	No (Presumed to accept)
Class 2(e)	Other Priority Claims against IIM	Unimpaired	No (Presumed to accept)
Class 2(f)	Other Priority Claims against TDM	Unimpaired	No (Presumed to accept)
Class 2(g)	Other Priority Claims against SMX	Unimpaired	No (Presumed to accept)
Class 3(a)	Mexico Class Action Claims against IIM	Impaired	Yes
Class 3(b)	Mexico Class Action Claims against TDM	Impaired	Yes
Class 4(a)	OEM Unsecured Claims against the TKH Debtors	Impaired	Yes



<b>Class</b>	<b>Type of Claim or Interest</b>	<b>Impairment</b>	<b>Entitled to Vote</b>
Class 4(b)	OEM Unsecured Claims against IIM	Impaired	Yes
Class 4(c)	OEM Unsecured Claims against TDM	Impaired	Yes
Class 4(d)	OEM Unsecured Claims against SMX	Impaired	Yes
Class 5(a)	PSAN PI/WD Claims against the TKH Debtors	Impaired	Yes
Class 5(b)	PSAN PI/WD Claims against IIM	Impaired	Yes
Class 5(c)	PSAN PI/WD Claims against SMX	Impaired	Yes
Class 5(d)	PSAN PI/WD Claims against TDM	Impaired	Yes
Class 6(a)	Other General Unsecured Claims against TKAM	Impaired	Yes
Class 6(b)	Other General Unsecured Claims against TKF	Impaired	Yes
Class 6(c)	Other General Unsecured Claims against TKC	Impaired	Yes
Class 6(d)	Other General Unsecured Claims against the TKH Debtors	Impaired	Yes
Class 6(e)	Other General Unsecured Claims against IIM	Impaired	Yes
Class 6(f)	Other General Unsecured Claims against TDM	Impaired	Yes
Class 6(g)	Other General Unsecured Claims against SMX	Impaired	Yes
Class 7(a)	Intercompany Interests in TKAM	Impaired	No (Deemed to reject)
Class 7(b)	Intercompany Interests in TKF	Impaired	No (Deemed to reject)
Class 7(c)	Intercompany Interests in TKC	Impaired	No (Deemed to reject)
Class 7(d)	Intercompany Interests in the TKH Debtors	Impaired	No (Deemed to reject)

<b>Class</b>	<b>Type of Claim or Interest</b>	<b>Impairment</b>	<b>Entitled to Vote</b>
Class 7(e)	Intercompany Interests in IIM	Impaired	No (Deemed to reject)
Class 7(f)	Intercompany Interests in TDM	Impaired	No (Deemed to reject)
Class 7(g)	Intercompany Interests in SMX	Impaired	No (Deemed to reject)
Class 8(a)	Subordinated Claims against TKAM	Impaired	No (Deemed to reject)
Class 8(b)	Subordinated Claims against TKF	Impaired	No (Deemed to reject)
Class 8(c)	Subordinated Claims against TKC	Impaired	No (Deemed to reject)
Class 8(d)	Subordinated Claims against the TKH Debtors	Impaired	No (Deemed to reject)
Class 8(e)	Subordinated Claims against IIM	Impaired	No (Deemed to reject)
Class 8(f)	Subordinated Claims against SMX	Impaired	No (Deemed to reject)
Class 8(g)	Subordinated Claims against TDM	Impaired	No (Deemed to reject)

### **3.3 Elimination of Vacant Classes.**

Any Class that, as of the commencement of the Confirmation Hearing, does not have at least one holder of a Claim or Interest that is Allowed in an amount greater than zero for voting purposes shall be considered vacant, deemed eliminated from this Plan for purposes of voting to accept or reject this Plan, and disregarded for purposes of determining whether this Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to such Class.

### **3.4 Voting Classes; Presumed Acceptance by Non-Voting Classes.**

With respect to each Debtor, if a Class contained Claims eligible to vote and no holder of Claims eligible to vote in such Class votes to accept or reject the Plan, the Plan shall be presumed accepted by the holders of such Claims in such Class.

### **3.5 Voting; Presumptions; Solicitation.**

(a) **Acceptance by Certain Impaired Classes.** Only holders of Claims in Classes 3, 4, 5, and 6 are entitled to vote to accept or reject this Plan. An Impaired Class of Claims shall have accepted this Plan if (i) the holders of at least two-thirds (2/3) in amount of Claims actually voting in such Class have voted to accept this Plan and (ii) the holders of more than one-half (1/2) in number of the Claims actually voting in such Class have voted to accept this Plan. Holders of Claims in Classes 3, 4, 5, and 6 shall receive ballots containing detailed voting instructions.

(b) **Deemed Acceptance by Unimpaired Classes.** Holders of Claims in Classes 1 and 2 are conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Accordingly, such holders are not entitled to vote to accept or reject this Plan.

(c) **Deemed Rejection by Certain Impaired Classes.** Holders of Claims and Interests in Classes 7 and 8 are deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Accordingly, such holders are not entitled to vote to accept or reject this Plan.

(d) **Individual Creditor Voting Rights.** Notwithstanding anything to the contrary in this Plan, the voting rights of holders of Claims in any Class shall be governed in all respects by the Solicitation Procedures Order.

### **3.6 Cramdown.**

If any Class of Claims is deemed to reject this Plan or is entitled to vote on this Plan and does not vote to accept this Plan, the Debtors may (i) seek confirmation of this Plan under section 1129(b) of the Bankruptcy Code or (ii) amend or modify this Plan in accordance with the terms hereof and the Bankruptcy Code. If a controversy arises as to whether any Claims or Interests, or any class of Claims or Interests, are impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

### **3.7 No Waiver.**

Nothing contained in this Plan shall be construed to waive a Debtor's or other Person's right to object on any basis to any Claim.

## **ARTICLE IV TREATMENT OF CLAIMS AND INTERESTS.**

### **4.1 Claims and Interests against TKAM.**

#### **(a) Class 1(a): Other Secured Claims against TKAM.**

- (i) Treatment: The legal, equitable, and contractual rights of the holders of Allowed Other Secured Claims against TKAM are unaltered by this Plan. Except to the extent that a holder of an Allowed Other Secured Claim agrees to different treatment, on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Other Secured Claim against TKAM shall receive, on account of such Allowed Claim, (i) payment in full in Cash in accordance with section 506(a) of the Bankruptcy Code, (ii) reinstatement pursuant to section 1124 of the

Bankruptcy Code, or (iii) such other treatment as may be necessary to render such Claim Unimpaired.

- (ii) Impairment and Voting: Allowed Other Secured Claims against TKAM are Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Secured Claims against TKAM are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to such Allowed Other Secured Claims.

(b) **Class 2(a): Other Priority Claims against TKAM.**

- (i) Treatment: The legal, equitable, and contractual rights of holders of Allowed Other Priority Claims against TKAM are unaltered by this Plan. Except to the extent that a holder of an Allowed Other Priority Claim agrees to different treatment, on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Other Priority Claim against TKAM shall receive, on account of such Allowed Claim, (i) payment in full in Cash or (ii) such other treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
- (ii) Impairment and Voting: Allowed Other Priority Claims against TKAM are Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Priority Claims against TKAM are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to such Allowed Other Priority Claims.

(c) **Class 6(a): Other General Unsecured Claims against TKAM.**

- (i) Treatment: This Class consists of holders of Allowed Other General Unsecured Claims against TKAM. Unless otherwise agreed, each holder of an Allowed Other General Unsecured Claim against TKAM, if any, shall receive its Pro Rata Share of the TKAM Available Cash up to the full amount of such Allowed Other General Unsecured Claim.
- (ii) Impairment and Voting: Allowed Other General Unsecured Claims against TKAM are Impaired. Holders of Other General Unsecured Claims against TKAM are entitled to vote to accept or reject the Plan.

(d) **Class 7(a): Intercompany Interests in TKAM.**

- (i) Treatment: After consummation of the Restructuring Transactions, any Intercompany Interest in TKAM shall be cancelled. Each holder of an Intercompany Interest in TKAM shall neither receive nor retain any property or interest in property on account of such Intercompany Interest; *provided, however*, that in the event all Allowed Claims against TKAM have been satisfied in accordance with the Bankruptcy Code and the Plan, each holder of an Intercompany Interest in TKAM shall receive its applicable share of any remaining TKAM Available Cash in accordance with sections 5.5(e)(i) and 5.13 of the Plan.
- (ii) Impairment and Voting: Intercompany Interests are Impaired. In accordance with section 1126(g) of the Bankruptcy Code, holders of Intercompany Interests in TKAM are deemed to reject this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to Intercompany Interests.

(e) **Class 8(a): Subordinated Claims against TKAM.**

- (i) Treatment: Subordinated Claims are subordinated pursuant to this Plan and section 510 of the Bankruptcy Code. The holders of Subordinated Claims against TKAM shall not receive or retain any property under this Plan on account of such Claims, and the obligations of TKAM and the Reorganized Debtors on account of Subordinated Claims shall be discharged.
- (ii) Impairment and Voting: Subordinated Claims are Impaired. In accordance with section 1126(g) of the Bankruptcy Code, holders of Subordinated Claims against TKAM are deemed to reject this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to Subordinated Claims.

4.2 **Claims and Interests against TKF.**

(a) **Class 1(b): Other Secured Claims against TKF.**

- (i) Treatment: The legal, equitable, and contractual rights of the holders of Allowed Other Secured Claims against TKF are unaltered by this Plan. Except to the extent that a holder of an Allowed Other Secured Claim agrees to

different treatment, on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Other Secured Claim against TKF shall receive, on account of such Allowed Claim, (i) payment in full in Cash in accordance with section 506(a) of the Bankruptcy Code, (ii) reinstatement pursuant to section 1124 of the Bankruptcy Code, or (iii) such other treatment as may be necessary to render such Claim Unimpaired.

- (ii) Impairment and Voting: Allowed Other Secured Claims against TKF are Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Secured Claims against TKF are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to such Allowed Other Secured Claims.

(b) **Class 2(b): Other Priority Claims against TKF.**

- (i) Treatment: The legal, equitable, and contractual rights of holders of Allowed Other Priority Claims against TKF are unaltered by this Plan. Except to the extent that a holder of an Allowed Other Priority Claim agrees to different treatment, on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Other Priority Claim against TKF shall receive, on account of such Allowed Claim, (i) payment in full in Cash or (ii) such other treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
- (ii) Impairment and Voting: Allowed Other Priority Claims against TKF are Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Priority Claims against TKF are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to such Allowed Other Priority Claims.

(c) **Class 6(b): Other General Unsecured Claims against TKF.**

- (i) Treatment: This Class consists of holders of Allowed Other General Unsecured Claims against TKF. Unless otherwise agreed, each holder of an Allowed Other General Unsecured Claim against TKF, if any, shall receive its Pro

Rata Share of the TKF Available Cash up to the full amount of such Allowed Other General Unsecured Claim.

- (ii) Impairment and Voting: Allowed Other General Unsecured Claims against TKF are Impaired. Holders of Other General Unsecured Claims against TKF are entitled to vote to accept or reject the Plan.

(d) **Class 7(b): Intercompany Interests in TKF.**

- (i) Treatment: After consummation of the Restructuring Transactions, any Intercompany Interest in TKF shall be cancelled only when such Debtors are dissolved or merged out of existence in accordance with section 5.13 of the Plan. Each holder of an Intercompany Interest in TKF shall neither receive nor retain any property or interest in property on account of such Intercompany Interest; *provided, however*, that in the event all Allowed Claims against TKF have been satisfied in accordance with the Bankruptcy Code and the Plan, each holder of an Intercompany Interest in TKF shall receive its applicable share of any remaining TKF Available Cash in accordance with sections 5.5(e)(i) and 5.13 of the Plan.
- (ii) Impairment and Voting: Intercompany Interests are Impaired. In accordance with section 1126(g) of the Bankruptcy Code, holders of Intercompany Interests in TKF are deemed to reject this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to Intercompany Interests.

(e) **Class 8(b): Subordinated Claims against TKF.**

- (i) Treatment: Subordinated Claims are subordinated pursuant to this Plan and section 510 of the Bankruptcy Code. The holders of Subordinated Claims against TKF shall not receive or retain any property under this Plan on account of such Claims, and the obligations of TKF and the Reorganized Debtors on account of Subordinated Claims shall be discharged.
- (ii) Impairment and Voting: Subordinated Claims are Impaired. In accordance with section 1126(g) of the Bankruptcy Code, holders of Subordinated Claims against TKF are deemed to reject this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such

holders shall not be solicited with respect to Subordinated Claims.

**4.3 Claims and Interests against TKC.**

**(a) Class 1(c): Other Secured Claims against TKC.**

- (i) Treatment: The legal, equitable, and contractual rights of the holders of Allowed Other Secured Claims against TKC are unaltered by this Plan. Except to the extent that a holder of an Allowed Other Secured Claim agrees to different treatment, on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Other Secured Claim against TKC shall receive, on account of such Allowed Claim, (i) payment in full in Cash in accordance with section 506(a) of the Bankruptcy Code, (ii) reinstatement pursuant to section 1124 of the Bankruptcy Code, or (iii) such other treatment as may be necessary to render such Claim Unimpaired.
- (ii) Impairment and Voting: Allowed Other Secured Claims against TKC are Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Secured Claims against TKC are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to such Allowed Other Secured Claims.

**(b) Class 2(c): Other Priority Claims against TKC.**

- (i) Treatment: The legal, equitable, and contractual rights of holders of Allowed Other Priority Claims against TKC are unaltered by this Plan. Except to the extent that a holder of an Allowed Other Priority Claim agrees to different treatment, on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Other Priority Claim against TKC shall receive, on account of such Allowed Claim, (i) payment in full in Cash or (ii) such other treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
- (ii) Impairment and Voting: Allowed Other Priority Claims against TKC are Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Priority Claims against TKC are conclusively presumed to accept this Plan and are not entitled to vote to



accept or reject this Plan, and the votes of such holders shall not be solicited with respect to such Allowed Other Priority Claims.

**(c) Class 6(c): Other General Unsecured Claims against TKC.**

- (i) Treatment: This Class consists of holders of Allowed Other General Unsecured Claims against TKC. Unless otherwise agreed, each holder of an Allowed Other General Unsecured Claim against TKC, if any, shall receive its Pro Rata Share of the TKC Available Cash up to the full amount of such Allowed Other General Unsecured Claim.
- (ii) Impairment and Voting: Allowed Other General Unsecured Claims against TKC are Impaired. Holders of Other General Unsecured Claims against TKC are entitled to vote to accept or reject the Plan.

**(d) Class 7(c): Intercompany Interests in TKC.**

- (i) Treatment: After consummation of the Restructuring Transactions, any Intercompany Interest in TKC shall be cancelled only when such Debtors are dissolved or merged out of existence in accordance with section 5.13 of the Plan. Each holder of an Intercompany Interest in TKC shall neither receive nor retain any property or interest in property on account of such Intercompany Interest; *provided, however*, that in the event all Allowed Claims against TKC have been satisfied in accordance with the Bankruptcy Code and the Plan, each holder of an Intercompany Interest in TKC shall receive its applicable share of any remaining TKC Available Cash in accordance with sections 5.5(e)(i) and 5.13 of the Plan.
- (ii) Impairment and Voting: Intercompany Interests are Impaired. In accordance with section 1126(g) of the Bankruptcy Code, holders of Intercompany Interests in TKC are deemed to reject this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to Intercompany Interests.

**(e) Class 8(c): Subordinated Claims against TKC.**

- (i) Treatment: Subordinated Claims are subordinated pursuant to this Plan and section 510 of the Bankruptcy Code. The holders of Subordinated Claims against TKC shall not receive or retain any property under this Plan on account of

such Claims, and the obligations of TKC and the Reorganized Debtors on account of Subordinated Claims shall be discharged.

- (ii) Impairment and Voting: Subordinated Claims are Impaired. In accordance with section 1126(g) of the Bankruptcy Code, holders of Subordinated Claims against TKC are deemed to reject this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to Subordinated Claims.

#### 4.4 **Claims and Interests against the TKH Debtors.**

##### (a) **Class 1(d): Other Secured Claims against the TKH Debtors.**

- (i) Treatment: The legal, equitable, and contractual rights of the holders of Allowed Other Secured Claims against the TKH Debtors are unaltered by this Plan. Except to the extent that a holder of an Allowed Other Secured Claim agrees to different treatment, on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Other Secured Claim against the TKH Debtors shall receive, on account of such Allowed Claim, (i) payment in full in Cash in accordance with section 506(a) of the Bankruptcy Code, (ii) reinstatement pursuant to section 1124 of the Bankruptcy Code, or (iii) such other treatment as may be necessary to render such Claim Unimpaired.
- (ii) Impairment and Voting: Allowed Other Secured Claims against the TKH Debtors are Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Secured Claims against the TKH Debtors are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to such Allowed Other Secured Claims.

##### (b) **Class 2(d): Other Priority Claims against the TKH Debtors.**

- (i) Treatment: The legal, equitable, and contractual rights of holders of Allowed Other Priority Claims against the TKH Debtors are unaltered by this Plan. Except to the extent that a holder of an Allowed Other Priority Claim agrees to different treatment, on the Effective Date or as soon as reasonably practicable thereafter, each holder of an

Allowed Other Priority Claim against the TKH Debtors shall receive, on account of such Allowed Claim, (i) payment in full in Cash or (ii) such other treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.

- (ii) Impairment and Voting: Allowed Other Priority Claims against the TKH Debtors are Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Priority Claims against the TKH Debtors are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to such Allowed Other Priority Claims.

(c) **Class 4(a): OEM Unsecured Claims against the TKH Debtors.**

- (i) Treatment: Unless otherwise agreed, each holder of an Allowed OEM Unsecured Claim against the TKH Debtors shall receive its Pro Rata Share of the TKH Available Cash allocated to the TKH OEM Fund; *provided, however*, that the Allowed OEM Unsecured Claims of Consenting OEMs shall be paid in accordance with the Agreed Allocation, to the extent applicable to such OEM Unsecured Claims. The fixed and liquidated portion of the OEM Claims of the Consenting OEMs against the TKH Debtors shall be Allowed for distribution purposes in the aggregate amount of [\$\_\_], and for each Consenting OEM as set forth on Schedule C attached hereto.
- (ii) Impairment and Voting: Allowed OEM Unsecured Claims against the TKH Debtors are Impaired. Holders of OEM Unsecured Claims against the TKH Debtors are entitled to vote to accept or reject the Plan.

(d) **Class 5(a): PSAN PI/WD Claims against the TKH Debtors.**

- (i) Treatment: This Class consists of holders of Allowed PSAN PI/WD Claims against the TKH Debtors. On the Effective Date, liability for all PSAN PI/WD Claims against the TKH Debtors shall be assumed by the PSAN PI/WD Trust without further act or deed and shall be satisfied from the PSAN PI/WD Trust as set forth in the PSAN PI/WD TDP and the PSAN PI/WD Trust Agreement. Pursuant to the Channeling Injunction established pursuant to section 10.7 of this Plan, each holder of a PSAN PI/WD Claim against the TKH Debtors

shall have its Claim permanently channeled to the PSAN PI/WD Trust, and such PSAN PI/WD Claim shall thereafter be asserted exclusively against the PSAN PI/WD Trust and resolved in accordance with the terms, provisions, and procedures of the PSAN PI/WD Trust Agreement and PSAN PI/WD TDP. Holders of PSAN PI/WD Claims against the TKH Debtors are, subject to the PSAN PI/WD Trust Agreement and PSAN PI/WD TDP, enjoined from filing any future litigation, Claims, or Causes of Action arising out of or related to such PSAN PI/WD Claims against the Debtors or any of the Protected Parties, and may not proceed in any manner against the Debtors or any of the Protected Parties in any forum whatsoever, including any state, federal, or non-U.S. court or any administrative or arbitral forum, and are required to pursue their PSAN PI/WD Claims against the PSAN PI/WD Trust solely as provided in the PSAN PI/WD Trust Agreement and the PSAN PI/WD TDP.

- (ii) Impairment and Voting: Allowed PSAN PI/WD Claims against the TKH Debtors are Impaired. Holders of PSAN PI/WD Claims against the TKH Debtors are entitled to vote to accept or reject the Plan. The Future Claims Representative shall represent the interests of future holders of PSAN PI/WD Claims.

**Debtors.**

(e) **Class 6(d): Other General Unsecured Claims against the TKH**

- (i) Treatment: This Class consists of holders of Allowed Other General Unsecured Claims against the TKH Debtors. Unless otherwise agreed, each holder of an Allowed Other General Unsecured Claim against the TKH Debtors shall receive its Pro Rata Share of the TKH Available Cash Allocated to the TKH Other Creditors Fund.
- (ii) Impairment and Voting: Allowed Other General Unsecured Claims against the TKH Debtors are Impaired. Holders of Other General Unsecured Claims against the TKH Debtors are entitled to vote to accept or reject the Plan.

(f) **Class 7(d): Intercompany Interests in the TKH Debtors.**

- (i) Treatment: In each case after consummation of the Restructuring Transactions, any Intercompany Interests in TKH shall be cancelled and any Intercompany Interests in

the TKH Debtors, other than TKH, shall be cancelled only when such Debtors are dissolved or merged out of existence in accordance with section 5.13 of the Plan. Each holder of an Intercompany Interest in the TKH Debtors shall neither receive nor retain any property or interest in property on account of such Intercompany Interest.

- (ii) Impairment and Voting: Intercompany Interests are Impaired. In accordance with section 1126(g) of the Bankruptcy Code, holders of Intercompany Interests in the TKH Debtors are deemed to reject this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to Intercompany Interests.

(g) **Class 8(d): Subordinated Claims against the TKH Debtors.**

- (i) Treatment: Subordinated Claims are subordinated pursuant to this Plan and section 510 of the Bankruptcy Code. The holders of Subordinated Claims against the TKH Debtors shall not receive or retain any property under this Plan on account of such Claims, and the obligations of the TKH Debtors and the Reorganized Debtors on account of Subordinated Claims shall be discharged.
- (ii) Impairment and Voting: Subordinated Claims are Impaired. In accordance with section 1126(g) of the Bankruptcy Code, holders of Subordinated Claims against the TKH Debtors are deemed to reject this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to Subordinated Claims.

**4.5 Claims and Interests against IIM.**

(a) **Class 1(e): Other Secured Claims against IIM.**

- (i) Treatment: The legal, equitable, and contractual rights of the holders of Allowed Other Secured Claims against IIM are unaltered by this Plan. Except to the extent that a holder of an Allowed Other Secured Claim agrees to different treatment, on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Other Secured Claim against IIM shall receive, on account of such Allowed Claim, (i) payment in full in Cash in accordance with section 506(a) of the Bankruptcy Code, (ii) reinstatement pursuant to section 1124 of the

Bankruptcy Code, or (iii) such other treatment as may be necessary to render such Claim Unimpaired.

- (ii) Impairment and Voting: Allowed Other Secured Claims against IIM are Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Secured Claims against IIM are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to such Allowed Other Secured Claims.

**(b) Class 2(e): Other Priority Claims against IIM.**

- (i) Treatment: The legal, equitable, and contractual rights of holders of Allowed Other Priority Claims against IIM are unaltered by this Plan. Except to the extent that a holder of an Allowed Other Priority Claim agrees to different treatment, on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Other Priority Claim against IIM shall receive, on account of such Allowed Claim, (i) payment in full in Cash or (ii) such other treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
- (ii) Impairment and Voting: Allowed Other Priority Claims against IIM are Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Priority Claims against IIM are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to such Allowed Other Priority Claims.

**(c) Class 3(a): Mexico Class Action Claims against IIM.**

- (i) Treatment: Unless otherwise agreed, holders of Allowed Mexico Class Action Claims against IIM shall receive their Pro Rata Share of the amount reserved for such Claims in the IIM Claims Reserve up to the full amount of such Allowed Mexico Class Action Claims.
- (ii) Impairment and Voting: Allowed Mexico Class Action Claims against IIM are Impaired. Holders of Mexico Class Action Claims against IIM are entitled to vote to accept or reject the Plan.

(d) **Class 4(b): OEM Unsecured Claims against IIM.**

- (i) Treatment: Unless otherwise agreed, each holder of an Allowed OEM Unsecured Claim against IIM shall receive its Pro Rata Share of the IIM Available Cash allocated to the IIM OEM Fund; *provided, however*, that the Allowed OEM Unsecured Claims of Consenting OEMs shall be paid in accordance with the Agreed Allocation, to the extent applicable to such OEM Unsecured Claims. The fixed and liquidated portion of the OEM Claims of the Consenting OEMs against IIM shall be Allowed for distribution purposes in the aggregate amount of [\$\_\_], and for each Consenting OEM as set forth on Schedule C attached hereto.
- (ii) Impairment and Voting: Allowed OEM Unsecured Claims against IIM are Impaired. Holders of OEM Unsecured Claims against IIM are entitled to vote to accept or reject the Plan.

(e) **Class 5(b): PSAN PI/WD Claims against IIM.**

- (i) Treatment: This Class consists of holders of Allowed PSAN PI/WD Claims against IIM. On the Effective Date, liability for all PSAN PI/WD Claims against IIM shall be assumed by the PSAN PI/WD Trust without further act or deed and shall be satisfied from the PSAN PI/WD Trust as set forth in the PSAN PI/WD TDP and the PSAN PI/WD Trust Agreement. Pursuant to the Channeling Injunction established pursuant to section 10.7 of this Plan, each holder of a PSAN PI/WD Claim against IIM shall have its Claim permanently channeled to the PSAN PI/WD Trust, and such PSAN PI/WD Claim shall thereafter be asserted exclusively against the PSAN PI/WD Trust and resolved in accordance with the terms, provisions, and procedures of the PSAN PI/WD Trust Agreement and PSAN PI/WD TDP. Holders of PSAN PI/WD Claims against IIM are, subject to the PSAN PI/WD Trust Agreement and PSAN PI/WD TDP, enjoined from filing any future litigation, Claims, or Causes of Action arising out of or related to such PSAN PI/WD Claims against the Debtors or any of the Protected Parties, and may not proceed in any manner against the Debtors or any of the Protected Parties in any forum whatsoever, including any state, federal, or non-U.S. court or any administrative or arbitral forum, and are required to pursue their PSAN PI/WD Claims against the

PSAN PI/WD Trust solely as provided in the PSAN PI/WD Trust Agreement and the PSAN PI/WD TDP.

- (ii) Impairment and Voting: Allowed PSAN PI/WD Claims against IIM are Impaired. Holders of PSAN PI/WD Claims against IIM are entitled to vote to accept or reject the Plan. The Future Claims Representative shall represent the interests of future holders of PSAN PI/WD Claims.

**(f) Class 6(e): Other General Unsecured Claims against IIM.**

- (i) Treatment: This Class consists of holders of Allowed Other General Unsecured Claims against IIM. Unless otherwise agreed, each holder of an Allowed Other General Unsecured Claim against IIM shall receive its Pro Rata Share of the IIM Available Cash Allocated to the IIM Other Creditors Fund.
- (ii) Impairment and Voting: Allowed Other General Unsecured Claims against IIM are Impaired. Holders of Other General Unsecured Claims against IIM are entitled to vote to accept or reject the Plan.

**(g) Class 7(e): Intercompany Interests in IIM.**

- (i) Treatment: After consummation of the Restructuring Transactions, any Intercompany Interest in IIM shall be cancelled only when such Debtors are dissolved or merged out of existence in accordance with section 5.13 of the Plan. Each holder of an Intercompany Interest in IIM shall neither receive nor retain any property or interest in property on account of such Intercompany Interest; *provided, however*, that in the event all Allowed Claims against IIM have been satisfied in accordance with the Bankruptcy Code and the Plan, each holder of an Intercompany Interest in IIM shall receive its applicable share of any remaining IIM Available Cash in accordance with section 5.13 of the Plan.
- (ii) Impairment and Voting: Intercompany Interests are Impaired. In accordance with section 1126(g) of the Bankruptcy Code, holders of Intercompany Interests in IIM are deemed to reject this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to Intercompany Interests.



(h) **Class 8(e): Subordinated Claims against IIM.**

- (i) Treatment: Subordinated Claims are subordinated pursuant to this Plan and section 510 of the Bankruptcy Code. The holders of Subordinated Claims against IIM shall not receive or retain any property under this Plan on account of such Claims, and the obligations of IIM and the Reorganized Debtors on account of Subordinated Claims shall be discharged.
- (ii) Impairment and Voting: Subordinated Claims are Impaired. In accordance with section 1126(g) of the Bankruptcy Code, holders of Subordinated Claims against IIM are deemed to reject this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to Subordinated Claims.

4.6 **Claims and Interests against SMX.**

(a) **Class 1(f): Other Secured Claims against SMX.**

- (i) Treatment: The legal, equitable, and contractual rights of the holders of Allowed Other Secured Claims against SMX are unaltered by this Plan. Except to the extent that a holder of an Allowed Other Secured Claim agrees to different treatment, on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Other Secured Claim against SMX shall receive, on account of such Allowed Claim, (i) payment in full in Cash in accordance with section 506(a) of the Bankruptcy Code, (ii) reinstatement pursuant to section 1124 of the Bankruptcy Code, or (iii) such other treatment as may be necessary to render such Claim Unimpaired.
- (ii) Impairment and Voting: Allowed Other Secured Claims against SMX are Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Secured Claims against SMX are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to such Allowed Other Secured Claims.

(b) **Class 2(f): Other Priority Claims against SMX.**

- (i) Treatment: The legal, equitable, and contractual rights of holders of Allowed Other Priority Claims against SMX are

unaltered by this Plan. Except to the extent that a holder of an Allowed Other Priority Claim agrees to different treatment, on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Other Priority Claim against SMX shall receive, on account of such Allowed Claim, (i) payment in full in Cash or (ii) such other treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.

- (ii) Impairment and Voting: Allowed Other Priority Claims against SMX are Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Priority Claims against SMX are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to such Allowed Other Priority Claims.

(c) **Class 4(c): OEM Unsecured Claims against SMX.**

- (i) Treatment: Unless otherwise agreed, each holder of an Allowed OEM Unsecured Claim against SMX shall receive its Pro Rata Share of the SMX Available Cash allocated to the SMX OEM Fund; *provided, however*, that the Allowed OEM Unsecured Claims of Consenting OEMs shall be paid in accordance with the Agreed Allocation, to the extent applicable to such OEM Unsecured Claims. The fixed and liquidated portion of the OEM Claims of the Consenting OEMs against SMX shall be Allowed for distribution purposes in the aggregate amount of [\$\_], and for each Consenting OEM as set forth on Schedule C attached hereto.
- (ii) Impairment and Voting: Allowed OEM Unsecured Claims against SMX are Impaired. Holders of OEM Unsecured Claims against SMX are entitled to vote to accept or reject the Plan.

(d) **Class 5(c): PSAN PI/WD Claims against SMX.**

- (i) Treatment: This Class consists of holders of Allowed PSAN PI/WD Claims against SMX. On the Effective Date, liability for all PSAN PI/WD Claims against SMX shall be assumed by the PSAN PI/WD Trust without further act or deed and shall be satisfied from the PSAN PI/WD Trust as set forth in the PSAN PI/WD TDP and the PSAN PI/WD Trust Agreement. Pursuant to the Channeling Injunction

established pursuant to section 10.7 of this Plan, each holder of a PSAN PI/WD Claim against SMX shall have its Claim permanently channeled to the PSAN PI/WD Trust, and such PSAN PI/WD Claim shall thereafter be asserted exclusively against the PSAN PI/WD Trust and resolved in accordance with the terms, provisions, and procedures of the PSAN PI/WD Trust Agreement and PSAN PI/WD TDP. Holders of PSAN PI/WD Claims against SMX are, subject to the PSAN PI/WD Trust Agreement and PSAN PI/WD TDP, enjoined from filing any future litigation, Claims, or Causes of Action arising out of or related to such PSAN PI/WD Claims against the Debtors or any of the Protected Parties, and may not proceed in any manner against the Debtors or any of the Protected Parties in any forum whatsoever, including any state, federal, or non-U.S. court or any administrative or arbitral forum, and are required to pursue their PSAN PI/WD Claims against the PSAN PI/WD Trust solely as provided in the PSAN PI/WD Trust Agreement and the PSAN PI/WD TDP.

- (ii) Impairment and Voting: Allowed PSAN PI/WD Claims against SMX are Impaired. Holders of PSAN PI/WD Claims against SMX are entitled to vote to accept or reject the Plan. The Future Claims Representative shall represent the interests of future holders of PSAN PI/WD Claims.

(e) **Class 6(f): Other General Unsecured Claims against SMX.**

- (i) Treatment: This Class consists of holders of Allowed Other General Unsecured Claims against SMX. Unless otherwise agreed, each holder of an Allowed Other General Unsecured Claim against SMX shall receive its Pro Rata Share of the SMX Available Cash Allocated to the SMX Other Creditors Fund.
- (ii) Impairment and Voting: Allowed Other General Unsecured Claims against SMX are Impaired. Holders of Other General Unsecured Claims against SMX are entitled to vote to accept or reject the Plan.

(f) **Class 7(f): Intercompany Interests against SMX.**

- (i) Treatment: After consummation of the Restructuring Transactions, any Intercompany Interest in SMX shall be cancelled only when such Debtors are dissolved or merged out of existence in accordance with section 5.13 of the Plan. Each holder of an Intercompany Interest in SMX

shall neither receive nor retain any property or interest in property on account of such Intercompany Interest; *provided, however*, that in the event all Allowed Claims against SMX have been satisfied in accordance with the Bankruptcy Code and the Plan, each holder of an Intercompany Interest in SMX shall receive its applicable share of any remaining SMX Available Cash in accordance with section 5.13 of the Plan.

(ii) Impairment and Voting: Intercompany Interests are Impaired. In accordance with section 1126(g) of the Bankruptcy Code, holders of Intercompany Interests in SMX are deemed to reject this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to Intercompany Interests.

(g) **Class 8(f): Subordinated Claims against SMX.**

(i) Treatment: Subordinated Claims are subordinated pursuant to this Plan and section 510 of the Bankruptcy Code. The holders of Subordinated Claims against SMX shall not receive or retain any property under this Plan on account of such Claims, and the obligations of SMX and the Reorganized Debtors on account of Subordinated Claims shall be discharged.

(ii) Impairment and Voting: Subordinated Claims are Impaired. In accordance with section 1126(g) of the Bankruptcy Code, holders of Subordinated Claims against SMX are deemed to reject this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to Subordinated Claims.

**4.7 Claims and Interests against TDM.**

(a) **Class 1(g): Other Secured Claims against TDM.**

(i) Treatment: The legal, equitable, and contractual rights of the holders of Allowed Other Secured Claims against TDM are unaltered by this Plan. Except to the extent that a holder of an Allowed Other Secured Claim agrees to different treatment, on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Other Secured Claim against TDM shall receive, on account of such Allowed Claim, (i) payment in full in

Cash in accordance with section 506(a) of the Bankruptcy Code, (ii) reinstatement pursuant to section 1124 of the Bankruptcy Code, or (iii) such other treatment as may be necessary to render such Claim Unimpaired.

- (ii) Impairment and Voting: Allowed Other Secured Claims against TDM are Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Secured Claims against TDM are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to such Allowed Other Secured Claims.

**(b) Class 2(g): Other Priority Claims against TDM.**

- (i) Treatment: The legal, equitable, and contractual rights of holders of Allowed Other Priority Claims against TDM are unaltered by this Plan. Except to the extent that a holder of an Allowed Other Priority Claim agrees to different treatment, on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Other Priority Claim against TDM shall receive, on account of such Allowed Claim, (i) payment in full in Cash or (ii) such other treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code.
- (ii) Impairment and Voting: Allowed Other Priority Claims against TDM are Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Priority Claims against TDM are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to such Allowed Other Priority Claims.

**(c) Class 3(b): Mexico Class Action Claims against TDM.**

- (i) Treatment: Unless otherwise agreed, holders of Allowed Mexico Class Action Claims against TDM shall receive their Pro Rata Share of the amount reserved for such Claims in the TDM Claims Reserve up to the full amount of such Allowed Mexico Class Action Claims.
- (ii) Impairment and Voting: Allowed Mexico Class Action Claims against TDM are Impaired. Holders of Mexico

Class Action Claims against TDM are entitled to vote to accept or reject the Plan.

(d) **Class 4(d): OEM Unsecured Claims against TDM.**

- (i) Treatment: Unless otherwise agreed, each holder of an Allowed OEM Unsecured Claim against TDM shall receive its Pro Rata Share of the TDM Available Cash allocated to the TDM OEM Fund; *provided, however*, that the Allowed OEM Unsecured Claims of Consenting OEMs shall be paid in accordance with the Agreed Allocation, to the extent applicable to such OEM Unsecured Claims. The fixed and liquidated portion of the OEM Claims of the Consenting OEMs against TDM shall be Allowed for distribution purposes in the aggregate amount of [\$\_], and for each Consenting OEM as set forth on Schedule C attached hereto.
- (ii) Impairment and Voting: Allowed OEM Unsecured Claims against TDM are Impaired. Holders of OEM Unsecured Claims against TDM are entitled to vote to accept or reject the Plan.

(e) **Class 5(d): PSAN PI/WD Claims against TDM.**

- (i) Treatment: This Class consists of holders of Allowed PSAN PI/WD Claims against TDM. On the Effective Date, liability for all PSAN PI/WD Claims against TDM shall be assumed by the PSAN PI/WD Trust without further act or deed and shall be satisfied from the PSAN PI/WD Trust as set forth in the PSAN PI/WD TDP and the PSAN PI/WD Trust Agreement. Pursuant to the Channeling Injunction established pursuant to section 10.7 of this Plan, each holder of a PSAN PI/WD Claim against TDM shall have its Claim permanently channeled to the PSAN PI/WD Trust, and such PSAN PI/WD Claim shall thereafter be asserted exclusively against the PSAN PI/WD Trust and resolved in accordance with the terms, provisions, and procedures of the PSAN PI/WD Trust Agreement and PSAN PI/WD TDP. Holders of PSAN PI/WD Claims against TDM are, subject to the PSAN PI/WD Trust Agreement and PSAN PI/WD TDP, enjoined from filing any future litigation, Claims, or Causes of Action arising out of or related to such PSAN PI/WD Claims against the Debtors or any of the Protected Parties, and may not proceed in any manner against the Debtors or any of the Protected Parties in any forum whatsoever,

including any state, federal, or non-U.S. court or any administrative or arbitral forum, and are required to pursue their PSAN PI/WD Claims against the PSAN PI/WD Trust solely as provided in the PSAN PI/WD Trust Agreement and the PSAN PI/WD TDP.

- (ii) Impairment and Voting: Allowed PSAN PI/WD Claims against TDM are Impaired. Holders of PSAN PI/WD Claims against TDM are entitled to vote to accept or reject the Plan. The Future Claims Representative shall represent the interests of future holders of PSAN PI/WD Claims.

(f) **Class 6(g): Other General Unsecured Claims against TDM.**

- (i) Treatment: This Class consists of holders of Allowed Other General Unsecured Claims against TDM. Unless otherwise agreed, each holder of an Allowed Other General Unsecured Claim against TDM shall receive its Pro Rata Share of the TDM Available Cash Allocated to the TDM Other Creditors Fund.
- (ii) Impairment and Voting: Allowed Other General Unsecured Claims against TDM are Impaired. Holders of Other General Unsecured Claims against TDM are entitled to vote to accept or reject the Plan.

(g) **Class 7(g): Intercompany Interests in TDM.**

- (i) Treatment: After consummation of the Restructuring Transactions, any Intercompany Interest in TDM shall be cancelled only when such Debtors are dissolved or merged out of existence in accordance with section 5.13 of the Plan. Each holder of an Intercompany Interest in TDM shall neither receive nor retain any property or interest in property on account of such Intercompany Interest; *provided, however*, that in the event all Allowed Claims against TDM have been satisfied in accordance with the Bankruptcy Code and the Plan, each holder of an Intercompany Interest in TDM shall receive its applicable share of any remaining TDM Available Cash in accordance with section 5.13 of the Plan.
- (ii) Impairment and Voting: Intercompany Interests are Impaired. In accordance with section 1126(g) of the Bankruptcy Code, holders of Intercompany Interests in TDM are deemed to reject this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such

holders shall not be solicited with respect to Intercompany Interests.

(h) **Class 8(g): Subordinated Claims against TDM.**

- (i) Treatment: Subordinated Claims are subordinated pursuant to this Plan and section 510 of the Bankruptcy Code. The holders of Subordinated Claims against TDM shall not receive or retain any property under this Plan on account of such Claims, and the obligations of TDM and the Reorganized Debtors on account of Subordinated Claims shall be discharged.
- (ii) Impairment and Voting: Subordinated Claims are Impaired. In accordance with section 1126(g) of the Bankruptcy Code, holders of Subordinated Claims against TDM are deemed to reject this Plan and are not entitled to vote to accept or reject this Plan, and the votes of such holders shall not be solicited with respect to Subordinated Claims.

**4.8 Debtors' Rights in Respect of Unimpaired Claims.**

Except as otherwise provided in this Plan, nothing under this Plan shall affect the rights of the Reorganized Debtors in respect of an Unimpaired Claim, including all rights in respect of legal and equitable defenses to, or setoffs or recoupments against, any such Unimpaired Claims.

**4.9 Treatment of Vacant Classes.**

Any Claim or Interest in a Class that is considered vacant under section 3.3 of this Plan shall receive no Distribution.

**ARTICLE V MEANS FOR IMPLEMENTATION.**

**5.1 Restructuring Transactions.**

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors may take all actions consistent with this Plan and the U.S. RSA as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Restructuring Transactions under and in connection with this Plan.

**5.2 Sale of Purchased Assets.**

(a) **Approval of Sale of Purchased Assets.** As permitted by sections 1123(a)(5), 1123(b), and 1141(c) of the Bankruptcy Code, the Debtors have sought approval of



the sale of the Purchased Assets to the Plan Sponsor in accordance with the terms of this Plan and the U.S. Acquisition Agreement. Confirmation of the Plan by the Bankruptcy Court shall constitute approval of the proposed sale of the Purchased Assets.

(b) **Sale of Purchased Assets.** On the Effective Date, the Debtors shall consummate the sale and transfer of the Purchased Assets to the Plan Sponsor and, in exchange, the Plan Sponsor shall pay the Purchase Price, the Business Incentive Plan Payment, and the Plan Sponsor Backstop Funding in accordance with the terms of the U.S. Acquisition Agreement.

(c) **Sale Free and Clear.** On the Effective Date, except for the Assumed Liabilities and the Permitted Liens, the Purchased Assets shall, in accordance with section 1141(c) of the Bankruptcy Code, be purchased by or otherwise transferred to the Plan Sponsor in accordance with the U.S. Acquisition Agreement free and clear of all Claims, Interests, Liens, other encumbrances, and liabilities of any kind or nature whatsoever, including rights or claims based on any successor or transferee liabilities. **The terms of this section 5.2(c) shall be binding on and enforceable against all Persons as a permanent injunction pursuant to section 10.5(b) hereof.**

### **5.3 Plan Sponsor Backstop Funding.**

(a) **Plan Sponsor Backstop Funding.** The Plan Sponsor shall provide Plan Sponsor Backstop Funding up to the Backstop Funding Cap, solely to the extent of an existing or near-term deficiency in the funding of the Backstopped Claims, all upon the terms and subject to the conditions set forth in the Plan Sponsor Backstop Funding Agreement.

(b) **Access to Information.** Reorganized Takata, the Reorganized TK Holdings Trust, the Warehousing Trust, and the Plan Administrator shall keep the Plan Sponsor and the Consenting OEMs reasonably informed of all material developments that could reasonably be expected to increase the likelihood that the Plan Sponsor Backstop Funding would be triggered during the period commencing on the Closing Date and ending on the Backstop Expiration Date and shall promptly comply with any reasonable requests by the Plan Sponsor for financial information relating to its obligation to provide Plan Sponsor Backstop Funding. Reorganized Takata, the Reorganized TK Holdings Trust, and the Warehousing Trust shall, and shall cause each of their subsidiaries (if any) during the period commencing on the Closing Date and ending on the Backstop Expiration Date to (i) keep proper books of record and accounts in which true and correct entries in conformity in all material respects with U.S. generally accepted accounting principles shall be made of all dealings and transactions in relation to its business and activities and (ii) permit any authorized representatives designated by the Plan Sponsor to visit and inspect any of the properties of Reorganized Takata, the Reorganized TK Holdings Trust, or the Warehousing Trust to inspect, copy, and take extracts from its and their financial and accounting records and to discuss its and their affairs, finances, and accounts with its and their officers and independent public accountants, all upon reasonable notice and at such reasonable times during normal business hours and as often as may reasonably be requested.

#### 5.4 Vesting of Assets.

On the Effective Date, and if applicable, pursuant to sections 1141(b) and 1141(c) of the Bankruptcy Code, all PSAN Assets shall vest in each of the Reorganized Debtors which, as Debtors, owned such PSAN Assets as of the Effective Date, free and clear of all Claims, Interests, Liens, other encumbrances, and liabilities of any kind, except any such Claims, Interests, Liens, other encumbrances, and liabilities of any kind of the Consenting OEMs against the Debtors to which Reorganized Takata will remain obligated under the Plan or as otherwise provided herein. For the avoidance of doubt, (i) no Warehoused PSAN Assets or Other Excluded Assets shall vest in any Reorganized Debtor and such assets shall instead be transferred to and vest in the Warehousing Trust and the Reorganized TK Holdings Trust, respectively, and (ii) Reorganized Takata shall not acquire, own, or maintain the Warehoused PSAN Assets or be required to, or otherwise be authorized to, comply with the obligations under the NHTSA Preservation Order related to the Warehoused PSAN Assets.

#### 5.5 Allocation of Purchase Price.

(a) **Cash Proceeds.** On the Effective Date, the Plan Sponsor shall pay the Purchase Price for the Purchased Assets. The Purchase Price shall be allocated, either directly or indirectly, to each of IIM, SMX, TDM, TKAM, TKC, TKF, and the TKH Debtors based on an allocation methodology described in the Disclosure Statement. From the Cash Proceeds and the Plan Sponsor Backstop Funding (in accordance with the terms and subject to the conditions set forth in the Plan Sponsor Backstop Funding Agreement), the Debtors shall, pursuant to the Plan Settlement and the other terms of this Plan:

- (i) distribute the Plan Settlement Turnover Amount in accordance with section 5.15(b) of the Plan;
- (ii) establish the IIM Claims Reserve, the SMX Claims Reserve, the TDM Claims Reserve, the TKAM Claims Reserve, the TKC Claims Reserve, the TKF Claims Reserve, and the TKH Claims Reserve from each applicable Debtor's Cash Proceeds;
- (iii) establish the Post-Closing PI/WD Claims Reserve from the TDM Cash Proceeds and TKH Cash Proceeds pursuant to each of TDM's and the TKH Debtors' Allocable Shares;
- (iv) establish the PSAN PI/WD Trust Reserve from the IIM Cash Proceeds, the SMX Cash Proceeds, the TDM Cash Proceeds, and the TKH Cash Proceeds pursuant to each of IIM's, SMX's, TDM's, and the TKH Debtors' Allocable Shares;
- (v) establish the Reorganized TK Holdings Trust Reserve from the IIM Cash Proceeds, the SMX Cash Proceeds, the TDM Cash Proceeds, and the TKH Cash Proceeds pursuant to

each of IIM's, SMX's, TDM's, and the TKH Debtors' Allocable Shares;

- (vi) establish the Warehousing Trust Reserve from (a) the IIM Cash Proceeds, the SMX Cash Proceeds, the TDM Cash Proceeds, and the TKH Cash Proceeds pursuant to each of IIM's, SMX's, TDM's, and the TKH Debtors' Allocable Shares in accordance with the Plan Settlement and (b) the Plan Sponsor Backstop Funding (in accordance with the terms and subject to the conditions set forth in the Plan Sponsor Backstop Funding Agreement);
- (vii) establish the Post-Closing Reserve from (a) the TDM Cash Proceeds and the TKH Cash Proceeds pursuant to each of TDM's and the TKH Debtors' Allocable Shares in accordance with the Plan Settlement and (b) the Plan Sponsor Backstop Funding (in accordance with the terms and subject to the conditions set forth in the Plan Sponsor Backstop Funding Agreement); and
- (viii) make the Plan Settlement Payment, less the Plan Settlement Turnover Amount, pursuant to the Plan Settlement Payment Waterfall.

(b) **Effective Date Available Cash.** Effective Date Available Cash under the Plan shall consist of the Cash Proceeds less amounts to be (i) paid for the Plan Settlement Payment pursuant to the Plan Settlement Payment Waterfall and (ii) reserved for the Claims Reserves (including the Post-Closing PI/WD Claims Reserve), the Legacy Trusts Reserves, the PSAN PI/WD Trust Reserve, and the Post-Closing Reserve.

(c) **Available Cash.** Available Cash under the Plan shall consist of (i) Effective Date Available Cash, (ii) Surplus Reserved Cash from the Claims Reserves that is not needed to satisfy the Post-Closing Reserve or the Legacy Trusts Reserves and that is made available to the Recovery Funds and Disputed Claims Reserves or otherwise becomes TKAM Available Cash, TKC Available Cash, or TKF Available Cash, as applicable, in accordance with section 5.5(d)(i) of the Plan, and (iii) any Residual Value attributable to or funded by the Debtors. Additionally, \$100,000 of the Plan Settlement Turnover Amount shall constitute Available Cash for each of IIM, SMX, TDM, and the TKH Debtors; *provided, however*, that the Plan Settlement Turnover Amount shall constitute Available Cash for each of IIM and TDM solely in the event that the Mexico Class Action Claims have not been fully resolved (through adjudication, settlement, or otherwise) prior to the Effective Date. Available Cash shall be (i) in the case of IIM, SMX, TDM, and the TKH Debtors, allocated to the Recovery Funds and the Disputed Claims Reserves, as applicable, pursuant to the Distribution Formula and (ii) in the case of TKAM, TKC, and TKF, made available for Distribution to holders of Intercompany Interests in the applicable Debtor after payment in full of all holders of Allowed Claims against TKAM, TKC, and TKF, as applicable. Available Cash allocated to the Recovery Funds shall be

made available for Distribution to the holders of Allowed General Unsecured Claims. For the avoidance of doubt, the Plan Sponsor Backstop Funding shall not constitute Available Cash.

(d) **Surplus Reserved Cash.**

- (i) Surplus Reserved Cash from Claims Reserves. The applicable Claims Administrator shall determine on each six-month anniversary of the Effective Date whether the amounts available in any Claims Reserve, including the Post-Closing PI/WD Claims Reserve, are in excess of the amount necessary to satisfy the purpose for which such reserve was established. The Legacy Trustee's determination of whether the amounts available in the Claims Reserves with respect to Administrative Expense PSAN PI/WD Claims and Post-Closing PI/WD Claims are in excess of the amounts necessary to satisfy the purposes for which such reserves were established shall be based on the Claims Estimation Report. If the applicable Claims Administrator determines that a surplus exists in any Claims Reserve as of the date of such determination, such Surplus Reserved Cash shall (a)(1) first, be allocated to the Post-Closing Reserve and/or the Warehousing Trust Reserve to the extent that Reorganized Takata and/or the Warehousing Trust (as applicable) have not been dissolved and either such reserve is insufficiently funded to satisfy the purpose for which such reserve was established, with such allocation of Surplus Reserved Cash to be in the discretion of the Legacy Trustee in consultation with the Plan Administrator, (2) second, be allocated to the Reorganized TK Holdings Trust Reserve to the extent such reserve is insufficiently funded to satisfy the purpose for which such reserve was established, and (3) third, become Available Cash of the applicable Debtor and deposited into the applicable Recovery Funds and Disputed Claims Reserves pursuant to the Distribution Formula, if applicable; *provided, however*, that no Surplus Reserved Cash from the Claims Reserves shall become Available Cash or be deposited into the Recovery Funds or Disputed Claims Reserves without the consent of the Plan Sponsor and the Requisite Consenting OEMs unless the Warehousing Trust and Reorganized Takata have been dissolved; and (b) otherwise remain in the Claims Reserves.
- (ii) Surplus Reserved Cash from Reorganized TK Holdings Trust Reserve. Prior to the dissolution of the Reorganized TK Holdings Trust, the Legacy Trustee shall determine on

each six-month anniversary of the Effective Date whether the amounts available in the Reorganized TK Holdings Trust Reserve are in excess of the amounts necessary to satisfy the purpose for which such reserve was established. If the Legacy Trustee determines that a surplus exists in the Reorganized TK Holdings Trust Reserve as of the date of such determination, such Surplus Reserved Cash shall (a) be allocated (1) first, to the Post-Closing Reserve and/or the Warehousing Trust Reserve to the extent that Reorganized Takata and/or the Warehousing Trust (as applicable) have not been dissolved and either such reserve is insufficiently funded to satisfy the purpose for which such reserve was established, with such allocation of Surplus Reserved Cash to be in the discretion of the Legacy Trustee in consultation with the Plan Administrator, and (2) second, to a Claims Reserve to the extent that it is insufficiently funded to satisfy the purpose for which such reserve was established, but solely as to the applicable Debtor's Allocable Share of such Surplus Reserved Cash and (b) otherwise remain in the Reorganized TK Holdings Trust Reserve. The Legacy Trustee shall periodically determine whether the Claims Reserves with respect to Administrative Expense PSAN PI/WD Claims and Post-Closing PI/WD Claims are insufficiently funded to satisfy the purposes for which such reserves were established based on the Claims Estimation Report. Following the dissolution of the Reorganized TK Holdings Trust, any Surplus Reserved Cash from the Reorganized TK Holdings Trust Reserve shall be allocated in accordance with section 5.6(l) of the Plan.

- (iii) Surplus Reserved Cash from Post-Closing Reserve. During the Operating Term, the Plan Administrator, in consultation with the Legacy Trustee, shall determine on each six-month anniversary of the Effective Date whether the amounts available in the Post-Closing Reserve are in excess of amounts necessary to satisfy the purpose for which such reserve was established. If the Plan Administrator determines that a surplus exists in the Post-Closing Reserve as of the date of such determination, such Surplus Reserved Cash shall (a) be allocated to the Warehousing Trust Reserve to the extent that the Warehousing Trust has not been dissolved and such reserve is insufficiently funded to satisfy the purpose for which such reserve was established and (b) otherwise remain in the Post-Closing Reserve. After the expiration of the Operating Term and wind down of Reorganized Takata, any remaining Surplus Reserved

Cash from the Post-Closing Reserve shall be allocated in accordance with section 5.7(o) of the Plan.

- (iv) Surplus Reserved Cash from Warehousing Trust Reserve. Prior to the dissolution of the Warehousing Trust, the Plan Administrator, in consultation with the Legacy Trustee, shall determine on each six-month anniversary of the Effective Date whether the amounts available in the Warehousing Trust Reserve are in excess of the amounts necessary to satisfy the purpose for which such reserve was established. If the Plan Administrator determines that a surplus exists in the Warehousing Trust Reserve as of the date of such determination, such Surplus Reserved Cash shall (a) be allocated to the Post-Closing Reserve to the extent that Reorganized Takata has not been dissolved and such reserve is insufficiently funded to satisfy the purpose for which such reserve was established and (b) otherwise remain in the Warehousing Trust Reserve. Following dissolution of the Warehousing Trust, any Surplus Reserved Cash from the Warehousing Trust Reserve shall be allocated in accordance with section 5.8(j) of the Plan.

(e) **Post-Closing Cash.**

- (i) Reorganized TK Holdings Trust Post-Closing Cash. Prior to the dissolution of the Reorganized TK Holdings Trust, Reorganized TK Holdings Trust Post-Closing Cash shall, on each six-month anniversary of the Effective Date, be allocated (a) first, to the Post-Closing Reserve, the Reorganized TK Holdings Trust Reserve, and/or the Warehousing Trust Reserve to the extent that Reorganized Takata, the Reorganized TK Holdings Trust, and the Warehousing Trust (as applicable) have not been dissolved and any such reserve is insufficiently funded to satisfy the purpose for which such reserve was established, with such allocation of Post-Closing Cash to be in the discretion of the Legacy Trustee in consultation with the Plan Administrator, (b) second, to a Claims Reserve to the extent that it is insufficiently funded to satisfy the purpose for which such reserve was established, but solely as to the applicable Debtor's Allocable Share of such Reorganized TK Holdings Trust Post-Closing Cash, and (c) third, to the Reorganized TK Holdings Trust Reserve regardless of whether such reserve is sufficiently funded to satisfy the purpose for which such reserve was established; *provided, however,* that Reorganized TK Holdings Trust Post-Closing Cash arising from distributions after the Effective Date on

account of Intercompany Interests held by TKAM, TKC, and TKF shall (a) first, solely with respect to distributions from TKC's subsidiary, be used towards the Plan Sponsor Backstop Funding Repayment (including repayment of any unreimbursed Restructuring Expenses) in accordance with the terms and subject to the conditions of the Plan Sponsor Backstop Funding Agreement and (b) second constitute Available Cash of such Debtor. The Legacy Trustee shall periodically determine whether the Claims Reserves with respect to Administrative Expense PSAN PI/WD Claims and Post-Closing PI/WD Claims are insufficiently funded to satisfy the purposes for which such reserves were established based on the Claims Estimation Report. Following the dissolution of the Reorganized TK Holdings Trust, any remaining Reorganized TK Holdings Trust Post-Closing Cash shall be allocated in accordance with section 5.6(l) of the Plan.

- (ii) Reorganized Takata Post-Closing Cash. During the Operating Term, Reorganized Takata Post-Closing Cash shall, on each six-month anniversary of the Effective Date, be allocated (i) first, to the Post-Closing Reserve and/or the Warehousing Trust Reserve to the extent that the Warehousing Trust has not been dissolved and either reserve is insufficiently funded to satisfy the purpose for which such reserve was established, with such allocation of Post-Closing Cash to be in the discretion of the Plan Administrator in consultation with the Legacy Trustee and (ii) second, to the Post-Closing Reserve regardless of whether such reserve is sufficiently funded to satisfy the purpose for which such reserve was established. After the expiration of the Operating Term and wind down of Reorganized Takata, any remaining Reorganized Takata Post-Closing Cash shall be allocated in accordance with section 5.7(o) of the Plan.
- (iii) Warehousing Trust Post-Closing Cash. Prior to the dissolution of the Warehousing Trust, Warehousing Trust Reserve Post-Closing Cash shall, on each six-month anniversary of the Effective Date, be allocated (a) first, to the Warehousing Trust Reserve and/or the Post-Closing Reserve to the extent that Reorganized Takata has not been dissolved and either such reserve is insufficiently funded to satisfy the purpose for which such reserve was established, with such allocation of Post-Closing Cash to be in the discretion of the Plan Administrator in consultation with the Legacy Trustee and (b) second, to the Warehousing

Trust Reserve regardless of whether such reserve is insufficiently funded to satisfy the purpose for which such reserve was established. Following dissolution of the Warehousing Trust, any remaining Warehousing Trust Reserve Post-Closing Cash shall be allocated in accordance with section 5.8(j) of the Plan.

**5.6 The Reorganized TK Holdings Trust.**

**(a) Execution of the Reorganized TK Holdings Trust Agreement.**

On or before the Effective Date, the Reorganized TK Holdings Trust Agreement shall be executed by the Debtors and the Legacy Trustee, and all other necessary steps shall be taken to establish the Reorganized TK Holdings Trust for the benefit of (i) the holders of Allowed Claims (other than (a) PSAN PI/WD Claims, (b) after the Non-PSAN PI/WD Claims Termination Date, Administrative Expense PI/WD Claims and Administrative Expense PSAN PI/WD Claims, and (c) if the Special Master agrees to merge the OEM Funds with the DOJ OEM Restitution Fund or otherwise administer the OEM Funds, OEM Unsecured Claims), (ii) the PSAN PI/WD Trustee, and (iii) if the Special Master agrees to merge the OEM Funds with the DOJ OEM Restitution Fund or otherwise administer the OEM Funds, the Special Master in its capacity as OEM Claims Administrator. This section 5.6 sets forth certain of the rights, duties, and obligations of the Legacy Trustee with respect to the Reorganized TK Holdings Trust. In the event of any conflict between the terms of the Plan and the terms of the Reorganized TK Holdings Trust Agreement, the terms of the Reorganized TK Holdings Trust Agreement shall govern.

**(b) Purpose of the Reorganized TK Holdings Trust.**

The Reorganized TK Holdings Trust shall be established to administer certain post-Effective Date responsibilities under the Plan, including (i) resolving all Disputed Claims (other than Disputed (a) PSAN PI/WD Claims, (b) after the Non-PSAN PI/WD Claims Termination Date, Administrative Expense PI/WD Claims and Administrative Expense PSAN PI/WD Claims, and (c) if the Special Master agrees to merge the OEM Funds with the DOJ OEM Restitution Fund or otherwise administer the OEM Funds, OEM Unsecured Claims), (ii) maintaining the Claims Reserves, (iii) making Distributions to holders of Allowed Claims (other than Allowed (a) PSAN PI/WD Claims, (b) after the Non-PSAN PI/WD Claims Termination Date, Administrative Expense PI/WD Claims and Administrative Expense PSAN PI/WD Claims, and (c) if the Special Master agrees to merge the OEM Funds with the DOJ OEM Restitution Fund or otherwise administer the OEM Funds, OEM Unsecured Claims), (iv) owning the sole equity interest in Reorganized TK Holdings for the benefit of holders of Claims, and (v) being a beneficial owner of the Warehousing Trust. The Reorganized TK Holdings Trust shall retain all rights to commence and pursue all Causes of Action (including Avoidance Actions) that are expressly preserved and not released under the Plan. The Reorganized TK Holdings Trust shall have no objective to continue or engage in the conduct of a trade or business. On the Effective Date, the Reorganized TK Holdings Trust shall become party to the Plan Sponsor Backstop Funding Agreement and possess all of the rights and be subject to all of the obligations of the Reorganized TK Holdings Trust under and as set forth in the Plan Sponsor Backstop Funding Agreement.



(c) **Reorganized TK Holdings Trust Assets.** The Reorganized TK Holdings Trust shall consist of the Reorganized TK Holdings Trust Assets. On the Effective Date, the Debtors shall transfer all the Reorganized TK Holdings Trust Assets to the Reorganized TK Holdings Trust free and clear of all Claims, Interests, Liens, other encumbrances, and liabilities of any kind.

(d) **Appointment of the Legacy Trustee.** The Legacy Trustee is set forth in the Reorganized TK Holdings Trust Agreement. The appointment of the Legacy Trustee shall be approved in the Confirmation Order, and such appointment shall be effective as of the Effective Date. In accordance with the Reorganized TK Holdings Trust Agreement, the Legacy Trustee shall serve in such capacity through the earlier of (i) the date that the Reorganized TK Holdings Trust is dissolved in accordance with the Reorganized TK Holdings Trust Agreement and (ii) the date such Legacy Trustee resigns, is terminated, or is otherwise unable to serve for any reason.

(e) **Role of the Legacy Trustee.** In furtherance of and consistent with the purpose of the Reorganized TK Holdings Trust and the Plan, the Legacy Trustee shall (i) have the power and authority to hold, manage, sell, invest, and distribute the Reorganized TK Holdings Trust Assets to the holders of Allowed Claims (other than Allowed (a) PSAN PI/WD Claims, (b) after the Non-PSAN PI/WD Claims Termination Date, Administrative Expense PI/WD Claims and Administrative Expense PSAN PI/WD Claims, and (c) if the Special Master agrees to merge the OEM Funds with the DOJ OEM Restitution Fund or otherwise administer the OEM Funds, OEM Unsecured Claims) and the PSAN PI/WD Trustee, (ii) hold the Reorganized TK Holdings Trust Assets for the benefit of holders of Allowed Claims (other than Allowed (a) PSAN PI/WD Claims, (b) after the Non-PSAN PI/WD Claims Termination Date, Administrative Expense PI/WD Claims and Administrative Expense PSAN PI/WD Claims, and (c) if the Special Master Agrees to merge the OEM Funds with the DOJ OEM Restitution Fund or otherwise administer the OEM Funds, OEM Unsecured Claims), (iii) have the power and authority to hold, manage, sell, invest, and distribute the Reorganized TK Holdings Trust Assets obtained through the exercise of its power and authority, (iv) maintain and administer the Claims Reserves and the Reorganized TK Holdings Trust Reserve, (v) have the power and authority to prosecute and resolve objections to Disputed Claims (other than Disputed (a) PSAN PI/WD Claims, (b) after the Non-PSAN PI/WD Claims Termination Date, Administrative Expense PI/WD Claims and Administrative Expense PSAN PI/WD Claims, and (c) if the Special Master Agrees to merge the OEM Funds with the DOJ OEM Restitution Fund or otherwise administer the OEM Funds, OEM Unsecured Claims), (vi) have the power and authority to perform such other functions as are provided in the Plan and the Reorganized TK Holdings Trust Agreement, and (vii) have the power and authority to administer the closure of the Chapter 11 Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules, in all cases, consistent with this Plan. The Legacy Trustee shall be responsible for all decisions and duties with respect to the Reorganized TK Holdings Trust and the Reorganized TK Holdings Trust Assets. In all circumstances, the Legacy Trustee shall act in the best interests of all beneficiaries of the Reorganized TK Holdings Trust, in furtherance of the purpose of the Reorganized TK Holdings Trust, and in accordance with the Reorganized TK Holdings Trust Agreement.

(f) **Transferability of Distribution Rights.** Any right to receive a Distribution from the Reorganized TK Holdings Trust or any Claims Reserve or Recovery Fund

shall not be evidenced by any certificate, security, receipt, or in any other form or manner whatsoever, except as maintained on the books and records of the Reorganized TK Holdings Trust by the Legacy Trustee. Further, any right to receive a Distribution from the Reorganized TK Holdings Trust or any Claims Reserve or Recovery Fund shall be nontransferable and non-assignable except by will, intestate, succession, or operation of law. Any right to receive a Distribution from the Reorganized TK Holdings Trust or any Claims Reserve or Recovery Fund shall not constitute “securities” and shall not be registered pursuant to the Securities Act. If it is determined that such rights constitute “securities,” the exemption provisions of section 1145(a)(1) of the Bankruptcy Code would be satisfied and such securities would be exempt from registration.

(g) **Costs and Expenses of Legacy Trustee.** The costs and expenses of the Reorganized TK Holdings Trust, including the fees and expenses of the Legacy Trustee and its retained professionals, shall be paid out of the Reorganized TK Holdings Trust Reserve, subject to the terms of the Reorganized TK Holdings Trust Agreement.

(h) **Compensation of Legacy Trustee.** The Legacy Trustee shall be entitled to reasonable compensation, subject to the terms of the Reorganized TK Holdings Trust Agreement, in an amount consistent with that of similar functionaries in similar types of bankruptcy cases. Such compensation shall be payable from the Reorganized TK Holdings Trust Reserve, subject to the terms of the Reorganized TK Holdings Trust Agreement.

(i) **Retention of Professionals by the Legacy Trustee.** The Legacy Trustee may retain and reasonably compensate counsel and other professionals to assist in their duties as Legacy Trustee on such terms as the Legacy Trustee deems appropriate without Bankruptcy Court approval, subject to the provisions of the Reorganized TK Holdings Trust Agreement. The Legacy Trustee may retain any professional, including any professional who represented parties in interest such as the Debtors in the Chapter 11 Cases. All fees and expenses incurred in connection with the foregoing shall be payable from the Reorganized TK Holdings Trust Reserve, subject to the terms of the Reorganized TK Holdings Trust Agreement.

(j) **U.S. Federal Income Tax Treatment of Reorganized TK Holdings Trust.** The Reorganized TK Holdings Trust shall be treated as a trust described in Subpart C of Subchapter J of the Internal Revenue Code and the regulations promulgated thereunder (a “complex trust”). The Reorganized TK Holdings Trust shall file (or cause to be filed) statements, returns, or disclosures relating to the Reorganized TK Holdings Trust that are required by any governmental unit, including IRS Form 1041, IRS Form 1041-ES, and IRS Schedule K-1. The Legacy Trustee shall be responsible for payment, out of the Reorganized TK Holdings Trust Reserve, of any taxes imposed on the Reorganized TK Holdings Trust or the Reorganized TK Holdings Trust Assets, including estimated and annual U.S. federal income taxes. The Legacy Trustee may request an expedited determination of taxes of the Reorganized TK Holdings Trust under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Reorganized TK Holdings Trust for all taxable periods through the dissolution of the Reorganized TK Holdings Trust.

(k) **Dissolution.** The Reorganized TK Holdings Trust shall be dissolved and the Legacy Trustee shall be discharged from his/her/its duties with respect to the

Reorganized TK Holdings Trust upon completion of their duties as set forth in the Reorganized TK Holdings Trust Agreement, including when (i) all Disputed Claims (other than PSAN PI/WD Claims, Administrative Expense PI/WD Claims, and Administrative Expense PSAN PI/WD Claims) have been resolved, (ii) all Reorganized TK Holdings Trust Assets have been liquidated, and (iii) all Distributions required to be made by the Legacy Trustee under the Plan and the Reorganized TK Holdings Trust Agreement have been made, but in no event shall the Reorganized TK Holdings Trust be dissolved later than the Non-PSAN PI/WD Claims Termination Date or such shorter or longer period authorized by the Bankruptcy Court.

(l) **Dissolution Date Cash and Residual Value.** Any Dissolution Date Cash in the Reorganized TK Holdings Trust remaining upon dissolution of the Reorganized TK Holdings Trust pursuant to section 5.6(k) of the Plan shall be available (i) first, to the Post-Closing Reserve and/or Warehousing Trust Reserve to the extent that Reorganized Takata and/or the Warehousing Trust have not been dissolved and either such reserve is insufficiently funded to satisfy the purpose for which such reserve was established, with such allocation of Dissolution Date Cash to be in the discretion of the Legacy Trustee in consultation with the Plan Administrator, (ii) second, to a Claims Reserve to the extent that it is insufficiently funded to satisfy the purpose for which such reserve was established, but solely as to the applicable Debtor's Allocable Share of such Dissolution Date Cash, and (iii) third, to the Post-Closing Reserve and/or the Warehousing Trust Reserve to the extent that Reorganized Takata and/or the Warehousing Trust have not been dissolved, with such allocation of Dissolution Date Cash to be in the discretion of the Legacy Trustee in consultation with the Plan Administrator. The Legacy Trustee shall determine whether the Claims Reserves with respect to Administrative Expense PSAN PI/WD Claims and Post-Closing PI/WD Claims are insufficiently funded to satisfy the purposes for which such reserves were established based on either the Claims Estimation Report or Updated Claims Estimation Report, as applicable. After Reorganized Takata and the Warehousing Trust have been dissolved, each Debtor's Allocable Share of the Residual Value of the Reorganized TK Holdings Trust shall become Available Cash of such Debtor and, as applicable, be deposited into such Debtor's Recovery Funds and Disputed Claims Reserves pursuant to the Distribution Formula. Any Residual Value in the Reorganized TK Holdings Trust Reserve that was contributed by a non-Debtor affiliate of the Debtors shall be returned to such affiliate based on its funded share of the Reorganized TK Holdings Trust Reserve.

(m) **Indemnification of the Legacy Trustee.** The Legacy Trustee shall not be liable for actions taken or omitted in its capacity as, or on behalf of, the Legacy Trustee or the Reorganized TK Holdings Trust, except those acts found by Final Order to be arising out of its willful misconduct, gross negligence, fraud, malpractice, criminal conduct, unauthorized use of confidential information that causes damages, breach of fiduciary duty (to the extent applicable), or *ultra vires* act, and shall be entitled to indemnification and reimbursement for fees and expenses in defending any and all of its actions or inactions in its capacity as, or on behalf of, the Legacy Trustee or the Reorganized TK Holdings Trust, except for any actions or inactions found by Final Order to be arising out of its willful misconduct, gross negligence, fraud, malpractice, criminal conduct, unauthorized use of confidential information that causes damages, breach of fiduciary duty (to the extent applicable), or *ultra vires* act. Any valid indemnification claim of the Legacy Trustee shall be satisfied from the Reorganized TK Holdings Trust Reserve.

## 5.7 Reorganized Takata.

(a) **Ownership and Governance of Reorganized Takata.** On the Effective Date, and in accordance with and pursuant to the terms of the Plan, the Reorganized TK Holdings Trust shall become the sole equity interest holder of Reorganized TK Holdings. Except as provided herein or in the Plan Administrator Agreement, the corporate and operational management of Reorganized Takata shall be the responsibility of the Plan Administrator and Oversight Committee.

(b) **The Plan Administrator.** Notwithstanding anything to the contrary in the U.S. RSA, the Plan Administrator shall be selected by the PSAN Consenting OEMs (in consultation with the Warehouse Consenting OEMs) from a designated list of three potential candidates put forth by the Debtors on November 2, 2017; *provided, however*, that the PSAN Consenting OEMs (in consultation with the Warehouse Consenting OEMs) may select a Plan Administrator not included on the Debtors' designated list as long as such candidate is acceptable to the Debtors. The Plan Administrator shall be identified in the Plan Supplement. The Plan Administrator shall be retained by Reorganized Takata pursuant to the Plan Administrator Agreement. In the event the Plan Administrator resigns, is terminated, or is otherwise unable to serve for any reason, a successor shall be designated by the PSAN Consenting OEMs, as reasonably acceptable to Reorganized TK Holdings and the Consenting OEMs. The PSAN Consenting OEMs will have the right (subject to the reasonable consent of the Warehouse Consenting OEMs) to request that the Oversight Committee replace the Plan Administrator if the Independent Consultant determines that (i) the Plan Administrator is not operating Reorganized Takata in a reasonable and prudent manner or (ii) Reorganized Takata is not complying with DOJ, NHTSA, or other regulatory requirements. The Plan Administrator will have thirty (30) days to cure any deficiencies identified in such Consenting OEM report, if such deficiencies are capable of cure.

(c) **The Authorized Purposes.** On the Effective Date, the Plan Administrator shall be appointed solely to perform the Authorized Purposes. Other than with respect to the Assumed PSAN Contracts and any renewals or extensions thereof or in respect of production of current model series (including current and past model Service Parts) as set forth herein and the continuation of any contracts between the Debtors' non-Debtor Affiliates and the PSAN Consenting OEMs for the manufacture and sale of PSAN Inflators, which such contracts shall be assumed by Reorganized TK Holdings or its applicable subsidiary as of the Effective Date in a manner similar to the assumption of Assumed PSAN Contracts and in accordance with the Global Accommodation Agreement, Reorganized Takata shall not enter into any new contracts for the sale of PSAN Inflators after the Effective Date, and Reorganized Takata shall not agree or consent to any amendment to the NHTSA Consent Order without the prior written consent of the Consenting OEMs. In no event shall any Cash on hand or the Post-Closing Reserve be used by Reorganized Takata to manufacture PSAN Inflators for a non-Consenting OEM unless such non-Consenting OEM becomes a PSAN Consenting OEM as provided by this Plan. In the event that any proposed modification to the NHTSA Consent Order may negatively affect the Plan Sponsor in respect of its obligations to provide the Services (as defined in the Transition Services Agreement) under the Transition Services Agreement, the Plan Administrator shall first consult with the Plan Sponsor. On the Effective Date, Reorganized Takata shall become party to the Plan Sponsor Backstop Funding Agreement and possess all of

the rights and be subject to all of the obligations of Reorganized Takata under and as set forth in the Plan Sponsor Backstop Funding Agreement.

(d) **Oversight Committee.** As of the Effective Date, the terms of the current members of the board of TKH shall expire without further action by any Person. The Oversight Committee comprised of three (3) members shall be appointed to serve as the board of managers of Reorganized TK Holdings. Two (2) members of the Oversight Committee shall be selected by the Warehouse Consenting OEMs and may include representatives of the Consenting OEMs. The remaining Independent Member of the Oversight Committee shall be selected by the Debtors, subject to the reasonable consent of the Warehouse Consenting OEMs, and shall not be an “insider” of Takata, the Consenting OEMs, or the Plan Sponsor. The Oversight Committee shall have governance rights as approved by the Warehouse Consenting OEMs, including the right to terminate the Plan Administrator (subject to the reasonable consent of the Warehouse Consenting OEMs). The Oversight Committee, among other things, will review and approve budgets, forecasts, and cash flow projections of Reorganized Takata.

(e) **Post-Closing Reserve.** The Post-Closing Reserve shall provide the initial capitalization for Reorganized Takata. The anticipated costs of winding down Reorganized Takata are to be covered from the Post-Closing Reserve (to the extent available) and the Reorganized Takata Post-Closing Cash. The Post-Closing Reserve shall be held by Reorganized Takata and administered by the Plan Administrator. Consenting OEMs that are not PSAN Consenting OEMs will not be required to support in any way the operations of Reorganized Takata.

(f) **Post-Closing PI/WD Claims Reserve.** The Post-Closing PI/WD Claims Reserve shall be held by the Reorganized TK Holdings Trust and administered by the Legacy Trustee; *provided, however*, that, after the Non-PSAN PI/WD Claims Termination Date, an amount equal to the total estimated amount of Post-Closing PI/WD Claims, as set forth in the Updated Claims Estimation Report, shall be transferred from the Post-Closing PI/WD Claims Reserve to the PSAN PI/WD Trust, and the PSAN PI/WD Trustee shall thereafter be responsible for resolving and paying Post-Closing PI/WD Claims.

(g) **Employees.** Reorganized Takata shall retain, hire or, solely to the extent that Reorganized Takata cannot reasonably retain or hire, lease employees necessary to manufacture and sell PSAN Inflators after the Effective Date, including equipment and machinery operators, safety and regulatory specialists and engineers. Certain personnel of the Plan Sponsor shall resign from Plan Sponsor and shall be hired by Reorganized Takata, if necessary, pursuant to the Transition Services Agreement.

(h) **Operating Term.** Reorganized Takata’s operations related to the production of PSAN Inflators shall continue solely for the Authorized Purposes during the Operating Term. Reorganized Takata shall continue in existence solely for the purposes specified herein until all Claims, if any, against Reorganized Takata have been fully resolved, and all other duties and functions of the Plan Administrator to be set forth in the Plan have been fully performed.

(i) **Subordination of PSAN Consenting OEM Claims.** Any Claims of PSAN Consenting OEMs against Reorganized Takata shall be subordinated to certain Claims and rights of the Plan Sponsor in accordance with section 5 of the Indemnity Agreement.

(j) **Forbearance of PSAN Consenting OEM Claims.** During the Operating Term, the PSAN Consenting OEMs shall forbear from exercising remedies with respect to any Claims arising from PSAN recalls and PSAN-related indemnity and monetary warranty Claims (excluding any other Claims, including Claims arising from non-conforming parts, short shipments, or other ordinary course Claims, and non-monetary warranty obligations) against Reorganized Takata.

(k) **Exculpation of Plan Administrator and Oversight Committee.** The Plan Administrator and the Oversight Committee shall be exculpated (subject, in each case, to exceptions for breach of fiduciary duty, *ultra vires*, fraud, willful misconduct and gross negligence) to the fullest extent allowable by applicable law with respect to the operation and wind-down of Reorganized Takata's estates, including, without limitation, the services the Plan Administrator provides to Reorganized Takata related to the manufacture and sale of PSAN Inflators to PSAN Consenting OEMs, and the liquidation of Reorganized Takata's remaining assets.

(l) **Reporting Requirements.** Reorganized Takata shall be responsible for all disclosure, reporting, and warning obligations regarding the manufacture and sale of PSAN Inflators by Reorganized Takata to the extent required to be made to the PSAN Consenting OEMs and (without limiting the independent disclosure, reporting, and warning obligations of such PSAN Consenting OEMs) consumers and regulators; *provided, however*, that Reorganized Takata shall include the Plan Administrator and the Independent Member of the Oversight Committee in any meetings between Reorganized Takata and its applicable regulators. The Plan Administrator will be responsible for developing budgets, forecasts, cash flow projections, and reporting against budgets, each subject to review and approval by the Oversight Committee.

(m) **Insurance.** Subject to the reasonable consent of the Requisite PSAN Consenting OEMs, Reorganized Takata may fund an upfront premium payment to purchase products liability, economic loss, directors' and officers', and other liability cap insurance policies.

(n) **Independent Consultant.** The PSAN Consenting OEMs will have the right to engage the Independent Consultant if agreed by the Requisite PSAN Consenting OEMs to conduct an assessment and make a report to the PSAN Consenting OEMs on a quarterly basis of Reorganized Takata's operations, including quality control, safety, and manufacturing systems (including all systems from receiving to shipping). Reorganized Takata shall pay for such Independent Consultant through the Post-Closing Reserve solely to the extent that the Plan Administrator believes that sufficient funds exist in the Post-Closing Reserve for such purpose. Otherwise, the PSAN Consenting OEMs shall pay all costs associated with the Independent Consultant. The Independent Consultant will also monitor Reorganized Takata's financial and general business affairs. A copy of the reports produced by the Independent Consultant will be provided to the Oversight Committee.

(o) **Dissolution Date Cash and Residual Value.** Any Dissolution Date Cash in Reorganized Takata following expiration of the Operating Term and wind down of Reorganized Takata shall be available (i) first, to pay existing creditors of Reorganized Takata (including PSAN Consenting OEMs on account of any non-contingent recall related claims against Reorganized Takata and the Plan Sponsor on account of services provided to Reorganized Takata under the Transition Services Agreement) in accordance with section 5.7(i) of the Plan and fund the Post-Closing PI/WD Claims Reserve pursuant to either the Claims Estimation Report or Updated Claims Estimation Report, as applicable, (ii) second, to the Warehousing Trust Reserve to the extent that the Warehousing Trust has not been dissolved, (iii) third, to the Reorganized TK Holdings Trust Reserve to the extent that the Reorganized TK Holdings Trust has not been dissolved and such reserve is insufficiently funded to satisfy the purpose for which such reserve was established, and (iv) fourth, to a Claims Reserve to the extent that it is insufficiently funded to satisfy the purpose for which such reserve was established, but solely as to an applicable Debtor's Allocable Share of such Dissolution Date Cash; *provided, however*, that no Dissolution Date Cash in Reorganized Takata contributed by a non-Debtor affiliate shall be allocated to the Reorganized TK Holdings Trust Reserve pursuant to subparagraph (iii) above. The Legacy Trustee shall determine whether the Claims Reserves with respect to Administrative Expense PSAN PI/WD Claims and Post-Closing PI/WD Claims are insufficiently funded to satisfy the purposes for which such reserves were established based on either the Claims Estimation Report or Updated Claims Estimation Report, as applicable. After the Warehousing Trust has been dissolved, each Debtor's Allocable Share of the Residual Value of Reorganized Takata shall become Available Cash of such Debtor and, as applicable, be deposited into such Debtor's Recovery Funds and Disputed Claims Reserves pursuant to the Distribution Formula. Any Residual Value in the Post-Closing Reserve that was contributed by a non-Debtor affiliate of the Debtors shall be returned to such affiliate based on its funded share of the Post-Closing Reserve.

(p) **Reorganized Takata Organizational Documents.** The organizational documents of Reorganized Takata, including the Reorganized TK Holdings Limited Liability Company Operating Agreement and Amended By-Laws, shall require the consent of the Requisite PSAN Consenting OEMs to take certain material actions.

(q) **Access to Information.** Reorganized Takata shall maintain all product information (including model and serial numbers), drawings and test reports regarding the PSAN Inflators and airbag modules or assemblies that incorporate the PSAN Inflators, including both with respect to PSAN Inflators sold by any Debtor to or for the benefit of a Consenting OEM prior to the Effective Date (including prior to the Petition Date) and PSAN Inflators provided to the Plan Sponsor (or its applicable subsidiary) by Reorganized Takata after the Effective Date for Module Production, Kitting Operations, and PSAN Service Parts (each as defined in the Indemnity Agreement), to the extent that such information is necessary to track and identify such PSAN Inflators. Such information shall be provided by Reorganized Takata to (i) the Plan Sponsor (or its applicable subsidiary) and (ii) upon request, the applicable Consenting OEM that purchased such Products from the Debtors or Reorganized Takata. In conjunction with and prior to the wind-down of Reorganized Takata, Reorganized Takata shall transfer all such information to the Plan Sponsor (or its applicable subsidiary) to maintain in its capacity as a tier one supplier.

## 5.8 **The Warehousing Trust.**

(a) **Execution of the Warehousing Trust Agreement.** On or before the Effective Date, the Warehousing Trust Agreement shall be executed by the Debtors and the Plan Administrator, and all other necessary steps shall be taken to establish the Warehousing Trust. In the event of any conflict between the terms of the Plan and the terms of the Warehousing Trust Agreement, the terms of the Warehousing Trust Agreement shall govern.

(b) **Purpose of the Warehousing Trust.** The Warehousing Trust shall be formed to acquire, own, maintain, operate, and control the Warehoused PSAN Assets and to comply with the obligations under the NHTSA Preservation Order and otherwise as related to the Warehoused PSAN Assets. The Warehousing Trust shall be responsible for the payment of the Debtors' share of the costs of maintenance, shipping, and disposal of the Warehoused PSAN Assets, in each case from and after the Effective Date. The Debtors' share of such costs shall be based on the percentage of warehousing, shipping, and disposal costs attributable to the Debtors relative to all global warehousing, shipping, and disposal costs attributable to Takata; *provided, however*, that the funding of the Warehousing Trust Reserve from the Cash Proceeds pursuant to the Plan Settlement shall not be limited to the Debtors' share of such costs to the extent that the Warehousing Trust Reserve is not otherwise fully funded on the Effective Date taking into account any amounts funded by the Debtors' non-Debtor affiliates. The Warehousing Trust shall be beneficially owned by the Reorganized TK Holdings Trust and those non-Debtor affiliates that fund a portion of the Warehousing Trust Reserve on the Effective Date. On the Effective Date, the Warehousing Trust shall become party to the Plan Sponsor Backstop Funding Agreement and possess all of the rights and be subject to all of the obligations of the Warehousing Trust under and as set forth in the Plan Sponsor Backstop Funding Agreement.

(c) **The Warehousing Trust Assets.** The Warehousing Trust shall consist of the Warehousing Trust Assets, including the Warehousing Trust Reserve. On the Effective Date, the Debtors shall transfer all the Warehousing Trust Assets to the Warehousing Trust free and clear of all Claims, Interests, Liens, other encumbrances, and liabilities of any kind. On the Effective Date, the Warehoused PSAN Assets held by the Debtors shall vest in and be assumed and assigned to the Warehousing Trust and the Warehoused PSAN Assets held by certain non-Debtor affiliates shall be transferred and assigned to the Warehousing Trust.

(d) **Role of the Plan Administrator and the Oversight Committee.** In furtherance of and consistent with the purpose of the Warehousing Trust Agreement and the Plan, the Plan Administrator shall act as trustee or executive officer (as applicable) of the Warehousing Trust. The corporate and operational management of the Warehousing Trust shall be the responsibility of the Plan Administrator and the Oversight Committee. The Plan Administrator will be responsible for developing budgets, forecasts, and cash flow projections and reporting against budgets, each subject to review and approval by the Oversight Committee.

(e) **Oversight Committee.** The Oversight Committee will also be appointed to serve as the board of managers or directors (as applicable) of the Warehousing Trust to the extent that the Warehousing Trust is a limited liability corporation or corporation, or an equivalent body to the extent that the Warehousing Trust is a trust. The Oversight



Committee, among other things, will review and approve budgets, forecasts, and cash flow projections of the Warehousing Trust.

**(f) Exculpation of Plan Administrator and Oversight Committee.**

The Plan Administrator and the Oversight Committee shall also be exculpated (subject, in each case, to exceptions for breach of fiduciary duty, *ultra vires*, fraud, willful misconduct and gross negligence) to the fullest extent allowable by applicable law with respect to the operation and wind-down of the Warehousing Trust, including, without limitation, the services the Plan Administrator provides to the Warehousing Trust related to the warehousing, shipping, and disposal of the Warehoused PSAN Assets, and the liquidation of the Warehousing Trust's remaining assets.

**(g) Shared Services Agreement.** All Shared Services shall be provided by Reorganized Takata and the Plan Administrator to the Warehousing Trust in accordance with the scope of the Shared Services Agreement.

**(h) U.S. Federal Income Tax Treatment of Warehousing Trust.**

The Warehousing Trust shall file (or cause to be filed) statements, returns, or disclosures relating to the Warehousing Trust that are required by any governmental unit, including IRS Form 1041, IRS Form 1041-ES, and IRS Schedule K-1. The Plan Administrator shall be responsible for payment, out of the Warehousing Trust Reserves, of any taxes imposed on the Warehousing Trust or the Warehousing Trust Assets, including estimated and annual U.S. federal income taxes. The Plan Administrator may request an expedited determination of taxes of the Warehousing Trust under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Warehousing Trust for all taxable periods through the dissolution of the Warehousing Trust.

**(i) Dissolution.** The Warehousing Trust and the Plan Administrator shall be dissolved or discharged, as applicable, upon completion of their duties as set forth in the Warehousing Trust Agreement, including when all Warehousing Trust Assets have been liquidated, but in no event shall the Warehousing Trust be dissolved later than the Non-PSAN PI/WD Claims Termination Date or such shorter or longer period authorized by the Bankruptcy Court.

**(j) Dissolution Date Cash and Residual Value.** Any Dissolution Date Cash in the Warehousing Trust remaining upon dissolution of the Warehousing Trust pursuant to section 5.8(i) of the Plan shall be available (i) first, to pay all creditors of the Warehousing Trust, (ii) second, to the Post-Closing Reserve to the extent that Reorganized Takata has not been dissolved, (iii) third, to the Reorganized TK Holdings Trust Reserve to the extent that the Reorganized TK Holdings Trust has not been dissolved and such reserve is insufficiently funded to satisfy the purpose for which such reserve was established, and (iv) fourth, to a Claims Reserve to the extent that it is insufficiently funded to satisfy the purpose for which such reserve was established, but solely as to an applicable Debtor's Allocable Share of such Dissolution Date Cash; *provided, however*, that no Dissolution Date Cash in the Warehousing Trust contributed by a non-Debtor affiliate shall be allocated to the Reorganized TK Holdings Trust Reserve pursuant to subparagraph (iii) above. The Legacy Trustee shall determine whether the Claims Reserves with respect to Administrative Expense PSAN PI/WD

Claims and Post-Closing PI/WD Claims are insufficiently funded to satisfy the purposes for which such reserves were established based on either the Claims Estimation Report or Updated Claims Estimation Report, as applicable. After Reorganized Takata has been dissolved, each Debtor's Allocable Share of the Residual Value of the Warehousing Trust shall become Available Cash of such Debtor and, as applicable, be deposited in the applicable Recovery Funds and Disputed Claims Reserves pursuant to the Distribution Formula. Any Residual Value in the Warehousing Trust Reserve that was contributed by a non-Debtor affiliate of the Debtors shall be returned to such affiliate based on its funded share of the Warehousing Trust Reserve.

## 5.9 **The PSAN PI/WD Trust**

(a) **Establishment and Purpose of PSAN PI/WD Trust.** On the Effective Date, the PSAN PI/WD Trust shall be established. The PSAN PI/WD Trust shall be a "Qualified Settlement Fund" within the meaning of section 468B of the Internal Revenue Code and the regulations promulgated thereunder. The PSAN PI/WD Trust shall (i) assume the liability for all PSAN PI/WD Claims against the Debtors and the Protected Parties and, after the Non-PSAN PI/WD Claims Termination Date, the Administrative Expense PI/WD Claims, Administrative Expense PSAN PI/WD Claims, and Post-Closing PI/WD Claims, (ii) administer, process, settle, resolve, and liquidate such PSAN PI/WD Claims and, after the Non-PSAN PI/WD Claims Termination Date, the Administrative Expense PI/WD Claims, Administrative Expense PSAN PI/WD Claims, and Post-Closing PI/WD Claims, (iii) use the amounts transferred by the IIM Claims Reserve, the SMX Claims Reserve, the TDM Claims Reserve, the TKH Claims Reserve, and the Post-Closing PI/WD Claims Reserve to the PSAN PI/WD Trust on the Non-PSAN PI/WD Claims Termination Date to satisfy and make payments to holders of Administrative Expense PI/WD Claims, Administrative Expense PSAN PI/WD Claims, and Post-Closing PI/WD Claims, (iv) establish segregated bank accounts to hold funds sufficient to pay in full all estimated Administrative Expense PI/WD Claims, Administrative Expense PSAN PI/WD Claims, and Post-Closing PI/WD Claims on the Non-PSAN PI/WD Claims Termination Date, and (v) use the PSAN PI/WD Funds to satisfy and make payments to holders of PSAN PI/WD Claims that qualify for a recovery under this Plan, all in accordance with the terms of the Plan (including section 5.9(g) hereof), the PSAN PI/WD Trust Agreement, the PSAN PI/WD TDP, and any Participating OEM Contribution Agreement, if applicable; *provided, however*, that each PSAN PI/WD Top-Up Amount shall only be used to fund distributions to holders of PSAN PI/WD Claims whose injuries resulted from a vehicle manufactured by the applicable Participating OEM, and the PSAN PI/WD Trustee shall separately track and account for each contribution of a PSAN PI/WD Top-Up Amount by a Participating OEM. The PSAN PI/WD Trust shall administer, process, settle, resolve, liquidate, satisfy, and pay, as applicable, PSAN PI/WD Claims against the Debtors and the Protected Parties and, after the Non-PSAN PI/WD Claims Termination Date, Administrative Expense PI/WD Claims, Administrative Expense PSAN PI/WD Claims, and Post-Closing PI/WD Claims in such a way that the holders of PSAN PI/WD Claims, Administrative Expense PI/WD Claims, Administrative Expense PSAN PI/WD Claims, and Post-Closing PI/WD Claims are treated equitably and in a substantially similar manner, respectively, subject to the terms of the Plan, the PSAN PI/WD Trust Agreement, and the PSAN PI/WD TDP to the extent applicable. The PSAN PI/WD Claims against the Protected Parties shall be channeled to the PSAN PI/WD Trust pursuant to the Channeling Injunction set forth in section 10.7 of this Plan and may thereafter be asserted only and exclusively against the PSAN PI/WD Trust. All such PSAN PI/WD Claims shall be liquidated and paid in accordance

with the PSAN PI/WD Trust Agreement, the PSAN PI/WD TDP, this Plan, the Confirmation Order, and any Participating OEM Contribution Agreement, if applicable. The PSAN PI/WD Trust shall be administered and implemented by the PSAN PI/WD Trustee as provided in the PSAN PI/WD Trust Agreement. If the Special Master agrees to such treatment, the PSAN PI/WD Funds shall be merged with the DOJ PI/WD Restitution Fund and administered by the Special Master in accordance with the terms of the Plan and the PSAN PI/WD Trust Agreement.

(b) **PSAN PI/WD TDP.** On the Effective Date, the PSAN PI/WD Trust shall implement the PSAN PI/WD TDP in accordance with the terms of the PSAN PI/WD Trust Agreement. On or after the Effective Date, the PSAN PI/WD Trustee shall have the authority to administer, amend, supplement, or modify the PSAN PI/WD TDP in accordance with the terms thereof and the PSAN PI/WD Trust Agreement; *provided, however*, that such modifications are not inconsistent with this Plan, other Plan Documents (including the U.S. Acquisition Agreement), and the Indemnity Agreement. From and after the Effective Date, the PSAN PI/WD Trust shall liquidate and make distributions to holders of Allowed PSAN PI/WD Claims in accordance with the PSAN PI/WD TDP. From and after the Non-PSAN PI/WD Claims Termination Date, the PSAN PI/WD Trust shall liquidate and make distributions to holders of Allowed Administrative Expense PI/WD Claims, Administrative Expense PSAN PI/WD Claims, and Post-Closing PI/WD Claims from the segregated funds available for such purposes in the discretion of the PSAN PI/WD Trustee.

(c) **Imposition of Channeling Injunction.** From and after the Effective Date, all PSAN PI/WD Claims against the Protected Parties shall be subject to the Channeling Injunction pursuant to section 105(a) of the Bankruptcy Code and the provisions of this Plan and the Confirmation Order. From and after the Effective Date, the Protected Parties shall have no obligation with respect to any liability of any nature or description arising out of, relating to, or in connection with any PSAN PI/WD Claims; *provided, however*, that nothing in the Plan shall preclude any action by the PSAN PI/WD Trust to enforce the Plan.

(d) **Releases of Liabilities to Holders of PSAN PI/WD Claims.** Except as provided in the Plan, the transfer to, vesting in, and assumption by the PSAN PI/WD Trust of the PSAN PI/WD Funds as contemplated by the Plan shall, as of the Effective Date, release all obligations and liabilities of and bar recovery or any action against the Protected Parties and their respective estates, affiliates, and subsidiaries, for or in respect of all PSAN PI/WD Claims. The PSAN PI/WD Trust shall, as of the Effective Date, assume sole and exclusive responsibility and liability for all PSAN PI/WD Claims, and such Claims shall be liquidated, resolved, or paid by the PSAN PI/WD Trust from the PSAN PI/WD Funds.

(e) **Assumption of Liabilities.** In furtherance of the purposes of the PSAN PI/WD Trust, and subject to the PSAN PI/WD Trust Agreement, the PSAN PI/WD Trust shall expressly assume all responsibility and liability for all (i) PSAN PI/WD Claims against the Debtors and the Protected Parties, (ii) Administrative Expense PSAN PI/WD Claims, (iii) Administrative Expense PI/WD Claims, (iv) Post-Closing PI/WD Claims (in the case (ii) through (iv), after the Non-PSAN PI/WD Claims Termination Date), and (v) all PSAN PI/WD Trust Expenses. The PSAN PI/WD Trust shall have all defenses, cross-claims, offsets, and recoupments regarding PSAN PI/WD Claims and, after the Non-PSAN PI/WD Claims Termination Date, Administrative Expense PSAN PI/WD Claims, Administrative Expense

PI/WD Claims, and Post-Closing PI/WD Claims that the Protected Parties, Debtors or Reorganized Debtors have or would have had under applicable law and consistent with the PSAN PI/WD Trust Agreement and PSAN PI/WD TDP to the extent applicable.

(f) **Funding of PSAN PI/WD Trust.** Upon the Effective Date, the Debtors shall assign and transfer the PSAN PI/WD Funds to the PSAN PI/WD Trust; *provided, however,* that to the extent certain assets comprising the PSAN PI/WD Funds, because of their nature or because such assets will accrue or become transferable subsequent to the Effective Date, cannot be transferred to, vested in, and assumed by the PSAN PI/WD Trust on the Effective Date, such assets shall be automatically, and without further act or deed, transferred to, vested in, or assumed by the PSAN PI/WD Trust as soon as reasonably practicable after the Effective Date. Notwithstanding anything in the Plan to the contrary, no monies, choses in action, and/or assets comprising the PSAN PI/WD Funds that have been transferred, granted, assigned, or otherwise delivered to the PSAN PI/WD Trust shall be used for any purpose other than for the payment, defense, or administration of the PSAN PI/WD Claims.

(g) **Payment of PSAN PI/WD Claims.** The PSAN PI/WD Trust shall be used to pay PSAN PI/WD Claims against the Debtors, the Reorganized Debtors, and the Protected Parties, up to the full amount of such Claims, (i) first, from the applicable PSAN PI/WD Insurance Proceeds, (ii) second, from any portion of the IIM Available Cash, SMX Available Cash, TDM Available Cash, or TKH Available Cash allocated to the PSAN PI/WD Funds in accordance with this Plan, and (iii) third, from the PSAN PI/WD Top-Up Amounts; *provided, however* that such PSAN PI/WD Top-Up Amounts shall only be utilized to pay claims related to vehicles sold by the applicable Participating OEM.

(h) **Payment of Administrative Expense PSAN PI/WD Claims.** After the Non-PSAN PI/WD Claims Termination Date, the segregated bank account established in the PSAN PI/WD Trust for the benefit of the holders of Administrative Expense PSAN PI/WD Claims and funded with amounts equal to the total estimated amount of Administrative Expense PSAN PI/WD Claims as set forth in the Updated Claims Estimation Report shall be used to pay Administrative Expense PSAN PI/WD Claims in the full amount of such Claims.

(i) **Payment of Administrative Expense PI/WD Claims.** After the Non-PSAN PI/WD Claims Termination Date, the segregated bank account established in the PSAN PI/WD Trust for the benefit of holders of Administrative Expense PI/WD Claims and funded with amounts equal to the total estimated amount of Administrative Expense PI/WD Claims shall be used to pay Administrative Expense PI/WD Claims in the full amount of such Claims.

(j) **Payment of Post-Closing PI/WD Claims.** After the Non-PSAN PI/WD Claims Termination Date, the Post-Closing PI/WD Claims Reserve shall be transferred to the PSAN PI/WD Trust and used to pay Post-Closing PI/WD Claims in the full amount of such Claims.

(k) **Excess Assets in the PSAN PI/WD Trust.** On the PSAN PI/WD Trust Termination Date, after the payment of all Allowed PSAN PI/WD Claims, Allowed Administrative Expense PI/WD Claims, Allowed Administrative Expense PSAN PI/WD Claims,

and PSAN PI/WD Trust Expenses that have been provided for and the liquidation of all assets then held by the PSAN PI/WD Trust, any remaining value in the PSAN PI/WD Funds shall be distributed (i) first, with respect to unused portions of any PSAN PI/WD Top-Up Amount, to the applicable Participating OEM, with any applicable interest accrued thereon, (ii) second, to the Special Master for contribution to the DOJ PI/WD Restitution Fund, and (iii) third, if the Special Master's appointment has concluded, then to a charity to be selected by the PSAN PI/WD Trustee. For the avoidance of doubt, nothing herein shall govern the distribution of any remaining value in the DOJ PI/WD Restitution Fund, whether or not merged with the PSAN PI/WD Funds as set forth in this Plan.

(l) **PSAN PI/WD Trust Expenses.** The PSAN PI/WD Trust shall pay all PSAN PI/WD Trust Expenses from the PSAN PI/WD Trust Reserve, as provided for in the PSAN PI/WD Trust Agreement. The Protected Parties shall have no obligation to pay any PSAN PI/WD Trust Expenses.

(m) **PSAN PI/WD Trustee.** There shall be one (1) PSAN PI/WD Trustee, which shall be the Special Master so long as the Special Master agrees to serve as the PSAN PI/WD Trustee on terms reasonably acceptable to the Debtors and the Consenting OEMs, or such other Person or Entity that is reasonably acceptable to the Debtors, each Participating OEM, and the Requisite Consenting OEMs. If the PSAN PI/WD Trustee selected by the Debtors, each Participating OEM, and the Requisite Consenting OEMs is a Person other than the Special Master, the Debtors shall inform TKJP of the identity of such Person as soon as practicable and in any event at least three (3) days prior to filing any document in the Chapter 11 Cases identifying the PSAN PI/WD Trustee. On the Confirmation Date, the Bankruptcy Court shall appoint the initial PSAN PI/WD Trustee to serve in accordance with, and who shall have the functions and rights provided in, the PSAN PI/WD Trust Agreement. Any successor PSAN PI/WD Trustee shall be appointed in accordance with the terms of the PSAN PI/WD Trust Agreement. For purposes of any PSAN PI/WD Trustee performing his or her duties and fulfilling his or her obligations under the PSAN PI/WD Trust and the Plan, the PSAN PI/WD Trust and the PSAN PI/WD Trustee shall be deemed to be "parties in interest" within the meaning of section 1109(b) of the Bankruptcy Code. The PSAN PI/WD Trustee shall be the "administrator" of the PSAN PI/WD Trust as such term is used in Treas. Reg. Section 1.468B-2(k)(3). The initial PSAN PI/WD Trustee shall be the individual identified in the Plan Supplement.

(n) **PSAN PI/WD Trust Advisory Committee(s).** The PSAN PI/WD Trust Agreement shall provide for the establishment of one or more PSAN PI/WD Trust Advisory Committees. The PSAN PI/WD Trust Advisory Committee(s) shall have the functions and rights provided for in the PSAN PI/WD Trust Agreement. The number and identification of the initial members of the PSAN PI/WD Trust Advisory Committee(s), which shall include representatives selected by the Participating OEMs if such Participating OEMs so elect, shall be set forth in the Plan Supplement. Any successor members of the PSAN PI/WD Trust Advisory Committee(s) shall be appointed in accordance with the PSAN PI/WD Trust Agreement.

(o) **Cooperation; Transfer of Books and Records.**

- (i) On the Effective Date or as soon as reasonably practicable thereafter, the Debtors shall transfer and assign, or cause to be transferred and assigned, to the PSAN PI/WD Trustee, all of the books and records of the Debtors that pertain to PSAN PI/WD Claims. In addition, on the Effective Date or as soon as reasonably practicable thereafter, the Debtors shall provide the PSAN PI/WD Trustee with a copy of a database or other information as reasonably required to assist the PSAN PI/WD Trust in identifying the PSAN PI/WD Claims being channeled to the PSAN PI/WD Trust.
- (ii) The transfer or assignment of information, which may include PSAN PI/WD Privileged Information, to the PSAN PI/WD Trustee in accordance with this section 5.9(o)(ii) of the Plan shall not result in the destruction or waiver of any applicable privileges pertaining to PSAN PI/WD Privileged Information. Further, with respect to any privileges: (a) they are transferred to or contributed for the sole purpose of enabling the PSAN PI/WD Trustee to perform its duties to administer the PSAN PI/WD Trust and for no other reason, (b) they are vested solely in the PSAN PI/WD Trustee and not in the PSAN PI/WD Trust, the PSAN PI/WD Trust Advisory Committee or any other Person, committee or subcomponent of the PSAN PI/WD Trust, or any other Person (including counsel and other professionals) who has been engaged by, represents or has represented any holder of a PSAN PI/WD Claim or any Person who alleges or may allege a claim directly or indirectly relating to or arising from the Debtors' Products or operations, (c) they shall be preserved and not waived, (d) for the avoidance of doubt, any such transfer shall have no effect on any right, claim or privilege of any Person other than the Debtors, TKJP, or any other non-Debtor Takata entities, and (e) no information subject to a privilege or a prior assertion thereof shall be publicly disclosed by the PSAN PI/WD Trustee or the PSAN PI/WD Trust or communicated to any Person not entitled to receive such information or in a manner that would diminish the protected status of any such information.

(p) **Institution and Maintenance of Legal and Other Proceedings.**

As of the Effective Date, the PSAN PI/WD Trust shall be empowered to initiate, prosecute, defend, and resolve all legal actions and other proceedings related to any asset, liability, or responsibility of the PSAN PI/WD Trust. The PSAN PI/WD Trust shall be empowered to initiate, prosecute, defend, and resolve all such actions in the name of the Debtors if deemed

necessary or appropriate by the PSAN PI/WD Trustee. The PSAN PI/WD Trust shall be responsible for the payment of all damages, awards, judgments, settlements, expenses, costs, fees, and other charges incurred subsequent to the Effective Date arising from or associated with any legal action or other proceeding brought pursuant to section 5.9(e) of this Plan and shall pay or reimburse all deductibles, retrospective premium adjustments, or other charges which may arise from the receipt of the PSAN PI/WD Insurance Proceeds by the PSAN PI/WD Trust. For the avoidance of doubt, the PSAN PI/WD Trust, pursuant to section 1123(b)(3)(B) of the Bankruptcy Code and applicable State corporate law, is appointed as the successor-in-interest to, and representative, of the Debtors and their Estates for the retention, enforcement, settlement, or adjustment of all PSAN PI/WD Claims.

**(q) Participating OEMs.**

- (i) On or before seven days preceding the commencement of solicitation of votes on the Plan, each Consenting OEM that wishes to be a Participating OEM shall provide written notice of such participation to the Debtors, the representatives for holders of PSAN PI/WD Claims, the Future Claims Representative, and the Plan Sponsor of its intention to become a Participating OEM. Such notice shall include the PSAN PI/WD Top-Up Amount applicable to such Participating OEM and an indication of whether such Participating OEM intends to fund its respective PSAN PI/WD Top-Up Amount on the Effective Date or in installments or otherwise in accordance with a Participating OEM Contribution Agreement. The Disclosure Statement shall list each Participating OEM and its PSAN PI/WD Top-Up Amount.
- (ii) On the date the Channeling Injunction becomes effective (or at such time as may be otherwise agreed to by the Debtors and the applicable Participating OEM and set forth in the Disclosure Statement), each Participating OEM shall either (a) transfer the PSAN PI/WD Top-Up Amount to the PSAN PI/WD Trust, which obligation may be satisfied either by reallocating IIM Available Cash, SMX Available Cash, TDM Available Cash, and TKH Available Cash that would otherwise be distributed to such Participating OEM from the OEM Funds or from any other sources or (b) deliver an executed Participating OEM Contribution Agreement.
- (iii) The PSAN PI/WD Trust shall indemnify a Participating OEM, and any Person set forth in subpart (v) of the definition of “Protected Party” that is affiliated with such Participating OEM, for any loss, cost, fees, or expenses incurred by such Participating OEM or any such Person if,

after the payment of any portion or all of the PSAN PI/WD Top-Up Amount by the applicable Participating OEM, the Participating OEM or any such Person is (a) held liable for any PSAN PI/WD Claim or (b) required to provide payment, reimbursement, or restitution under any theory of liability for the same loss, damage, or other Claim that is reimbursed by the PSAN PI/WD Trust is otherwise based on the same events, facts, matters, or circumstances that gave rise to the PSAN PI/WD Claim, in each case in an amount not to exceed the applicable Participating OEM's PSAN PI/WD Top-Up Amount.

(r) **Insurance Neutrality.**

- (i) Nothing in the Plan, the Plan Documents, the Confirmation Order, or any finding of fact or conclusion of law with respect to the confirmation of the Plan shall limit the right of any insurance company to assert any coverage defense.
- (ii) None of (a) the Bankruptcy Court's or District Court's approval of the Plan or the Plan Documents, (b) the Confirmation Order or any findings and conclusions entered with respect to confirmation, nor (c) any estimation or valuation of any PSAN PI/WD Claims, either individually or in the aggregate in the Chapter 11 Cases, shall, with respect to any insurance company, constitute a trial or hearing on the merits or an adjudication or judgment, or accelerate the obligations, if any, of any insurance company under any PSAN PI/WD Insurance Policies.

**5.10 Charters; Bylaws.**

The charters, bylaws, limited liability company operating agreements, and other organizational documents of the Reorganized Debtors shall be amended or amended and restated in a manner consistent with section 1123(a)(6) of the Bankruptcy Code, if applicable, and the terms of this Plan, including section 5.7(p).

**5.11 Cancellation of Notes, Interests, Instruments, Certificates, and Other Documents.**

Except to the extent assumed by the Plan Sponsor in connection with the Restructuring Transactions or as otherwise provided herein, on the Effective Date, all notes, instruments, certificates evidencing debt to, or equity interests in, the Debtors shall be cancelled and obligations of the Debtors thereunder shall be discharged.



### 5.12 Separate Plans.

Notwithstanding the combination of separate plans of reorganization set forth in this Plan for purpose of economy and efficiency, this Plan constitutes a separate chapter 11 plan for each Debtor. Accordingly, if the Bankruptcy Court does not confirm this Plan with respect to one or more Debtors, it may still confirm this Plan with respect to any other Debtor that satisfies the confirmation requirements of section 1129 of the Bankruptcy Code.

### 5.13 Merger; Dissolution; Consolidation; Discharge.

On or after the Effective Date, Reorganized TK Holdings or the Legacy Trustee may (i) cause any or all of the Reorganized Debtors to be merged into one or more of the Reorganized Debtors, dissolved, or otherwise consolidated, (ii) cause the transfer of assets between or among the Reorganized Debtors, and (iii) engage in any other transaction in furtherance of the Plan. Notwithstanding the foregoing, within thirty (30) days after its completion of the acts required by the Plan, or as soon as reasonably practicable thereafter, each Reorganized Debtor shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of each Reorganized Debtor; *provided, however,* that each Reorganized Debtor, as applicable, shall file with the office of the Secretary of State or other appropriate office for the state of its organization a certificate of cancellation or dissolution. No corporate transaction undertaken pursuant to this section 5.13 shall excuse the Legacy Trustee or the Plan Administrator, as applicable, from making the Plan Sponsor Backstop Funding Repayment (including repayment of any unreimbursed Restructuring Expenses) in accordance with the terms and subject to the conditions of the Plan Sponsor Backstop Funding Agreement, and, in the case of any corporate transaction under this section 5.13 involving TKC, the terms and conditions of the Plan Sponsor Backstop Funding Agreement shall apply *mutatis mutandis* to TKC's successor-in-interest or the assignee of TKC's payment receivable from its subsidiary.

Upon the liquidation and dissolution of any subsidiary of Reorganized TK Holdings, any proceeds thereof shall be treated as Reorganized TK Holdings Trust Post-Closing Cash. Reorganized TK Holdings Trust Post-Closing Cash arising from distributions after the Effective Date on account of Intercompany Interests held by TKAM, TKC, and TKF shall (i) first, solely with respect to distributions from TKC's subsidiary, be used towards the Plan Sponsor Backstop Funding Repayment (if any), including repayment of any unreimbursed Restructuring Expenses, in accordance with the terms and subject to the conditions of the Plan Sponsor Backstop Funding Agreement and (ii) second constitute Available Cash of such Debtor.

### 5.14 Closing of the Chapter 11 Cases.

When all Disputed Claims (other than Disputed PSAN PI/WD Claims) filed against the Debtors have become Allowed Claims or have been disallowed by Final Order, all of the Reorganized TK Holdings Trust Assets have been distributed in accordance with the Plan, and all Allowed Claims (other than PSAN PI/WD Claims) have been satisfied in accordance with the Plan, the Legacy Trustee shall seek authority from the Bankruptcy Court to close the Chapter 11 Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules.

### 5.15 Plan Settlement.

(a) **Plan Settlement.** The provisions of the Plan (including provisions relating to the Plan Settlement Payment and the release and injunctive provisions contained in Article X of the Plan to the extent applicable to a Consenting OEM) and the other documents entered into in connection with the Restructuring Transactions constitute a good faith compromise and settlement among the Debtors, the Plan Sponsor, and the Consenting OEMs of all Claims and controversies relating to the Settled OEM Claims, and are also in consideration of the significant value provided to the Estates by the Restructuring Support Parties in connection with the Restructuring Transactions, including, without limitation (i) the Consenting OEMs' obligations under the Indemnity Agreement (without which the Plan Sponsor would have been unwilling to enter into the Restructuring Transactions and pay the Purchase Price for the Purchased Assets), (ii) the Consenting OEMs' post-Effective Date commitments to the Plan Sponsor's business, (iii) the Consenting OEMs' agreement to certain modifications to the OEM Assumed Contracts and to have such OEM Assumed Contracts be assigned to the Plan Sponsor, (iv) the Plan Sponsor's entry into the Restructuring Transactions, (v) the Plan Sponsor's obligation to provide the Plan Sponsor Backstop Funding in accordance with the terms and subject to the conditions of the Plan Sponsor Backstop Funding Agreement, (vi) the Business Incentive Plan Payment, and (vii) the Plan Sponsor's agreement to enter into the Transition Services Agreement. The Plan shall be deemed a motion to approve the Plan Settlement and the good faith compromise and settlement of all of the Claims and controversies described in the foregoing sentence pursuant to Bankruptcy Rule 9019, and entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Plan Settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that the Plan Settlement is fair, equitable, reasonable, and in the best interests of the Debtors and their Estates.

(b) **Plan Settlement Payment.** Upon approval of the Plan Settlement by the Bankruptcy Court in the Confirmation Order and the occurrence of the Effective Date of the Plan: (i) the Plan Settlement Payment, less the Plan Settlement Turnover Amount, shall be paid in full in Cash by the Plan Sponsor (in accordance with the Plan Settlement Payment Waterfall set forth in section 5.15(c) of this Plan) to the OEMs in accordance with the Agreed Allocation for the Consenting OEMs free and clear of all Claims, Interests, Liens, other encumbrances, and liabilities of any kind. Such payment shall be deemed to be made both (x) on behalf of the Debtors on account of the Plan Settlement Payment and (y) with the consent of the Special Master, on behalf of the Special Master, on account of the DOJ Restitution Claim; (ii) \$100,000 of the Plan Settlement Turnover Amount shall be contributed by the Consenting OEMs to each of the IIM Recovery Funds, the SMX Recovery Funds, the TDM Recovery Funds, and the TKH Recovery Funds for the benefit of holders of General Unsecured Claims; *provided, however,* that \$100,000 of the Plan Settlement Turnover Amount shall be contributed by the Consenting OEMs to each of the IIM Recovery Funds and TDM Recovery Funds solely in the event that the Mexico Class Action Claims have not been fully resolved (through adjudication, settlement, or otherwise) prior to the Effective Date; (iii) the Post-Closing Reserve and the Warehousing Trust Reserve shall be fully funded in accordance with this Plan; and (iv) the Business Incentive Plan Payment shall be paid, when payable under the terms of the U.S. Acquisition Agreement, to the Consenting OEMs in accordance with the Agreed Allocation. Notwithstanding anything to the contrary in this Plan, to the extent that the Post-Closing Reserve

and the Warehousing Trust Reserve are not fully funded on the Effective Date taking into account any amounts funded by the Debtors' non-Debtor affiliates, the Cash Proceeds shall be used to fund such reserves in the full amount necessary to ensure that such reserves are sufficiently funded to satisfy the purposes for which such reserves were established. Such payments, transfers, and funding shall be made in full and final satisfaction of the Settled OEM Claims and shall be final. For the avoidance of doubt, the Plan Settlement Payment and other payments and funding obligations set forth in this section 5.15(b) shall not be deemed to be in satisfaction of any Claims of Consenting OEMs that do not constitute Settled OEM Claims, including (x) any OEM Unsecured Claims held by any Consenting OEM, (y) any Administrative Expense Claims or Cure Claims held by any Consenting OEM that do not constitute Settled OEM Claims, or (z) any Claims held by any Consenting OEM against any party other than the Debtors, including the Debtors' non-Debtor affiliates.

(c) **Plan Settlement Payment Waterfall.** The Consenting OEMs have directed that the Plan Settlement Payment be paid by the Debtors from the Cash Proceeds as follows: (i) first, from the TKC Cash Proceeds; (ii) second, from the TKAM Cash Proceeds; (iii) third, from the TKF Cash Proceeds; (iv) fourth, from the IIM Cash Proceeds; (v) fifth, from the TDM Cash Proceeds; (vi) sixth, from the SMX Cash Proceeds, and (vii) seventh, from the TKH Cash Proceeds. For the avoidance of doubt, the Plan Settlement Payment shall not be paid under clauses (ii) through (vii) hereof unless the applicable Debtor's Cash Proceeds in the immediately preceding clause are exhausted.

(d) **Assumed PSAN Contracts.** Reorganized Takata is assuming the Assumed PSAN Contracts in accordance with section 8.4 of this Plan as part of the Plan Settlement and to ensure (i) continued production of PSAN Inflatoms for the PSAN Consenting OEMs and (ii) compliance with applicable NHTSA regulations and orders. As part of the Plan Settlement, the PSAN Consenting OEMs are agreeing to settle any Consenting OEM PSAN Cure Claims arising under the Assumed PSAN Contracts in exchange for the treatment of the Settled OEM Claims set forth in section 5.15(b) above.

## ARTICLE VI DISTRIBUTIONS.

### 6.1 Distributions Generally.

The Disbursing Agent shall make all Distributions to the appropriate holders of Allowed Claims and Allowed Interests in accordance with the terms of this Plan. Except as otherwise provided herein, Distributions under this Plan shall be made only to the holders of Allowed Claims.

### 6.2 Distribution Formula.

Available Cash shall be allocated to the Recovery Funds, with respect to the applicable Debtor, as follows:

(a) the percentage of IIM Available Cash to be allocated to each of the IIM PSAN PI/WD Fund, the IIM OEM Fund, the IIM Other Creditors Fund, and the IIM

Disputed Claims Reserve, respectively, shall be based on, as of the Effective Date or the applicable Periodic Distribution Date, as set forth in sections 6.4 and 7.7 of this Plan: (i) PSAN PI/WD Claims against IIM, based on the estimate of PSAN PI/WD Claims against IIM as set forth in the Claims Estimation Report, with such estimate of PSAN PI/WD Claims to be adjusted to take into account releases, if any, of the Debtors granted or expected to be granted by holders of PSAN PI/WD Claims in connection with distributions from the DOJ PI/WD Restitution Fund, (ii) Allowed OEM Unsecured Claims against IIM, (iii) Allowed Other General Unsecured Claims against IIM, and (iv) an aggregate amount equal to the least of, with respect to each Disputed OEM Unsecured Claim and Disputed Other General Unsecured Claim against IIM, (w) the filed amount of such Disputed General Unsecured Claim, (x) the amount determined, to the extent permitted by the Bankruptcy Code and Bankruptcy Rules, by the Bankruptcy Court for purposes of fixing the amount to be retained for such Disputed General Unsecured Claim, and (y) such other amount as may be agreed upon by the holder of such Disputed General Unsecured Claim and the applicable Claims Administrator, with each of the foregoing clauses (i) – (iv) as a percentage of the aggregate of clauses (i) – (iv); *provided, however*, that the amount of IIM Available Cash allocated to the IIM PSAN PI/WD Fund in accordance with the foregoing formula shall be reallocated among the IIM Recovery Funds to the extent necessary to provide proportionate treatment to holders of Allowed OEM Unsecured Claims, PSAN PI/WD Claims, and Allowed Other General Unsecured Claims against IIM, after giving effect to recoveries to holders of PSAN PI/WD Claims against IIM from the PSAN PI/WD Insurance Proceeds as though such recoveries were Distributions made under this Plan. For the avoidance of doubt, the PSAN PI/WD Top-Up Amounts shall not be taken into consideration in determining the allocation of IIM Available Cash among the Recovery Funds in accordance with this paragraph.

(b) the percentage of SMX Available Cash to be allocated to each of the SMX PSAN PI/WD Fund, the SMX OEM Fund, the SMX Other Creditors Fund, and the SMX Disputed Claims Reserve, respectively, shall be based on, as of the Effective Date or the applicable Periodic Distribution Date, as set forth in sections 6.4 and 7.7 of this Plan: (i) Allowed PSAN PI/WD Claims against SMX, based on the estimate of PSAN PI/WD Claims against SMX as set forth in the Claims Estimation Report, with such estimate of PSAN PI/WD Claims to be adjusted to take into account releases, if any, of the Debtors granted or expected to be granted by holders of PSAN PI/WD Claims in connection with distributions from the DOJ PI/WD Restitution Fund, (ii) Allowed OEM Unsecured Claims against SMX, (iii) Allowed Other General Unsecured Claims against SMX, and (iv) an aggregate amount equal to the least of, with respect to each Disputed OEM Unsecured Claim and Disputed Other General Unsecured Claim against SMX, (w) the filed amount of such Disputed General Unsecured Claim, (x) the amount determined, to the extent permitted by the Bankruptcy Code and Bankruptcy Rules, by the Bankruptcy Court for purposes of fixing the amount to be retained for such Disputed General Unsecured Claim, and (y) such other amount as may be agreed upon by the holder of such Disputed General Unsecured Claim and the applicable Claims Administrator, with each of the foregoing clauses (i) – (iv) as a percentage of the aggregate of clauses (i) – (iv); *provided, however*, that the amount of SMX Available Cash allocated to the SMX PSAN PI/WD Fund in accordance with the foregoing formula shall be reallocated among the SMX Recovery Funds to the extent necessary to provide proportionate treatment to holders of Allowed OEM Unsecured Claims, PSAN PI/WD Claims, and Allowed Other General Unsecured Claims against SMX, after giving effect to recoveries to holders of PSAN PI/WD Claims against SMX from the PSAN PI/WD Insurance Proceeds as though such recoveries were Distributions made under this Plan.

For the avoidance of doubt, the PSAN PI/WD Top-Up Amounts shall not be taken into consideration in determining the allocation of SMX Available Cash among the Recovery Funds in accordance with this paragraph.

(c) the percentage of TDM Available Cash to be allocated to each of the TDM PSAN PI/WD Fund, the TDM OEM Fund, the TDM Other Creditors Fund, and the TDM Disputed Claims Reserve, respectively, shall be based on, as of the Effective Date or the applicable Periodic Distribution Date, as set forth in sections 6.4 and 7.7 of this Plan: (i) Allowed PSAN PI/WD Claims against TDM, based on the estimate of PSAN PI/WD Claims against TDM as set forth in the Claims Estimation Report, with such estimate of PSAN PI/WD Claims to be adjusted to take into account releases, if any, of the Debtors granted or expected to be granted by holders of PSAN PI/WD Claims in connection with distributions from the DOJ PI/WD Restitution Fund, (ii) Allowed OEM Unsecured Claims against TDM, (iii) Allowed Other General Unsecured Claims against TDM, and (iv) an aggregate amount equal to the least of, with respect to each Disputed OEM Unsecured Claim and Disputed Other General Unsecured Claim against TDM, (w) the filed amount of such Disputed General Unsecured Claim, (x) the amount determined, to the extent permitted by the Bankruptcy Code and Bankruptcy Rules, by the Bankruptcy Court for purposes of fixing the amount to be retained for such Disputed General Unsecured Claim, and (y) such other amount as may be agreed upon by the holder of such Disputed General Unsecured Claim and the applicable Claims Administrator, with each of the foregoing clauses (i) – (iv) as a percentage of the aggregate of clauses (i) – (iv); *provided, however,* that the amount of TDM Available Cash allocated to the TDM PSAN PI/WD Fund in accordance with the foregoing formula shall be reallocated among the TDM Recovery Funds to the extent necessary to provide proportionate treatment to holders of Allowed OEM Unsecured Claims, PSAN PI/WD Claims, and Allowed Other General Unsecured Claims against TDM, after giving effect to recoveries to holders of PSAN PI/WD Claims against TDM from the PSAN PI/WD Insurance Proceeds as though such recoveries were Distributions made under this Plan. For the avoidance of doubt, the PSAN PI/WD Top-Up Amounts shall not be taken into consideration in determining the allocation of TDM Available Cash among the Recovery Funds in accordance with this paragraph; and

(d) the percentage of TKH Available Cash to be allocated to each of the TKH PSAN PI/WD Fund, the TKH OEM Fund, the TKH Other Creditors Fund, and the TKH Disputed Claims Reserve, respectively, shall be based on, as of the Effective Date or the applicable Periodic Distribution Date, as set forth in sections 6.4 and 7.7 of this Plan: (i) PSAN PI/WD Claims against the TKH Debtors, based on the estimate of PSAN PI/WD Claims against the TKH Debtors as set forth in the Claims Estimation Report, with such estimate of PSAN PI/WD Claims to be adjusted to take into account releases, if any, of the Debtors granted or expected to be granted by holders of PSAN PI/WD Claims in connection with distributions from the DOJ PI/WD Restitution Fund, (ii) Allowed OEM Unsecured Claims against the TKH Debtors, (iii) Allowed Other General Unsecured Claims against the TKH Debtors, and (iv) an aggregate amount equal to the least of, with respect to each Disputed OEM Unsecured Claim and Disputed Other General Unsecured Claim against the TKH Debtors, (w) the filed amount of such Disputed General Unsecured Claim, (x) the amount determined, to the extent permitted by the Bankruptcy Code and Bankruptcy Rules, by the Bankruptcy Court for purposes of fixing the amount to be retained for such Disputed General Unsecured Claim, and (y) such other amount as may be agreed upon by the holder of such Disputed General Unsecured Claim and the applicable

Claims Administrator, with each of the foregoing clauses (i) – (iv) as a percentage of the aggregate of clauses (i) – (iv); *provided, however*, that the amount of TKH Available Cash allocated to the TKH PSAN PI/WD Fund in accordance with the foregoing formula shall be reallocated among the TKH Recovery Funds to the extent necessary to provide proportionate treatment to holders of Allowed OEM Unsecured Claims, PSAN PI/WD Claims, and Allowed Other General Unsecured Claims against the TKH Debtors, after giving effect to recoveries to holders of PSAN PI/WD Claims against the TKH Debtors from the PSAN PI/WD Insurance Proceeds as though such recoveries were Distributions made under this Plan. For the avoidance of doubt, the PSAN PI/WD Top-Up Amounts shall not be taken into consideration in determining the allocation of TKH Available Cash among the Recovery Funds in accordance with this paragraph.

### **6.3 Available Cash.**

Available Cash shall be used to fund (i) Distributions under the Plan to holders of Allowed General Unsecured Claims in each Class from the Recovery Funds on a Pro Rata Basis, and (ii) the Disputed Claims Reserves, all on the terms set forth herein.

### **6.4 Initial Distribution of Available Cash.**

On the Initial Distribution Date, after the satisfaction in full (or the establishment of reserves sufficient for the satisfaction in full) of the Plan Settlement Payment, the Claims Reserves, the Legacy Trusts Reserves, the Post-Closing Reserve, and the PSAN PI/WD Trust Reserve, the Disbursing Agent shall make an initial Distribution of the Available Cash in the Recovery Funds to holders of Allowed General Unsecured Claims against the Debtors in accordance with the provisions of this Plan. After this initial Distribution, the applicable Claims Administrator shall make periodic Distributions of the Available Cash in the Recovery Funds to holders of Allowed General Unsecured Claims against the Debtors on the Periodic Distribution Dates.

### **6.5 Date of Distributions.**

In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

### **6.6 Disbursing Agent.**

All Distributions under the Plan by the Reorganized TK Holdings Trust or the PSAN PI/WD Trust shall be made by the Disbursing Agent (who may be the applicable Claims Administrator) on and after the Effective Date as provided herein. The Disbursing Agent shall be deemed to hold all property to be distributed under this Plan in trust for the Persons entitled to receive the same. The Disbursing Agent (other than the Plan Sponsor, to the extent the Plan Sponsor is appointed by the Special Master for the purpose of making distributions to the OEMs on account of the DOJ Restitution Claim) shall not hold an economic or beneficial interest in the property to be distributed under this Plan. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties.

**6.7 Rights and Powers of Disbursing Agent.**

The Disbursing Agent shall be empowered to (i) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan, (ii) make all Distributions contemplated by the Plan, (iii) employ professionals to represent it with respect to its responsibilities, and (iv) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions of the Plan.

The Disbursing Agent shall only be required to act and make Distributions in accordance with the terms of the Plan and shall have no liability for actions taken in accordance with the Plan or in reliance upon information provided to it in accordance with the Plan or obligation or liability for Distributions under the Plan to any party who does not hold an Allowed Claim at the time of Distribution or who does not otherwise comply with the terms of the Plan; *provided, however*, that the foregoing shall not affect the liability that otherwise would result from any such act or omission to the extent such act or omission is determined by a Final Order to have constituted willful misconduct, gross negligence, intentional fraud, or criminal conduct of any such Person.

**6.8 Expenses of Disbursing Agent.**

Except as otherwise ordered by the Bankruptcy Court, any reasonable fees and expenses incurred by the Disbursing Agents on or after the Effective Date shall be paid in Cash by the Reorganized TK Holdings Trust, except that fees and expenses incurred by the PSAN PI/WD Trustee shall be paid by the PSAN PI/WD Trust.

**6.9 Delivery of Distributions.**

Subject to Bankruptcy Rule 9010, all distributions to any holder of an Allowed Claim shall be made at the address of such holder (i) as set forth on the Schedules filed with the Bankruptcy Court or (ii) on the books and records of the Debtors or their agents, as applicable, unless the Debtors or the applicable Claims Administrator has been notified in writing of a change of address, including, without limitation, by filing of a proof of Claim by such holder that contains an address for such holder different than the address of such holder as set forth in the Schedules.

**6.10 Undeliverable and Unclaimed Distributions.**

In the event that any Distribution to any holder of an Allowed Claim is returned as undeliverable, no distribution to such holder shall be made unless and until the Disbursing Agent has been notified of the then-current address of such holder, at which time or as soon as reasonably practicable thereafter such distribution shall be made to such holder without interest; *provided, however*, that all Distributions under the Plan that are unclaimed for a period of six (6) months after the Distribution thereof shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and revert in either the Reorganized TK Holdings Trust or the PSAN PI/WD Trust, as applicable, and any entitlement of any holder of any Claims to such Distributions shall be extinguished and forever barred.

**6.11 Distribution Record Date.**

As of the close of business on the Distribution Record Date, the claims register shall be closed. The applicable Claims Administrator shall have no obligation to recognize any transfer of any such Claims occurring after the close of business on the Distribution Record Date, and shall instead be entitled to recognize and deal for all purposes under the Plan with only those holders of record as of the close of business on the Distribution Record Date.

**6.12 Manner of Payment under Plan.**

At the option of the Disbursing Agent, any Cash payment to be made pursuant to the Plan may be made by a check or wire transfer or as otherwise required or provided in the Reorganized TK Holdings Trust Agreement.

**6.13 Minimum Cash Distributions.**

The Disbursing Agent shall not be required to make any Distributions of Cash less than \$100 to any holder of an Allowed General Unsecured Claim; *provided, however*, that if any Distribution is not made pursuant to this section 6.13, such Distribution shall be added to any subsequent Distribution to be made on behalf of the holder's Allowed General Unsecured Claims. The Disbursing Agent shall not be required to make any final Distribution of Cash less than \$25 to any holder of an Allowed General Unsecured Claim. If the amount of any final Distribution to any holder of Allowed General Unsecured Claims would be \$25 or less, then such Distribution shall be made available for distribution to all holders of Allowed General Unsecured Claims receiving final Distributions of at least \$25, in accordance with the Distribution Formula. Available Cash remaining in the Recovery Funds after all final Distributions to holders of Allowed General Unsecured Claims have been made in accordance with the Plan shall be distributed to the holders of Intercompany Interests in the applicable Debtor.

**6.14 Setoffs and Recoupment.**

Subject to sections 10.5 through 10.8 of the Plan, the applicable Claims Administrator may, but shall not be required to, setoff against or recoup from any Claim and from any payments to be made pursuant to the Plan in respect of such Claim any claims of any nature whatsoever that the Debtors may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Claims Administrators of any such claim it may have against such claimant.

**6.15 Distributions after Effective Date.**

Distributions made after the Effective Date to holders of Disputed Claims that are not Allowed Claims as of the Effective Date, but which later become Allowed Claims, shall be deemed to have been made on the Effective Date.

**6.16 Interest and Penalties on Claims.**

Unless otherwise provided in the Plan or the Confirmation Order, no holder of a Claim shall be entitled to interest accruing on or after the Petition Date or penalties on any



Claim. Any such interest or penalty component of any such Claims, if Allowed, shall be paid only in accordance with section 726(b) of the Bankruptcy Code.

**6.17 No Distribution in Excess of Amount of Allowed Claim.**

Notwithstanding anything to the contrary in this Plan, no holder of an Allowed Claim shall receive, on account of such Allowed Claim, Distributions in excess of the Allowed amount of such Claim when combined with amounts received by such holders from other sources.

**6.18 Satisfaction of Claims.**

Unless otherwise provided herein, any distributions and deliveries to be made on account of Allowed Claims under this Plan shall be in complete and final satisfaction, settlement, and discharge of and exchange for such Allowed Claims.

**6.19 Withholding and Reporting Requirements.**

(a) **Withholding Rights.** In connection with the Plan, and all instruments or Interests issued in connection therewith and in consideration thereof, any party issuing any instrument or making any distribution described in the Plan shall comply with all applicable withholding and reporting requirements imposed by any federal, state, or local taxing authority, and all distributions pursuant to the Plan and all related agreements shall be subject to any such withholding or reporting requirements. In the case of a non-Cash distribution that is subject to withholding, the distributing party may withhold an appropriate portion of such distributed property and either (i) sell such withheld property to generate Cash necessary to pay over the withholding tax (or reimburse the distributing party for any advance payment of the withholding tax), or (ii) pay the withholding tax using its own funds and retain such withheld property. Any amounts withheld pursuant to the preceding sentence shall be deemed to have been distributed to and received by the applicable recipient for all purposes of the Plan. Notwithstanding the foregoing, each holder of an Allowed Claim or any other Person that receives a distribution pursuant to the Plan shall have responsibility for any taxes imposed by any governmental unit, including, without limitation, income, withholding, and other taxes, on account of such distribution. In the event any party issues any instrument or makes any non-Cash distribution pursuant to the Plan that is subject to withholding tax and such issuing or distributing party has not sold such withheld property to generate Cash to pay the withholding tax or paid the withholding tax using its own funds and retains such withheld property as described above, such issuing or distributing party has the right, but not the obligation, to not make a distribution until such holder has made arrangements reasonably satisfactory to such issuing or disbursing party for payment of any such tax obligations.

(b) **Forms.** Any party entitled to receive any property as an issuance or Distribution under the Plan shall, upon request, deliver to the Disbursing Agent or such other Person designated by the Reorganized Debtors (which Person shall subsequently deliver to the Disbursing Agent any applicable IRS Form W-8 or Form W-9 received) an appropriate Form W-9 or Form W-8, as applicable, and any other forms or documents reasonably requested by any Reorganized Debtor to reduce or eliminate any withholding required by any federal, state, or

local taxing authority. If such request is made by any Reorganized Debtors, the Disbursing Agent, or such other Person designated by the Reorganized Debtors or Disbursing Agent and the holder fails to comply before the date that is three hundred sixty-five (365) calendar days after the request is made, the amount of such Distribution shall irrevocably revert to the Reorganized Debtors and any Claim in respect of such Distribution shall be discharged and forever barred from assertion against the Reorganized Debtors or its property.

(c) **Obligation.** Notwithstanding the above, each holder of an Allowed Claim that is to receive a Distribution under this Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed on such holder by any governmental unit, including income, withholding, and other tax obligations, on account of such distribution.

## ARTICLE VII PROCEDURES FOR DISPUTED CLAIMS.

### 7.1 Disputed Claims Reserves.

From and after the Effective Date, and until such time as all Disputed Claims have been compromised and settled or determined by a Final Order of the Bankruptcy Court, the applicable Claims Administrator shall, consistent with and subject to section 1123(a)(4) of the Bankruptcy Code, retain from the Available Cash an aggregate amount equal to the Pro Rata Share of each Distribution that would have been made to a holder of a Disputed Claim from the Recovery Funds in accordance with the Distribution Formula and allocate such amount to the applicable Disputed Claims Reserve in accordance with the Distribution Formula as if such Disputed Claim were an Allowed Claim against the Debtors in an amount equal to the least of (i) the filed amount of such Disputed Claim, (ii) the amount determined, to the extent permitted by the Bankruptcy Code and Bankruptcy Rules, by the Bankruptcy Court for purposes of fixing the amount to be retained for such Disputed Claim, (iii) such other amount as may be agreed upon by the holder of such Disputed Claim and the applicable Claims Administrator, and (iv) with respect to Disputed PSAN PI/WD Claims, the estimate for all future PSAN PI/WD Claims, in the aggregate, as set forth in the Claims Estimation Report.

### 7.2 Claim Objections.

On or after the Effective Date, objections to Claims against the Debtors may be interposed and prosecuted only by the applicable Claims Administrator. Except as otherwise provided in section 2.1 of the Plan with respect to Administrative Expense Claims, any objections to Claims shall be served on the respective Claim holder and filed with the Bankruptcy Court (i) on or before one hundred twenty (120) days following the later of (a) the Effective Date and (b) the date that a proof of Claim is filed or amended or a Claim is otherwise asserted or amended in writing by or on behalf of a holder of such Claim, or (ii) on such later date as may be fixed by the Bankruptcy Court; *provided, however*, that the foregoing time periods shall not apply to PSAN PI/WD Claims.

**7.3 No Distribution Pending Allowance.**

Notwithstanding any other provision in the Plan, if any portion of a Claim is Disputed, no payment or Distribution provided under the Plan shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim.

**7.4 Estimation of Claims.**

The Debtors (before the Effective Date) or the applicable Claims Administrator (on or after the Effective Date) may, at any time, request that the Bankruptcy Court estimate, pursuant to section 502(c) of the Bankruptcy Code, any Disputed Claim that the Bankruptcy Court has jurisdiction to estimate in accordance with the Bankruptcy Code or other applicable law regardless of whether an objection was previously filed with the Bankruptcy Court with respect to such Claim, or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. If the Bankruptcy Court estimates a Disputed Claim, that estimated amount shall constitute either the Allowed amount of such Claim, the amount used to determine the Disputed Claims Reserve, or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the applicable Claims Administrator may elect to pursue any supplemental proceeding to object to any ultimate Distribution on account of such Claim.

**7.5 Distribution After Allowance.**

On the first Distribution Date following the date on which a Disputed Claim becomes an Allowed Claim against a Debtor, the Disbursing Agent shall remit to the respective Recovery Fund, for Distribution to the holder of such Allowed Claim, the Available Cash retained in the applicable Disputed Claims Reserve in an amount equal to the amount that would have been distributed to the holder of such Claim from the Effective Date through and including the Distribution Date had such Claim been Allowed as of the Effective Date. For the avoidance of doubt, the amount to be distributed pursuant to this section 7.5 shall be based on the Distribution Formula as applied on the applicable Distribution Date and not the Distribution Formula as applied on the Effective Date.

**7.6 Resolution of Claims.**

Except as expressly provided herein or in any order entered in the Chapter 11 Cases before the Effective Date, including the Confirmation Order, the Claims Administrators (on or after the Effective Date) shall have and retain any and all rights and defenses held by the Debtors with respect to any Claim as of the Petition Date. On and after the Effective Date, in accordance with the Plan, the Claims Administrators shall have the authority to compromise, settle, otherwise resolve, or withdraw any objections to Claims against the Debtors and to compromise, settle, or otherwise resolve any Disputed Claims without approval of the Bankruptcy Court. If a Claims Administrator and a holder of a Disputed Claim are unable to reach a settlement on the Disputed Claim, such Disputed Claim shall be submitted to the Bankruptcy Court for resolution.

**7.7 Periodic Distributions from the Disputed Claims Reserves.**

After the Initial Distribution Date, the applicable Claims Administrator shall make distributions on the Periodic Distribution Dates from the Disputed Claims Reserves to the Recovery Funds for holders of Allowed General Unsecured Claims against the Debtors as a result of resolving Disputed Claims and releasing Cash from the Disputed Claims Reserves into the Recovery Funds in accordance with the Distribution Formula, as re-applied at each Distribution Date. The Applicable Claims Administrator shall make Distributions on the Periodic Distribution Dates from the Recovery Funds to the holders of Allowed General Unsecured Claims against the Debtors in accordance with ARTICLE VI.15(a) of this Plan.

**7.8 Distributions on the Non-PSAN PI/WD Claims Termination Date.**

On the Non-PSAN PI/WD Claims Termination Date, when all Disputed Claims (other than PSAN PI/WD Claims) are resolved and have either become Allowed or are Disallowed, a final Distribution of Available Cash in the Disputed Claims Reserves shall be deposited into the Recovery Funds pursuant to the then applicable Distribution Formula. Immediately thereafter, a final Distribution shall be made from the Recovery Funds to holders of Allowed Claims (other than PSAN PI/WD Claims) in accordance with ARTICLE VI of this Plan.

**7.9 Property Held in the Disputed Claims Reserves.**

Each holder of a Disputed Claim that ultimately becomes an Allowed Claim shall have recourse only to the undistributed applicable Available Cash held in the Disputed Claims Reserves for satisfaction of the Distributions to which holders of Allowed Claims are entitled under the Plan, and not against Reorganized Takata or the Legacy Trusts, their property (including reserves), or any assets previously distributed on account of any Allowed Claim.

**7.10 Claims Resolution Procedures Cumulative.**

All of the objection, estimation, settlement, and resolution procedures set forth in this Plan are intended to be cumulative and not exclusive of one another. Claims may be established and subsequently settled, compromised, withdrawn, or resolved in accordance with this Plan by any mechanism approved by the Bankruptcy Court.

**7.11 No Postpetition Interest.**

Unless otherwise specifically provided for in the Plan or Confirmation Order, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims, and no holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim. Interest shall not accrue or be paid upon any Disputed Claim in respect of the period from the Effective Date to the date a Distribution is made thereon on and after such Disputed Claim becomes an Allowed Claim.

**ARTICLE VIII EXECUTORY CONTRACTS AND UNEXPIRED LEASES.****8.1 Assumption and Rejection of Executory Contracts and Unexpired Leases.**

(a) As of and subject to the occurrence of the Effective Date, all executory contracts and unexpired leases to which the Debtors are party shall be deemed assumed and assigned to the Plan Sponsor except for an executory contract or unexpired lease that (i) has previously been assumed or rejected pursuant to a Final Order of the Bankruptcy Court, (ii) is specifically designated on the Schedule of Assumed Contracts or the Schedule of Rejected Contracts, which shall be filed and served within the time prescribed by the Solicitation Procedures Order, (iii) is being assumed, assumed and assigned, or otherwise assigned pursuant to section 8.4 of this Plan, (iv) is the subject of a separate assumption or rejection motion filed by the Debtors under section 365 of the Bankruptcy Code pending on the Confirmation Date, or (v) is the subject of a pending Cure Dispute. The Debtors reserve the right to modify the treatment of any particular executory contract or unexpired lease pursuant to this Plan, and any such modification shall be reasonably acceptable to the Plan Sponsor.

(b) Subject to the occurrence of the Effective Date, the payment of any applicable Cure Amount, and the resolution of any Cure Dispute, the entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of the rejections, assumptions, and assignments provided for in the Solicitation Procedures Order and in this Plan pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated or provided in a separate order of the Bankruptcy Court, rejections or assumptions or assignments of executory contracts and unexpired leases pursuant to the Solicitation Procedures Order and this Plan are effective as of the Effective Date. Each executory contract and unexpired lease assumed pursuant to this Plan or by order of the Bankruptcy Court but not assigned to a third party on or before the Effective Date shall vest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as modified by the provisions of this Plan, any order of the Bankruptcy Court authorizing and providing for its assumption, or applicable law.

(c) Unless otherwise provided herein (including section 8.4 of this Plan) or by separate order of the Bankruptcy Court, each executory contract and unexpired lease that is assumed or assumed and assigned shall include any and all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease, without regard to whether such agreement, instrument, or other document is listed in the Schedule of Assumed Contracts or the Schedule of Assumed and Assigned Contracts.

**8.2 Determination of Cure Disputes and Deemed Consent.**

(a) Subject to the entry of the Solicitation Procedures Order and the terms and provisions thereof, the Debtors shall file a cure notice within the time prescribed by the Solicitation Procedures Order listing the Cure Claims, which cure notice shall be in form and substance reasonably acceptable to the Plan Sponsor and served on all required parties as directed in the Solicitation Procedures Order. If a counterparty to an executory contract or

unexpired lease (excluding, for the avoidance of doubt, any OEM Assumed Contract) is not listed on such cure notice, the proposed Claim Cure for such executory contract or unexpired lease shall be deemed to be zero dollars (\$0); *provided, however*, that the foregoing shall not apply to those counterparties not listed on the cure notice that otherwise file a proof of Claim with the Bankruptcy Court.

(b) Any counterparty to an executory contract or unexpired lease shall have the time prescribed by the Solicitation Procedures Order to object to the Cure Claims listed on the notice and to adequate assurance of future performance by the Plan Sponsor.

(c) To the extent that a Cure Dispute is asserted in an objection filed in accordance with the Solicitation Procedures Order, such Cure Dispute shall be scheduled for a hearing by the Bankruptcy Court. Following resolution of a Cure Dispute by Final Order of the Bankruptcy Court, the applicable contract or lease shall be deemed assumed effective as of the Effective Date; *provided, however*, if any Claim subject to a Cure Dispute is Allowed in an amount greater than the Cure Amount for such Claim listed on the cure notice, the Debtors reserve the right (and shall do so if directed by the Plan Sponsor with respect to any Purchased Contract) to reject such executory contract or unexpired lease for a period of seven (7) Business Days following entry of a Final Order of the Bankruptcy Court resolving the applicable Cure Dispute by filing a notice indicating such rejection with the Bankruptcy Court.

(d) To the extent (i) any Cure Dispute with respect to a Purchased Contract has not been resolved prior to the Effective Date and (ii) (a) the aggregate amount of all Disputed Cure Claims with respect to the Purchased Contracts plus (b) the aggregate amount of all other Cure Claims paid by the Plan Sponsor on the Effective Date exceeds the Cure Claims Cap, the Debtors shall establish the Disputed Cure Claims Reserve. Any amounts remaining in the Disputed Cure Claims Reserve after the resolution and payment, if applicable, of all Disputed Cure Claims with respect to the Purchased Contracts, shall be included in the Claims Reserve of the applicable Reorganized Debtor. For the avoidance of doubt, the Plan Sponsor's obligation to pay Cure Claims in connection with assumption and assignment of the Purchased Contracts shall not exceed the Cure Claims Cap. To the extent the total aggregate value of Cure Claims (including all Disputed Cure Claims) with respect to the Purchased Contracts exceeds the Cure Claims Cap, (i) the Plan Sponsor, in its sole discretion, shall determine the specific Cure Claims that it shall pay up to the Cure Claims Cap and (ii) the Debtors shall pay the excess of (x) the aggregate amount of such Cure Claims over (y) the Cure Claims Cap.

(e) To the extent that an objection is not timely filed and properly served on the Debtors with respect to a Cure Dispute, then the counterparty to the applicable contract or lease shall be deemed to have assented to (i) the Cure Amount proposed by the Debtors and (ii) the assumption of such contract or lease, notwithstanding any provision thereof that (a) prohibits, restricts, or conditions the transfer or assignment of such contract or lease, or (b) terminates or permits the termination of a contract or lease as a result of any direct or indirect transfer or assignment of the rights of the Debtor under such contract or lease or a change in the ownership or control as contemplated by the Plan, and shall forever be barred and enjoined from asserting such objection against the Debtors or terminating or modifying such contract or lease on account of transactions contemplated by the Plan.

(f) With respect to payment of any Cure Amounts or Cure Disputes, neither the Debtors, the Plan Sponsor, nor the Disbursing Agent shall have any obligation to recognize or deal with any party other than the non-Debtor party to the applicable executory contract or unexpired lease, even if such non-Debtor party has sold, assigned, or otherwise transferred its Cure Claim.

### **8.3 Payments Related to Assumption of Contracts and Leases.**

(a) Subject to resolution of any Cure Dispute, any monetary amounts by which any executory contract and unexpired lease to be assumed hereunder is in default shall be satisfied, under section 365(b)(1) of the Bankruptcy Code, by the Debtors or the Plan Sponsor (solely with respect to the Purchased Contracts and up to the Cure Claims Cap), as the case may be, upon assumption thereof.

(b) Assumption and assignment of any executory contract or unexpired lease pursuant to the Plan, or otherwise, shall result in the full release and satisfaction of any Claims or defaults, subject to satisfaction of the Cure Amount, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed executory contract or unexpired lease at any time before the effective date of assumption and/or assignment. Any proofs of Claim filed with respect to an executory contract or unexpired lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order or approval of the Bankruptcy Court or any other Person.

**8.4 OEM Contracts.** Notwithstanding any other provision of this ARTICLE VIII:

(a) Each Standalone OEM Assumed Contract shall be assumed by the applicable Debtor and assigned (and to the extent not executory, assigned) to the Plan Sponsor entity to which the applicable Consenting OEM consents (in its sole discretion), as of the Effective Date on an “as is” basis (and without giving effect to any accommodations provided pursuant to the Global Accommodation Agreement) without modification of any kind, including as to terms or price, other than (1) to substitute the Plan Sponsor entity to whom such Standalone OEM Assumed Contract is being assigned (with the consent of the applicable Consenting OEM, in its sole discretion) for the applicable Debtor and (2) for any Standalone OEM Assumed Contract of a Consenting OEM, incorporate the ROLR (as defined in the Indemnity Agreement) on the terms set forth in Section 10 of the Indemnity Agreement, to the extent such Standalone OEM Assumed Contract is not otherwise deemed amended in accordance with section 8.4(d) below.

(b) All Standalone PSAN Assumed Contracts shall be assumed by Reorganized TK Holdings or its applicable subsidiary (and to the extent not executory, assigned to Reorganized TK Holdings or its applicable subsidiary) as of the Effective Date on an “as is” basis (and without giving effect to any accommodations provided pursuant to the Global Accommodation Agreement) without modification of any kind, including as to terms or price, other than to (i) substitute Reorganized TK Holdings (or its applicable subsidiary) for the

applicable Debtor and (ii) account for pricing adjustments consistent with the Reorganized Takata Business Model on a cost basis.

(c) Each Non-Standalone OEM Contract shall be automatically severed on the Effective Date (to the extent such severance has not occurred prior to the Effective Date) so as to create a Modified Assumed OEM Contract and, in the case of a Non-Standalone OEM Contract of a PSAN Consenting OEM, Consenting OEM PSAN Contract Manufacturer, or Consenting OEM PSAN Tier One, severed so as to create a Modified Assumed OEM Contract and either a Modified Assumed PSAN Contract or a standalone contract for the sale of PSAN Inflators that shall be rejected in accordance with the below, as applicable. Each such severed Non-Standalone OEM Contract shall be: (i) as it relates to a Modified Assumed OEM Contract, assumed by the applicable Debtor and assigned (and to the extent not executory, assigned) to the Plan Sponsor entity to which the applicable Consenting OEM consents (in its sole discretion), “as is” (and without giving effect to any accommodations provided by the Global Accommodation Agreement), without modification of any kind, including as to terms or price, other than (A) as necessary to separate the manufacture and sale of the PSAN Inflators and release the Plan Sponsor (including the Acquired Non-Debtor Affiliates) from all Liabilities (as defined in the Indemnity Agreement) and obligations thereunder with respect to PSAN Inflators on the terms set forth in the Indemnity Agreement (and such released obligations shall be (I) in the case of a Modified Assumed PSAN Contract, transferred to, and the severed portion of the contract related to such manufacture, sale, Liabilities (as defined in the Indemnity Agreement), and obligations novated to and assumed by, Reorganized TK Holdings (or its applicable subsidiary) as a Modified Assumed PSAN Contract; or (II) in all other cases, rejected as of the Effective Date), (B) to account for pricing adjustments for the PSAN Inflator production not being assumed by the Plan Sponsor, where such adjustments are to be resolved between the applicable Consenting OEM and the Plan Sponsor pursuant to normal commercial dealings, (C) to substitute the Plan Sponsor entity to whom the Modified Assumed OEM Contract is assigned (with the consent of the applicable Consenting OEM, in its sole discretion) for the applicable Debtor, and (D) for a Non-Standalone OEM Contract of a Consenting OEM, to incorporate the ROLR (as defined in the Indemnity Agreement) on the terms set forth in Section 10 of the Indemnity Agreement to the extent such Consenting OEM’s Non-Standalone OEM Contract is not otherwise deemed amended in accordance with section 8.4 of the Plan; and (ii) as it relates to a Modified Assumed PSAN Contract, assumed by Reorganized TK Holdings or its applicable subsidiary (and to the extent not executory, assigned to Reorganized TK Holdings or its applicable subsidiary) “as is” (and without giving effect to any accommodations provided pursuant to the Global Accommodation Agreement) without modification of any kind, including as to terms or price, other than (A) as necessary to separate the manufacture and sale of the PSAN Inflators and release Reorganized Takata from all Liabilities (as defined in the Indemnity Agreement), and obligations thereunder unrelated to PSAN Inflators, and such released obligations shall be transferred to, and the severed portion of the contract related to such manufacture, sale, Liabilities (as defined in the Indemnity Agreement), and obligations novated to and assumed by, the Plan Sponsor entity to whom the Modified Assumed OEM Contract is assigned (with the consent of the applicable Consenting OEM, in its sole discretion) as a Modified Assumed OEM Contract, (B) to account for pricing adjustments consistent with the Reorganized Takata Business Model on a cost basis, and (C) to substitute Reorganized TK Holdings (or its applicable subsidiary) for the applicable Debtor.



(d) This Plan shall constitute an amendment to the applicable OEM Assumed Contracts and Assumed PSAN Contracts to incorporate the provisions set forth herein, including, in the case of OEM Assumed Contracts, the ROLR on the terms set forth in Section 10 of the Indemnity Agreement, and no additional amendments to such contracts shall be necessary to effectuate any of the provisions hereof.

(e) Notwithstanding the foregoing, in respect of any Non-Standalone OEM Contracts where a Consenting OEM PSAN Contract Manufacturer or Consenting OEM PSAN Tier One is the counterparty, (i) the applicable Consenting OEM and Plan Sponsor will work cooperatively to cause the Consenting OEM PSAN Contract Manufacturer or Consenting OEM PSAN Tier One to modify its Non-Standalone OEM Contracts consistent with this section 8.4 and the Plan shall not constitute a deemed amendment to such Non-Standalone OEM Contracts, and (ii) Plan Sponsor shall have no obligation to assume any Non-Standalone OEM Contract where a Consenting OEM PSAN Contract Manufacturer or Consenting OEM PSAN Tier One is the counterparty unless (A) such counterparty modifies its Non-Standalone OEM Contract consistent with this section 8.4 and (B) either (x) such counterparty grants a release consistent with Sections 8.a, 8.b and 8.e of the Indemnity Agreement and agrees to the contractual subordination terms set forth in the penultimate paragraph of Section 5 of the Indemnity Agreement or (y) the applicable Consenting OEM is required to, or agrees to, indemnify and hold harmless Joyson KSS Auto Safety S.A. pursuant to Section 6 of the Indemnity Agreement with respect to any related PSAN Claims (as defined in the Indemnity Agreement) asserted by such counterparty in respect of such Non-Standalone OEM Contract (to the extent such claim relates to the applicable OEM's vehicles), it being understood that any Non-Standalone OEM Contract that Plan Sponsor does not assume as permitted by this section 8.4 shall not constitute an OEM Assumed Contract for any purposes hereunder and, notwithstanding anything to the contrary set forth in this Plan, neither Plan Sponsor nor any Acquired Non-Debtor Affiliate shall have any obligation under this Plan with respect to any such counterparty with respect to the applicable Non-Standalone OEM Contract.

(f) Except as otherwise agreed to between the Plan Sponsor and the Consenting OEMs, the Plan Sponsor shall assume all Assumed Liabilities (as defined in the Indemnity Agreement) in accordance with Section 4.b of the Indemnity Agreement.

(g) Subject to approval of the Plan Settlement by the Bankruptcy Court, the Consenting OEM PSAN Cure Claims shall be deemed fully and finally satisfied upon consummation of the Plan Settlement in accordance with section 5.15 of the Plan.

(h) Notwithstanding anything herein to the contrary, any Cure Claims of Consenting OEMs, other than Consenting OEM PSAN Cure Claims, shall be assumed by the Plan Sponsor and paid to the respective Consenting OEM in the ordinary course of business. The Debtors shall have no obligations with respect to such Cure Claims, and such Cure Claims shall not be counted for determining the Disputed Cure Claims Reserve or included in or limited by the Cure Claims Cap. Such Cure Claims shall not be subject to any Cure Claim procedures set forth in this Plan or the Solicitation Procedures Order. Further, nothing in this Plan shall be deemed a waiver of such Cure Claims by the Consenting OEMs nor affect the assumption and assignment of the OEM Assumed Contracts on an "as is" basis as provided above.

(i) All Purchase Orders and other executory contracts and unexpired leases between any Debtor and any OEM that purchased PSAN Inflators from the Debtors that is not a Consenting OEM shall be deemed rejected as of the Effective Date, to the extent not rejected prior to the Effective Date.

#### **8.5 Rejection Claims.**

In the event that the rejection of an executory contract or unexpired lease by any of the Debtors herein results in damages to the other party or parties to such contract or lease, any Claim for such damages, if not heretofore evidenced by a timely filed proof of Claim, shall be forever barred and shall not be enforceable against the Debtors or the Reorganized Debtors, or their respective Estates, properties or interests in property, unless a proof of Claim is filed with the Bankruptcy Court and served upon the Debtors no later than thirty (30) days after the later of (i) the Confirmation Date and (ii) the effective date of the rejection of such executory contract or unexpired lease. Any such Claims, to the extent Allowed, shall be classified as Class 5 Other General Unsecured Claims. The Confirmation Order shall constitute the Bankruptcy Court's approval of the rejection of all the leases and contracts identified in the Schedule of Rejected Contracts.

#### **8.6 Survival of the Debtors' Indemnification Obligations.**

Any obligations of the Debtors pursuant to their corporate charters, by-laws, limited liability company agreements, memorandum and articles of association, or other organizational documents and agreements to indemnify current officers, directors, agents, or employees with respect to all present and future actions, suits, and proceedings against the Debtors or such officers, directors, agents, or employees based upon any act or omission for or on behalf of the Debtors shall not be discharged, impaired, or otherwise affected by this Plan; *provided, however*, that the Reorganized Debtors shall not indemnify any Person (i) for any Claims or Causes of Action arising out of or relating to any act or omission that is found by a Final Order of a court to constitute a criminal act or fraud, gross negligence, breach of fiduciary duty, or willful misconduct, including, in each case, in relation to the manufacture and sale of PSAN Inflators and (ii) that is a named defendant in any proceeding brought by the DOJ. All such obligations shall be deemed and treated as executory contracts to be assumed by the Debtors under this Plan and shall continue as obligations of the Reorganized Debtors. Any claim based on the Debtors' obligations herein shall not be a Disputed Claim or subject to any objection, in either case, by reason of section 502(e)(1)(B) of the Bankruptcy Code.

#### **8.7 Compensation and Benefit Plans.**

Except with respect to any benefit plans, policies, or programs (i) for which the Debtors have received approval of the Bankruptcy Court to reject or terminate on or before the Effective Date, (ii) that are rejected or terminated pursuant to the Plan, (iii) that are subject to a pending motion to reject or terminate as of the Confirmation Hearing, or (iv) that are listed on the Schedule of Rejected Contracts, all employment and severance policies, and all compensation and benefit plans, policies, and programs of the Debtors applicable to their respective employees, and non-employee directors, including all savings plans, retirement plans, healthcare plans, disability plans, severance benefit plans, incentive and bonus plans (including,

for the avoidance of doubt, any letter agreements with the PSAN Employees (as defined in the U.S. Acquisition Agreement) relating to the Key Employee Bonus Plan), and life and accidental death and dismemberment insurance plans, are deemed to be, and shall be treated as, executory contracts under this Plan and, on the Effective Date, shall be assumed pursuant to sections 365 and 1123 of the Bankruptcy Code; *provided, however*, that the Debtors shall not assume any obligations owed to Transferred Employees under the following benefit plans: the letter agreements relating to the Key Employee Bonus Plan, the TK Holdings Inc. Supplemental Management Retirement Plan, and the TK Holdings Inc. Executive Retirement Plan.

Pursuant to the U.S. Acquisition Agreement, the Plan Sponsor shall assume the letter agreements with the Transferred Employees relating to the Key Employee Bonus Plan and any obligations owed to the Transferred Employees under that certain TK Holdings Inc. Supplemental Management Retirement Plan and that certain TK Holdings Inc. Executive Retirement Plan.

Any employment and severance policies; compensation and benefit plans, policies, and programs; or life and accidental death and dismemberment insurance plans relating or provided to a former employee of the Debtors who is retired as of the Effective Date shall be rejected with respect to such former employee except to the extent prohibited by section 1114 of the Bankruptcy Code.

#### **8.8 Insurance Policies.**

On or prior to the Effective Date, the Debtors may fund an upfront premium payment to purchase “tail insurance” to continue the Debtors’ existing directors’ and officers’ insurance subject to the reasonable consent of the Requisite Consenting OEMs. All insurance policies to which any Debtor is a party as of the Effective Date shall be deemed to be and treated as executory contracts, shall be assumed by the applicable Debtor, and shall vest in the Reorganized Debtors and continue in full force and effect thereafter in accordance with their respective terms.

#### **8.9 Reservation of Rights.**

(a) Neither the exclusion nor the inclusion by the Debtors or any contract or lease on any exhibit, schedule, or other annex to this Plan or in the Plan Supplement, nor anything contained in this Plan, shall constitute an admission by the Debtors that any such contract or lease is or is not an executory contract or unexpired lease or that the Debtors or the Reorganized Debtors or their respective affiliates has any liability thereunder.

(b) Except as explicitly provided in this Plan, nothing herein shall waive, excuse, limit, diminish, or otherwise alter any of the defenses, claims, Causes of Action, or other rights of the Debtors or the Reorganized Debtors under any executory or non-executory contract or unexpired lease.

(c) Nothing in this Plan shall increase, augment, or add to any of the duties, obligations, responsibilities, or liabilities of the Debtors or the Reorganized Debtors, as applicable, under any executory or non-executory contract or unexpired or expired lease.

(d) If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of its assumption under this Plan, the Debtors or Reorganized Debtors, as applicable, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

**ARTICLE IX            CONDITIONS PRECEDENT TO CONFIRMATION OF THE PLAN AND THE OCCURRENCE OF THE EFFECTIVE DATE.**

**9.1            Conditions Precedent to Confirmation.**

Confirmation of the Plan shall not occur unless all of the following conditions precedent have been satisfied:

(a) the Debtors, the Consenting OEMs, and the Plan Sponsor, as applicable, shall have approved of or accepted the Confirmation Order in accordance with their respective consent rights under the U.S. RSA, as incorporated by reference in section 1.4 of this Plan;

(b) the Confirmation Order shall include a finding by the Bankruptcy Court that the Purchased Assets shall be purchased by and vested in the Plan Sponsor free and clear of all Claims, Interests, Liens, other encumbrances, and liabilities of any kind, including rights or claims based on any successor or transferee liabilities other than Assumed Liabilities and Permitted Liens;

(c) the U.S. RSA shall not have been terminated by the Debtors, the Plan Sponsor, or the Requisite Consenting OEMs (as defined in the U.S. RSA) and shall be in full force and effect with respect to such parties; and

(d) the Plan and the Plan Supplement, including any schedules, documents, supplements and exhibits thereto, shall (i) be in form and substance reasonably acceptable to the Debtors, the Consenting OEMs, and the Plan Sponsor, (ii) consistent in all material respects with the U.S. RSA, and (iii) consistent with the other provisions of this Plan.

**9.2            Conditions Precedent to the Effective Date.**

The Effective Date shall not occur unless all of the following conditions precedent have been satisfied:

(a) entry of the Confirmation Order by the Bankruptcy Court and such Confirmation Order has not been stayed, modified, or vacated on appeal;

(b) the U.S. RSA shall not have been terminated by the Debtors, the Plan Sponsor, or the Requisite Consenting OEMs (as defined in the U.S. RSA), and shall be in full force and effect with respect to such parties;

(c) the Debtors, the Consenting OEMs, and the Plan Sponsor, as applicable, shall have approved of or accepted the Definitive Documentation (as defined in the U.S. RSA) in accordance with their respective consent rights under the U.S. RSA, as incorporated by reference in section 1.4 of this Plan;

(d) all conditions precedent to the consummation of the U.S. Acquisition Agreement (other than effectiveness of the Plan) have been satisfied or waived by the party or parties entitled to waive them in accordance with the terms thereof, and the U.S. Acquisition Agreement is in full force and effect and is binding on all parties thereto;

(e) all conditions precedent to the consummation of any purchase agreement between non-Debtor affiliates of the Debtors and the Plan Sponsor (other than effectiveness of the Plan) have been satisfied or waived by the party or parties entitled to waive them in accordance with the terms thereof, and any such purchase agreement is in full force and effect and is binding on all parties thereto;

(f) the Closing Date shall have occurred (or shall occur simultaneously with the occurrence of the Effective Date);

(g) receipt by the Consenting OEMs, or an account or accounts designated by the Consenting OEMs, of the Consenting OEMs' aggregate allocable share of the \$850 million restitution fund under the DOJ Restitution Order (in the Chapter 11 Cases and the Japan Proceedings, free and clear of all Claims, Interests, Liens, other encumbrances, and liabilities of any kind) to be allocated among the Consenting OEMs in accordance with the Agreed Allocation;

(h) execution of the Reorganized TK Holdings Trust Agreement;

(i) the PSAN PI/WD Trust Agreement and the PSAN PI/WD TDP shall become effective in accordance with the terms of this Plan (except with respect to any provisions of the PSAN PI/WD Trust Agreement or PSAN PI/WD TDP that are expressly conditioned upon effectiveness of the Channeling Injunction);

(j) the Legacy Trusts shall be fully funded;

(k) the Transition Services Agreement (i) shall have been executed and delivered to the Plan Sponsor by Reorganized TK Holdings and (ii) shall be in full force and effect, and all conditions precedent to the effectiveness of the Transition Services Agreement shall have been satisfied or waived by the party or parties entitled to waive them in accordance with the terms thereof;

(l) the Indemnity Agreement (i) shall have been executed and delivered to the Plan Sponsor by each of the Consenting OEMs, (ii) shall be in full force and effect, and (iii) all conditions precedent to the effectiveness of the Indemnity Agreement shall have been satisfied or waived by the party or parties entitled to waive them in accordance with the terms thereof;

(m) the Global Accommodation Agreement and the Access Agreement shall have been terminated;

(n) the Consenting OEMs shall have released all Liens granted under the Access Agreement and the Adequate Protection Order;

(o) the Debtors shall have obtained all authorizations, consents, regulatory approvals, ruling, or documents that are necessary to implement and effectuate the Plan (except for approval of the Channeling Injunction by the District Court in accordance with section 10.7(f) of the Plan);

(p) all actions, documents, and agreements necessary to implement and effectuate the Plan shall have been effected or executed;

(q) all professional fees and expenses approved by the Bankruptcy Court shall have been paid in full or amounts sufficient to pay such fees and expenses after the Effective Date have been placed in a professional fee escrow pending approval by the Bankruptcy Court;

(r) the Restructuring Expenses shall have been paid in accordance with section 12.6 of the Plan;

(s) the closing of the transactions contemplated by all purchase agreements between non-Debtor affiliates of the Debtors and the Plan Sponsor shall have occurred or shall occur contemporaneously with the effectiveness of this Plan; and

(t) a Canadian court of competent jurisdiction shall have entered a Final Order recognizing the Confirmation Order entered by the Bankruptcy Court; and

(u) (i) the Civil Rehabilitation Court shall have entered an order approving the sale of the assets (other than specified excluded assets) of the Japan Debtors pursuant to a business transfer under Section 42 of the Japan Civil Rehabilitation Act, which shall remain in full force and effect and (ii) all conditions precedent to the effectiveness of the business transfer described in the preceding clause shall have been satisfied or waived by the party or parties entitled to waive them in accordance with the terms thereof.

### **9.3 Waiver of Conditions Precedent.**

(a) Each of the conditions precedent to confirmation of the Plan and the occurrence of the Effective Date may be waived subject to the written consent, which shall not be unreasonably withheld, of the Debtors, the Plan Sponsor, and the Consenting OEMs. If any such condition precedent is waived pursuant to this section and the Effective Date occurs, each party agreeing to waive such condition precedent shall be estopped from withdrawing such waiver after the Effective Date or otherwise challenging the occurrence of the Effective Date on the basis that such condition was not satisfied, the waiver of such condition precedent shall benefit from the “equitable mootness” doctrine, and the occurrence of the Effective Date shall foreclose any ability to challenge this Plan in any court. If this Plan is confirmed for fewer than

all of the Debtors, only the conditions applicable to the Debtor or Debtors for which this Plan is confirmed must be satisfied or waived for the Effective Date to occur.

(b) The stay of the Confirmation Order pursuant to Bankruptcy Rule 3020(e) shall be deemed waived by and upon the entry of the Confirmation Order, and the Confirmation Order shall take effect immediately upon its entry.

## ARTICLE X EFFECT OF CONFIRMATION

### 10.1 *Binding Effect.*

Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, and subject to the occurrence of the Effective Date, on and after the entry of the Confirmation Order, the provisions of this Plan shall bind every holder of a Claim against or Interest in any Debtor and inure to the benefit of and be binding on such holder's respective successors and assigns, regardless of whether the Claim or Interest of such holder is impaired under this Plan and whether such holder has accepted this Plan.

### 10.2 *Discharge of Claims against and Interests in the Reorganized Debtors.*

Upon the Effective Date and in consideration of the Distributions to be made under this Plan, except as otherwise provided in this Plan or in the Confirmation Order, each holder (as well as any trustee or agent on behalf of such holder) of a Claim or Interest and any successor, assign, and affiliate of such holder shall be deemed to have forever waived, released, and discharged the Debtors, to the fullest extent permitted by section 1141 of the Bankruptcy Code, of and from any and all Claims, Interests, rights, and liabilities that arose prior to the Effective Date. Except as otherwise provided in this Plan, upon the Effective Date, all such holders of Claims and Interests and their successors, assigns, and affiliates shall be forever precluded and enjoined, pursuant to sections 105, 524, and 1141 of the Bankruptcy Code, from prosecuting or asserting any such discharged Claim against or terminated Interest in any Debtor or any Reorganized Debtor.

### 10.3 *Pre-Confirmation Injunctions and Stays.*

Unless otherwise provided in this Plan, all injunctions and stays arising under or entered during the Chapter 11 Cases, whether under sections 105 or 362 of the Bankruptcy Code or otherwise, and in existence on the date of entry of the Confirmation Order, shall remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay.

### 10.4 *Injunctions against Interference with Plan.*

Unless otherwise expressly provided herein or in a Final Order, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 105 or 363 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the closing of the Chapter 11 Cases.

### 10.5 Plan Injunction.

(a) Except as otherwise provided in this Plan or in the Confirmation Order, as of the entry of the Confirmation Order but subject to the occurrence of the Effective Date, to the maximum extent permitted under applicable law, all Persons who have held, hold, or may hold Claims or Interests are, with respect to any such Claim or Interest, permanently enjoined after the entry of the Confirmation Order from: (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including any proceeding in a judicial, arbitral, administrative, or other forum) against or affecting, directly or indirectly, a Debtor, a Reorganized Debtor, or an Estate or the property of any of the foregoing, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Parties mentioned in this subsection (i) or any property of any such transferee or successor; (ii) enforcing, levying, attaching (including any prejudgment attachment), collecting, or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree, or order against a Debtor, a Reorganized Debtor, or an Estate or its property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Parties mentioned in this subsection (ii) or any property of any such transferee or successor; (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against a Debtor, a Reorganized Debtor, or an Estate or any of its property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons mentioned in this subsection (iii) or any property of any such transferee or successor; (iv) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of this Plan; and (v) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of this Plan; *provided, however,* that nothing contained herein shall preclude such Parties who have held, hold, or may hold Claims against or Interests in a Debtor or an Estate from exercising their rights, or obtaining benefits, pursuant to and consistent with the terms of this Plan and the Plan Documents.

(b) Except as expressly permitted by the U.S. Acquisition Agreement and except as to Assumed Liabilities and Permitted Liens, all Persons, including all debt security holders, governmental, tax, and regulatory authorities, lenders, trade creditors, dealers, customers, employees, litigation claimants, and other creditors, holding Claims, Liens, Interests, charges, encumbrances, and other interests of any kind or nature whatsoever, including rights or Claims based on any successor or transferee liability, against or in a Debtor or the Purchased Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or noncontingent, known or unknown), arising under or out of, in connection with, or in any way relating to the Debtors, the Purchased Assets, the operation of the Purchased Assets prior to the Effective Date, or the Restructuring Transactions, are forever barred, estopped and permanently enjoined from asserting against the Plan Sponsor Parties, their respective successors and assigns, their property or the Purchased Assets, such Person's Claims, Liens, Interests, charges, encumbrances, and other interests (including rights or Claims based on any successor or transferee liability), including, without limitation, by: (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including any proceeding in a judicial, arbitral, administrative, or other forum) against or affecting, directly or indirectly, a Plan Sponsor Party or the property of any Plan Sponsor Party, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the



foregoing Persons mentioned in this subsection (i) or any property of any such transferee or successor; (ii) enforcing, levying, attaching (including any prejudgment attachment), collecting, or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree, or order against a Plan Sponsor Party or its property, or any direct or indirect transferee of any property of, or direct or indirect successor-in-interest to, any of the foregoing Persons mentioned in this subsection (ii) or any property of any such transferee or successor; (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against a Plan Sponsor Party or any of its property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons mentioned in this subsection (iii) or any property of any such transferee or successor; (iv) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of this Plan; and (v) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of this Plan.

(c) By accepting Distributions pursuant to this Plan, each holder of an Allowed Claim or Allowed Interest shall be deemed to have affirmatively and specifically consented to be bound by this Plan, including the injunctions set forth in this section.

## 10.6 Releases.

### (a) Releases by the Debtors.

**As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce the Plan, the Confirmation Order, and the obligations contemplated by the Restructuring Transactions, for good and valuable consideration, the adequacy of which is hereby confirmed, including, without limitation, the service of the Released Parties to facilitate the reorganization of the Debtors and the implementation of the Restructuring Transactions, and except as otherwise provided in the Plan or in the Confirmation Order, the Released Parties shall be deemed conclusively, absolutely, unconditionally, irrevocably and forever released and discharged, to the maximum extent permitted by law, as such law may be extended subsequent to the Effective Date, by the Debtors, the Reorganized Debtors, and the Estates from any and all Claims, counterclaims, disputes, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, Liens, remedies, losses, contributions, indemnities, costs, liabilities, attorneys' fees and expenses whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, the Reorganized Debtors, or their Estates (including, any Causes of Action arising under chapter 5 of the Bankruptcy Code), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, accrued or unaccrued, existing or hereinafter arising, whether in law or equity, whether sounding in tort or contract, whether arising under federal or state statutory or common law, or any other applicable international, foreign, or domestic law, rule, statute, regulation, treaty, right, duty, requirement or otherwise, that the Debtors, the Reorganized Debtors, or their Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors or their non-Debtor affiliates (including the Acquired Non-Debtor Affiliates), or their Estates, the Chapter 11 Cases, the purchase, sale, or rescission of the**

**purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party (including the exercise of any common law or contractual rights of setoff or recoupment by any Released Party at any time on or prior to the Effective Date), the Restructuring Transactions, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, the Disclosure Statement, the U.S. Acquisition Agreement, the Global Accommodation Agreement, the U.S. RSA, and the Plan and related agreements, instruments, and other documents, and the negotiation, formulation, preparation or implementation thereof, the solicitation of votes with respect to the Plan, or any other act or omission, other than Claims or Causes of Action arising out of or related to any act or omission of a Released Party that is a criminal act or constitutes fraud, gross negligence, or willful misconduct. The Reorganized Debtors and any newly-formed entities that shall be continuing the Debtors' businesses after the Effective Date shall be bound, to the same extent the Debtors are bound, by the releases and discharges set forth in this section 10.6(a).**

**(b) Releases by Holders of Claims and Interests.**

**As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce the Plan, the Confirmation Order and the obligations contemplated by the Restructuring Transactions, for good and valuable consideration, the adequacy of which is hereby confirmed, including, without limitation, the service of the Released Parties to facilitate the reorganization of the Debtors and the implementation of the Restructuring Transactions, and except as otherwise provided in the Plan or in the Confirmation Order, the Released Parties shall be deemed conclusively, absolutely, unconditionally, irrevocably and forever released and discharged, to the maximum extent permitted by law, as such law may be extended subsequent to the Effective Date, except as otherwise provided herein, by (i) the holders of all Claims, other than the Consenting OEMs, who vote to accept the Plan, (ii) the holders of all Claims, other than the Consenting OEMs, that are Unimpaired under the Plan, (iii) the holders of all Claims, other than the Consenting OEMs, whose vote to accept or reject the Plan is solicited but who do not vote either to accept or to reject the Plan, (iv) the holders of all Claims, other than the Consenting OEMs, or Interests who vote, or are deemed, to reject the Plan but do not opt out of granting the releases set forth herein, (v) the holders of all Claims, other than the Consenting OEMs, and Interests who were given notice of the opportunity to opt out of granting the releases set forth herein but did not opt out, and (vi) all other holders of Claims, other than the Consenting OEMs, and Interests to the maximum extent permitted by law, in each case from any and all Claims, counterclaims, disputes, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, Liens, remedies, losses, contributions, indemnities, costs, liabilities, attorneys' fees and expenses whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, the Reorganized Debtors, or their Estates (including any Causes of Action arising under chapter 5 of the Bankruptcy Code), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted, accrued or unaccrued, existing or hereinafter arising, whether in law or equity, whether sounding in tort or contract, whether arising under federal or state**

statutory or common law, or any other applicable international, foreign, or domestic law, rule, statute, regulation, treaty, right, duty, requirement or otherwise, that such holders or their estates, affiliates, heirs, executors, administrators, successors, assigns, managers, accountants, attorneys, representatives, consultants, agents, and any other Persons or parties claiming under or through them would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors or their non-Debtor affiliates (including the Acquired Non-Debtor Affiliates), the Reorganized Debtors, or their Estates, the Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party (including the exercise of any common law or contractual rights of setoff or recoupment by any Released Party at any time on or prior to the Effective Date), the Restructuring Transactions, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, the Disclosure Statement, the U.S. Acquisition Agreement, the Global Accommodation Agreement, the U.S. RSA, and the Plan and related agreements, instruments, and other documents, and the negotiation, formulation, preparation or implementation thereof, the solicitation of votes with respect to the Plan, or any other act or omission, other than Claims or Causes of Action arising out of or related to any act or omission of a Released Party that constitutes fraud, gross negligence or willful misconduct.

(c) Releases by Holders of PSAN PI/WD Claims.

As of the Effective Date, except for the rights that remain in effect from and after the Effective Date to enforce the Plan, to the maximum extent permitted under applicable law, the holders of PSAN PI/WD Claims shall be deemed to provide a full and complete discharge and release to the Protected Parties and their respective property and successors and assigns from any and all Causes of Action whatsoever, whether known or unknown, asserted or unasserted, derivative or direct, foreseen or unforeseen, existing of hereinafter arising, in law, equity, or otherwise, whether for tort, fraud, contract, violations of federal or state securities laws, veil piercing or alter-ego theories of liability, contribution, indemnification, joint liability, or otherwise, arising from or related in any way to such holders' PSAN PI/WD Claims. Notwithstanding anything to the contrary in the Plan, nothing in the Plan shall release any OEM that is not a Participating OEM from liability for a PSAN PI/WD Claim.

(d) Adequate Protection Order Releases.

Nothing in this Plan shall limit, modify, or affect in any way the releases granted under paragraph 4(g) of the Adequate Protection Order, and such releases shall remain in full force and effect through and after the Effective Date.

(e) **Intercompany Claims.**

**Notwithstanding sections 10.6(a) and 10.6(b) of the Plan, the Claims of the Debtors against their Non-Debtor Affiliates and the Claims of the Non-Debtor Affiliates against the Debtors shall not be released pursuant to such sections, but shall instead be treated in accordance with section 7.17 of the U.S. Acquisition Agreement.**

**10.7 Channeling Injunction.**

**In order to supplement the injunctive effect of the Plan Injunction and the Releases set forth in sections 10.5 and 10.6 of the Plan for PSAN PI/WD Claims, the Confirmation Order shall provide for the following permanent injunction to take effect as of the Effective Date:**

(a) **Terms.** In order to preserve and promote the settlements contemplated by and provided for in the Plan and to supplement, where necessary, the injunctive effect of the Plan Injunction and the Releases described in sections 10.5 and 10.6 of the Plan, and pursuant to the exercise of the equitable jurisdiction and power of the Bankruptcy Court and District Court under section 105(a) of the Bankruptcy Code, all Persons that have held or asserted, or that hold or assert any PSAN PI/WD Claim against the Protected Parties, or any of them, shall be permanently and forever stayed, restrained, and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering, or receiving payments, satisfaction, or recovery from any such Protected Party with respect to any such PSAN PI/WD Claims, including:

- (i) **commencing, conducting, or continuing, in any manner, whether directly or indirectly, any suit, action, or other proceeding of any kind in any forum with respect to any such PSAN PI/WD Claim, against or affecting any of the Protected Parties, or any property or interests in property of any Protected Party with respect to any such PSAN PI/WD Claim;**
- (ii) **enforcing, levying, attaching, collecting or otherwise recovering, by any manner or means, or in any manner, either directly or indirectly, any judgment, award, decree or other order against any of the Protected Parties or against the property of any Protected Party with respect to any such PSAN PI/WD Claim;**
- (iii) **creating, perfecting, or enforcing in any manner, whether directly or indirectly, any Lien of any kind against any Protected Party or the property of any Protected Party with respect to any such PSAN PI/WD Claims;**
- (iv) **asserting or accomplishing any setoff, right of subrogation, indemnity, contribution, or recoupment of**

**any kind, whether directly or indirectly, against any obligation due to any Protected Party or against the property of any Protected Party with respect to any such PSAN PI/WD Claim; and**

- (v) **taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan Documents, with respect to such PSAN PI/WD Claims.**

(b) **Reservations. Notwithstanding anything to the contrary in section 10.7 of the Plan, this Channeling Injunction shall not enjoin:**

- (i) **the rights of Entities to the treatment afforded them under the Plan, including the rights of Entities holding PSAN PI/WD Claims to assert such Claims in accordance with the PSAN PI/WD Trust Agreement and the PSAN PI/WD TDP solely against the PSAN PI/WD Trust whether or not there are funds to pay such PSAN PI/WD Claims;**
- (ii) **the rights of Entities to assert any Claim, debt, litigation, or liability for payment of PSAN PI/WD Trust Expenses solely against the PSAN PI/WD Trust whether or not there are funds to pay such PSAN PI/WD Trust Expenses; and**
- (iii) **the PSAN PI/WD Trust from enforcing its rights under the PSAN PI/WD Trust Agreement and the PSAN PI/WD TDP.**

(c) **Modifications.** There can be no modification, dissolution, or termination of the Channeling Injunction, which shall be a permanent injunction.

(d) **Non-Limitation Channeling Injunction.** Nothing in the Plan or the PSAN PI/WD Trust Agreement shall be construed in any way to limit the scope, enforceability, or effectiveness of the Channeling Injunction issued in connection with the Plan or the PSAN PI/WD Trust's assumption of all liability with respect to PSAN PI/WD Claims.

(e) **Bankruptcy Rule 3016 Compliance.** The Debtors' compliance with the requirements of Bankruptcy Rule 2016 shall not constitute an admission that the Plan provides for an injunction against conduct not otherwise enjoined under the Bankruptcy Code.

(f) **Approval of Channeling Injunction and Related Releases.** The Debtors shall seek an order by the District Court approving the Channeling Injunction and Releases by Holders of PSAN PI/WD Claims for the benefit of Participating OEMs and the Plan Sponsor as set forth in section 10.6(c) of this Plan; *provided, however*, that the requirement for District Court approval may be waived by the Debtors and (i) the Participating OEMs as it

relates to the Channeling Injunction and Releases by Holders of PSAN PI/WD Claims for the benefit of the Participating OEMs or (ii) the Plan Sponsor as it relates to the Channeling Injunction and Releases by Holders of PSAN PI/WD Claims for the benefit of the Plan Sponsor. In addition, the effectiveness of the Channeling Injunction and Releases by Holders of PSAN PI/WD Claims for the benefit of Participating OEMs shall be subject to (x) the consent of the Future Claimants Representative and (y) the Bankruptcy Court or the District Court (as applicable) having determined that Holders of PSAN PI/WD claims in Classes 5(a)-(d) voting on the Plan have voted to accept the Plan in a sufficient number in support of the Plan to support issuance of the Channeling Injunction for the benefit of the Participating OEMs. For the avoidance of doubt, the effectiveness of the Channeling Injunction and Releases by Holders of PSAN PI/WD Claims for the benefit of the Participating OEMs and the Plan Sponsor is not a condition to the Effective Date.

(g) **No Duplicative Recovery.** In no event will any holder of a PSAN PI/WD Claim against a Participating OEM be entitled to receive any duplicative payment, reimbursement or restitution from a Participating OEM under any theory of liability for the same loss, damage, or other claim that is reimbursed by the PSAN PI/WD Trust or is otherwise based on the same events, facts, matters, or circumstances that gave rise to the PSAN PI/WD Claim.

#### **10.8 Exculpation.**

To the maximum extent permitted by applicable law, except for the rights that remain in effect from and after the Effective Date to enforce the Plan, the Confirmation Order, and obligations contemplated by the Restructuring Transactions, no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from, any claim, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, remedy, loss, and liability for any Claim in connection with or arising out of the administration of the Chapter 11 Cases; the negotiation and pursuit of the Disclosure Statement (including any information provided or statements made in the Disclosure Statement or omitted therefrom), the Restructuring Transactions, the Global Accommodation Agreement, the U.S. RSA, the Plan, and the solicitation of votes for, and confirmation of, the Plan; the funding of the Plan; the occurrence of the Effective Date; the administration of the Plan and the property to be distributed under the Plan; the wind-down of the Reorganized Debtors and Reorganized Takata; the issuance of securities under or in connection with the Plan; and the transactions in furtherance of any of the foregoing; except for breach of fiduciary duty, fraud, gross negligence, willful misconduct, failure to comply with the Confirmation Order and failure to distribute assets according to the Plan. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations, and any other applicable law or rules protecting such Exculpated Parties from liability.

#### **10.9 Injunction Related to Releases and Exculpation.**

To the maximum extent permitted under applicable law, the Confirmation Order shall permanently enjoin the commencement or prosecution by any Person, whether directly, derivatively, or otherwise, of any Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, losses, or liabilities released pursuant to this Plan, including, without limitation, the Claims, obligations, suits, judgments, damages, demands, debts, rights,

Causes of Action, and liabilities released or exculpated in this Plan and the Claims, Liens, Interests, charges, encumbrances, and other interests described in section 5.2(c) of this Plan.

#### **10.10 Subordinated Claims.**

The allowance, classification, and treatment of all Allowed Claims and Allowed Interests and the respective distributions and treatments thereof under this Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, sections 510(a), 510(b), or 510(c) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors reserve the right to reclassify any Allowed Claim or Allowed Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

#### **10.11 Avoidance Actions.**

All Avoidance Actions that relate to the continued operation of the Business (as defined in the U.S. Acquisition Agreement), Reorganized Takata, or the Warehousing Trust, including with respect to ongoing trade vendors, suppliers, licensors, manufacturers, strategic or other business partners, customers, employees, or counterparties to all Purchased Contracts to be acquired by the Plan Sponsor, assumed by Reorganized Takata, or assumed and assigned to the Warehousing Trust shall be waived and released on the Effective Date. The Reorganized TK Holdings Trust shall have the right to prosecute any and all Avoidance Actions that are not acquired by the Plan Sponsor or waived pursuant to this section 10.11. Any Avoidance Actions retained by the Reorganized TK Holdings Trust shall be identified on a schedule to be filed as part of the Plan Supplement.

#### **10.12 Retention of Causes of Action and Reservation of Rights.**

Except as expressly provided in section 10.11 of this Plan, and subject to sections 10.5, 10.6, 10.7, and 10.8 of this Plan, nothing contained in this Plan or the Confirmation Order shall be deemed to be a waiver or relinquishment of any rights, Claims, Causes of Action (including Avoidance Actions), rights of setoff or recoupment, or other legal or equitable defenses that the Debtors had immediately before the Effective Date on behalf of the Estates or of themselves in accordance with any provision of the Bankruptcy Code or any applicable nonbankruptcy law. Subject to sections 10.5, 10.6, 10.7, and 10.8 of this Plan, the Reorganized TK Holdings Trust shall have, retain, reserve, and be entitled to assert all such Claims, Causes of Action (including Avoidance Actions), rights of setoff, or recoupment, and other legal or equitable defenses as fully as if the Chapter 11 Cases had not been commenced, and all of the Debtors' legal and equitable rights in respect of an Unimpaired Claim may be asserted after the Effective Date to the same extent as if the Chapter 11 Cases had not been commenced.

#### **10.13 Ipso Facto and Similar Provisions Ineffective.**

Any term of any policy, contract, or other obligation applicable to a Debtor shall be void and of no further force or effect with respect to any Debtor to the extent that such policy, contract, or other obligation is conditioned on, creates an obligation of the Debtor as a result of, or gives rise to a right of any Person based on any of the following: (i) the insolvency or

financial condition of a Debtor; (ii) the commencement of the Chapter 11 Cases; (iii) the confirmation or consummation of this Plan, including any change of control that shall occur as a result of such consummation; or (iv) the Restructuring Transactions.

**10.14 General Settlement of Claims and Interests.**

As one element of, and in consideration for, an overall negotiated settlement of numerous Disputed Claims and issues embodied in the Plan, pursuant to Bankruptcy Rule 9019 and section 1123 of the Bankruptcy Code and in consideration for the classification, Distributions, Releases, and other benefits provided under the Plan, the provisions of the Plan shall upon the Effective Date constitute a good faith compromise and settlement of all Claims, Interests, and controversies resolved pursuant to the Plan. Subject to ARTICLE VI, all Distributions made to the holders of Allowed Claims and Interests in any Class are intended to be and shall be final.

**10.15 No Successor Liability.**

Except as otherwise expressly provided in this Plan, the Confirmation Order, or the U.S. Acquisition Agreement, each of the Plan Sponsor Parties (i) is not, and shall not be deemed to assume, agree to perform, pay, or otherwise have any responsibilities for any liabilities or obligations of the Debtors or any other Person relating to or arising out of the operations of or the assets of the Debtors on or prior to the Effective Date; (ii) is not, and shall not be, a successor to the Debtors by reason of any theory of law or equity; and (iii) shall not have any successor or transferee liability of any kind or character; provided, however, that the Plan Sponsor shall timely perform and discharge the obligations specified in the U.S. Acquisition Agreement, including the Assumed Liabilities.

**ARTICLE XI RETENTION OF JURISDICTION**

**11.1 Retention of Jurisdiction.**

The Bankruptcy Court shall retain exclusive jurisdiction of all matters arising under, arising out of, or related to the Chapter 11 Cases and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

- (a) to hear and determine applications for the assumption or rejection of executory contracts or unexpired leases and any disputes over Cure Amounts resulting therefrom;
- (b) to determine any motion, adversary proceeding, application, contested matter, and other litigated matter pending on or commenced after the entry of the Confirmation Order;



(c) to hear and resolve any disputes arising from or related to (i) any orders of the Bankruptcy Court granting relief under Bankruptcy Rule 2004 or (ii) any protective orders entered by the Bankruptcy Court in connection with the foregoing;

(d) to ensure that Distributions to holders of Allowed Claims are accomplished as provided in this Plan and the Confirmation Order;

(e) to consider Claims or the allowance, classification, priority, compromise, estimation, or payment of any Claim, including any Administrative Expense Claim;

(f) to enter, implement, or enforce such orders as may be appropriate in the event that the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

(g) to issue and enforce injunctions, enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any Person with the consummation, implementation, or enforcement of this Plan, the Confirmation Order, or any other order of the Bankruptcy Court;

(h) to hear and determine any application to modify this Plan in accordance with section 1127 of the Bankruptcy Code to remedy any defect or omission or reconcile any inconsistency in this Plan, the Disclosure Statement, or any order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

(i) to hear and determine all Fee Claims;

(j) to resolve disputes concerning any reserves with respect to Disputed Claims or the administration thereof;

(k) to hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of this Plan, the Confirmation Order, any transactions or payments in furtherance of either, or any agreement, instrument, or other document governing or related to any of the foregoing;

(l) to take any action and issue such orders, including any such action or orders as may be necessary after entry of the Confirmation Order or the occurrence of the Effective Date, as may be necessary to construe, enforce, implement, execute, and consummate this Plan, including any release, exculpation, or injunction provisions, including the Channeling Injunction, set forth in this Plan, or to maintain the integrity of this Plan following the occurrence of the Effective Date;

(m) to determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(n) to hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

(o) to hear and determine any other matters related to the Chapter 11 Cases and not inconsistent with the Bankruptcy Code or title 28 of the United States Code;

(p) to resolve any disputes concerning whether a Person had sufficient notice of the Chapter 11 Cases, the Disclosure Statement, any solicitation conducted in connection with the Chapter 11 Cases, any bar date established in the Chapter 11 Cases, or any deadline for responding or objecting to a Cure Amount, in each case, for the purpose for determining whether a Claim or Interest is discharged hereunder or for any other purpose;

(q) to recover all Assets of the Debtors and property of the Estates, wherever located; and

(r) to enter a final decree closing each of the Chapter 11 Cases.

To the extent that the Bankruptcy Court is not permitted under applicable law to preside over any of the forgoing matters, the reference to the “Bankruptcy Court” in this ARTICLE XI shall be deemed to be replaced by the “District Court.” Notwithstanding anything in this ARTICLE XI to the contrary, the resolution of PSAN PI/WD Claims and, after the Non-PSAN PI/WD Claims Termination Date, Administrative Expense PSAN PI/WD Claims and Administrative Expense PI/WD Claims and the forum in which such resolution shall be determined shall be governed by and in accordance with the PSAN PI/WD TDP and the PSAN PI/WD Trust Agreement. Nothing contained in this section 11.1 shall expand the exclusive jurisdiction of the Bankruptcy Court beyond that provided by applicable law.

## ARTICLE XII MISCELLANEOUS PROVISIONS

### 12.1 *Exemption from Certain Transfer Taxes.*

Pursuant to section 1146(a) of the Bankruptcy Code, the assignment or surrender of any lease or sublease, or the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, or assignments executed in connection with any disposition of assets contemplated by the Plan, including the sale of the Purchased Assets to the Plan Sponsor under the U.S. Acquisition Agreement, shall not be subject to any stamp, real estate transfer, mortgage recording, sales, use, or other similar tax.

### 12.2 *Dates of Actions to Implement This Plan.*

In the event that any payment or act under this Plan is required to be made or performed on a date that is not a Business Day, then making of such payment or the performance of such act may be completed on or as soon as reasonably practicable after the next succeeding Business Day but shall be deemed to have been completed as of the required date.

### 12.3 *Amendments.*

(a) **Plan Modifications.** This Plan may be amended, modified, or supplemented by the Debtors in the manner provided for by section 1127 of the Bankruptcy

Code or as otherwise permitted by law, without additional disclosure pursuant to section 1125 of the Bankruptcy Code, except as otherwise ordered by the Bankruptcy Court; *provided, however*, that any such amendments, modifications, or supplements shall be made in accordance with the terms of the U.S. RSA. In addition, after the Confirmation Date, so long as such action does not materially and adversely affect the treatment of holders of Allowed Claims pursuant to this Plan, the Debtors may remedy any defect or omission or reconcile any inconsistencies in this Plan or the Confirmation Order with respect to such matters as may be necessary to carry out the purposes or effects of this Plan, and any holder of a Claim or Interest that has accepted this Plan shall be deemed to have accepted this Plan as amended, modified, or supplemented.

(b) **Certain Technical Amendments.** Prior to the Effective Date, the Debtors may make appropriate technical adjustments and modifications to this Plan without further order or approval of the Bankruptcy Court; *provided, however*, that such technical adjustments and modifications do not adversely affect in a material way the treatment of holders of Claims or Interests under this Plan.

#### **12.4 Revocation or Withdrawal of Plan.**

The Debtors reserve the right to revoke or withdraw this Plan prior to the Effective Date as to any or all of the Debtors. If, with respect to a Debtor, this Plan has been revoked or withdrawn prior to the Effective Date, or if confirmation or the occurrence of the Effective Date as to such Debtor does not occur on the Effective Date, then, with respect to such Debtor: (i) this Plan shall be null and void in all respects; (ii) any settlement or compromise embodied in this Plan (including the fixing or limiting to an amount any Claim or Interest or Class of Claims or Interests), assumption or rejection of executory contracts or unexpired leases affected by this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void; and (iii) nothing contained in this Plan shall (a) constitute a waiver or release of any Claim by or against, or any Interest in, such Debtor or any other Person; (b) prejudice in any manner the rights of such Debtor or any other Person; or (c) constitute an admission of any sort by any Debtor or any other Person.

#### **12.5 Payment of Statutory Fees.**

All fees payable under section 1930 of chapter 123 of title 28 of the United States Code shall be paid on the Effective Date, or as soon as reasonably practicable thereafter, by the Reorganized Debtors. Quarterly fees owed to the U.S. Trustee shall be paid when due in accordance with applicable law and the Debtors and Reorganized Debtors shall continue to file reports to show the calculation of such fees for the Debtors' Estates until the Chapter 11 Cases are closed under section 350 of the Bankruptcy Code. Each and every one of the Debtors shall remain obligated to pay quarterly fees to the U.S. Trustee until the earliest of that particular Debtor's case is closed, dismissed, or converted to a case under Chapter 7 of the Bankruptcy Code.

#### **12.6 Restructuring Expenses**

The Debtors or the Reorganized Debtors, as applicable, shall pay the Restructuring Expenses in accordance with the terms of the U.S. Acquisition Agreement without

the need for any application or notice to or approval by the Bankruptcy Court. All Restructuring Expenses payable pursuant to this section 12.6 shall be paid as follows: (A) if and to the extent that at such time any advisor or other third party providing services to the Plan Sponsor in connection with the Restructuring Transactions has not been paid in full (including all estimated amounts for unbilled fees and expenses, subject to the terms hereof) by the Plan Sponsor, such payment shall be made directly to the applicable advisor or other third party in accordance with the documentation and written instructions of such advisors or other third parties; *provided, however,* that if the aggregate amounts owing to such advisors or other third parties exceed the amount of the applicable Restructuring Expenses required to be paid by the Debtors or the Reorganized Debtors under the U.S. Acquisition Agreement, then the Debtors or the Reorganized Debtors shall pay all such advisors and other third parties ratably based on their relative total percentage of recovery; and (B) with respect to any Restructuring Expenses not paid directly to advisors and other third parties pursuant to subpart (A) hereof, the payment shall be made directly to the Plan Sponsor as reimbursement for Restructuring Expenses previously paid. In order to receive a Direct Expense Payment for unbilled fees and expenses, the advisors and other third parties entitled thereto shall, as part of the documentation provided to the Debtors or the Reorganized Debtors hereunder, estimate fees and expenses due for periods that have not been billed as of the Effective Date, it being understood that within forty-five (45) days after the Effective Date, an advisor or other third party receiving payment for the estimated period shall submit a detailed invoice covering such period and, if the estimated payment received by such third party or other advisor exceeds the actual fees and expenses for such period, this excess amount shall be paid over to the Plan Sponsor as reimbursement for Restructuring Expenses previously paid or, if all Restructuring Expenses subject to Direct Expense Payment or reimbursement to the Plan Sponsor have been paid or reimbursed in full, then such excess amount shall be returned to the Debtors or the Reorganized Debtors.

#### **12.7 Severability.**

Subject to section 5.12 of this Plan, if, prior to entry of the Confirmation Order, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtors, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation by the Bankruptcy Court, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with this section, is valid and enforceable pursuant to its terms.

#### **12.8 Governing Law.**

Except to the extent that the Bankruptcy Code or other federal law is applicable or to the extent that a Plan Document provides otherwise, the rights, duties, and obligations arising under this Plan and the Plan Documents shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York, without giving effect to the

principles of conflicts of laws thereof (other than section 5-1401 and section 5-1402 of the New York General Obligations Law).

**12.9 Immediate Binding Effect.**

Notwithstanding Bankruptcy Rules 3020(e), 6004(h), 7062, or otherwise, upon the occurrence of the Effective Date, the terms of this Plan and the Plan Documents shall be immediately effective and enforceable and deemed binding upon and inure to the benefit of the Debtors, the Reorganized Debtors, the holders of Claims and Interests, the Released Parties, and each of their respective successors and assigns.

**12.10 Successors and Assigns.**

The rights, benefits, and obligations of any Person named or referred to in this Plan shall be binding on and shall inure to the benefit of any heir, executor, administrator, successor, or permitted assign, if any, of each such Person.

**12.11 Entire Agreement.**

On the Effective Date, this Plan, the Plan Supplement, the Confirmation Order, and the U.S. Acquisition Agreement shall supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understanding, and representations concerning such documents, all of which have become merged and integrated into this Plan.

**12.12 Computing Time.**

In computing any period of time prescribed or allowed by this Plan, unless otherwise set forth in this Plan or determined by the Bankruptcy Court, the provisions of Bankruptcy Rule 9006 shall apply.

**12.13 Exhibits to Plan.**

All exhibits, schedules, supplements, and appendices to this Plan (including the Plan Supplement) are incorporated into and are part of this Plan as if set forth in full herein.

**12.14 Notices.**

All notices, requests, and demands to or upon the Debtors or the Reorganized Debtors, as applicable, shall be in writing (including by facsimile transmission) and, unless otherwise provided herein, shall be deemed to have been duly given or made only when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

TK HOLDINGS INC.  
629 Green Valley Road  
Greensboro, NC 27408  
ATTN: Ken Bowling, Chief Financial Officer

– and –

WEIL, GOTSHAL & MANGES LLP  
767 Fifth Avenue  
New York, New York 10153  
Attn: Marcia L. Goldstein, Esq., Ronit J. Berkovich, Esq., and Matthew P. Goren,  
Esq.  
Telephone: (212) 310-8000  
Facsimile: (212) 310-8007

*Attorneys for the Debtors*

– and –

RICHARDS, LAYTON & FINGER, P.A.  
920 N. King Street  
Wilmington, Delaware 19801  
Attn: Mark D. Collins (No. 2981), Michael J. Merchant (No. 3854), Amanda R.  
Steele (No. 5530), and Brett M. Haywood (No. 6166)  
Telephone: (302) 651-7700  
Facsimile: (302) 651-7701

*Attorneys for the Debtors*

After the occurrence of the Effective Date, the Reorganized Debtors have authority to send a notice to entities providing that to continue to receive documents pursuant to Bankruptcy Rule 2002, such entities must file a renewed request to receive documents pursuant to Bankruptcy Rule 2002; provided, that the U.S. Trustee need not file such a renewed request and shall continue to receive documents without any further action being necessary. After the occurrence of the Effective Date, the Reorganized Debtors are authorized to limit the list of entities receiving documents pursuant to Bankruptcy Rule 2002 to the U.S. Trustee and those entities that have filed such renewed requests.

**12.15 Reservation of Rights.**

Except as otherwise provided herein, this Plan shall be of no force or effect unless the Bankruptcy Court enters the Confirmation Order. None of the filing of this Plan, any statement or provisions of this Plan, or the taking of any action by the Debtors with respect to this Plan shall be or shall be deemed to be an admission or waiver of any rights of the Debtors with respect to any Claim or Interests prior to the Effective Date.

**Exhibits and Schedules to the Plan**

**Exhibit 1**

**Customer Allocation Schedule**



**Exhibit 2**

**Indemnity Agreement**

## INDEMNITY AND RELEASE AGREEMENT

Each of the following on behalf of themselves and their respective subsidiaries and/or affiliates as described on Schedule A (collectively, the “Schedule A Entities”): BMW Manufacturing Co., LLC (“BMW”), Daimler AG (“Daimler”), FCA US LLC f/k/a Chrysler Group LLC, FCA Group Purchasing Srl in the name and on behalf of its principals (FCA Italy SpA and FCA Melfi Srl), FCA Fiat Chrysler Automóveis Brasil Ltda., and FCA Automobiles Argentina S.A. (collectively, “FCA”), Ford Motor Company (“Ford”), General Motors Holdings LLC (“GM”), Honda Motor Co., Ltd. (“Honda”), Jaguar Land Rover Ltd. (“JLR”), Mazda Motor Corporation (“Mazda”), Mitsubishi Motors Corporation (“Mitsubishi”), Nissan Motor Co., Ltd. (“Nissan”), PSA Automobiles SA and Opel Automobile GmbH (collectively, “PSA”), Subaru Corporation (“Subaru”), Toyota Motor Corporation (“Toyota”), Volkswagen AG (“Volkswagen”), Aktiebolaget Volvo (“Volvo”) (including the Schedule A Entities, each, an “Initial Consenting OEM”<sup>1</sup> and, collectively with any OEM (as defined herein) customer of Takata Corporation (“TKJP”) or its subsidiaries that after the Signing Date (as defined herein) becomes a party to this Agreement (as defined herein) and any ancillary agreements referred to in Section 1.e hereof and agrees to be bound by the terms hereof and any such ancillary agreements, the “Consenting OEMs”), KSS Holdings, Inc. (“KSS”) solely for the purposes of Section 18, and Joyson KSS Auto Safety S.A. (“Parent,” and collectively with one or more of its current or newly formed subsidiaries or affiliates that purchase Purchased Assets (as defined herein) as of the Closing (as defined herein) pursuant to the Acquisition Agreements (as defined herein), but excluding any Acquired Takata Entity (as defined herein), the “Plan Sponsor,” and collectively with the Consenting OEMs, the “Parties”; the entities constituting Plan Sponsor as of the Closing will be set forth on Schedule B-1 prior to Closing) enter into this Indemnity and Release Agreement (this “Agreement”), dated as of November [●], 2017 (the “Signing Date”).

## RECITALS

WHEREAS, each Consenting OEM purchases, including in certain circumstances through Consenting OEM Contract Manufacturers (as defined herein) and Consenting OEM Tier Ones (as defined herein), component parts, Service Parts (as defined herein), assemblies, components, and/or other Products (as defined herein) (individually, a “Component Part” and collectively, “Component Parts”) from one or more of TKJP and its direct and indirect subsidiaries (collectively, “Takata”), in accordance with the terms and conditions of certain Purchase Orders (as defined herein).

WHEREAS, certain of the Component Parts include or included PSAN Inflators (as defined herein), certain of which (i) are now (or in the future may be) the subject of vehicle recalls and related remedy programs under regulations promulgated by the National Highway Traffic Safety Administration (“NHTSA”) or other similar governmental or regulatory authorities under U.S. federal or state law or the laws of any other country or non-U.S. state or locality with jurisdiction to impose, require or regulate, a vehicle recall, any related remedy program or any other type of sanction or remedy relating to the PSAN Inflators or conducted on

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<sup>1</sup> For the avoidance of doubt, the separate entities comprising FCA shall be treated as a single Consenting OEM and the separate entities comprising PSA shall be treated as a single Consenting OEM.

a voluntary basis (collectively, “Recalls”) by the relevant automobile original equipment manufacturers (each, an “OEM” and, collectively, the “OEMs”) and (ii) are now (or in the future may be) the subject of various third-party personal injury, wrongful death, economic loss, and other litigation and claims, including without limitation, any governmental or regulatory fees, fines, penalties or similar assessments (collectively, “Third-Party Claims”).

WHEREAS, as a result of the Recalls and Third-Party Claims, Takata has caused, and will continue to cause, each Consenting OEM to incur various direct and indirect damages, pursuant to the Purchase Orders and/or applicable law, which damages have given rise and will continue to give rise to rights of indemnification, reimbursement, setoff, deduction, and/or recoupment in favor of each such Consenting OEM against Takata.

WHEREAS, Takata has entered into the Acquisition Agreements and commenced the In-Court Proceedings (as defined herein) in order to (i) consummate a sale of the Purchased Assets to Plan Sponsor (the “Sale”) and (ii) reorganize Takata’s PSAN Inflator operations, the PSAN Assets (as defined herein), and the Warehoused PSAN Assets (as defined herein) (such reorganization, the “Restructuring”) so that Reorganized Takata (as defined herein) can continue to manufacture and sell PSAN Inflators to each Consenting OEM that requires post-Closing PSAN Inflator production and sale from Reorganized Takata (each such Consenting OEM in such capacity and only for so long as such Consenting OEM is acquiring PSAN Inflators from Reorganized Takata, a “PSAN Consenting OEM,” and all such Consenting OEMs, collectively, the “PSAN Consenting OEMs”), as well as to Consenting OEM PSAN Contract Manufacturers and Consenting OEM PSAN Tier Ones (each as defined herein), in each case as provided herein.

WHEREAS, in connection with, and in order to facilitate, the Sale and the Restructuring, the Consenting OEMs and Plan Sponsor have negotiated certain Uncapped Indemnity Obligations and Capped Indemnity Obligations (each as defined herein) in favor of Parent, the Consenting OEMs have agreed to provide releases as set forth herein, and the Consenting OEMs and Takata have agreed to certain settlements of the PSAN Claims (as defined herein) within a Global Settlement Agreement (as defined herein), dated as of the Signing Date.

WHEREAS, the Parties wish to enter into this Agreement in order to: (i) set forth the treatment of the Purchase Orders as part of the Sale and the Restructuring; (ii) set forth the scope of indemnification to be provided to Parent by the Consenting OEMs; (iii) set forth the scope of the releases to be provided by the Consenting OEMs to the Released Plan Sponsor Persons, Released Post-Closing Persons, and Acquired Takata Entities (each as defined herein); (iv) set forth the scope of the settlement between Takata and the Consenting OEMs, PSAN Consenting OEMs and Consenting OEM Bailors (as defined herein); and (v) address all other matters specifically referenced herein.

NOW, THEREFORE, based on the foregoing recitals, which are incorporated into this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be bound hereby, the Parties agree as follows:

**1. Immediately Effective Provisions.** The terms, conditions, and other agreements set forth in Sections 1, 2, 3, 4.c, 4.d, 9, 11, 12, and 14-30 shall be effective and enforceable as of the Signing Date, other than with respect to any Consenting OEM that is not an Initial

Consenting OEM, in which case such terms shall become effective as to such Consenting OEM as of the date such OEM becomes a Consenting OEM in accordance with the terms of this Agreement.

a. Certain Defined Terms in Acquisition Agreements. Plan Sponsor will not enter into (i) any Acquisition Agreement unless (x) the definitions of “Purchased Assets”, “Excluded Assets”, “Assumed Liabilities”, “Excluded PSAN Liabilities”, “PSAN Assets”, “Business”, “Permits”, “Governmental Authorities”, “PSAN Inflator”, and “PSAN Inflator Business” (and any equivalent of the foregoing terms) in such Acquisition Agreement and (y) the Purchase Price (as defined therein) and adjustments thereto in such Acquisition Agreement, including any adjustments to the Purchase Price allocation as set forth in Section 3.3 or 7.17 of any Acquisition Agreement (or any definitions referenced therein), are, in each case, consistent with the definitions of such terms set forth in Section 3 of this Agreement and otherwise acceptable to each Consenting OEM (it being understood that the Acquisition Agreements entered into prior to or upon the Signing Date, as in effect on the Signing Date and disclosed to each Consenting OEM in accordance with Section 24 of this Agreement, are acceptable to each Consenting OEM) or (ii) any amendment, supplement or other modification to any Acquisition Agreement that has the effect of amending, supplementing or modifying the definition of “Purchased Assets”, “Excluded Assets”, “Assumed Liabilities”, “Excluded PSAN Liabilities”, “PSAN Assets”, “PSAN Inflator”, “Business”, “Permits”, “Governmental Authorities”, “PSAN Inflator Business” or any equivalent of the foregoing (or including any additional assets or Liabilities (as defined herein) in any such definition), or the Purchase Price and adjustments thereto, including those set forth in Sections 3.3 and 7.17 of each Acquisition Agreement or any other adjustments to the Purchase Price allocation resulting from any appraisals of any Takata entity or the treatment of any intercompany balances between any Takata Entities, in each case, that adversely affects any Consenting OEM, without the prior written approval of the Consenting OEMs. In the case of any amendment, supplement, or modification to a definition or provision referenced above, Plan Sponsor shall provide prior written notice of such proposed amendment, supplement or other modification (or inclusion) to such definitions or provisions (a “Proposed Amendment”) to the Consenting OEMs. Plan Sponsor may enter into the Proposed Amendment unless, within ten (10) business days of receipt of notice from Plan Sponsor, at least one Consenting OEM has provided Plan Sponsor notice (an “Affected OEM Objection”) that (A) such Proposed Amendment is adverse to such Consenting OEM (or an affiliate of such Consenting OEM that is itself a Consenting OEM) and (B) such Consenting OEM does not consent to such Proposed Amendment. If Plan Sponsor disagrees that such Proposed Amendment is adverse to such Consenting OEM(s) (or an affiliate of such Consenting OEM that is itself a Consenting OEM), then Plan Sponsor and such Consenting OEM(s) agree to attempt to resolve such disagreement in good faith. If such disagreement is not resolved within ten (10) business days of Plan Sponsor’s receipt of an Affected OEM Objection, then Plan Sponsor and such Consenting OEM(s) agree that such dispute may be submitted to the Bankruptcy Court, for the U.S. Acquisition Agreement, or binding arbitration in accordance with Section 17, for the other Acquisition Agreements, on an expedited basis. If the Affected OEM Objection is resolved in favor of such Consenting OEM, then the Plan Sponsor may not enter into the Proposed Amendment. The foregoing process and dispute resolution procedures set forth in this Section 1.a are referred to herein as the “Amendment Approval Procedure.”

b. Transition Services Agreement. At the Closing, Plan Sponsor will enter into the Transition Services Agreement.

c. Transaction Schedule. **Schedule B-2** lists the Takata entities that have sought formal protection in the U.S. Proceedings and Japan Proceedings (each as defined herein), each entity contemplated to sell substantially all, or a portion of, its assets to Plan Sponsor and that is not a debtor in an In-Court Proceeding and, for each Takata entity, whether Plan Sponsor will purchase assets of such entity or the equity of such entity. Plan Sponsor will not enter into, amend, supplement or modify any Acquisition Agreement in a manner inconsistent with **Schedule B-2** without complying with the Amendment Approval Procedure.

d. Takata Indemnification. Plan Sponsor will not grant any consent or waiver under any Acquisition Agreement that would permit Takata to amend, supplement, modify or enter into any contractual provision for indemnification, reimbursement of expenses or similar payments to directors, officers, employees or other representatives of Takata without the prior written approval of the Consenting OEMs; provided, however, if Plan Sponsor wishes to grant a consent or waiver under any Acquisition Agreement that would permit Takata to amend, supplement, modify or enter into any contractual provision for indemnification, reimbursement of expenses or similar payments to directors, officers, employees or other representatives of Takata in connection with, and as reasonably necessary in connection with, (i) the hiring or engagement by Takata of any new personnel who would customarily receive such arrangements and (ii) the appointment by Takata of personnel to serve in positions with new entities formed by Takata after the Signing Date, Plan Sponsor may do so with the prior written approval of the Consenting OEMs.

e. Joinder by Other OEMs. Any OEM listed on **Schedule C-1** that is not a Consenting OEM may become a Consenting OEM by entering into a joinder to this Agreement substantially in the form attached hereto as **Exhibit 1** and valid joinders to the Allocation Agreement (as defined herein) and the Global Settlement Agreement. Upon an OEM becoming a Consenting OEM: (i) the OEM Allocable Share (as defined herein) of each Consenting OEM shall be adjusted ratably based upon the “Unadjusted OEM Allocable Share” of each Consenting OEM set forth on **Schedule C-2**, such that the aggregate OEM Allocable Share of all Consenting OEMs equals 100%; and (ii) **Schedule C-2** will be updated to reflect the adjustment set forth in clause (i) above.

f. Pre-Closing Termination. If the Effective Date (as defined herein) has not occurred on or before the Outside Date (as defined in, and as may be extended solely in accordance with, the RSA (as defined herein)), or if the Acquisition Agreements terminate in accordance with their terms prior to the Outside Date, then this Agreement shall automatically terminate, be null and void, and of no further force or effect.

g. Each Consenting OEM signatory hereto (including pursuant to any joinder to this Agreement) represents to Plan Sponsor that: (i) it has executed the Allocation Agreement; (ii) the execution, delivery, and performance of the Allocation Agreement by such Consenting OEM has been duly authorized by such Consenting OEM; (iii) the Allocation Agreement constitutes a valid and legally binding obligation of such Consenting OEM and each of such

Consenting OEM's Schedule A Entities; and (iv) the Allocation Agreement is effective in accordance with its terms.

h. Section 11 of this Agreement shall be fully effective and enforceable by the Consenting OEMs against Plan Sponsor as of the Signing Date.

i. From and after the Signing Date, the Consenting OEMs and Plan Sponsor shall work cooperatively to develop Schedules D-F, as contemplated by Section 4 of this Agreement, and Schedule H, as contemplated by the definitions of "Directed PSAN Tier One" and "Directed Tier One", in each case prior to the Closing.

j. Each Consenting OEM shall provide Plan Sponsor with notice of any liens that are filed by such Consenting OEM upon Takata's assets pursuant to the Access Agreement (as defined herein) and copies of such filings (including any amendments), and shall cause any such liens to be released at the Closing.

k. Each Consenting OEM and its respective Schedule A Entities shall use commercially reasonable efforts to support the Global Transactions (as defined in the Acquisition Agreements) and consummate the transactions contemplated by the Acquisition Agreements, including but not limited to support during the premerger review of the Acquisition Agreements by any Governmental Authority (as defined in the Acquisition Agreements) in any jurisdiction in which such Consenting OEM or Schedule A Entity, as applicable, operates, transacts business or is otherwise subject to the jurisdiction of such Government Authority's competition authority pursuant to the Antitrust Law (as defined in the Acquisition Agreements) of any such jurisdiction by responding promptly to any such Governmental Authority's request for comment or information in a form and fashion intended to encourage the Governmental Authority to conclude its review without taking adverse action against the Acquisition Agreements; provided, however, the foregoing shall not require any Consenting OEM or Schedule A Entity, as applicable, to take a position with any Governmental Authority that such Consenting OEM deems inaccurate or misleading, and the taking of any such position by a Consenting OEM or Schedule A Entity, as applicable, shall not constitute a breach of this Section 1.k; and, provided further, the foregoing shall not require any Consenting OEM or Schedule A Entity to incur material costs (it being understood that those costs typically incurred by the Consenting OEMs in the ordinary course of providing the types of responses contemplated by this Section 1.k in connection with the sale of a supplier shall not be deemed material hereunder).

If, prior to the Effective Date, Plan Sponsor breaches its obligations set forth in Section 1.b-d or i above, the Requisite Consenting OEMs shall have the right to terminate this Agreement (and all of the Consenting OEMs' obligations under this Agreement) at any time prior to the Effective Date if Plan Sponsor fails to cure such breach within ten (10) business days following written notice of such breach and intent to terminate from the Requisite Consenting OEMs. For the avoidance of doubt, this Agreement may not be terminated for any reason from and after the Effective Date.

**2. Effectiveness.** The terms, conditions, and other agreements set forth in Sections 4.a, 4.b, 5-8, 10, and 13 are conditioned upon, and shall be effective as of the date of occurrence

or waiver by each Party hereto, except as set forth in Section 2.f below, with the last of the following events to occur or be waived (the “Effective Date”):

a. receipt by each Consenting OEM of its respective Allocation Percentage (as defined herein) of the Consenting OEMs’ aggregate allocable share of USD \$850,000,000 in restitution payments owing under the DOJ Plea Agreement (as defined herein) free and clear of all liens, claims, and encumbrances in any jurisdiction with an In-Court Proceeding;

b. (i) confirmation of, and occurrence of the effective date under, the U.S. Reorganization Plan (as defined herein); and (ii) approval of the Section 42 Business Transfer (as defined herein), approval of an Article 85(5) motion to pay the portion of the USD \$850,000,000 of OEM restitution obligations of Takata under the DOJ Plea Agreement allocable to the Japan Debtors (as defined herein) in full, and approval of the Sale and Restructuring, including in each of cases (i) and (ii) transactions relating to the carve out of the PSAN Assets and Warehoused PSAN Assets and related business operations pursuant to the U.S. Reorganization Plan, Civil Rehabilitation Act (as defined herein), or otherwise, including without limitation, the payment in full of, or provision for, the PSAN Legacy Costs (as defined herein) and any amounts necessary to capitalize Reorganized Takata as set forth in the Legacy Cost Report, in each case, by Final Order (as defined in the Acquisition Agreements), as applicable, and consummation of the Restructuring and Closing of the Sale in accordance with the relevant Acquisition Agreements and other transaction documents and the DOJ Plea Agreement (as may be amended or otherwise agreed in writing with the consent of the Consenting OEMs, it being agreed that the amendments described on Exhibit 2 are acceptable to the Consenting OEMs);

c. the Purchase Price, together with all readily available Cash and Cash Equivalents (as defined in the Acquisition Agreements) on hand at Takata and included in the Excluded Assets (as defined herein) and any funds available at the Closing or thereafter under the Backstop Agreement (as defined herein) providing sufficient cash at the Closing to allow for (i) court approval of (A) the U.S. Reorganization Plan, including funding of all PSAN Legacy Costs and capitalizing Reorganized Takata and (B) the Section 42 Business Transfer; (ii) payment of the USD \$850,000,000 contemplated under the DOJ Plea Agreement as set forth in Section 2.a above; (iii) the transactions relating to the carve out of the PSAN Assets and related business operations, including without limitation, the payment in full of, or provision for, the PSAN Legacy Costs and any other amounts necessary to capitalize Reorganized Takata; and (iv) the payment of the Liquidation Reserve (as defined herein).

d. Plan Sponsor shall have delivered a certificate executed by a duly authorized officer of Plan Sponsor to the effect that, after satisfaction of the conditions in Sections 2.a-2.c above and immediately prior to the occurrence of the Effective Date, Plan Sponsor has not breached any of its obligations under Section 1 above that has not been cured.

e. Plan Sponsor shall not have entered into any amendment, supplement or other modification to any Acquisition Agreement in breach of or non-compliance with the terms and conditions set forth in Section 1.a above that has not been cured.


f. Plan Sponsor and each of the Acquired Takata Entities shall have all Permits (as defined in the Acquisition Agreements) required for Plan Sponsor and the Acquired

Takata Entities, as applicable, to continue to operate the Business (as defined in the Acquisition Agreements) immediately after the Closing in substantially the same manner as conducted immediately prior to the Closing, including without limitation those Permits set forth on Schedule 9.1(c) to each of the Acquisition Agreements and any ECE-homologations, China Compulsory Certification permits and other Permits granted by automotive safety regulators or similar Governmental Authorities (as defined in the Acquisition Agreements) required either for (i) the homologation of the Consenting OEMs' vehicles and Component Parts produced by Plan Sponsor and the Acquired Takata Entities after the Closing or (ii) the production, transport or sale of the Component Part by the Consenting OEM or applicable operating entity, in either case the failure of which to be obtained would result in the Plan Sponsor or any Acquired Takata Entity being prohibited by applicable Law (as defined in the Acquisition Agreements) governing automotive safety or similar matters from producing applicable Component Parts required to be produced by the Plan Sponsor or any Acquired Takata Entity after the Closing pursuant to OEM Assumed Contracts or a Consenting OEM being prohibited by applicable Law from selling vehicles incorporating such Component Parts, and all such Permits shall be in full force and effect at Closing; it being acknowledged and agreed that the condition set forth in this Section 2.f may be waived with respect to any automotive safety Permit referenced above only with the prior written consent of each Consenting OEM that reasonably would be expected to be adversely affected by such waiver due to a resulting disruption in the supply of Component Parts to such Consenting OEM or the sale of such Consenting OEM's vehicles.

### 3. Defined Terms.

- (1) "Access Agreement" means the Access and Security Agreement, as in force as of the Signing Date, and attached as Exhibit 3, and as may be amended from time to time in a manner not materially adverse to Plan Sponsor or with Plan Sponsor's written consent.
- (2) "Accommodation Agreements" means, collectively, the Global Accommodation Agreement and the Japan Accommodation Agreement.
- (3) "Acquired Takata Entity" means any direct or indirect subsidiary of TKJP the equity of which is purchased or acquired (directly or indirectly) by Plan Sponsor as part of the Sale.
- (4) "Acquisition Agreements" means the U.S. Acquisition Agreement, the EMEA Acquisition Agreement, the Japan Acquisition Agreement, and the TSAC Acquisition Agreement (as defined in the U.S. Acquisition Agreement as in effect on the date hereof), if applicable (each as in effect on the date hereof, or as amended in compliance with Section 1 hereof).
- (5) "Affected OEM Objection" has the meaning set forth in Section 1.a of this Agreement.
- (6) "Agreement" has the meaning set forth in the preamble.
- (7) [REDACTED]



- (8) “Allocation Percentage” means, with respect to any particular Consenting OEM, such Consenting OEM’s percentage set forth on Schedule C-2 hereto (as may be updated prior to the Closing).
- (9) 
- (10) “Amendment Approval Procedure” has the meaning set forth in Section 1.a of this Agreement.
- (11) “Antitrust Claims” means claims related to, or investigations into, conduct of Takata prior to the Effective Date relating to price fixing, market manipulation, collusion, cartel, or any other similar anti-competitive practice or violations of Antitrust Laws brought or conducted by any private party or any regulatory authority, governmental agency, or other authority of competent jurisdiction against or in respect of Takata, Reorganized Takata, Plan Sponsor, Parent, or any other Referenced Entity whether prior to, at, or after the Closing.
- (12) “Applicable Parts” has the meaning set forth in Section 10 of this Agreement.
- (13) “Assumed Liabilities” shall mean the Liabilities of Takata Seller Entities to be assumed by Plan Sponsor under the Acquisition Agreements, which, except as otherwise agreed to between Plan Sponsor and the applicable Consenting OEM, shall include (i) all Liabilities, including Service Parts, warranty and recall obligations (including obligations not subject to the release provided hereunder arising out of liquidated, contingent and unliquidated claims), whether accruing prior to, at, or after the Closing, under the OEM Assumed Contracts (which for purposes of clarity shall include, without limitation, (x) all sales of Products (other than PSAN Inflators) to Consenting OEMs (or for the benefit of Consenting OEMs, to Consenting OEM Contract Manufacturers or Consenting OEM Tier Ones) in the ordinary course of business and (y) all current and past non-PSAN Inflator parts programs of Consenting OEMs, Consenting OEM Contract Manufacturers, and Consenting OEM Tier Ones, regardless of whether such contracts are executory or for parts no longer in current production (i.e., past-model parts), regardless of whether such contracts can be assumed under any applicable insolvency laws, other than obligations related to the manufacture or sale of PSAN Inflators (and without regard to any accommodations provided pursuant to the Accommodation Agreements, and except as otherwise provided herein with respect to PSAN Inflators)) and (ii) solely with respect to the EMEA Acquisition Agreement or the TSAC Acquisition Agreement, all other Liabilities of Takata Seller Entities to the Consenting OEMs, Consenting OEM Contract Manufacturers or Consenting OEM Tier Ones (and, in each case, not to any other third party) arising from the production or sale of Products by

Sellers under such OEM Assumed Contracts to the extent based on contract law, tort law, statutory law or any similar basis. For the avoidance of doubt, Assumed Liabilities excludes Excluded PSAN Liabilities and Consenting OEM Released Claims.

(14) “Assumed PSAN Contracts” means, collectively, Modified Assumed PSAN Contracts and Standalone PSAN Assumed Contracts.

(15) “Backstop Agreement” means the Backstop Agreement attached as **Exhibit 4**.

(16) “Bankruptcy Code” means Title 11 of the United States Code (11 U.S.C. §§101, et seq.).

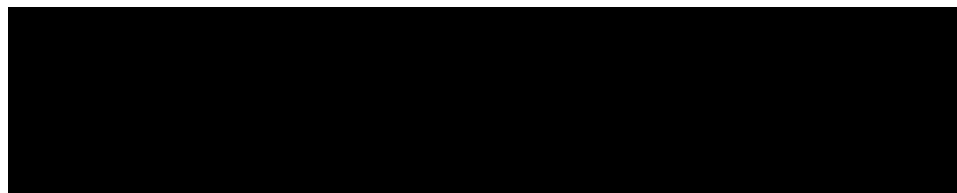
(17) “Capped Indemnity Obligations” has the meaning set forth in Section 6.b. of this Agreement.

(18) “Case Control Protocol” has the meaning set forth in Section 7 of this Agreement.

(19) “Civil Rehabilitation Act” means the Civil Rehabilitation Act of Japan.

(20) “Claims” has meaning set forth in Section 8.a of this Agreement.

(21)

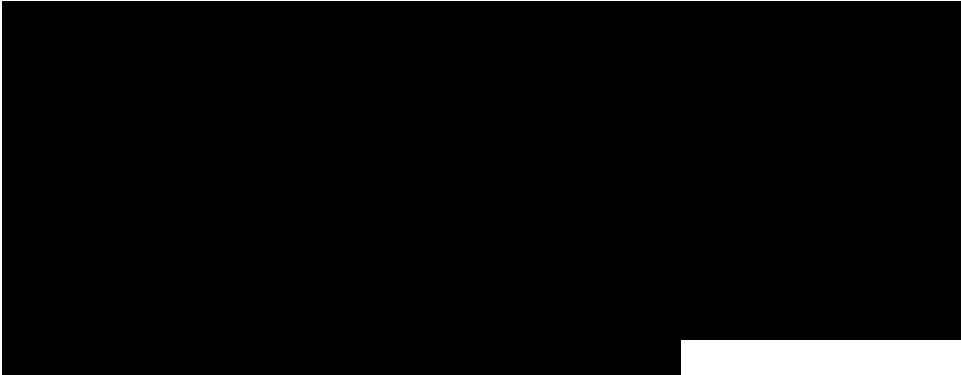


(22) “Closing” means the substantially contemporaneous closings of the Sale contemplated by the Acquisition Agreements.


(23) “Component Part” and “Component Parts” have the meanings set forth in the Recitals.

(24)



- (25) “Consenting OEM” and “Consenting OEMs” have the meanings set forth in the preamble.
- (26) “Consenting OEM Bailor” means each Consenting OEM (or its applicable Consenting OEM Tier One or Consenting OEM Contract Manufacturer) that requires Module Production, Kitting Operations, or PSAN Service Parts production and that bails to Plan Sponsor or any Acquired Takata Entity, PSAN Inflators purchased prior to the Closing by such Consenting OEM (or its applicable Consenting OEM Tier One or Consenting OEM Contract Manufacturer) from Takata.
- (27) “Consenting OEM Contract Manufacturer” means a third party (that is not itself a Consenting OEM) that (i) manufactures or assembles, or manufactured or assembled, automobiles for a Consenting OEM and (ii) is or was at any point in time previously a party to a Purchase Order with Takata for the manufacture or sale of Products that have been or will be incorporated into a Consenting OEM’s automobiles. For clarity, any such third party shall be deemed to be a Consenting OEM Contract Manufacturer only with respect to the applicable Consenting OEM for which it manufactures or assembles, or manufactured or assembled, automobiles containing Products.
- (28) 
- (29) “Consenting OEM PSAN Contract Manufacturer” means a third party (that is not itself a Consenting OEM) that (i) manufactures or assembles, or manufactured or assembled, automobiles for a Consenting OEM and (ii) is or was a party to a Purchase Order with Takata for the manufacture or sale of PSAN Inflators that are or were at any point in time previously incorporated into the Consenting OEM’s automobiles. For clarity, any such third party shall be deemed to be a Consenting OEM PSAN Contract Manufacturer only with respect to the applicable Consenting OEM for which it manufactures or assembles, or manufactured or assembled, automobiles containing PSAN Inflators.
- (30) “Consenting OEM PSAN Tier One” means, for any Consenting OEM, any Consenting OEM Tier One, including a Directed PSAN Tier One, solely to the extent that it sources or uses or at any point in time previously

sourced or used PSAN Inflators from Takata that are or were supplied to, or incorporated into Component Parts of, such Consenting OEM. For clarity, any such supplier shall be deemed to be a Consenting OEM PSAN Tier One only with respect to the applicable Consenting OEM to which it supplies or supplied, or into whose Component Parts it incorporates or incorporated, PSAN Inflators from Takata.

- (31) “Consenting OEM Released Claims” has the meaning set forth in Section 8.a of this Agreement.
- (32) “Consenting OEM Releasing Party” has the meaning set forth in Section 8.a of this Agreement.
- (33) “Consenting OEM Tier One” means, for any Consenting OEM, a supplier, including a Directed Tier One, to such Consenting OEM solely to the extent that such supplier sources or uses or at any point in time previously sourced or used components, parts or assemblies from Takata that are, were or will be supplied to, or incorporated into, Component Parts of such Consenting OEM; provided, however, that no Consenting OEM shall itself be a Consenting OEM Tier One. For clarity, any such supplier shall be deemed to be a Consenting OEM Tier One only with respect to the applicable Consenting OEM to which it supplies or supplied such components, parts or assemblies.
- (34) “Dealer Databases” means, with respect to each Consenting OEM, such Consenting OEM’s repair history and dealer information databases made available to Takata in the ordinary course of business with respect to any product or part (in each case, based on Takata part number) supplied under any OEM Assumed Contract relating to such Consenting OEM.
- (35) 
- (36) “Directed PSAN Tier One” means a Consenting OEM PSAN Tier One that is or was at any point in time previously directed pursuant to a formal agreement with the applicable Consenting OEM to source or use PSAN Inflators from Takata (including under any purchase agreement, supply contract, purchase order, or other contract providing for such directed sourcing relationship), to be set forth on Schedules H.1-H.15 prior to Closing. For clarity, any such supplier shall be deemed to be a Directed PSAN Tier One only with respect to the applicable Consenting OEM with which it has or had a formal directed-buy agreement in respect of PSAN Inflators (including under any purchase agreement, supply contract, purchase order, or other contract providing for such directed sourcing relationship).

- (37) “Directed Tier One” means a Consenting OEM Tier One that is or was at any point in time previously directed pursuant to a formal agreement with the applicable Consenting OEM to source or use components, parts, or assemblies from Takata (including under any purchase agreement, supply contract, purchase order, or other contract providing for such directed sourcing relationship), to be set forth on **Schedules H.1-H.15** prior to Closing. For clarity, any such supplier shall be deemed to be a Directed Tier One only with respect to the applicable Consenting OEM with which it has or had a formal directed-buy agreement (including under any purchase agreement, supply contract, purchase order, or other contract providing for such directed sourcing relationship) to source or use components, parts or assemblies from Takata.
- (38) “DOJ” means the Department of Justice, Criminal Division, Fraud Section.
- (39) “DOJ Plea Agreement” means the Rule 11 Plea Agreement, dated January 13, 2017, between the DOJ and the United States Attorney’s Office for the Eastern District of Michigan, and TKJP.
- (40) “Effective Date” has the meaning set forth in Section 2 of this Agreement.
- (41) “EMEA Acquisition Agreement” means that certain Asset Purchase Agreement, dated as of the date of this Agreement, by and among TAKATA Europe GmbH; TAKATA Aktiengesellschaft, a stock corporation (*Aktiengesellschaft*) established under the laws of Germany registered with the commercial register at the lower court of Aschaffenburg under registration number HRB 120; and TAKATA Sachsen GmbH, a limited liability company established under the laws of Germany registered with the commercial register at the lower court of Chemnitz under registration number HRB 11841 and Joyson KSS Holdings No. 2 S.à r.l., a limited liability company (*Société à responsabilité limitée*) under the laws of Luxembourg, and solely for purposes of Section 7.22 thereof, KSS.
- (42) “Excess Policy” means any insurance policy obtained by Plan Sponsor or any Referenced Entity to supplement the indemnification provided under this Agreement; provided, however, that Plan Sponsor shall maintain a customary directors and officers insurance policy that shall not constitute an Excess Policy.
- (43) “Excluded Assets” shall have the meaning ascribed to it in the Acquisition Agreements, and shall include, in any event, the PSAN Assets, the Warehoused PSAN Assets, and all Takata contracts, purchase orders, or other agreements between any Takata Seller Entity and any OEM listed on **Schedule C-1** that does not become a Consenting OEM for the manufacture or sale of any parts.

(44) “Excluded PSAN Liabilities” means any Liabilities related to Takata’s design, assembly, manufacture, sale, distribution or handling of PSAN Inflators prior to the Closing and any Liabilities of Takata associated with Warehoused PSAN Assets arising prior to the Closing, including any Liabilities or obligations under Takata contracts wholly for, or portions of such contracts for, the manufacture or sale of PSAN Inflators, recall Liabilities, product liability claims or Liabilities and other claims, demands, or causes of action, in each case that are associated with the design, assembly, manufacture, sale, distribution or handling of PSAN Inflators by Takata prior to the Closing.

(45) [REDACTED]

(46) “Global Accommodation Agreement” means the Accommodation Agreement, as in force as of the Signing Date, and attached as Exhibit 5, and as may be amended from time to time in a manner not materially adverse to Plan Sponsor or with Plan Sponsor’s written consent.

(47) “Global Settlement Agreement” means the settlement agreement between the Consenting OEMs and certain Takata entities, which provides for payment of such Consenting OEMs’ claims, and attached as Exhibit 6.

(48) [REDACTED]

(49) [REDACTED]

(50) [REDACTED]

(51) [REDACTED]

(52) “In-Court Proceedings” means, collectively, the U.S. Proceedings and the Japan Proceedings, and any ancillary proceedings filed in connection with the Sale or the Restructuring in which the ancillary court gives effect to the discharge or release of claims approved in the applicable plenary proceeding.

(53) [REDACTED]

- (54) “Indemnity Exclusions” means any Losses, (A) with respect to another Consenting OEM’s Uncapped Indemnity Obligations (whether or not such Consenting OEM has paid or otherwise satisfied such obligation); (B) to the extent reasonably and specifically identifiable, in whole or in part, to non-Consenting OEMs, including without limitation, (i) any PSAN Inflators installed in vehicles of non-Consenting OEMs, (ii) any claims brought by or on behalf of any non-Consenting OEM or (iii) amounts paid to any non-Consenting OEMs or holders of Antitrust Claims as a recovery of such claims, [REDACTED]; (C) with respect to Pre-Closing Claims that are (i) subject to the jurisdiction of a court in the country of an In-Court Proceeding and asserted in such country or (ii) discharged, released, subject to a channeling injunction or other comparable legal mechanism, or otherwise enjoined in the jurisdiction in which the Pre-Closing Claim was asserted, in each case by operation of the U.S. Reorganization Plan, Japan Insolvency Plan, order of approval of the Section 42 Business Transfer or any liquidating plan confirmed and consummated in the Japan Proceedings following the Closing, law, comity, or recognition proceeding; (D) to the extent that such Losses arise from or are attributable to Plan Sponsor’s or (from and after the Closing) an Acquired Takata Entity’s fraud, willful misconduct, negligence or breach of any contractual obligation to the applicable Consenting OEM or under the Transition Services Agreement, Plan Sponsor’s or (from and after the Closing) an Acquired Takata Entity’s failure to comply with Plan Sponsor’s or (from and after the Closing) an Acquired Takata Entity’s contractual obligations to provide Plan Sponsor Support or PSAN Tier One Services, Plan Sponsor’s or (from and after the Closing) an Acquired Takata Entity’s failure to comply with the Standard of Care, or Plan Sponsor’s or (from and after the Closing) an Acquired Takata Entity’s failure to comply with the DOJ Plea Agreement or the NHTSA Consent Order (each to the extent applicable, and including as may be amended, set forth in a side letter, or as otherwise agreed in writing); (E) to the extent directly attributable to and proximately caused by Plan Sponsor’s or (from and after the Closing) an Acquired Takata Entity’s failure to comply with the Most Favored Nations provision set forth in Section 11 of this Agreement; (F) with respect to any claim brought by or on behalf of any other OEM against any Referenced Entity (it being understood that a claim brought against a Referenced Entity by a Consenting OEM shall not eliminate any indemnity obligation of such Consenting OEM except, and to the extent that, such Consenting OEM prevails on such claim); (G) that any Referenced Entity is obligated to pay to another Referenced Entity; or (H) to the extent that such Losses arise from or are attributable to Antitrust Claims.
- (55) “Japan Accommodation Agreement” means the Accommodation Agreement, as in force as of the Signing Date, and attached as Exhibit 7, and as may be amended from time to time in a manner not materially adverse to Plan Sponsor or with Plan Sponsor’s written consent.

- (56) “Japan Acquired Assets” means the Purchased Assets of the Japan Debtors, including the equity interests of certain first-tier subsidiaries of the Japan Debtors, but in each case other than the Excluded Assets of the Japan Debtors.
- (57) “Japan Acquisition Agreement” means that certain Asset Purchase Agreement, dated as of the date of this Agreement, by and among TKJP, Takata Kyushu Corporation, a Japanese corporation (*kabushiki kaisha*), Takata Service Corporation, a Japanese corporation (*kabushiki kaisha*), the Plan Sponsor and, solely for purposes of Section 7.22 thereof, KSS.
- (58) “Japan Debtors” means TKJP, Takata Kyushu K.K., and Takata Service Corporation.
- (59) “Japan Insolvency Plan” means the liquidating plan confirmed or approved in the Japan Proceedings.
- (60) “Japan Proceedings” means the Japan civil rehabilitation proceedings of the Japan Debtors.
- (61) “Kitting Operations” means the kitting operations associated with the Recall obligations of Takata related to PSAN Inflators.
- (62) “Legacy Cost Report” means a report prepared by Takata prior to the Closing regarding the categories of PSAN Legacy Costs in form and substance acceptable to the Consenting OEMs and disclosed to the Plan Sponsor with an opportunity for input, which shall be reasonably considered by Takata and the Consenting OEMs.
- (63) “Liabilities” means any liabilities or obligations of whatever kind or nature (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated and whether due or to become due) regardless of when arising.
- (64) “Liquidating Entity” has the meaning set forth in the Global Settlement Agreement as in effect on the Signing Date.
- (65) “Liquidation Reserve” means, with respect to each Liquidating Entity, the budgets set forth on **Exhibit 8** in respect of such Liquidating Entity; provided, however, that if at any time prior to the Closing, Plan Sponsor, the Requisite Consenting OEMs or the applicable Takata entity determines in good faith that the budgeted amounts set forth on **Exhibit 8** are insufficient or excessive to provide for the solvent liquidation of the Liquidating Entities, then such party shall provide prompt written notice (the “Liquidation Reserve Adjustment Notice”) to the other parties, which notice shall include the notifying party’s good faith determination of the required adjustment to the Liquidation Reserve. Upon receipt of a



Liquidation Reserve Adjustment Notice, the parties shall negotiate in good faith to determine the Liquidation Reserve, including any required adjustments thereto. If the parties do not agree upon the Liquidation Reserve, then any party may, within thirty (30) days following the date on which the Liquidation Reserve Adjustment Notice is provided hereunder, engage PricewaterhouseCoopers (or, if PricewaterhouseCoopers is unable or unwilling to accept such engagement, another internationally recognized accounting firm reasonably acceptable to Plan Sponsor, the Requisite Consenting OEMs, TAKATA Europe GmbH and TKJP) (the “Accounting Firm”) to render a written decision with respect to the disputed items in the Liquidation Reserve Adjustment Notice (and only with respect to any unresolved disputed items set forth in the Liquidation Reserve Adjustment Notice). The Accounting Firm shall be instructed to complete its determination, and produce a written report thereof, within thirty (30) days after its appointment from the final submission of information and presentations by the Plan Sponsor, the Consenting OEMs, and the applicable Takata entity. The Accounting Firm shall review such submissions and base its determination solely on such submissions. In resolving any disputed item, the Accounting Firm may not assign a value to any item greater than the maximum value for such item claimed by either party or less than the minimum value for such item claimed by either party. Absent manifest error, the decision of the Accounting Firm shall be deemed final and binding upon the parties and enforceable by any court of competent jurisdiction. The costs of the Accounting Firm shall be borne by Takata.


- (66) “Losses” means any and all out-of-pocket amounts that a Referenced Entity is obligated to pay: (A) pursuant to judgments, orders, decrees, awards or determinations by authorities of competent jurisdiction; (B) as indemnification, reimbursement of expenses or similar payment to directors, officers, employees or other representatives of a Referenced Entity by operation of law or pursuant to any contractual obligation (which contractual obligations, for pre-Closing indemnification, reimbursement of expenses, or similar payment, are limited as provided under the applicable Takata contracts in effect prior to or as of December 31, 2016 or, only if Takata represents in each Acquisition Agreement that there have been no changes to such contracts between then and the Signing Date, the Signing Date to the extent such contractual or legal obligation is consistent with comparable provisions under applicable corporate law in the jurisdiction in which the entity is incorporated, provided, however, that no indemnification shall be provided for amounts related to a Referenced Entity’s directors, officers, employees or other representative’s gross negligence, willful misconduct, bad faith, criminal conduct, fraud, or any conduct for which indemnification is not permissible under the applicable law of the jurisdiction where such indemnity is sought; (C) [REDACTED]

[REDACTED]; or (D) as agreed by way of settlement in accordance with the Case Control Protocol. Notwithstanding the foregoing, Losses specifically exclude (1) all special, consequential, or indirect damages of a Referenced Entity including, but not limited to, lost profits and diminution of value, (2) [REDACTED] and (3) [REDACTED].

- (67) “Make Whole Payment” means an amount in cash equal to the contribution margin of the particular Applicable Parts resourced, calculated in reference to Plan Sponsor’s aggregate projected revenue from the resourced Applicable Parts over the life of the applicable program based on IHS Markit Ltd volume estimates.
- (68) “Modified Assumed OEM Contract” means any Non-Standalone OEM Contract that has, in each case, been modified at or prior to Closing to apply only to non-PSAN Inflator Products as set forth in Section 4 herein.
- (69) “Modified Assumed PSAN Contract” means any Non-Standalone OEM Contract of a PSAN Consenting OEM, Consenting OEM PSAN Contract Manufacturer or Consenting OEM PSAN Tier One that has, in each case, been modified at or prior to the Closing to apply only to PSAN Inflators as set forth in Section 4 herein.
- (70) “Module Production” means production of airbag modules incorporating PSAN Inflators.
- (71) “NHTSA” has the meaning set forth in the Recitals.
- (72) “NHTSA Consent Order” means, collectively, the Consent Orders, dated November 3, 2015 and May 18, 2015, and the Amendment, dated May 4, 2016, to the November 3, 2015 Consent Order, as they may be further

amended, modified, or supplemented, issued by NHTSA in the NHTSA proceeding captioned *In re EA 15-001 Air Bag Inflator Rupture*.

- (73) “Non-Standalone OEM Contracts” means Purchase Orders of Consenting OEMs, Consenting OEM Contract Manufacturers, and Consenting OEM Tier Ones that (i) are not standalone Purchase Orders and (ii) cover the manufacture or sale of both PSAN Inflators and other Products, including related airbag modules.
- (74) “OEM” and “OEMs” have the meanings set forth in the Recitals.
- (75) “OEM Allocable Share” means, with respect to any particular Consenting OEM, such Consenting OEM’s percentage set forth on **Schedule C-2** hereto (as updated from time to time as provided herein).
- (76) “OEM Assumed Contracts” means, collectively, all Modified Assumed OEM Contracts and Standalone OEM Assumed Contracts.
- (77) “Oversight Board” means an oversight board of Reorganized Takata and the Warehousing Trust that shall serve as the board of managers of Reorganized Takata and the Warehousing Trust and have governance rights as approved by the PSAN Consenting OEMs and the Warehouse Consenting OEMs, including, among other things, the right to terminate the Plan Administrator.
- (78) “Parties” has the meaning set forth in the preamble.
- (79) “Payover” has the meaning set forth in Section 6.e of this Agreement.
- (80) “Personal Injury Claims” means third-party claims asserted against a Referenced Entity and arising from or attributable to personal injury or death alleged to have been caused by a PSAN Inflator incorporated into any vehicle manufactured or sold by a Consenting OEM, regardless of the theory pled or proved.
- (81) “Plan Administrator” means an individual to be selected by the PSAN Consenting OEMs.
- (82) “Plan Sponsor” has the meaning set forth in the preamble.
- (83) “Plan Sponsor Support” means the services that Plan Sponsor and/or an Acquired Takata Entity shall provide to Reorganized Takata pursuant to the terms of the Transition Services Agreement, to which agreement the PSAN Consenting OEMs will be intended third-party beneficiaries, solely to the extent that Reorganized Takata cannot perform such services independently as determined by the Oversight Board.

- (84) “Plan Sponsor’s Ability” has the meaning set forth in Section 10.c of this Agreement.
- (85) “PPAP Process” means a PSAN Consenting OEM’s, Consenting OEM PSAN Contract Manufacturer’s, Consenting OEM PSAN Tier One’s, or Consenting OEM Bailor’s production part approval process or equivalent process.
- (86) “Pre-Closing Claims” means any claims (as defined in the Bankruptcy Code) arising prior to the Closing with respect to, arising from, or in any way related to, PSAN Inflatos.
- (87) “Preservation Order” means that certain Preservation Order and Testing Control Plan issued by NHTSA to TK Holdings, Inc., dated February 24, 2015.
- (88) 
- (89) “Products” means any and all products developed, designed, manufactured, marketed or sold, in research or development, or supported by, Takata under any Purchase Order, whether work in progress or in final form.
- (90) “Proposed Amendment” has the meaning set forth in Section 1.a of this Agreement.
- (91) “PSAN” means phase-stabilized ammonium nitrate.
- (92) “PSAN Assets” means: all “PSAN Assets” as defined in the Acquisition Agreements as in effect on the Signing Date or modified in compliance with Section 1 hereof, provided, however, that PSAN Assets shall include (i) all of the assets (including, without limitation, the machinery, inventory, equipment, work in process, raw materials, supplies and other tangible and intangible assets) used exclusively in connection with the design, assembly, manufacture, sale, distribution or handling of PSAN Inflatos; (ii) Purchase Orders wholly for, or portions of such Purchase Orders for, the manufacture or sale of PSAN Inflatos, including without limitation Modified Assumed PSAN Contracts; (iii) any intellectual property of Takata related exclusively to the foregoing; (iv) any claims, or the portion thereof, of Takata related exclusively to the foregoing; and (v) any tail insurance policies purchased by Takata (excluding, for the avoidance of doubt, any directors and officers tail policy or other tail policy assigned to or purchased by Plan Sponsor) or proceeds thereof.
- (93) “PSAN Claims” means current and future claims of Consenting OEMs, Consenting OEM PSAN Contract Manufacturers, and Consenting OEM

PSAN Tier Ones relating to Takata's design, assembly, manufacture, sale, distribution and/or handling of PSAN Inflators prior to the Closing.

- (94) "PSAN Consenting OEM" and "PSAN Consenting OEMs" have the meanings set forth in the Recitals.
- (95) "PSAN Consenting OEM/Consenting OEM Bailor Released Claims" has the meaning set forth in Section 8.e of this Agreement.
- (96) "PSAN Consenting OEM/Consenting OEM Bailor Releasing Party" has the meaning set forth in Section 8.e of this Agreement.
- (97) "PSAN Inflators" means, collectively, any airbag inflators that use non-desiccated or desiccated PSAN as a propellant and any components of such inflators (including the propellant, but excluding (i) the airbag modules into which such inflators are incorporated by Plan Sponsor or any Acquired Takata Entity after the Closing and (ii) any igniters for PSAN inflators produced by Takata pre-Closing, and any such igniters that continue to be produced by Plan Sponsor or any Acquired Takata Entity post-Closing) developed, designed, manufactured and/or sold (including any such inflators or components thereof sold directly to tier one suppliers) by Takata or Reorganized Takata (but excluding any ammonium nitrate inflators designed and produced by third parties other than Takata or Reorganized Takata).
- (98) "PSAN Legacy Costs" means, collectively, any costs or expenses that have been accrued or that are estimated as of the Effective Date, and on a continuing basis for the duration of the Backstop Agreement, to be incurred in connection with (i) the ongoing oversight by the monitor pursuant to the NHTSA Consent Order (as it may be modified from time to time) or as otherwise required by NHTSA, of (a) Reorganized Takata, (b) the Warehousing Trust, and (c) Plan Sponsor and the Acquired Takata Entities to the extent arising out of the Sale or the Restructuring, (ii) the ongoing oversight by the monitor pursuant to the DOJ Plea Agreement (as it may be modified from time to time) or as otherwise required by the DOJ, of (a) Reorganized Takata, (b) the Warehousing Trust, and (c) Plan Sponsor and the Acquired Takata Entities to the extent arising out of the Sale or the Restructuring, (iii) the activities of the Special Master under the DOJ Plea Agreement, (iv) the continued operation of any PSAN Warehouse, as required by the NHTSA Consent Order, Preservation Order, other applicable law or regulation, or otherwise and consistent with the Legacy Cost Report, (v) the shipping and disposal of PSAN Inflators, including the shipping from any PSAN Warehouse to the place of disposal, as required by the NHTSA Consent Order, Preservation Order, other applicable law or regulation, or otherwise and consistent with the Legacy Cost Report, (vi) the performance of the recall awareness campaign and related activities as required by the NHTSA Consent Order, other

applicable law or regulation, or otherwise, and (vii) the continued operation of the product safety group related to recalled PSAN Inflators consistent with the Legacy Cost Report.

- (99) “PSAN Service Parts” means any PSAN Consenting OEM’s, Consenting OEM PSAN Contract Manufacturer’s, Consenting OEM PSAN Tier One’s, or Consenting OEM Bailor’s Service Parts requirements for airbag modules containing PSAN Inflators.
- (100) “PSAN Tier One Agreements” has the meaning set forth in Section 5.a of this Agreement.
- (101) “PSAN Tier One Services” has the meaning set forth in Section 5.e of this Agreement.
- (102) “PSAN Warehouse” means any warehouse used to store PSAN Inflators as of the Effective Date, as required by the Preservation Order, other applicable law or regulation, or which have been put in place voluntarily by Takata prior to the Closing, in each case which are contemplated by the Legacy Cost Report.
- (103) “Purchased Assets” means all “Purchased Assets” (as defined in the Acquisition Agreements as of the Signing Date or modified in compliance with Section 1 hereof), provided, however, that Purchased Assets shall include all assets (including, without limitation, raw materials, work-in-process and finished component parts) used primarily in connection with Purchase Orders of Consenting OEMs, Consenting OEM Contract Manufacturers and Consenting OEM Tier Ones, and all such Purchase Orders on an “as is” basis (and without regard to any accommodations provided pursuant to the Accommodation Agreements, and except as otherwise provided herein with respect to PSAN Inflators), related to, Takata’s global (i) steering business, (ii) seatbelt business, (iii) airbag module production business, (iv) electronics business, (v) non-PSAN Inflator production business, including without limitation, the sale of GuNi inflators designed and produced by third parties, and the sale of ammonium nitrate inflators designed and produced by third parties, (vi) Kitting Operations, (vii) equipment for testing and support with respect to PSAN Inflators, and (viii) businesses, if any, other than those listed above that do not involve the manufacture or sale of PSAN Inflators, and which in all cases shall not include any Excluded Assets.
- (104) “Purchase Order” and “Purchase Orders” means, individually and collectively, purchase agreements, supply contracts, purchase orders, general terms and conditions, releases and other contracts (i) issued by an OEM to Takata, (ii) entered into between an OEM and Takata, (iii) entered into between Takata and a Consenting OEM Contract Manufacturer or (iv) entered into between Takata and a Consenting OEM

Tier One, in each case, as may be modified from time to time after the date hereof, which for purposes of clarity shall include all current and past parts programs (including Service Parts) developed, designed, manufactured and/or sold by Takata, regardless of whether (a) executory, (b) non-executory, (c) performance is due by both parties, (d) they can be assumed under applicable insolvency laws, or (e) for Component Parts or Service Parts no longer in current production (i.e., past-model parts).

- (105) “Purchase Price” means an aggregate cash purchase price of USD \$1,588,000,000, subject to certain adjustments as set forth in the Acquisition Agreements.
- (106) “Recalls” has the meaning set forth in the Recitals.
- (107) “Referenced Entity” means Parent and each of its direct or indirect subsidiaries from time to time (including all Acquired Takata Entities and, except as expressly provided below, all subsidiaries of Parent that are formed in connection with or after the Closing), but excluding, in any event, (i) any entities or joint ventures in which Parent (or any of Parent’s subsidiaries) does not own, directly or indirectly, a majority interest as of the Closing, (ii) any partners, members, or shareholders (excluding Parent and its direct and indirect subsidiaries) in any entities or joint ventures in which Parent (or any of Parent’s subsidiaries) owns a partial interest as of the Closing, and (iii) any entities or businesses acquired by Parent (or any of Parent’s subsidiaries) after the Closing (other than entities or businesses that were already Referenced Entities prior to such acquisition); provided, however, notwithstanding subsection (i) above, Yanfeng Key (Shanghai) Automotive Safety Systems Co., Ltd shall be a Referenced Entity; and, provided further, in connection with subsection (iii) above, to the extent Parent (or any of Parent’s direct or indirect subsidiaries) acquire any assets or businesses, they will be required to form one or more separate entities to effect such acquisition, which entities will be excluded from the definition of Referenced Entities hereunder.
- (108) “Released Plan Sponsor Persons” means (i) Parent and each Referenced Entity, excluding all Acquired Takata Entities, (ii) each of the entities or joint ventures in which Parent (or any of Parent’s subsidiaries) owns, directly or indirectly, less than a majority interest and which are listed on Schedule I, and (iii) all Representatives of the foregoing, solely in their capacity as such.
- (109) “Released Post-Closing Persons” means (i) Parent and each Referenced Entity, including all Acquired Takata Entities, (ii) each of the entities or joint ventures in which Parent (or any of Parent’s subsidiaries) owns, directly or indirectly, less than a majority interest and which are listed on Schedule I, and (iii) all Representatives of the foregoing, solely in their capacity as such.

- (110) “Reorganized Takata” means, as the context of this Agreement requires, (i) the Takata entities, or successors thereto, emerging from the in-court and out-of-court restructuring processes or (ii) the ultimate holding company of such entities or successors.
- (111) “Reorganized Takata Business Model” means a business model prepared by Takata prior to the Closing regarding the anticipated operations of Reorganized Takata during its estimated operating term and acceptable to the Consenting OEMs.
- (112) “Reorganized Takata Customer” and “Reorganized Takata Customers” have the meanings set forth in Section 5 of this Agreement.
- (113) “Replacement Kits” has the meaning set forth in the Global Accommodation Agreement as in effect on the Signing Date.
- (114) “Representatives” means officers, managers, directors, principals, representatives, employees, attorneys, financial or investment advisors, insurers, consultants, accountants, investment bankers, commercial bankers, advisors or agents, heirs, executors, trustees, personal or legal representatives, estates, administrators, successors, and permitted assigns.
- (115) “Requisite Consenting OEMs” has the meaning set forth in the Global Accommodation Agreement as in effect on the Signing Date.
- (116) “Resourcing Limitation” has the meaning set forth in the Global Accommodation Agreement as in effect on the Signing Date.
- (117) “Restructuring” has the meaning set forth in the Recitals.
- (118) “Reviewing Party” has the meaning set forth in Section 20 of this Agreement.
- (119) “RFQ” means request for quotation.
- (120) [REDACTED]
- (121) [REDACTED]
- (122) “RSA” means, collectively, one or more Restructuring Support Agreements or similar agreements among Plan Sponsor, certain Takata entities, and certain Consenting OEMs.
- (123) “Sale” has the meaning set forth in the Recitals.
- (124) “Section 42 Business Transfer” means Plan Sponsor’s acquisition of substantially all of the Japan Acquired Assets, free and clear of all liens, claims, and encumbrances, pursuant to a Section 42 “Business Transfer”



under the Civil Rehabilitation Act of Japan or such other proceedings, as agreed by Plan Sponsor, Takata, and the Consenting OEMs.

- (125) “Service Parts” means any Consenting OEM’s, Consenting OEM Contract Manufacturer’s, Consenting OEM Tier One’s, or Consenting OEM Bailor’s service parts requirements (including current model service parts and past model service parts, but excluding PSAN Inflators).
- (126) “Signing Date” has the meaning set forth in the preamble.
- (127) “Special Master” means the special master appointed pursuant to the Joint Restitution Order entered in the United States District Court for the Eastern District of Michigan on February 27, 2017 in the case captioned *U.S. v. Takata Corporation*, Case No. 16-cr-20810 (E.D. Mich.) or any successor thereto.
- (128) “Standard of Care” means a standard of care that is consistent with that of an industry contract assembler. Plan Sponsor (defined, for the purpose of this definition, to include, from and after the Closing, any Acquired Takata Entities) will be deemed to have acted in accordance with this Standard of Care if Plan Sponsor: (i) subject to clause (v) below, follows any applicable written work processes for handling PSAN Inflators that have been provided to Plan Sponsor by Reorganized Takata; (ii) subject to clause (v) below, follows any applicable written work processes for handling PSAN Inflators that have been approved by the applicable PSAN Consenting OEM, Consenting OEM PSAN Contract Manufacturer, Consenting OEM PSAN Tier One, or Consenting OEM Bailor as consistent with such PSAN Consenting OEM’s, Consenting OEM PSAN Contract Manufacturer’s, Consenting OEM PSAN Tier One’s, or Consenting OEM Bailor’s PPAP Process for such PSAN Inflators and have been provided to Plan Sponsor; (iii) subject to clause (v) below, incorporates the PSAN Inflators into airbag modules, Replacement Kits, or Service Parts, as applicable, in accordance with any applicable written specifications that have been provided to Plan Sponsor by Reorganized Takata; (iv) subject to clause (v) below, incorporates PSAN Inflators into airbag modules, Replacement Kits, or Service Parts, as applicable, in accordance with any applicable written specifications that have been approved by the applicable PSAN Consenting OEM, Consenting OEM PSAN Contract Manufacturer, Consenting OEM PSAN Tier One, or Consenting OEM Bailor as consistent with such PSAN Consenting OEM’s, Consenting OEM PSAN Contract Manufacturer’s, Consenting OEM PSAN Tier One’s, or Consenting OEM Bailor’s PPAP Process for incorporation of the applicable PSAN Inflators into airbag modules, Replacement Kits, or Service Parts, as applicable, and have been provided to Plan Sponsor; (v) complies, in all material respects, with applicable laws and regulations; and (vi) to the extent not expressly provided for in the requirements referenced in clauses (i) through (v) above, acts in a

manner consistent with relevant reasonable manufacturing processes and standards in the automotive safety product industry as conducted in the applicable jurisdiction, it being understood that Plan Sponsor shall be permitted to take into account reasonable business considerations when evaluating which processes and standards to employ so long as the processes and standards actually employed by Plan Sponsor are consistent with the principal goal of Plan Sponsor and the Consenting OEMs of enhancing consumer safety and product quality; provided, however, Plan Sponsor will promptly notify the applicable PSAN Consenting OEM, Consenting OEM PSAN Contract Manufacturer, Consenting OEM PSAN Tier One, or Consenting OEM Bailor to the extent Plan Sponsor believes there is a conflict between clauses (i) through (iv) in a particular case, and Plan Sponsor and the applicable PSAN Consenting OEM, Consenting OEM PSAN Contract Manufacturer, Consenting OEM PSAN Tier One, or Consenting OEM Bailor will consult and use commercially reasonable efforts to resolve the conflict, with such resolution to be documented in a writing approved by the relevant parties, it being understood that until such resolution is documented in writing approved by the relevant parties, Plan Sponsor shall not be deemed to have failed to comply with the Standard of Care to the extent that Plan Sponsor (A) complies with clause (v) above and (B) uses its reasonable discretion in determining which of clauses (i)-(iv) above to comply with pending resolution of any such conflict.

- (129) “Standalone OEM Assumed Contracts” means all Purchase Orders of Consenting OEMs, Consenting OEM Contract Manufacturers, and Consenting OEM Tier Ones relating solely to non-PSAN Inflator Component Part programs of Consenting OEMs.
- (130) “Standalone PSAN Assumed Contracts” means all Purchase Orders of PSAN Consenting OEMs, Consenting OEM PSAN Contract Manufacturers, and Consenting OEM PSAN Tier Ones relating solely to PSAN Inflators.
- (131) “Substitute Purchase Orders” has the meaning set forth in Section 4.a.vi of this Agreement.
- (132) “Takata” has the meaning set forth in the Recitals.
- (133) “Takata Seller Entities” means the “Sellers” under the applicable Acquisition Agreements.
- (134) [REDACTED]
- (135) “Third-Party Claims” has the meaning set forth in the Recitals.
- (136) “TKJP” has the meaning set forth in the Preamble.

- (137) [REDACTED]
- (138) “Transfer” has the meaning set forth in Section 8.f of this Agreement.
- (139) “Transition Services Agreement” means that certain services agreement, entered into between Reorganized Takata and the Plan Sponsor as of the Closing, which agreement shall be acceptable to the Consenting OEMs, Takata, and the Plan Sponsor (notwithstanding anything to the contrary in the RSA applicable to the U.S. Proceedings).
- (140) [REDACTED]
- (141) [REDACTED]
- (142) [REDACTED]
- (143) [REDACTED]
- (144) “Uncapped Indemnity Obligations” has the meaning set forth in Section 6.a of this Agreement.
- (145) “Unforeseen Event” has the meaning set forth in the Global Settlement Agreement.
- (146) “U.S. Acquisition Agreement” means that certain Asset Purchase Agreement, dated as of the date of this Agreement, by and among TK Holdings Inc., a Delaware corporation, Takata Americas, a Delaware general partnership, TK Holdings de Mexico S. de R.L. de C.V., a Mexico limited liability company (*sociedad de responsabilidad limitada de capital variable*), TK Mexico LLC, a Delaware limited liability company, Industrias Irvin de Mexico, S.A. de C.V., a Mexico stock corporation (*sociedad anónima de capital variable*), Strosshe Mex S. de R.L. de C.V., a Mexico limited liability company (*sociedad de responsabilidad limitada de capital variable*), Takata de Mexico S.A. de C.V., a Mexico stock corporation (*sociedad anónima de capital variable*), and Plan Sponsor.
- (147) “U.S. PI/WD Fund” means a personal injury / wrongful death claim fund that will be used to satisfy proper existing and future personal injury / wrongful death claims and demands asserted in the U.S. or arising under

U.S. law related to the design, assembly, manufacture, sale, distribution or handling of PSAN Inflators or components of PSAN Inflators by Takata prior to the Closing, irrespective of whether such claims or demands become known or manifest before or after the Closing.

- (148) “U.S. Proceedings” means the proceedings under chapter 11 of the Bankruptcy Code of Takata Americas, TK Holdings Inc., TK Holdings de Mexico S.A. de C.V., TK Mexico, LLC, Takata de Mexico S.A. de C.V. Industrias Irvin de Mexico, S.A. de C.V., Strosshe-Mex S. de R.L. de C.V., TK Finance LLC, TK China LLC, TK Mexico Inc., Interiors in Flight, Inc., and Takata Protection Systems, Inc.
- (149) “U.S. Reorganization Plan” means the confirmed chapter 11 plan in the U.S. Proceedings pursuant to which Plan Sponsor will acquire substantially all of the U.S. and Mexican assets of Takata, including the equity interests of certain first-tier subsidiaries of the Takata entities that are debtors in the U.S. Proceedings, but in each case other than Excluded Assets, free and clear of all claims, liens, charges, demands, other encumbrances and interests pursuant to Bankruptcy Code section 1141.
- (150) “Warehouse Consenting OEM” means any Consenting OEM from whose branded vehicles PSAN Inflators were removed pursuant to recall or otherwise, and preserved by Takata as of the Closing Date, as required by the Preservation Order, other applicable law or regulation, or voluntarily.
- (151) “Warehoused PSAN Assets” means: (a) the PSAN Inflators (i) preserved by Takata pursuant to the Preservation Order, (ii) otherwise preserved, voluntarily or involuntarily, by Takata, and (iii) otherwise preserved as contemplated by the Legacy Cost Report; (b) the leases for the PSAN Warehouses; and (c) the machinery, equipment, other tangible assets, and a nonexclusive license (pursuant to the Intellectual Property License Agreement (as defined in the U.S. Acquisition Agreement)) to Acquired Intellectual Property (as that term is defined in each of the Acquisition Agreements, respectively) for which ownership is assigned to the Plan Sponsor, in each case that is necessary for compliance with the Preservation Order, the preservation of PSAN Inflators as contemplated by the Legacy Cost Report, or operation of the PSAN Warehouses.
- (152) “Warehousing Trust” has the meaning given to it in the U.S. Reorganization Plan.

#### **4. Assumption and Modification of Consenting OEM Contracts.**

##### **a. Treatment of Contracts.**

- i. All Standalone OEM Assumed Contracts shall be assumed by Plan Sponsor as of the Closing, including pursuant to the U.S. Reorganization Plan and the Section 42 Business Transfer, on an

“as is” basis (and without giving effect to any accommodations provided pursuant to the Accommodation Agreements) without modification of any kind, including as to terms or price, other than to (1) substitute Plan Sponsor (or its applicable subsidiary or designated affiliate) for Takata and (2) for the Standalone OEM Assumed Contracts of Consenting OEMs, incorporate the ROLR on the terms set forth in Section 10 of this Agreement to the extent such Standalone OEM Assumed Contracts are not otherwise deemed amended in accordance with Section 4.a.iv of this Agreement. Each Consenting OEM’s Standalone OEM Assumed Contracts (and the Standalone OEM Assumed Contracts of Consenting OEM Contract Manufacturers and Consenting OEM Tier Ones related to such Consenting OEM’s vehicle production), respectively, include, but are not necessarily limited to, the contracts to be listed on **Schedules D.1-D.15**. Subsequent to the Signing Date and prior to the Closing, Plan Sponsor and each of the Consenting OEMs shall work cooperatively to develop **Schedules D.1-D.15**, each in form and substance satisfactory to Plan Sponsor and the applicable Consenting OEM, which shall list the applicable Plan Sponsor party or Acquired Takata Entity being substituted for Takata in connection with the assignment.

- ii. In connection with the Restructuring, all Standalone PSAN Assumed Contracts shall be assumed by Reorganized Takata and/or one of its subsidiaries as of the Closing, including pursuant to the U.S. Reorganization Plan and the Section 42 Business Transfer, on an “as is” basis (and without giving effect to any accommodations provided pursuant to the Accommodation Agreements) without modification of any kind, other than to substitute a Reorganized Takata entity for Takata and to account for pricing adjustments consistent with the Reorganized Takata Business Model, on a cost basis. Each Consenting OEM’s Standalone PSAN Assumed Contracts (and the Standalone PSAN Assumed Contracts of Consenting OEM PSAN Contract Manufacturers and Consenting OEM PSAN Tier Ones related to such Consenting OEM’s vehicle production), respectively, are to be listed on **Schedules E.1-E.15**. Subsequent to the Signing Date and prior to the Closing, Reorganized Takata and the Consenting OEMs shall work cooperatively to develop **Schedules E.1-E.15**, each in form and substance satisfactory to the applicable Consenting OEM, which shall list the applicable Reorganized Takata party being substituted for Takata in connection with the assumption.
- iii. Pursuant to the Accommodation Agreements and this Agreement, all Non-Standalone OEM Contracts shall be modified at or prior to the Closing (including pursuant to separate motions filed in the U.S. Proceedings or Japan Proceedings), and as of the Closing, including pursuant to the U.S. Reorganization Plan and the Section 42 Business Transfer, in each case so as to create a Modified Assumed OEM

Contract and, in the case of a Non-Standalone OEM Contract of a PSAN Consenting OEM, Consenting OEM PSAN Contract Manufacturer, or Consenting OEM PSAN Tier One, severed so as to create a Modified Assumed OEM Contract and a Modified Assumed PSAN Contract, and in each case (A) as it relates to Modified Assumed OEM Contracts, assumed by Plan Sponsor and/or one of its subsidiaries, or assumed or performed by an Acquired Takata Entity, “as is” (and without giving effect to any accommodations provided pursuant to the Accommodation Agreements) without modification of any kind, including as to terms or price, other than (1) as necessary to separate the manufacture and sale of the PSAN Inflators and release Plan Sponsor and the Acquired Takata Entities from all Liabilities and obligations thereunder with respect to PSAN Inflators on the terms set forth in this Agreement, and such released obligations shall be transferred to, and the severed portion of the contract related to such manufacture, sale, Liabilities and obligations novated to and assumed by, Reorganized Takata (or its applicable subsidiary) as a Modified Assumed PSAN Contract, (2) to account for pricing adjustments for the PSAN Inflator production not being assumed by the Plan Sponsor, where such adjustments are to be resolved among the parties pursuant to normal commercial dealings, (3) to substitute Plan Sponsor (or its applicable subsidiary or designated affiliate or Acquired Takata Entity) for Takata, and (4) for the Consenting OEM’s Non-Standalone OEM Contracts, to incorporate the ROLR on the terms set forth in Section 10 of this Agreement to the extent such Consenting OEM’s Non-Standalone OEM Contracts are not otherwise deemed amended in accordance with Section 4.a.iv of this Agreement and (B) as it relates to Modified Assumed PSAN Contracts, in connection with the Restructuring, assumed by Reorganized Takata and/or one of its subsidiaries “as is” (and without giving effect to any accommodations provided pursuant to the Accommodation Agreements) without modification of any kind, other than (1) as necessary to separate the manufacture and sale of the PSAN Inflators and release Reorganized Takata from all Liabilities and obligations thereunder unrelated to PSAN Inflators on the terms set forth herein, and such released obligations shall be transferred to, and the severed portion of the contract related to such manufacture, sale, Liabilities and obligations novated to and assumed by, Plan Sponsor as a Modified Assumed OEM Contract, (2) to account for pricing adjustments consistent with the Reorganized Takata Business Model on a cost basis, and (3) to substitute Reorganized Takata (or its applicable subsidiary) for Takata. Each Consenting OEM’s Modified Assumed OEM Contracts (and the Modified Assumed OEM Contracts of Consenting OEM Contract Manufacturers, and Consenting OEM Tier Ones related to such Consenting OEM’s vehicle production), respectively, are to be listed on Schedules F.1-F.15. Each PSAN Consenting OEM’s Modified

Assumed PSAN Contracts (and the Modified Assumed PSAN Contracts of Consenting OEM PSAN Contract Manufacturers, and Consenting OEM PSAN Tier Ones related to such PSAN Consenting OEM's vehicle production), respectively, are to be listed on **Schedules G.1-G.15**. Subsequent to the Signing Date and prior to the Closing, Plan Sponsor and the Consenting OEMs shall work cooperatively to develop **Schedules F.1-F.15**, each in form and substance satisfactory to Plan Sponsor and the applicable Consenting OEM, which shall list the applicable Plan Sponsor or Acquire Takata Entity party being substituted for Takata in connection with the assignment. Subsequent to the Signing Date and prior to the Closing, Reorganized Takata and the PSAN Consenting OEMs shall work cooperatively to develop **Schedules G.1-G.15**, each in form and substance satisfactory to the applicable PSAN Consenting OEM, which shall list the applicable Reorganized Takata party being substituted for Takata in connection with the assumption.

- iv. This Agreement shall constitute an amendment to the applicable Standalone OEM Assumed Contracts and Non-Standalone OEM Contracts to incorporate the provisions set forth herein, including, in respect of certain OEM Assumed Contracts, the ROLR on the terms set forth in Section 10 of this Agreement, and no additional amendments to such contracts shall be necessary to effectuate any of the provisions hereof. For the avoidance of doubt, unless otherwise agreed to by the relevant parties, Standalone OEM Assumed Contracts and Non-Standalone OEM Contracts will be amended or deemed amended only (A) as to Non-Standalone OEM Contracts, to accomplish the modifications specifically set forth in this Section 4, (B) as to PSAN Tier One Agreements that are to become OEM Assumed Contracts, to incorporate the PSAN Tier One Services applicable to Module Production, Kitting Operations and Service Parts operations to be consistent with the provisions as set forth in Section 5 herein, (C) to give effect to the indemnification and release provisions set forth in Sections 6 and 8 herein, and (D) to give effect to the provisions amending OEM Assumed Contracts of Consenting OEMs as set forth in Section 10 herein.
- v. Notwithstanding the foregoing, in respect of any Non-Standalone OEM Contracts where a Consenting OEM PSAN Contract Manufacturer or Consenting OEM PSAN Tier One is the counterparty, (i) the applicable Consenting OEM and Plan Sponsor will work cooperatively to cause the Consenting OEM PSAN Contract Manufacturer or Consenting OEM PSAN Tier One to modify its Non-Standalone OEM Contracts consistent with this Section 4, and this Agreement shall not constitute a deemed amendment to such Non-Standalone OEM Contracts, and (ii) Plan Sponsor shall have no obligation to assume any Non-Standalone OEM Contract where a

Consenting OEM PSAN Contract Manufacturer or Consenting OEM PSAN Tier One is a counterparty unless (A) such counterparty modifies its Non-Standalone OEM Contract consistent with this Section 4 and (B) either (x) such counterparty grants a release consistent with Sections 8.a, 8.e, and 8.e of this Agreement and agrees to the contractual subordination terms set forth in the penultimate paragraph of Section 5 or (y) the applicable Consenting OEM is required to, or agrees to, indemnify and hold harmless Parent pursuant to Section 6 hereof with respect to any related PSAN Claims asserted by such counterparty in respect of such Non-Standalone OEM Contract (to the extent such claim relates to the Applicable OEM's vehicles), it being understood that any Non-Standalone OEM Contract that Plan Sponsor does not assume as permitted by this Section 4.a.v shall not constitute an OEM Assumed Contract for any purpose hereunder and, notwithstanding anything to the contrary set forth in this Agreement, neither Plan Sponsor nor any Acquired Takata Entity shall have any obligation under this Agreement with respect to any such counterparty with respect to the applicable Non-Standalone OEM Contract.

- vi. To the extent a Consenting OEM, Consenting OEM Contract Manufacturer, or Consenting OEM Tier One elects to issue substitute purchase orders, releases, or similar documents ("Substitute Purchase Orders") to Plan Sponsor (or its applicable subsidiaries or Acquired Takata Entities) for administrative or other ordinary course customer-supplier purposes, Plan Sponsor (or its applicable subsidiaries or Acquired Takata Entities) will accept such Substitute Purchase Orders as it would in the ordinary course of business; provided, however, in all circumstances, such Substitute Purchase Orders will include all of the terms and provisions hereof and, to the extent of any conflict, the terms of this Agreement will govern and control.
- vii. To the extent of any conflict between the terms of this Agreement and the terms of any Acquisition Agreement regarding the subject matter of this Section 4.a, the terms of this Agreement will govern and control.

b. Assumption of Obligations. Except as otherwise agreed to between Plan Sponsor and the Consenting OEMs, Plan Sponsor will assume all Assumed Liabilities. To the extent of any conflict between the terms of this Agreement and the terms of any Acquisition Agreement regarding the subject matter of this Section 4.b as it relates to the assumption of Assumed Liabilities in connection with the OEM Assumed Contracts, the terms of this Agreement will govern and control.

c. Repair History and Dealer Information Databases. Each Consenting OEM represents and warrants to Plan Sponsor that such Consenting OEM either (i) has provided (or, within a reasonable amount of time after the Signing Date, will provide) Plan Sponsor with reasonable direct access to any relevant Dealer Databases of such Consenting OEM, (ii) has



provided (or, within a reasonable amount of time after the Signing Date, will provide) Plan Sponsor with data from its Dealer Databases in the same format as such data has been provided to Takata (and each Consenting OEM shall not be obligated to provide such data in any other format), or (iii) has instructed (or promptly after the Signing Date, will instruct) Takata to grant Plan Sponsor reasonable access to its Dealer Databases, and take such actions reasonably requested by the Plan Sponsor to facilitate such access.

Each Consenting OEM hereby covenants and agrees that until the earlier of the Closing or the termination of the Acquisition Agreements, (a) with respect to (i) and (iii) above, as applicable, each applicable Consenting OEM shall continue to provide Plan Sponsor, or continue to allow Takata to provide Plan Sponsor, with reasonable access to such relevant Dealer Databases or information and (b) with respect to (ii) above, each applicable Consenting OEM shall provide Plan Sponsor with an update of such information previously provided to the Plan Sponsor on or about the date which is six (6) weeks before February 27, 2018.

d. Plan Sponsor agrees that it will comply with all homologation regulations, laws, and requirements in the relevant jurisdictions and obtain, on or prior to Closing, all permits, approvals, authorizations, concessions, variances, filings, exemptions, licenses, registrations, consents, certificates, or similar documents issued or granted by a governmental entity providing that the homologation of Component Parts and the Consenting OEMs' vehicles remain unaffected as a result of Plan Sponsor's acquisition of the Purchased Assets from Takata. In addition, Plan Sponsor will provide to all Consenting OEMs (i) documents that confirm technical equality and the same production process and location for all Component Parts and (ii) new "CCC" certificates for all relevant Component Parts (China) and "Bauartgenehmigung" for all relevant Component Parts (European Union). Notwithstanding the foregoing, in no event may a Consenting OEM assert any breach of Plan Sponsor's obligation to obtain on or prior to Closing any permit, approval, authorization, concession, variance, filing, exemption, license, registration, consent, certificate, or similar document with respect to which the condition set forth in Section 2.f has been waived by such Consenting OEM at or before the Closing.

Plan Sponsor shall use commercially reasonable efforts to satisfy the condition set forth in Section 9.1(c) of the U.S. Acquisition Agreement, Section 9.1(c) of the EMEA Acquisition Agreement, and Section 9.1(c) of the Japan Acquisition Agreement, and each Consenting OEM will reasonably cooperate with and support all such efforts.

Upon the request of any Consenting OEM, Plan Sponsor shall provide to such Consenting OEMs all homologation related Permits and certificates described in Section 9.1(c) of the U.S. Acquisition Agreement, Section 9.1(c) of the EMEA Acquisition Agreement, or Section 9.1(c) of the Japan Acquisition Agreement, as applicable, that relate to the production of Component Parts for such Consenting OEM.

**5. PSAN Tier One Services.** Plan Sponsor (defined, for the purposes of this Section 5, to include, from and after the Closing, any Acquired Takata Entities) agrees that it is a tier one supplier with respect to Module Production, Kitting Operations, and PSAN Service Parts production for (i) PSAN Consenting OEMs, Consenting OEM PSAN Contract Manufacturers, and Consenting OEM PSAN Tier Ones that require such Module Production, Kitting Operations, and PSAN Service Parts production (in such capacity, each such PSAN Consenting OEM,

Consenting OEM PSAN Contract Manufacturer, and Consenting OEM PSAN Tier One, individually, a “Reorganized Takata Customer” and, collectively, the “Reorganized Takata Customers”) and (ii) Consenting OEM Bailors, and, as such, Plan Sponsor will comply with the requirements of the applicable OEM Assumed Contracts or Substitute Purchase Orders of such Reorganized Takata Customers and the newly formed contracts of Consenting OEM Bailors relating to such Module Production, Kitting Operations, and PSAN Service Parts production (such agreements, the “PSAN Tier One Agreements”). While Plan Sponsor is not a tier one supplier with respect to the PSAN Inflators produced by Takata or Reorganized Takata and/or its subsidiaries, upon request of a Reorganized Takata Customer or Consenting OEM Bailor, Plan Sponsor agrees to perform the following additional services with respect to such PSAN Inflators for the sole purpose of facilitating the supply of PSAN Inflators to the applicable Reorganized Takata Customer(s) and Consenting OEM Bailor(s):

a. production preparation in accordance with any applicable written work processes that have been (i) provided by Reorganized Takata to Plan Sponsor or (ii) approved by the applicable Reorganized Takata Customer or Consenting OEM Bailor as consistent with such Reorganized Takata Customer’s or Consenting OEM Bailor’s PPAP Process for such PSAN Inflator, and is consistent with relevant reasonable automotive safety product manufacturing processes and standards in the applicable jurisdiction, it being understood that Plan Sponsor shall be permitted to take into account reasonable business considerations when evaluating which processes and standards to employ so long as the processes and standards actually employed by Plan Sponsor are consistent with the principal goal of Plan Sponsor and the applicable Reorganized Takata Customer or Consenting OEM Bailor of enhancing consumer safety and product quality;

b. ordinary course of business component forecasting and ordering in accordance with Reorganized Takata Customer and Consenting OEM Bailor releases that (i) have been timely provided to Plan Sponsor and (ii) are consistent with, and not in excess of, the applicable Reorganized Takata Customer’s or Consenting OEM Bailor’s ordinary course requirements and inventory bank requirements for such PSAN Inflators (it being understood that any actual inventory bank production shall be subject to capacity constraints of Reorganized Takata and Plan Sponsor);

c. inventory management and quality control and management, in each case, in accordance with written processes and procedures that have been (i) established by Reorganized Takata, or (ii) approved by the applicable Reorganized Takata Customer or Consenting OEM Bailor, and is consistent with relevant reasonable automotive safety product manufacturing processes and standards in the applicable jurisdiction, it being understood that Plan Sponsor shall be permitted to take into account reasonable business considerations when evaluating which processes and standards to employ so long as the processes and standards actually employed by Plan Sponsor are consistent with the principal goal of Plan Sponsor and the applicable Reorganized Takata Customer or Consenting OEM Bailor of enhancing consumer safety and product quality;

d. component non-conformance management as directed by Reorganized Takata in accordance with Reorganized Takata’s agreements with the applicable Reorganized Takata Customer or Consenting OEM Bailor; and

e. logistics management to ensure continuity of supply.

(collectively, the “PSAN Tier One Services”). Plan Sponsor will perform the PSAN Tier One Services as part of its performance obligations under the PSAN Tier One Agreements (which for purposes of clarity shall include all Module Production, Kitting Operations, and PSAN Service Parts production for current and past parts programs of Reorganized Takata Customers and Consenting OEM Bailors regardless of whether such contracts are executory or for parts no longer in current production (i.e., past-model parts), regardless of whether such contracts can be assumed under any applicable insolvency laws, other than obligations related to the manufacture or sale of PSAN Inflators) and for no additional charge beyond the compensation provided for under such PSAN Tier One Agreements; provided, however, that for the avoidance of doubt, and notwithstanding anything to the contrary contained in this Agreement, each applicable PSAN Tier One Agreement shall be amended at or prior to the assumption thereof by Plan Sponsor to provide that a Reorganized Takata Customer or Consenting OEM Bailor shall have a claim against Plan Sponsor for a failure to provide PSAN Tier One Services, or any defect in any services so provided, except to the extent that such service failure or defect arises from or is caused by any action, omission, service failure or defect by, of or from any Reorganized Takata Customer, any Consenting OEM Bailor, Takata, or Reorganized Takata and/or one of its subsidiaries (it being understood and agreed that this exception will not relieve Plan Sponsor of obligations, if any, under any PSAN Tier One Agreement to identify and provide notice of any such failure or defect by, of or from Takata or Reorganized Takata and/or one of its subsidiaries), and no additional amendments to such contracts shall be necessary to effectuate any of the provisions hereof.

Plan Sponsor shall, in its capacity as a tier one supplier, secure from Takata and Reorganized Takata all product information (including model and serial numbers), drawings, and test reports regarding the PSAN Inflators provided to Plan Sponsor by Reorganized Takata for Module Production, Kitting Operations, or PSAN Service Parts to the extent such information is necessary to track and identify such PSAN Inflators. This information shall be provided by Plan Sponsor to the applicable Consenting OEM upon request. On or prior to Reorganized Takata’s wind-down, Plan Sponsor shall secure from Takata and Reorganized Takata all historical product information (including model and serial numbers), drawings, and test reports regarding PSAN Inflators (including any such information acquired from Takata in connection with the Restructuring) to the extent such information is necessary to track and identify such PSAN Inflators. This information shall be provided by Plan Sponsor to the applicable Consenting OEM upon request.

With respect to any airbag modules, Replacement Kits or PSAN Service Parts into which Plan Sponsor incorporates PSAN Inflators that are bailed to Plan Sponsor by Reorganized Takata Customers or Consenting OEM Bailors for use in Module Production, Kitting Operations or PSAN Service Parts production, Plan Sponsor will construct the applicable airbag modules and supply such modules, Replacement Kits, or PSAN Service Parts to the applicable Reorganized Takata Customer or Consenting OEM Bailor in accordance with the OEM Assumed Contract or any Substitute Purchase Order between Plan Sponsor and such Reorganized Takata Customer or the newly formed contracts between Plan Sponsor and such Consenting OEM Bailor. For the avoidance of any doubt, Plan Sponsor shall not be required to store PSAN Inflators for any

Reorganized Takata Customer or Consenting OEM Bailor unless agreed to in writing with a Consenting OEM.

As and to the extent provided for in the applicable PSAN Tier One Agreements, Plan Sponsor will provide the warranties to the applicable Reorganized Takata Customers and Consenting OEM Bailors with respect to any airbag module, Replacement Kit or PSAN Service Part into which Plan Sponsor incorporates a PSAN Inflator (it being understood that any defect in an airbag module, Replacement Kit or Service Part resulting from Plan Sponsor's failure to adhere to the Standard of Care with respect to the PSAN Inflator installed in such airbag module shall constitute a breach of Plan Sponsor's warranty with respect to such airbag module, Replacement Kit or Service Part). For the avoidance of doubt, no such warranties shall be given by Plan Sponsor with respect to the PSAN Inflator itself, but Plan Sponsor will provide warranties under the applicable PSAN Tier One Agreements with respect to the airbag modules, Replacement Kits produced by Plan Sponsor as part of the Kitting Operations or PSAN Service Parts (excluding warranties for the PSAN Inflator itself). Subject to Section 4.a.v., in the event that a Reorganized Takata Customer or Consenting OEM Bailor orders a Replacement Kit, airbag module, or PSAN Service Part, Plan Sponsor will directly sell and ship such Replacement Kit, airbag module, or PSAN Service Part to the relevant Reorganized Takata Customer or Consenting OEM Bailor.

In no event shall Plan Sponsor acquire any PSAN Assets while such assets are still being used by Reorganized Takata in connection with the design, assembly, manufacture, sale, distribution or handling of PSAN Inflators or assume Excluded PSAN Liabilities. Any Purchased Assets that are required for both the production by Reorganized Takata of PSAN Inflators and the production of non-PSAN Inflator products by Plan Sponsor will be made available by Plan Sponsor to Reorganized Takata through Plan Sponsor Support at no cost. If any assets are acquired by Reorganized Takata and made available to Plan Sponsor, then those assets will be made available by Reorganized Takata to Plan Sponsor at no cost.

Reorganized Takata shall provide engineering services and other cooperation to Reorganized Takata Customers and Consenting OEM Bailors in connection with resourcing activities to any alternative supplier(s) with respect to PSAN Inflators, which shall be supported by Plan Sponsor through Plan Sponsor Support as and to the extent required by Reorganized Takata, as provided above. Any out-of-pocket expenses of Reorganized Takata from providing such services or cooperation (including the cost of any reasonably identifiable Plan Sponsor Support related thereto) shall be paid by the requesting Reorganized Takata Customer or Consenting OEM Bailor. For the avoidance of any doubt, a Consenting OEM Bailor shall not be deemed a PSAN Consenting OEM by virtue of Reorganized Takata providing the services and cooperation referenced in this paragraph.

The claims of PSAN Consenting OEMs against Reorganized Takata shall be contractually subordinated to: (i) Plan Sponsor's rights to use any assets jointly used by Plan Sponsor and Reorganized Takata and owned by Reorganized Takata; (ii) Plan Sponsor's right to repurchase the PSAN Assets; and (iii) any actual, liquidated, ordinary course claims Plan Sponsor may have from time to time against Reorganized Takata. Such subordination of claims shall not restrict the dissolution, windup and liquidation of Reorganized Takata and the distribution of related asset sale proceeds after the term of Reorganized Takata's operation, so long as Reorganized Takata

retains a reserve that complies with applicable law to satisfy any disputed claims of the type described in clauses (i) through (iii) above.

Plan Sponsor may invest up to \$150 million for testing and support with respect to PSAN Inflators and meet with appropriate governmental entities regarding such testing; provided, however, any such meetings, testing and support activities will be conducted only as agreed to by the Consenting OEMs.

**6. Scope of Indemnification.**

a. Uncapped Indemnity. Each of the Consenting OEMs, on an individual and not joint or joint and several basis, shall indemnify and hold harmless Parent from and against:

- i. any and all Losses relating to or arising out of any PSAN Inflator installed, or incorporated in any part installed, in any vehicle manufactured or sold by such Consenting OEM, but solely to the extent of the Consenting OEM Liability of such Consenting OEM;
- ii. Product-Based Damages relating to or arising out of any PSAN Inflator installed, or incorporated in any part installed, in any vehicle manufactured or sold by such Consenting OEM (irrespective of the Consenting OEM Liability of such Consenting OEM);

iii.



; and

- iv. reasonable defense and litigation costs paid or incurred in accordance with the Case Control Protocol related to Sections 6.a.i, 6.a.ii, and 6.a.iii (if applicable).

(collectively, the “Uncapped Indemnity Obligations”).

Notwithstanding the foregoing, the Uncapped Indemnity Obligations shall be subject to, and shall be reduced to the extent of, the applicable Indemnity Exclusion(s). For the avoidance of doubt, no Consenting OEM shall have any Uncapped Indemnity Obligations for any Losses related to (i) a vehicle manufactured by another OEM, (ii) another OEM’s liability, or (iii) Antitrust Claims. With respect to any Acquired Takata Entity, no Consenting OEM shall have

any Uncapped Indemnity Obligation for compensation provided by any such Acquired Takata Entity (or taken by setoff against such Acquired Takata Entity) prior to the Petition Date to such Consenting OEM related to Recall Claims incurred by such Consenting OEM prior to the Closing.

b. Capped Indemnity. Each of the Consenting OEMs, on a claim-by-claim basis, severally in accordance with each Consenting OEM's OEM Allocable Share, shall indemnify and hold harmless Parent from and against any and all Losses in connection with, relating to, or arising out of, PSAN Inflators [REDACTED], other than Uncapped Indemnity Obligations, including but not limited to:

i. Conduct-Based Damages for a Personal Injury Claim or any other claim, regardless of which Consenting OEM manufactured or sold the applicable vehicle;

[REDACTED];

iii. Plan Sponsor Support; and

iv. reasonable defense and litigation costs related to the foregoing.

(collectively, the "Capped Indemnity Obligations").

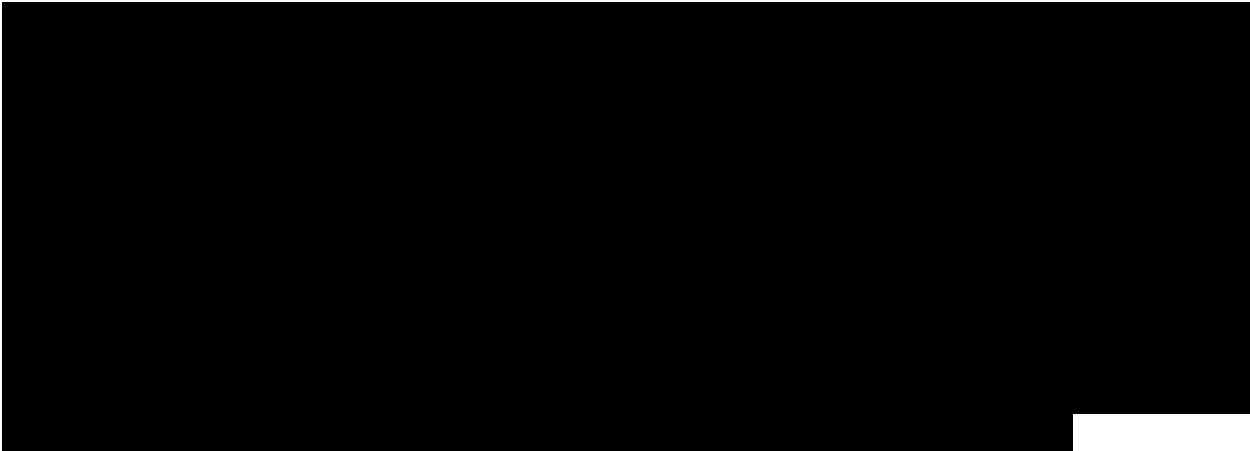
Notwithstanding the foregoing, the Capped Indemnity Obligations [REDACTED] (i) shall not exceed the Indemnity Cap in the aggregate, (ii) shall be subject to and shall be reduced to the extent of the applicable Indemnity Exclusion(s), and (iii) shall not include Antitrust Claims.

For clarity, the Capped Indemnity Obligations shall not include the actual costs and expenses of an OEM's Recall programs asserted by such OEM.

c. [REDACTED]

d. [REDACTED]

e. [REDACTED]



f. Insurance. The obligation of any Consenting OEM under this Agreement is (i) secondary and subordinate to (a) all insurance policies (other than any Plan Sponsor-owned Excess Policy) and proceeds thereof that are available to any Referenced Entity and (b) the proceeds of the U.S. PI/WD Fund (if any) and (ii) net of any amounts actually recovered by any Referenced Entity under any insurance policies (other than any Plan Sponsor-owned Excess Policy and net of costs of recovery) or from the U.S. PI/WD Fund (if any) and any other third-party payments that reimburse for the Loss. Nothing in this paragraph shall prohibit Parent from seeking and receiving indemnification hereunder prior to resolution of any claims of Plan Sponsor under applicable insurance policies; provided, however, Plan Sponsor shall be required to diligently seek (or cause the applicable Referenced Entity to seek) recovery under any available insurance, and shall provide a report on such efforts upon request by any Consenting OEM, and any recoveries obtained from available insurance (other than any Plan Sponsor-owned Excess Policy) shall promptly be paid over to the Consenting OEMs (net of reasonable and unreimbursed costs and expenses for obtaining such recoveries) to the extent that the Consenting OEMs have previously reimbursed Parent for such Losses; provided further that exhausting remedies against any available insurance shall not be a condition to receiving indemnification hereunder, it being understood that any such indemnification paid by any Consenting OEM prior to receipt by any Referenced Entity of any recovery available under any insurance policy (other than any Plan Sponsor-owned Excess Policy) shall be an advance that will be returned by Plan Sponsor or the applicable Referenced Entity only if, and to the extent that, the applicable Referenced Entity receives any recovery from available insurance (other than any Plan Sponsor-owned Excess Policy and net of reasonable and unreimbursed costs and expenses for obtaining such recoveries).

g. Consultation. If Parent believes that a claim subject to the Consenting OEMs' Capped Indemnity Obligations would threaten the financial or operational viability of the applicable entity(ies) against which the claim is asserted (assuming no indemnification for such claim), Parent will consult with the Consenting OEMs to develop mutually beneficial alternatives to the payment of such claim, including, but not limited to, potential restructuring or insolvency proceedings for such entity(ies). If, after consulting with the Consenting OEMs, Parent decides to restructure or pursue insolvency proceedings for a Referenced Entity that sustains an indemnifiable Loss, then for purposes of Section 6.b, the amount of such Loss shall be only up to the least of (i) the amount of such Losses, (ii) the fair market value of the assets of such Referenced Entity (less the fair market value of the ordinary course operating Liabilities of

such Referenced Entity) (in each case as determined below) and (iii) the remaining amount of the Consenting OEMs' Capped Indemnity Obligations. If Parent decides to satisfy a claim against a Referenced Entity that sustains a Loss instead of restructuring or pursuing insolvency proceedings for such Referenced Entity, the OEMs' Capped Indemnity Obligations for such Losses will be capped at the amount actually paid to settle the underlying claim and such amounts will be utilized by Plan Sponsor to satisfy such claim. In determining the fair market value of the assets and ordinary course operating Liabilities of such Referenced Entity, Parent and the Consenting OEMs shall in good faith attempt to mutually agree on the fair market value. If Parent and the Consenting OEMs are not able to mutually agree on such fair market value, Parent and the Consenting OEMs shall mutually appoint an appraiser jointly selected by the Parent and the Consenting OEMs to determine such fair market value. To the extent that Parent and the Consenting OEMs do not agree on an appraiser to determine such fair market value, Parent and the Consenting OEMs shall each choose a nationally recognized appraiser competent to perform a fair market valuation of the applicable Referenced Entity and such two (2) appraisers shall appoint a third nationally recognized appraiser competent to perform a fair market valuation of the applicable Referenced Entity, and such appointed appraiser shall determine the fair market value of the assets and ordinary course Liabilities of the applicable Referenced Entity. Parent and the Consenting OEMs shall cooperate with any appraiser appointed pursuant to this Section 6.g and the fees and expenses of such appraiser shall be allocated one half to Parent and one half to the Consenting OEMs (according to their respective OEM Allocable Shares). The valuation report of any appraiser appointed pursuant to this Section 6.g shall be final and binding on the Parties. For the avoidance of doubt, (i) any determinations made by Parent pursuant to this Section 6.g shall be at the sole discretion of Parent, notwithstanding any obligation to consult with the Consenting OEMs and (ii) this Section 6.g shall only apply to Capped Indemnity Obligations.

h.

[REDACTED]

[REDACTED]



[REDACTED]

i.

[REDACTED]

i.

[REDACTED]

7.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**8. Release.**

a. Effective as of the Effective Date (and only if it should occur), each Consenting OEM hereby releases, acquits, and discharges, and shall be enjoined from prosecution of any and all claims, counterclaims, disputes, liabilities, rights, suits, obligations, judgments, duties, demands, defenses, liens, actions, administrative proceedings, costs, expenses, matters, issues, and causes of action of every kind and nature, whether known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, that have been, could have been, or in the future can or might be asserted in any court, tribunal or proceeding, (including but not limited to any claims arising under federal, state, foreign or common law) (collectively, "Claims"), by or on behalf of such Consenting OEM and each of its respective Schedule A Entities (each a "Consenting OEM Releasing Party"), whether individual, direct, class, representative, legal, equitable, or any other type or in any other capacity against each Released Plan Sponsor Person that such Consenting OEM Releasing Party ever had, now has, may have, or may have had, by reason of, arising out of, relating to, or in connection with: (A) Takata's design, assembly, manufacture, sale, distribution and/or handling of PSAN Inflators prior to Closing (including if such Claim manifests after the Effective Date), (B) without limiting the generality of (A), all costs and expenses of, and all other Liabilities related to, each Consenting OEM's Recall programs (including Recall programs initiated after the Effective Date), (C)

[REDACTED] (D) overcharges prior to the Effective Date related to Kitting Operations; and (E) any conduct of Takata prior to the Effective Date relating to price fixing, market manipulation, collusion, cartel, or any other similar anti-competitive practice or violations of antitrust and competition laws

(collectively, the “Consenting OEM Released Claims”); provided, however, that the foregoing release shall not release any Consenting OEM Released Claim against any Representative who is a natural person who was previously employed at Takata or who conspired with Takata, which is attributable to an act of fraud, bad faith, criminal conduct, willful misconduct or negligence by such Representative while employed by, or conspiring with, Takata.

With respect to the Consenting OEM Released Claims, the Consenting OEM Releasing Parties hereby expressly waive any and all provisions, rights, and benefits conferred by any law of any country or state or territory of the United States which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

In agreeing to the foregoing waiver, each of the Consenting OEM Releasing Parties expressly acknowledges and understands that it may hereafter discover facts in addition to or different from those which it now believes to be true with respect to the subject matter of the matters released herein, but expressly agrees that it has taken these possibilities into account in electing to participate in this release, and that the release given herein shall be and remain in effect as a full and complete release notwithstanding the discovery or existence of any such additional or different facts, as to which each of the Consenting OEM Releasing Parties expressly assumes the risk, other than as set forth in Section 12.c herein. Notwithstanding any other provisions herein, but subject to the express terms of the other releases provided in this Section 8, and for the avoidance of doubt, the Consenting OEM Releasing Parties reserve all rights against all persons other than the Released Plan Sponsor Persons subject to release and discharge hereunder, and this Agreement is not intended to prejudice, restrict or affect (or be an election of remedy) in respect of any rights, powers and remedies that the Consenting OEM Releasing Parties may have against other such persons.

b. Effective as of the Effective Date (and only if it should occur), each of the Consenting OEMs hereby releases, acquits, and discharges, and shall be enjoined from prosecution of any and all Claims, by or on behalf of each Consenting OEM Releasing Party, whether individual, direct, class, representative, legal, equitable, or any other type or in any other capacity against any Acquired Takata Entity that such Consenting OEM Releasing Party ever had, now has, may have, or may have had, by reason of, arising out of, relating to, or in connection with the Consenting OEM Released Claims; provided, however, that the foregoing release shall not impair, waive, or otherwise affect any claim that a Consenting OEM may have against any Takata Entity that is not an Acquired Takata Entity, or otherwise impair the rights of any Consenting OEM to file, or recover on account of, claims in any insolvency proceeding of any Takata Entity that is not an Acquired Takata Entity or in any other proceeding or otherwise against any Takata Entity that is not an Acquired Takata Entity. Notwithstanding the foregoing, if (1) any Consenting OEM is required by a court of competent jurisdiction (whether by judgment or by settlement) to disgorge, turn over or otherwise pay any amount received (including via setoff) by such Consenting OEM from an Acquired Takata Entity that constituted a Settlement Amount (as defined in the Global Settlement Agreement), to the estate or a creditor

of the applicable Acquired Takata Entity (or any trustee, administrator, supervisor, receiver or similar person for such estate), because the payment of such Settlement Amount is determined to be fraudulent (actually or constructively) or preferential in any respect or for any similar reason, or (2) the acquisition by Plan Sponsor of any Acquired Takata Entity is successfully declared void or is clawed back because the transfer of ownership to Plan Sponsor is determined by a court of competent jurisdiction to be fraudulent (actually or constructively) or preferential in any respect or for any other similar reason, then (x) any discharge and release pursuant to this Section 8 of any PSAN Claims or other Claims of each Consenting OEM against the applicable Acquired Takata Entity, and (y) any discharge and release pursuant to the Global Settlement Agreement by the applicable Acquired Takata Entity in favor of the Consenting OEMs, in each case of (x) and (y) shall be deemed null and void *ab initio* but, solely in the case of (y), only to the extent that any claim subject to such discharge or release by the applicable Acquired Takata Entity in favor of the Consenting OEMs may be asserted as a defense to, and not a counterclaim against, the PSAN Claims of such Consenting OEM against the applicable Acquired Takata Entity.

With respect to the Consenting OEM Released Claims, the Consenting OEM Releasing Parties hereby expressly waive any and all provisions, rights, and benefits conferred by any law of any country or state or territory of the United States which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

In agreeing to the foregoing waiver, each of the Consenting OEM Releasing Parties expressly acknowledges and understands that it may hereafter discover facts in addition to or different from those which it now believes to be true with respect to the subject matter of the matters released herein, but expressly agrees that it has taken these possibilities into account in electing to participate in this release, and that the release given herein shall be and remain in effect as a full and complete release notwithstanding the discovery or existence of any such additional or different facts, as to which each of the Consenting OEM Releasing Parties expressly assumes the risk, other than as set forth in Section 12.c herein. Notwithstanding any other provisions herein, but subject to the express terms of the other releases provided in this Section 8, and for the avoidance of doubt, the Consenting OEM Releasing Parties reserve all rights against all persons other than the Acquired Takata Entities subject to release and discharge hereunder, and this Agreement is not intended to prejudice, restrict or affect (or be an election of remedy) in respect of any rights, powers and remedies that the Consenting OEM Releasing Parties may have against other such persons.

c. The Consenting OEMs agree to forebear from exercising any rights in respect of PSAN Claims against any Takata Seller Entities whose assets are acquired by Plan Sponsor on the terms set forth in the Global Settlement Agreement and until the liquidation of such entity unless an Unforeseen Event occurs or the Global Settlement Agreement is terminated in accordance with its terms.

d. None of the releases set forth herein shall (i) impair, waive or otherwise affect the Consenting OEMs' entitlement to recover from any funds pursuant to the DOJ Plea Agreement that may be recoverable against Takata or (ii) limit any Consenting OEM Releasing Party's ability to object to, defend itself against, oppose or dispute on any ground or basis, any claim asserted against it by any person, provided that such Consenting OEM Releasing Party is not seeking any affirmative recovery from any Released Plan Sponsor Person or Acquired Takata Entity in any way related to any Consenting OEM Released Claim.

e. Effective as of the Effective Date (and only if it should occur), each of the PSAN Consenting OEMs and Consenting OEM Bailors hereby releases, acquits, and discharges, and shall forever be enjoined from prosecution of any and all Claims, by or on behalf of such PSAN Consenting OEM or Consenting OEM Bailor and each of its respective Schedule A Entities (each a "PSAN Consenting OEM/Consenting OEM Bailor Releasing Party"), whether individual, direct, class, representative, legal, equitable, or any other type or in any other capacity against the Released Post-Closing Persons, by reason of, arising out of, relating to, or in connection with: (i) any claims relating to Takata's or Reorganized Takata's design, assembly, manufacture, sale, distribution and/or handling of PSAN Inflators (x) prior to the Closing, but only to the extent such PSAN Inflators are delivered or bailed to, or handled by, Released Post-Closing Persons after the Closing or (y) after the Closing; and (ii) any claims relating to Plan Sponsor's provision of Plan Sponsor Support ("PSAN Consenting OEM/Consenting OEM Bailor Released Claims"), except, in the case of (i) and (ii), to the extent that the losses associated with such claim are attributable to: (A) any Released Post-Closing Person's fraud, bad faith, criminal conduct, willful misconduct or negligence after the Closing; or (B) (1) Plan Sponsor's and/or an Acquired Takata Entity's material breach of the Transition Services Agreement, including a material breach of any aspect of its contractual obligations to provide Plan Sponsor Support, to adhere to the Standard of Care, or to provide PSAN Tier One Services or (2) Plan Sponsor's material breach of any contractual obligation under this Agreement, in each case, after notice and a reasonable opportunity to cure (to the extent curable); provided, however, the foregoing release shall not impair, waive, or otherwise affect any claim that a Consenting OEM may have against Plan Sponsor and/or an Acquired Takata Entity in connection with the Module Production, PSAN Service Part production, or Kitting Operations (other than with respect to the matters described in Section 8.a and 8.b above).

With respect to the PSAN Consenting OEM/Consenting OEM Bailor Released Claims, the PSAN Consenting OEM/Consenting OEM Bailor Releasing Parties hereby expressly waive any and all provisions, rights, and benefits conferred by any law of any country or state or territory of the United States which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

In agreeing to the foregoing waiver, the PSAN Consenting OEM/Consenting OEM Bailor Releasing Parties expressly acknowledge and understand that they may hereafter discover facts in addition to or different from those which they now believe to be true with respect to the

subject matter of the matters released herein, but expressly agree that they have taken these possibilities into account in electing to participate in this release, and that the release given herein shall be and remain in effect as a full and complete release notwithstanding the discovery or existence of any such additional or different facts, as to which the PSAN Consenting OEM/Consenting OEM Bailor Releasing Parties expressly assume the risk, other than as set forth in Section 12.c herein. Notwithstanding any other provisions herein and for the avoidance of doubt, the PSAN Consenting OEM/Consenting OEM Bailor Releasing Parties reserve all rights against all persons other than the Released Post-Closing Persons subject to release and discharge hereunder, and this Agreement is not intended to prejudice, restrict or affect (or be an election of remedy) in respect of any rights, powers and remedies that the PSAN Consenting OEM/Consenting OEM Bailor Releasing Parties may have against other such persons.

f. Each Consenting OEM represents, warrants, covenants and agrees that none of the claims released by or on behalf of such Consenting OEM, nor any part thereof, has been or will be assigned, hypothecated, granted, or transferred (each, a “Transfer”) in any way by such Consenting OEM to any person or entity (other than to one of its Schedule A Entities), including without limitation any claims that would be released in full hereunder but for such Transfer. Any purported assignment of claims released by or on behalf of any Consenting OEM hereby shall be null and void without further action.

g.



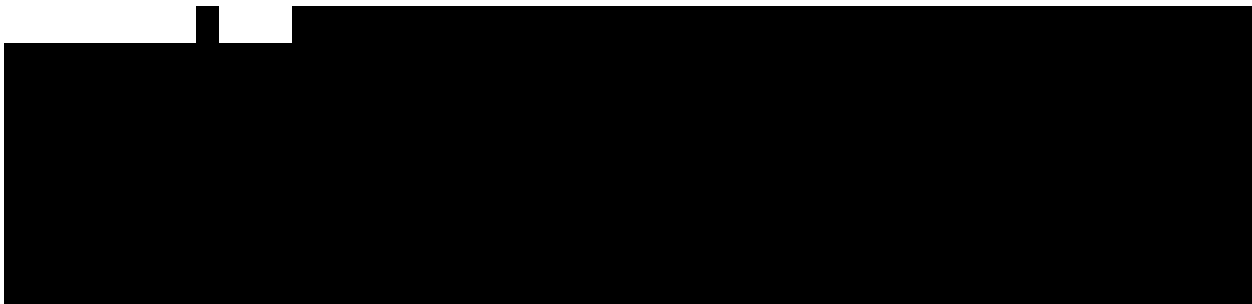


**9. Resourcing.**

a. Each Consenting OEM shall promptly notify Plan Sponsor of its resourcing of any Applicable Parts prior to the Closing.

b. In the event a Consenting OEM engages in any resourcing in violation of the Resourcing Limitation and the Plan Sponsor elects to proceed with the Closing, then upon (and subject to) the Closing, such Consenting OEM shall pay to Plan Sponsor by wire transfer of immediately available funds the Make Whole Payment.

**10.**





[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**11. Most Favored Nations.**

a. From and after the Signing Date, Plan Sponsor will not enter into agreements with any OEMs listed on **Schedule C-1**, including individual Consenting OEMs, regarding the subject matter covered by this Agreement on terms that are more favorable to such OEMs than the terms set forth in this Agreement, including requiring that such OEM become a Consenting OEM and provide the indemnifications and releases on the same terms as set forth in this Agreement. If and to the extent that any subsidiary of Takata that Plan Sponsor acquires in connection with the Closing is a party to any contract with any OEM listed on **Schedule C-1** that does not become a Consenting OEM which provides for the manufacture and sale of any parts other than PSAN Inflators, then such subsidiary may perform all of its obligations for the remaining term of such contract (or, if earlier, until the contract may be terminated by such subsidiary without penalty in accordance with its terms), but will not renew or extend the current term of any such contract, or enter into any new or replacement contracts for parts currently in production by or awarded to Takata and shall provide any notice required to be provided to prevent the existing term of any such contract from renewing automatically in accordance with the terms thereof.

b. The PSAN Claims of each Consenting OEM shall be treated alike by Plan Sponsor, and Plan Sponsor shall cooperate with all reasonable requests of the Consenting OEMs and Takata, and shall use commercially reasonable efforts to cause, the PSAN Claims of each Consenting OEM to be treated alike in the Sale and Restructuring.

c. Plan Sponsor agrees to disgorge to the Consenting OEMs any profits Plan Sponsor or any of its affiliates have made under any agreement that violates the provisions in this Section 11.

d. This Section 11 shall not prohibit Plan Sponsor from entering into any settlement or other agreement with any Consenting OEM, so long as such settlement or agreement does not adversely affect any other Consenting OEM's rights and obligations under this Agreement.

e.

**12. Representations and Warranties.**

a. Each Party hereby represents and warrants on a several and not joint basis for itself and not any other person or entity that as of the Signing Date:

- i. it has the requisite organizational power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;

- ii. the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other organizational action on its part; and
- iii. the execution, delivery and performance by it of this Agreement does not violate any provision of law, rule, or regulation applicable to it, or its certificate of incorporation, or bylaws, or other organizational documents.

b. Each Consenting OEM hereby further represents and warrants, on a several and not joint basis, for itself and not any other person or entity, that as of the Signing Date (with respect to Initial Consenting OEMs) or of its joinder hereto (with respect to any OEM that becomes a Consenting OEM after the Signing Date):

- i. each of the subsidiaries and controlled affiliates of such Consenting OEM that is a party to any Purchase Order with Takata has executed and delivered this Agreement as a Consenting OEM hereunder (or that this Agreement has been validly and effectively executed and delivered on its behalf with respect to Schedule A Entities); and
- ii. this Agreement constitutes the valid and legally binding obligation of such Consenting OEM and its respective Schedule A Entities, enforceable against such Consenting OEM and its respective Schedule A Entities in accordance with its terms and subject to applicable bankruptcy, reorganization, insolvency, moratorium, or other similar laws relating to creditors' rights and general principles of equity.

c. Plan Sponsor represents and warrants that, as of the Signing Date, (i) except to the extent disclosed to Plan Sponsor by any Consenting OEM, Plan Sponsor is not aware of any material governmental claim, proceeding, or investigation taking place in any jurisdiction regarding PSAN Inflators and (ii) Plan Sponsor does not have actual knowledge (which, for this purpose, means the actual knowledge of the Chief Financial Officer of Plan Sponsor as of the Signing Date) of any material class action or similar third-party claim or proceeding pending or threatened in any jurisdiction regarding PSAN Inflators, in each case, that (a) has not been disclosed or announced publicly, (b) is not known to all of the Consenting OEMs, (c) Plan Sponsor is not prohibited or restricted from disclosing by applicable laws, rules, regulation, or any contractual or other binding obligation to any third party; provided, however, that in such instance Plan Sponsor shall be required to provide notice of the existence of such governmental claim, proceeding, investigation, class action or similar third-party claim or proceeding and as much detail regarding such governmental claim, proceeding, or investigation, class action or similar third-party claim or proceeding as possible without violating any applicable laws, rules, regulation or contracts, and (d) would reasonably be expected to result in a claim covered by the Capped Indemnity Obligations. The Consenting OEMs and Plan Sponsor will enter into a confidentiality agreement to cover any of the foregoing disclosures. Any Consenting OEM that has actual knowledge of any governmental claim, proceeding, investigation, class action or similar third-party claim or proceeding shall not be permitted to assert a breach of this Section 12.c, or to seek any reduction or elimination of such Consenting

OEM's indemnification obligation with respect to such governmental claim, proceeding, or investigation, class action or similar third-party claim or proceeding.

**13. Cooperation with Post-Closing Operational Restructuring Plan.** From and after the Effective Date, each of the Consenting OEMs shall use its respective commercially reasonable efforts to cooperate with Plan Sponsor and provide commercially reasonable assistance to Plan Sponsor in connection with Plan Sponsor's operational restructuring plans relating to the Sale in order to facilitate Plan Sponsor's realization of the operational synergies and other benefits expected to be realized in connection with the Sale; provided, however, that such cooperation shall not require any OEM to accept any increase in the fully burdened costs associated with any parts or components produced by Plan Sponsor that are affected by such cooperation and assistance or material one-time costs, including, for example costs associated with the provision of manpower.

**14. Failure to Disclose Material Information.** The Consenting OEMs shall not be liable under this Agreement for any claim based on or related to any inaccuracy or breach of any representations or warranties of Plan Sponsor contained in Section 12.c of this Agreement.

**15. Survival: Conflicts.** Except as otherwise set forth herein, this Agreement will have an indefinite term.

**16. Sole Remedy. SECTION 6 OF THIS AGREEMENT SETS FORTH THE ENTIRE INDEMNIFICATION OBLIGATION OF THE CONSENTING OEMS, AND THE SOLE AND EXCLUSIVE REMEDY FOR PARENT AGAINST ANY CONSENTING OEM FOR ANY DAMAGES COVERED THEREUNDER.**

**17. Governing Law; Jurisdiction.** This Agreement and all disputes or controversies arising out of or relating to this Agreement or the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the conflicts of laws or principles thereof. If the Parties are unable to resolve any dispute within thirty (30) days (or such longer period as agreed to by the Parties) after notice of dispute is given, each Party irrevocably consents and agrees (on behalf of itself and its Schedule A Entities) that such dispute shall be fully and finally resolved by binding arbitration in accordance with the Swiss Rules of International Arbitration of Swiss Chambers' Arbitration Institution in force on the date on which the Notice of Arbitration is submitted in accordance with such Rules. The number of arbitrators shall be three. The language of the arbitration and of the Award shall be English. The Parties agree that the seat of such arbitration shall be Geneva, Switzerland, and that the hearing shall be in Geneva, unless otherwise agreed by the Parties. Award enforcement proceedings can be brought in any jurisdiction in which the party against whom enforcement is sought is subject to personal jurisdiction, under the rules applicable in the country in which enforcement is sought.

**18. KSS Performance Guaranty.** KSS hereby guarantees the due, prompt and faithful performance and discharge by, and compliance with, all of the obligations, covenants, agreements, terms, conditions and undertakings of the Plan Sponsor under this Agreement, in accordance with the terms hereof, from the Signing Date through and including the Effective Date. Such guarantee is an absolute and unconditional guarantee of performance, and is in no

way conditioned or contingent upon any attempt to enforce performance or compliance by, or otherwise seek remedies from, the Plan Sponsor. KSS hereby makes the representations and warranties in Sections 12.a and 12.c of this Agreement, *mutatis mutandis*.

**19. Section Headings.** The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

**20. Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement in the proceeding in which such provision(s) was deemed invalid or unenforceable. In the event that any of the provisions of this Agreement shall be held by any reviewing court, governmental authority, arbitration panel or other similar party (a “Reviewing Party”) to be invalid or unenforceable, such provisions shall be limited or eliminated in the applicable proceeding only to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect. In the event of any such determination of invalidity or unenforceability, the Reviewing Party shall be permitted to reform the terms of this Agreement in the applicable proceeding to most closely give effect to the expressed intent of the Parties hereto while still complying with applicable law. If any provisions of this Agreement are deemed invalid or unenforceable, or this Agreement is reformed in any manner by any Reviewing Party, at the request of the affected Party(ies), the Agreement shall subsequently be submitted to arbitration pursuant to Section 17 for further reformation (including the reinsertion of any provision deemed invalid or unenforceable) by the arbitrators, which further reformed Agreement shall be controlling and binding upon the Parties.

**21. Binding Agreement; Assignment.** This Agreement and all of the provisions hereof will be binding upon and inure to the benefit only of the Parties and their respective successors and assigns; provided, however, that neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any Party without the prior written consent of the Parties. Any such assignment made by any such Party without such prior written consent shall be null and void.

**22. Counterparts.** This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same instrument when one or more counterparts have been signed by each of the Parties and delivered to the other Parties. Facsimile copies of signatures shall be treated as originals for all purposes.

**23. Electronic Signatures.** This Agreement may be delivered by facsimile or other electronic means, which shall constitute an original for all purposes. Each Party to this Agreement shall deliver original signature pages promptly upon the written request of any counterparty, even if such original signature pages are delivered after the Closing.

**24. Notices.** Any notice or other instrument to be given under this Agreement must be in writing and, except as otherwise provided in this Agreement, shall be deemed to be duly given if mailed, delivered by hand or sent by email or reputable overnight courier service to the Parties to whom the communication is intended to be given, and any notice so delivered or sent shall be deemed to have been given: (a) if emailed, on the day and at the time at which the email

was sent, (b) if sent by reputable overnight courier service, one (1) business day after being sent, and (c) if mailed, three (3) days following the date of mailing. Until changed by notice in the manner described above, the addresses of the Parties for the purpose of notice shall be:

If to BMW:

BMW Manufacturing Co., LLC  
1400 Highway 101 South  
Greer, SC 29605  
Attention: Seann Tzouvelekas  
Associate General Counsel  
Email: seann.tzouvelekas@bmwmc.com

With a copy to:

BMW Aktiengesellschaft  
Knorrstrasse 147  
80788 München, Germany  
Attention: Sven Hofmann, MZ-14  
Risk Management  
Email: sven.sh.hofmann@bmw.de

and

BMW Aktiengesellschaft  
Dostlerstraße 3  
80809 München, Germany  
Attention: Dr. Stephan Wollbrink, AJ-1  
Legal Counsel  
Email: stephan.wollbrink@bmw.de

and

David A. Rosenzweig  
Norton Rose Fulbright US LLP  
1301 Avenue of the Americas  
New York, NY 10019  
Email: david.rosenzweig@nortonrosefulbright.com

If to Daimler:

Daimler AG  
HPC: G036  
Schickardstr. 30  
D- 71034 Böblingen, Germany  
Attention: Götz Rachner  
Senior Manager  
Risk & Restructuring Management (MP/SR)  
Mercedes-Benz Procurement & Supplier Quality  
Email: goetz.rachner@daimler.com

With a copy to:

White & Case LLP  
1221 Avenue of the Americas  
New York, NY 10020-1095  
Attention: Thomas Lauria  
Email: tlauria@whitecase.com

If to FCA:

FCA US LLC  
800 Chrysler Drive  
Auburn Hills, MI 48326  
CIMS 484-01-26  
Attention: Sigmund E. Huber  
Global Director, Supplier Relations & Risk Management  
Email: sig.huber@fcagroup.com

With a copy to:

FCA US LLC  
1000 Chrysler Drive  
Auburn Hills, MI 48326  
CIMS 485-14-07  
Attention: Mark Werling  
Email: mark.werling@fcagroup.com

and

Sullivan & Cromwell LLP  
125 Broad Street  
New York, New York 10004  
Attention: Brian Glueckstein  
Email: gluecksteinb@sullcrom.com



If to Ford:

Ford Motor Company  
Town Center Offices  
18900 Michigan Avenue  
Dearborn, MI 48126  
Attention: Dennis Barrish  
Email: dbarrish@ford.com

With a copy to:

McGuireWoods LLP  
625 Liberty Avenue  
23rd Floor  
Pittsburgh, PA 15222  
Attention: Mark E. Freedlander, Esq.  
Email: mfreedlander@mcguirewoods.com

If to GM:

General Motors LLC  
Vehicle Engineering Center  
29755 Louis Chevrolet Rd.  
Warren, MI 48090-9020  
M/C 480-210-85  
Attention: Mark W Fischer  
Email: mark.w.fischer@gm.com

With a copy to:

General Motors LLC  
Vehicle Engineering Center  
29755 Louis Chevrolet Rd.  
Warren, MI 48090-9020  
M/C 480-210-8N  
Attention: Aaron M. Silver  
Email: aaron.silver@gm.com

and

Honigman Miller Schwartz and Cohn LLP  
2290 First National Building  
660 Woodward Avenue  
Detroit, MI 48226-3506  
Attention: Joseph R. Sgroi  
Email: jsgroi@honigman.com

If to Honda:

Honda Motor Co., Ltd.  
4630 Shimotakanezawa, Haga-machi, Haga-gun,  
Tochigi, 321-3393, Japan  
Attention: Masaru Kamata  
Email: masaru\_a\_kamata@hm.honda.co.jp

and

Honda North America  
24000 Honda Parkway  
Marysville, OH 43040  
Attention: Tom Lake  
Email: Tom\_Lake@hna.honda.com

With a copy to:

Vorys, Sater, Seymour & Pease  
52 East Gay Street  
Columbus, OH 43215  
Attention: Rob Bell  
Email: rabell@vorys.com

If to JLR:

Jaguar Land Rover Limited  
Registered Office: Abbey Road, Whitley, Coventry CV3 4LF  
Registered in England No: 1672070  
Attention: Antony Cunningham  
Email: ACunning@jaguarlandrover.com

With a copy to:

Jaguar Land Rover North America, LLC  
555 MacArthur Boulevard  
Mahwah, NJ 07430  
Attention: Anna-Lisa Corrales  
Email: acorral8@jaguarlandrover.com  
mailto:toshifumi.kimura@mitsubishi-motors.com

If to Mazda:

Mazda Motor Corporation  
3-1 Shинchi, Fuchu-cho, Aki-gun,  
Hiroshima  
730-8670 Japan  
Attention: Mr. Tetsuto Nakamura, General  
Manager, Purchasing Division  
Email: nakamura.tet@mazda.co.jp

With a copy to:

Kramer Levin Naftalis & Frankel LLP  
1177 Avenue of the Americas  
New York, NY 10036  
Attention: Adam Rogoff and Anupama Yerramalli  
Email: aroff@kramerlevin.com  
ayerramalli@kramerlevin.com

If to Mitsubishi:

Mitsubishi Motors Corporation  
1, Nakashinkiri, Hashime-cho  
Okazaki, Aichi Pref., Japan  
Attention: Toshifumi Kimura, General Manager, Interior Parts and  
Aftersales Purchasing Dept.  
Email: toshifumi.kimura@mitsubishi-motors.com

With a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019  
Attention: Kevin O'Neill  
Email: koneill@paulweiss.com

If to Nissan:

Nissan Motor Co., Ltd.  
1-1, Takashima 1-chome, Nishi-ku  
Yokohama-shi, Kanagawa 220-8686 Japan  
Attention: Fabien Lesort  
Email: f-lesort@mail.nissan.co.jp

and

Nissan North America, Inc.  
39001 Sunrise  
Farmington Hills, MI 48331  
Attention: Donald P. Parshall, Jr.  
Email: don.parshall@nissan-usa.com

With a copy to:

Jones Day  
600 Brickell Avenue, Suite 3300  
Miami, FL 33131  
Attention: Pedro A. Jimenez  
Email: pjimenez@jonesday.com

If to PSA:

PSA Automobiles SA  
2-10 bd de l'Europe – YT 279  
78093 Poissy cedex 09 France  
Attention: Pascal DALON  
Supplier Risk Manager  
Email: pascal.dalon@mpsa.com

and

PSA Automobiles SA  
7, rue Henri Sainte-Claire Deville  
92500 Rueil-Malmaison France  
Attention: Mark Rollinger  
General Counsel  
Email: mark.rollinger@mpsa.com

With a copy to:

Baker Hostetler LLP  
Key Tower, 127 Public Square  
Suite 2000  
Cleveland, OH 44114-1214  
Attention: Eric R. Goodman, Esq.  
Email: egoodman@bakerlaw.com

If to Subaru:

Subaru Corporation  
Ebisu Subaru Bldg., 1-20-8, Ebisu, Shibuya-ku,  
Tokyo  
150-8544  
Japan  
Attention: Naoko Taniguchi, Legal Department  
Email: taniguchi.naoko@subaru.co.jp

and

Subaru of America, Inc.  
2235 Marlton Pike W.  
Cherry Hill, NJ 08002  
Attention: Terri Woodard Claybrook, Director-Associate General Counsel  
Email: tclaybrook@subaru.com

and

Subaru of Indiana Automotive, Inc.  
5500 State Road 38 E  
Lafayette, IN 47905  
Attention: Douglas R. Meyer, Senior Manager and General Counsel  
Legal/HR/CSR  
Email: doug.meyer@subaru-sia.com

With a copy to:

Kramer Levin Naftalis & Frankel LLP  
1177 Avenue of the Americas  
New York, NY 10036  
Attention: Adam Rogoff and Anupama Yerramalli  
Email: arogoff@kramerlevin.com  
ayerramalli@kramerlevin.com

If to Toyota:

Toyota Motor Engineering & Manufacturing North America, Inc.  
8777 Platt Road  
Saline, MI 48176  
Attention: Jim Holloway  
Email: jim.holloway@toyota.com

and

Toyota Motor North America, Inc.  
6565 Headquarters Drive  
Plano, TX 75024  
Attention: Cortney Romans  
Email: cortney.romans@toyota.com

and

Toyota Motor Corporation  
1, Toyota-cho  
Toyota, Aichi 471-8571  
Attention: Takuo Nomura  
Email: takuo\_nomura@mail.toyota.co.jp

With a copy to:

Frost Brown Todd LLC  
150 Third Avenue South, Suite 1900  
Nashville, TN 37201- 2043  
Attention: Robert Sartin, Esq.  
Email: rsartin@fbtlaw.com

and

Orrick, Herrington & Sutcliffe LLP  
51 West 52nd Street  
New York, NY 10019-6142  
Attention: Lorraine S. McGowen, Esq.  
Email: lmcgowen@orrick.com

If to Volkswagen:

Volkswagen AG  
Brieffach 1618  
D-38436 Wolfsburg, Germany  
Attention: Dr. Frauke Eßer and Dr. Dirk Täger  
Email: frauke.esser@volkswagen.de and  
dirk.taeger@volkswagen.de

With a copy to:

Davis, Polk and Wardwell LLP  
450 Lexington Avenue  
New York, NY 10017  
Attention: Timothy Graulich  
Email: timothy.graulich@davispolk.com

If to Volvo:

Volvo Group Truck Operations  
Dept. BE83000, GC2N  
40508 Gothenburg, Sweden  
Attention: Alessandro Galluzzi  
Email: alessandro.galluzzi@volvo.com

With a copy to:

Baker Hostetler LLP  
Key Tower, 127 Public Square  
Suite 2000  
Cleveland, OH 44114-1214  
Attention: Eric R. Goodman, Esq.  
Email: egoodman@bakerlaw.com

If to Parent or Plan Sponsor:

Key Safety Systems  
7000 Nineteen Mile Road  
Sterling Heights, MI 48314  
Attention: Joe Perkins and Matthew C. Cohn  
Email: PerkinsJ@keysafetyinc.com  
cohnm@keysafetyinc.com

With a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP  
4 Times Square  
New York, NY 10036  
Attention: Steven J. Daniels and Ron E. Meisler  
Email: Steven.Daniels@skadden.com  
Ron.Meisler@skadden.com

**25. Confidentiality.** Unless otherwise required by applicable law, the Parties agree to keep this Agreement confidential; provided, however, that each of the Parties has the right to disclose this Agreement and all information and analyses related thereto within their respective organization, with their respective outside advisors, and to any OEM that may consider joining this Agreement pursuant to Section 1.e, provided that such OEM has agreed to keep this Agreement confidential on the terms of this Section 25.

**26. General Terms.** This Agreement constitutes the entire understanding of the Parties in connection with the subject matter hereof. The Parties executing this Agreement as representatives warrant that they have the power and authority to execute this Agreement on behalf of the entities that they represent and that their signatures bind said entities and each entity's subsidiaries and affiliates as listed on Schedule A, as set forth in the preamble to this Agreement.

27. **Amendments.** This Agreement may not be modified, altered, or amended except by an agreement in writing signed by the Parties.

28. **No Waiver.** The failure by any Party to enforce at any time, or for any period of time, any one or more of the terms or conditions of this Agreement, or a course of dealing between or among the Parties or any of them, shall not be a waiver of such terms or conditions or of such Party's right thereafter to enforce each and every term and condition of this Agreement.

29. **Acknowledgments.** THIS AGREEMENT HAS BEEN FREELY AND VOLUNTARILY ENTERED INTO BY THE PARTIES, WITHOUT ANY DURESS OR COERCION, AND AFTER THE PARTIES HAVE EITHER CONSULTED WITH COUNSEL OR HAVE BEEN GIVEN AN OPPORTUNITY TO DO SO, AND EACH OF THE PARTIES ACKNOWLEDGES THAT IT (A) IS A SOPHISTICATED PARTY WITH RESPECT TO THE SUBJECT MATTER OF THIS AGREEMENT, (B) HAS ADEQUATE INFORMATION CONCERNING THE MATTERS THAT ARE THE SUBJECT OF THIS AGREEMENT, (C) HAS CAREFULLY AND COMPLETELY READ AND UNDERSTANDS ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT AND (D) HAS INDEPENDENTLY AND WITHOUT RELIANCE UPON ANY OTHER PARTY TO THIS AGREEMENT OR ANY OFFICER, EMPLOYEE, AGENT OR REPRESENTATIVE THEREOF MADE ITS OWN ANALYSIS AND DECISION TO ENTER INTO THIS AGREEMENT.

30. **Waiver of Jury Trial.** THE PARTIES HERETO ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT THIS RIGHT MAY BE WAIVED. THE PARTIES EACH HEREBY KNOWINGLY, VOLUNTARILY AND WITHOUT COERCION, WAIVE ALL RIGHTS TO A TRIAL BY JURY OF ALL DISPUTES ARISING OUT OF OR IN RELATION TO THIS AGREEMENT. NO PARTY SHALL BE DEEMED TO HAVE RELINQUISHED THE BENEFIT OF THIS WAIVER OF JURY TRIAL UNLESS SUCH RELINQUISHMENT IS IN A WRITTEN INSTRUMENT SIGNED BY THE PARTY TO WHICH SUCH RELINQUISHMENT WILL BE CHARGED.

[SPACE LEFT INTENTIONALLY BLANK; SIGNATURES ON FOLLOWING PAGE]



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the Signing Date.

**BMW Manufacturing Co., LLC**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Daimler AG**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FCA US LLC f/k/a Chrysler Group LLC**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FCA Group Purchasing Srl**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FCA Fiat Chrysler Automóveis Brasil Ltda.**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FCA Automobiles Argentina S.A.**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Ford Motor Company**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**General Motors Holdings LLC**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Honda Motor Co., Ltd.**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Jaguar Land Rover Ltd.**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Mazda Motor Corporation**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_



**Mitsubishi Motors Corporation**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Nissan Motor Co., Ltd.**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PSA Automobiles SA**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Opel Automobile GmbH**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Subaru Corporation**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Toyota Motor Corporation**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Aktiebolaget Volvo**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Volkswagen Aktiengesellschaft,**  
Berliner Ring, 38436 Wolfsburg; Deutschland

i.V.

By: \_\_\_\_\_

Print Name: Rainer Stutz

Title: Leiter Konzernbeschaffung Interieur

i.V.

By: \_\_\_\_\_

Print Name: Dr. Frauke Eßer

Title: Leiter reaktives Risikomanagement Beschaffung

**KSS Holdings, Inc.**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_



**Joyson KSS Auto Safety S.A.**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE A**

**SCHEDULE A ENTITIES**

**SCHEDULE B-1**

**PLAN SPONSOR PARTIES**

[To be provided by Plan Sponsor prior to Closing]

**SCHEDULE B-2**

**TRANSACTION ENTITY**

**SCHEDULE C-1**

**NON-CONSENTING OEMs**

**SCHEDULE C-2**

**CONSENTING OEM ALLOCABLE SHARE AND ALLOCATION PERCENTAGES**

**SCHEDULE D**

**STANDALONE OEM ASSUMED CONTRACTS**

[To be completed prior to Closing]

**SCHEDULE E**

**STANDALONE PSAN ASSUMED CONTRACTS**

[To be completed prior to Closing]



**SCHEDULE F**

**MODIFIED ASSUMED OEM CONTRACTS**

[To be completed prior to Closing]

**SCHEDULE G**

**MODIFIED ASSUMED PSAN CONTRACTS**

[To be completed prior to Closing]

**SCHEDULE H**

**DIRECTED TIER ONES AND DIRECTED PSAN TIER ONES**

[To be completed prior to Closing]

**SCHEDULE I**

**PLAN SPONSOR MINORITY INTEREST RELEASED ENTITIES**

**EXHIBIT 1**

**JOINDER AGREEMENT**

**EXHIBIT 2**

**DOJ PLEA AGREEMENT REQUESTED MODIFICATION SCHEDULE**

**EXHIBIT 3**

**ACCESS AGREEMENT**

**[THE ACCESS AGREEMENT MAY BE FOUND AT  
DOCKET NO. 953]**

**EXHIBIT 4**

**BACKSTOP AGREEMENT**

**[SEE EXHIBIT 3 TO THE CHAPTER 11 PLAN]**



**EXHIBIT 5**

**GLOBAL ACCOMMODATION AGREEMENT**

**[THE GLOBAL ACCOMMODATION AGREEMENT  
MAY BE FOUND AT DOCKET NO. 953]**

**EXHIBIT 6**

**GLOBAL SETTLEMENT AGREEMENT**

**[THE GLOBAL SETTLEMENT AGREEMENT MAY BE FOUND AT  
EXHIBIT I TO THE U.S. ACQUISITION AGREEMENT FILED  
CONTEMPORANEOUSLY HEREWITH, AS SUCH AGREEMENT  
MAY BE SUPPLEMENTED, AMENDED, OR MODIFIED FROM TIME  
TO TIME IN ACCORDANCE WITH THE TERMS THEREIN]**

**EXHIBIT 7**

**JAPAN ACCOMMODATION AGREEMENT**

**EXHIBIT 8**

**LIQUIDATING ENTITY BUDGETS**

**EXHIBIT 9**

**PERFORMANCE GUARANTY**

**Exhibit 3**

**Plan Sponsor Backstop Funding Agreement**

**Joyson KSS Auto Safety S.A.**

November \_\_, 2017

Takata Corporation  
2-3-14 Higashishinagawa,  
Shinagawa-ku, Tokyo  
140-0002, Japan  
Attn: Tsutomu Yoshida and  
Hiroshi Shimizu  
Email:  
Tsutomu.Yoshida@takata.co.jp  
and Hiroshi-  
JP.Shimizu@takata.co.jp

TK Holdings Inc.  
2500 Takata Drive,  
Auburn Hills, Michigan 48326  
Attn: Ken Bowling and Keith  
Teel  
Email:  
Ken.Bowling@takata.com  
and Keith.Teel@takata.com

TK Holdings Inc.  
2500 Takata Drive,  
Auburn Hills, Michigan 48326  
Attn: Ken Bowling and Keith  
Teel  
Email:  
Ken.Bowling@takata.com  
and Keith.Teel@takata.com

TAKATA Europe GmbH  
Bahnweg 1  
63743 Aschaffenburg  
Attn: Sven Petersen  
Email:  
Sven.Petersen@eu.Takata.com

TAKATA Aktiengesellschaft  
Bahnweg 1  
63743 Aschaffenburg  
Attn: Sven Petersen  
Email:  
Sven.Petersen@eu.Takata.com

TAKATA Sachsen GmbH  
Scheibenberger Straße 88  
09481 Elterlein  
Attn: Sven Petersen  
Email:  
Sven.Petersen@eu.Takata.com

Ladies and Gentlemen:

**Re: Plan Sponsor Backstop Funding**

This letter agreement (the “**Agreement**”) sets forth the agreement among (i) Takata Corporation (“**TKJP**”), a Japanese corporation (*kabushiki kaisha*), Takata Americas (“**TKAM**”), a Delaware general partnership, and its subsidiary Chapter 11 Debtors, TK Holdings, Inc. (“**TKH**”), a Delaware corporation, and its subsidiary Chapter 11 Debtors, TAKATA Europe GmbH (“**TK Europe**”), a limited liability company (*Gesellschaft mit beschränkter Haftung*) established under the laws of Germany registered with the commercial register (*Handelsregister*) at the lower court (*Amtsgericht*) of Aschaffenburg under registration number HRB 8513, TAKATA Aktiengesellschaft (“**TK AG**”), a stock corporation (*Aktiengesellschaft*) established under the laws of Germany registered with the commercial register at the lower court of Aschaffenburg under registration number HRB 120, and TAKATA Sachsen GmbH (“**TK Sachsen**”), a limited liability company established under the laws of Germany registered with the commercial register at the lower court of Chemnitz under registration number HRB 11841, collectively with their Affiliates (as defined below) and subsidiaries (collectively, “**Takata**”), (ii) Joyson KSS Auto Safety S.A., a Luxembourg société anonyme (“**Parent**,” and collectively with one or more of its current or newly formed subsidiaries or affiliates that purchase Purchased Assets (as defined below) as of the Closing Date (as defined below) pursuant to the Acquisition Agreements (as defined below), the “**Plan Sponsor**”) and KSS Holdings, Inc. a Delaware corporation (the “**Guarantor**”), and (iii) each of the following on behalf of themselves and their respective subsidiaries and/or affiliates as described on **Schedule 1** (collectively, the “**Schedule 1 Entities**”): BMW Manufacturing Co., LLC (“**BMW**”), Daimler AG (“**Daimler**”), FCA US LLC f/k/a Chrysler Group LLC, FCA Group Purchasing Srl in the name and on behalf of its principals (FCA Italy SpA and FCA Melfi Srl), FCA Fiat Chrysler Automóveis Brasil

Ltda., and FCA Automobiles Argentina S.A. (collectively, “**FCA**”), Ford Motor Company (“**Ford**”), General Motors Holdings LLC (“**GM**”), Honda Motor Co., Ltd. (“**Honda**”), Jaguar Land Rover Ltd. (“**JLR**”), Mazda Motor Corporation (“**Mazda**”), Mitsubishi Motors Corporation (“**Mitsubishi**”), Nissan Motor Co., Ltd. (“**Nissan**”), PSA Automobiles SA and Opel Automobile GmbH (collectively, “**PSA**”), Subaru Corporation (“**Subaru**”), Toyota Motor Corporation (“**Toyota**”), Volkswagen Aktiengesellschaft (“**Volkswagen**”), and Aktiebolaget Volvo (“**Volvo**”) (each a “**Consenting OEM**” and, together with the Schedule 1 Entities, the “**Consenting OEMs**”) with respect to the Plan Sponsor Backstop Funding (as defined below), all upon the terms and subject to the conditions set forth herein. On the Closing Date, the Reorganized TK Holdings Trust, Reorganized Takata and the Warehousing Trust shall each become party to this Agreement and possess all of the rights and be subject to all of the obligations of the Reorganized TK Holdings Trust, Reorganized Takata and the Warehousing Trust, respectively, under this Agreement. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Plan (as defined below).

## 1. **Defined Terms.**

“**Acquired Cash**” shall have the meaning ascribed to it in the U.S. Acquisition Agreement.

“**Acquisition Agreements**” means, collectively, the U.S. Acquisition Agreement, the TKJP Acquisition Agreement, the TK Europe Acquisition Agreement and the TSAC Acquisition Agreement (as defined in the U.S. Acquisition Agreement), if applicable.

“**Administrative Claims**” means Allowed Administrative Expense Claims of a Professional Person (other than Professional Fee Recoveries) for compensation for professional services rendered or costs incurred after the Petition Date and on or prior to the Effective Date of the Plan.

“**Affiliates**” shall have the meaning ascribed to it in the U.S. Acquisition Agreement.

“**Aggregate Consideration**” means, with respect to each Acquisition Agreement, (i) the Purchase Price (as defined in such Acquisition Agreement) paid by the Plan Sponsor at the Closings, (ii) all Cash and Cash Equivalents (as defined in such Acquisition Agreement) of the Seller Entities (as defined in such Acquisition Agreement) that is not Acquired Cash, and (iii) any other value of the Seller Entities (as defined in each Acquisition Agreement), Reorganized Takata, the Reorganized TK Holdings Trust (for purposes of post-Closings funding requests and only to the extent a determination is made in accordance with sections 5.5 and 5.6 of the Plan that the amounts available in the Reorganized TK Holdings Trust Reserve are in excess of the amounts necessary to satisfy the purpose for which such reserve was established) and/or the Warehousing Trust, not acquired by the Plan Sponsor (excluding the PSAN Assets still in use by Reorganized Takata or transferred or to be transferred to Plan Sponsor), that has been monetized or could be monetized promptly without interfering with Reorganized Takata’s production obligations or the Warehousing Trust’s operations as determined at the time of determining the Plan Sponsor Backstop Funding amount required by an Authorized Entity, in each of case (i) through (iii), to the extent such amounts are permitted and available or could promptly be available to be applied towards funding of, or reserving for, all claims required to be paid in full, including without limitation, the Backstopped Claims.

“**Allocation Agreement**” means the Allocation Settlement Agreement among the Consenting OEMs dated July 18, 2017.

“**Authorized Entity**” means (i) prior to the Closings, TKJP, TKH, TKAM (on behalf of itself and TSAC), TK Europe, TK AG and TK Sachsen, (ii) after the Closings but prior to the confirmation and effectiveness of the Civil Rehabilitation Plan, TKJP and the Plan Administrator, and (iii) after the



confirmation and effectiveness of the Civil Rehabilitation Plan but prior to the liquidation of TKJP, one of TKJP, the liquidator, or such similar official appointed under the terms of the Civil Rehabilitation Plan and the Plan Administrator.

**“Backstop Expiration Date”** means the date on which the liquidation, dissolution and winding up of Reorganized Takata and the Warehousing Trust have been completed.

**“Backstop Funding Cap”** means \$75,000,000; *provided* that such amount shall be reduced dollar-for-dollar to the extent that the aggregate amount of (x) Administrative Claims required to be paid upon or after the Closings and (y) Professional Fee Recoveries exceed \$124,000,000; *provided, further, however* that the amount of Plan Sponsor Backstop Funding on account of the Catch-up Rule Amount shall in no event exceed \$20,000,000.

**“Backstopped Claims”** means (i) the DOJ Restitution Claim, (ii) the PSAN Legacy Costs (including as those costs are to be funded from the Post-Closing Reserve and the Warehousing Trust Reserve, including (without duplication) the PSAN Legacy Costs Payment (as defined in the Global Settlement Agreement)), which for purposes of triggering the Plan Sponsor’s obligation to provide Plan Sponsor Backstop Funding shall be in an amount not to exceed \$200,000,000 in the aggregate, including any distributions funded from Aggregate Consideration together with any Plan Sponsor Backstop Funding to pay PSAN Legacy Costs, and (iii) the Catch-up Rule Amount; *provided* that any Plan Sponsor Backstop Funding (x) in respect of the Catch-Up Rule Amount shall be paid only after the Plan Sponsor Backstop Funding has been applied to any required funding on the Closing Date of the Backstopped Claims in clauses (i) and (ii) and (y) in respect of the PSAN Legacy Costs shall be paid only after the DOJ Restitution Claim has been paid in full. For the avoidance of doubt, the caps with respect to certain claims and reserves set forth in this definition and in the defined term “Backstop Funding Cap” shall only be used for purposes of determining the triggering of the Plan Sponsor’s obligation to provide Plan Sponsor Backstop Funding and shall not be binding on the parties hereto for any other purpose including with respect to the actual amount of Aggregate Consideration to be used to fund such claims and reserves. For the purposes of this Agreement, the DOJ Restitution Claim shall include (without duplication) the Settlement Amounts (as defined in the Global Settlement Agreement) and the Plan Settlement Payment (other than the Plan Settlement Turnover Amount) under the Plan, to the extent such amounts satisfy the DOJ Restitution Claim.

**“Catch-up Rule Amount”** means the distribution contemplated by section 5(a)(ii) of the Japan RSA to be made to holders of allowed rehabilitation claims (other than the Consenting OEMs) in the Japan Proceedings in connection with approving the Japan Debtors’ payment as of the Closings of their share of the DOJ Restitution Claim and the PSAN Legacy Costs.

**“Chapter 11 Debtors”** means TKAM, TK Finance, LLC, TK China, LLC, TKH, Takata Protection Systems Inc., Interiors in Flight Inc., TK Mexico Inc., TK Mexico LLC, TK Holdings de Mexico, S. de R.L. de C.V., Industrias Irvin de Mexico, S.A. de C.V., Takata de Mexico, S.A. de C.V., and Strosshe-Mex, S. de R.L. de C.V.

**“Civil Rehabilitation Plan”** means the liquidating civil rehabilitation plan for the Japan Debtors in the Japan Proceedings.

**“Closing Date”** means the date of the occurrence of the Closings.

**“Closings”** shall have the meaning ascribed to it in the U.S. Acquisition Agreement.

**“DOJ Plea Agreement”** means that certain Rule 11 Plea Agreement, dated January 13, 2017, entered into between TKJP and the United States of America, by and through the Department of Justice, Criminal Division, Fraud Section and the United States Attorney’s Office for the Eastern District of Michigan.

**“DOJ Restitution Claim”** means the \$850 million in restitution payable for the benefit of OEMs pursuant to paragraphs 1 and 2 of the DOJ Restitution Order.

**“DOJ Restitution Order”** means the Joint Restitution Order entered by the United States District Court for the Eastern District of Michigan on February 27, 2017 in the case captioned *U.S. v. Takata Corporation*, Case No. 16-cr-20810 (E.D. Mich.).

**“Expenses”** means, collectively, the Expenses as defined in each Acquisition Agreement; *provided* that, for purposes of calculating the OEM Payover, in no event shall Expenses exceed \$50,000,000.

**“Global Settlement Agreement”** means the Takata Global Settlement Agreement dated as of the date hereof between certain Consenting OEMs and certain Takata entities.

**“Japan Debtors”** means Takata Corporation, Takata Kyushu Corporation and Takata Service Corporation.

**“Japan RSA”** means the Restructuring Support Agreement dated as of October 30, 2017 among the Japan Debtors, the Plan Sponsor and certain Consenting OEMs.

**“Legacy Cost Report”** means a report prepared by TKH, with the input and consent of the Takata entities party to this Agreement, prior to the Closings regarding the categories of PSAN Legacy Costs in form and substance acceptable to the Consenting OEMs and disclosed to the Plan Sponsor with an opportunity for input, which shall be reasonably considered by Takata and the Consenting OEMs.

**“Non-PSAN Inflator Recoveries”** means recoveries that are unrelated to claims on account of PSAN Inflators and unrelated to claims related to PSAN Inflator recalls, including any cure payments for non-PSAN Inflator contracts. For the avoidance of doubt, payments on account of OEM Full Recovery Claims are not Non-PSAN Inflator Recoveries.

**“OEM”** means an original equipment manufacturer of automobiles.

**“OEM Full Recovery Claims”** means any Adequate Protection Claims, Consenting OEM PSAN Cure Claims and Consenting OEM PSAN Administrative Expense Claims.

**“OEM Indemnity and Release Agreement”** means the Indemnity and Release Agreement dated as of the date hereof between the Consenting OEMs and the Plan Sponsor.

**“OEM Unsecured PSAN Claim”** means any claim of a Consenting OEM against the Chapter 11 Debtors or the Japan Debtors arising from or relating to a Takata product consisting of or containing a PSAN Inflator (as defined in the OEM Indemnity and Release Agreement). To the extent that (1) each Consenting OEM has received full payment of its allocable share of the DOJ Restitution Claim in accordance with the Agreed Allocation through one or more of the payment mechanisms agreed to by the parties, (2) the Backstopped Claims have been paid in cash in full (without giving effect to any aggregate limits in the definition of Backstopped Claims) and (3) each Consenting OEM has been paid or reimbursed in full for its Professional Fees up to the amount it is or would be entitled to receive under the Global Accommodation Agreement, then for purposes of this Agreement only,

OEM Unsecured PSAN Claims shall also include any OEM Full Recovery Claims. Notwithstanding the foregoing, in no event shall OEM Unsecured PSAN Claims include claims giving rise to Professional Fee Recoveries or Non-PSAN Inflater Recoveries. For the avoidance of doubt, OEM Unsecured PSAN Claims shall not include the DOJ Restitution Claim.

“**Plan**” means the Joint Chapter 11 Plan of Reorganization of TK Holdings, Inc. and its Affiliated Debtors, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

“**Plan Sponsor Backstop Funding**” means, collectively, the PSAN Assets Advance Payment, the First Plan Sponsor Backstop Payment and the Second Plan Sponsor Backstop Payment.

“**Plan Sponsor Backstop Payments**” shall have the meaning set forth in Section 2.c. hereof.

“**Professional Fees**” shall have the meaning ascribed to it in the Global Accommodation Agreement.

“**Professional Fee Recoveries**” means all Professional Fees of Consenting OEMs recovered by payment to the Consenting OEMs or by set-off permitted under the Global Accommodation Agreement.

“**PSAN Assets**” shall have the meaning ascribed to it in the U.S. Acquisition Agreement.

“**PSAN Legacy Costs**” means, collectively, any costs or expenses that have been accrued or that are estimated as of the Effective Date, and on a continuing basis for the duration of the Backstop Agreement, to be incurred in connection with (i) the ongoing oversight by the monitor pursuant to the NHTSA Consent Order (as it may be modified from time to time) or as otherwise required by NHTSA, of (a) Reorganized Takata, (b) the Warehousing Trust, and (c) Plan Sponsor and the Acquired Takata Entities (as defined in the Global Settlement Agreement) to the extent arising out of the Sale (as defined in the U.S. RSA) or the Restructuring (as defined in the Global Accommodation Agreement), (ii) the ongoing oversight by the monitor pursuant to the DOJ Plea Agreement (as it may be modified from time to time) or as otherwise required by the DOJ, of (a) Reorganized Takata, (b) the Warehousing Trust, and (c) Plan Sponsor and the Acquired Takata Entities to the extent arising out of the Sale or the Restructuring, (iii) the activities of the Special Master under the DOJ Plea Agreement, (iv) the continued operation of any PSAN Warehouse, as required by the NHTSA Consent Order, NHTSA Preservation Order, other applicable law or regulation, or otherwise and consistent with the Legacy Cost Report, (v) the shipping and disposal of PSAN Inflators (as defined in the U.S. Acquisition Agreement), including the shipping from any PSAN Warehouse to the place of disposal, as required by the NHTSA Consent Order, Preservation Order, other applicable law or regulation, or otherwise and consistent with the Legacy Cost Report, (vi) the performance of the recall awareness campaign and related activities as required by the NHTSA Consent Order, other applicable law or regulation, or otherwise, and (vii) the continued operation of the product safety group related to recalled PSAN Inflators consistent with the Legacy Cost Report.

“**Purchased Assets**” shall have the meaning ascribed to it in the OEM Indemnity and Release Agreement.

“**TK Europe Acquisition Agreement**” means that certain Asset Purchase Agreement dated as of the date hereof by and among TK Europe, TK AG, and TK Sachsen, and Joyson KSS Holdings No.2 S.à r.l., a limited liability company (*société à responsabilité limitée*) under the laws of Luxembourg, and solely for purposes of Section 7.22 thereof, the Guarantor.

“**TKJP Acquisition Agreement**” means that certain Asset Purchase Agreement dated as of the date hereof by and among the Japan Debtors, Parent, and solely for purposes of Section 7.22 thereof, the Guarantor.

“**U.S. Acquisition Agreement**” means that certain Asset Purchase Agreement dated as of the date hereof by and among TKH, Takata Americas, TK Holdings de Mexico S. de R.L. de C.V., a Mexico limited liability company (*sociedad de responsabilidad limitada de capital variable*), TK Mexico LLC, a Delaware limited liability company, Industrias Irvin de Mexico, S.A. de C.V., a Mexico stock corporation (*sociedad anonima de capital variable*), Strosshe Mex S. de R.L. de C.V., a Mexico limited liability company (*sociedad de responsabilidad limitada de capital variable*), Takata de Mexico S.A. de C.V., a Mexico stock corporation (*sociedad anonima de capital variable*), Parent, and solely for purposes of Section 7.22 thereof, Guarantor.

2. **PSAN Assets Advance Payment; Plan Sponsor Backstop Payments.** To the extent that the total of the Aggregate Consideration payable under a Acquisition Agreement in a particular region (TKH, TKAM, EMEA and Japan) is for any reason insufficient to fund in full the Backstopped Claims in such region, then the Plan Sponsor will pay up to an aggregate amount not to exceed the Backstop Funding Cap to fund any deficiency in the payment of the Backstopped Claims to the applicable Takata entity obligated to pay or fund any reserve for Backstopped Claims as follows:

- a. up to \$25 million will be provided (on a non-refundable and non-reimbursable basis) by the Plan Sponsor at the direction of an Authorized Entity, during the period commencing on the Closing Date and ending on the Backstop Expiration Date, which shall be credited against the payments required to be paid by the Plan Sponsor to purchase certain PSAN Assets pursuant to and in accordance with Section 7.12 of the U.S. Acquisition Agreement (collectively, the “**PSAN Assets Advance Payment**”), solely as and to the extent that there exists, at the time of such request, a present or near-term expected deficiency in the funding of the Backstopped Claims, as determined by the applicable Authorized Entity, in each case, subject to Section 3 hereof;
- b. up to \$25 million will be provided by the Plan Sponsor at the direction of an Authorized Entity on or after the twelve (12) month anniversary of the Closing Date until the Backstop Expiration Date (collectively, the “**First Plan Sponsor Backstop Payment**”), solely as and to the extent that there exists, at the time of such request, a present or near-term expected deficiency in the funding of the Backstopped Claims, as determined by the applicable Authorized Entity, in each case, subject to Section 3 hereof; and
- c. up to \$25 million will be provided by the Plan Sponsor at the direction of an Authorized Entity on or after the twenty-four (24) month anniversary of the Closing Date until the Backstop Expiration Date (collectively, the “**Second Plan Sponsor Backstop Payment**” and together with the First Plan Sponsor Backstop Payment, the “**Plan Sponsor Backstop Payments**”), solely as and to the extent that there exists, at the time of such request, a present or near-term expected deficiency in the funding of the Backstopped Claims, as determined by the applicable Authorized Entity in each case, subject to Section 3 hereof;

*provided* that, notwithstanding the timing requirements above, up to the full amount of the Backstop Funding Cap will be paid by the Plan Sponsor earlier, including on the Closing Date (other than with respect to Backstopped Claims on account of the Catch-up Rule Amount, which may not be funded until the Civil Rehabilitation Plan is confirmed and effective), to fund the Backstopped Claims as required by the Bankruptcy Court as necessary to confirm the Plan, or as confirmed by the Civil Rehabilitation Court as necessary to receive

approval of the Civil Rehabilitation Plan; *provided, further, however*, that the Plan Sponsor Backstop Funding shall never exceed the Backstop Funding Cap, and once the Plan Sponsor has funded an amount equal to the Backstop Funding Cap, the Plan Sponsor shall have no obligation to fund any additional amounts regardless of whether such amounts have been repaid to the Plan Sponsor under the Plan Sponsor Backstop Funding Repayment or the OEM Payover.

### 3. Plan Sponsor Backstop Funding.

#### a. Plan Sponsor Backstop Funding at the Closings.

- i. If an Authorized Entity determines in good faith that a payment of the Plan Sponsor Backstop Funding is required to be made at the Closings in accordance with the terms of this Agreement, then such Authorized Entity shall deliver to the Plan Sponsor and the Consenting OEMs not less than ten (10) business days prior to the anticipated Closing Date a certificate (the “***Backstop Funding Request Certificate***”) signed by an authorized officer or agent of such Authorized Entity that certifies and sets forth in reasonable detail the anticipated sources and uses of the proceeds of the Aggregate Consideration available in the applicable region (TKH, TKAM, EMEA or Japan) as of the close of business on the anticipated Closing Date, the amount of any deficiencies in the funding of the Backstopped Claims resulting in the triggering of the Plan Sponsor Backstop Funding, and the aggregate amount of the requested Plan Sponsor Backstop Funding required as a result thereof. The Backstop Funding Request Certificate and the determinations and calculations contained therein shall be prepared in good faith and in accordance with this Agreement, including the definitions set forth or incorporated herein. The Plan Sponsor, the Consenting OEMs and their respective representatives shall be provided with such reasonable access to the financial books and records of Takata, as well as any relevant information and work papers as they may reasonably request, to enable the Plan Sponsor, the Consenting OEMs and their respective representatives to evaluate the Backstop Funding Request Certificate. The form and content of the Backstop Funding Request Certificate shall be reasonably acceptable to the Consenting OEMs. Prior to submitting any Backstop Funding Request Certificate, the Authorized Entity requesting such funding shall provide a copy thereof to the Plan Sponsor and its counsel and provide the Plan Sponsor and its counsel two (2) business days, or longer if reasonably practicable, to review and comment on the content of such Backstop Funding Request Certificate; *provided* that the Authorized Entity is not required to accept any of Plan Sponsor’s comments.
- ii. In the event that the Plan Sponsor disputes the claims and/or amounts set forth in the Backstop Funding Request Certificate, then the Plan Sponsor shall send notice within three (3) business days of receipt of the Backstop Funding Request Certificate to counsel for each Authorized Entity and to counsel for each Consenting OEM signatory hereto setting forth in reasonable detail the basis for such dispute. To the extent that there is a dispute between Takata and the Plan Sponsor with respect to any Plan Sponsor Backstop Funding required at the Closings, the Plan Sponsor shall fund any undisputed amounts at the Closings and the obligation of the Plan Sponsor to pay any disputed portion of the Plan Sponsor Backstop Funding shall be conditioned upon a determination or confirmation by the Bankruptcy Court, the Civil Rehabilitation Court or Pricewaterhouse Coopers solely with respect to the adequacy of the Liquidation Reserve for the applicable Liquidating Entity (each such term as

defined in the Global Settlement Agreement and in accordance with the procedures set forth in the Global Settlement Agreement), as applicable, of the amount of the Plan Sponsor Backstop Funding, if any, required on the Closing Date, in order to satisfy, as applicable in each region, the Backstopped Claims, in connection with (i) the requirements for confirmation and effectiveness of the Plan in the Chapter 11 Cases (by taking into account all other payments to be made, as required by the Bankruptcy Court, in connection therewith) and/or (ii) approval of the Section 42 Business Transfer (as defined in the Japan RSA) and the Section 85(5) Motion (as defined in the Japan RSA) (by taking into account all other payments to be made, as required by the Civil Rehabilitation Court, in connection therewith) and/or (iii) the requirements under the TK Europe Acquisition Agreement (after giving effect to the payments contemplated under the Global Settlement Agreement and an adequate reserve for the solvent liquidation of the Liquidating Entities, subject to the dispute resolution mechanism for the Liquidation Reserve with respect to the Liquidating Entities (each such term as defined in the Global Settlement Agreement) set forth in the Global Settlement Agreement). The Plan Sponsor agrees not to object to any request by Takata to have such disputes heard by the applicable court on an expedited basis. All parties agree not to appeal any such determination by the applicable court. In the event of a dispute, the Plan Sponsor shall pay any disputed portion of the Plan Sponsor Backstop Funding required by this Section 3.a.ii on the later of (i) the Closing Date and (ii) three (3) business days following a determination or confirmation by the Bankruptcy Court, the Civil Rehabilitation Court or Pricewaterhouse Coopers, as applicable, of the amount of Plan Sponsor Backstop Funding, if any, required on the Closing Date.

b. Plan Sponsor Backstop Funding After the Closings.

- i. If an Authorized Entity determines in good faith that (1) the funding of any remaining PSAN Assets Advance Payment is required, (2) the funding of the First Plan Sponsor Backstop Payment is required or (3) the funding of the Second Plan Sponsor Backstop Payment is required, in each case, in accordance with Section 2 of this Agreement, then such Authorized Entity shall deliver to the Plan Sponsor and the Consenting OEMs not less than two (2) weeks prior to the date of the requested Plan Sponsor Backstop Funding, a Backstop Funding Request Certificate signed by an authorized officer or agent of such Authorized Entity that certifies and sets forth in reasonable detail any Aggregate Consideration available to such Authorized Entity as of the close of business on the Business Day immediately preceding the date of such Backstop Funding Request Certificate, the proposed uses for such Aggregate Consideration as of such date, the amount of any deficiencies in the payment of the Backstopped Claims resulting in the triggering of the Plan Sponsor Backstop Funding, and the aggregate amount of the requested Plan Sponsor Backstop Funding required as a result thereof.
- ii. During the two (2) week period between the delivery of the Backstop Funding Request Certificate and the date of the requested Plan Sponsor Backstop Funding, the Plan Sponsor, the Consenting OEMs and their respective representatives shall be provided with such reasonable access to the financial books and records of Reorganized Takata, the Reorganized TK Holdings Trust and the Warehousing Trust and their Affiliates, as well as any relevant information and work papers as they may reasonably request, to enable the Plan Sponsor, the Consenting OEMs and their respective representatives to evaluate the Backstop Funding Request Certificate.

- iii. No later than two (2) weeks following the delivery by an Authorized Entity of the Backstop Funding Request Certificate, the Plan Sponsor shall notify such Authorized Entity, as applicable, and the Consenting OEMs and their counsel in writing whether it accepts or disputes the accuracy of the determination or the calculations set forth on the Backstop Funding Request Certificate. If the Plan Sponsor accepts the determinations and calculations set forth on the Backstop Funding Request Certificate, then the Plan Sponsor shall pay the Plan Sponsor Backstop Funding in accordance with the Backstop Funding Request Certificate.
- iv. If the Plan Sponsor disputes the accuracy of any of the determinations or calculations set forth on the Backstop Funding Request Certificate, then the Plan Sponsor shall provide written notice to the Authorized Entity and the Consenting OEMs and their counsel no later than two (2) weeks following the delivery by such Authorized Entity to the Plan Sponsor of the Backstop Funding Request Certificate (the “*Dispute Notice*”), setting forth in reasonable detail those items that the Plan Sponsor disputes. During the two (2) week period following delivery of a Dispute Notice, the Plan Sponsor and Reorganized Takata, the Warehousing Trust, the Reorganized TK Holdings Trust or the Plan Administrator, as applicable, shall negotiate in good faith with a view to resolving their disagreements over the disputed items. If the parties fail to resolve their disagreements over the disputed items within such two (2) week period, then the Plan Sponsor and Reorganized Takata, the Warehousing Trust, the Reorganized TK Holdings Trust or the Plan Administrator, as applicable, shall forthwith jointly request that Deloitte and Touche LLP or another nationally recognized accounting firm agreed to by the parties (the “*Accounting Expert*”) act as an expert, and not as an arbitrator, to make a binding determination as to the amount of the Plan Sponsor Backstop Funding, if any, required in order to satisfy, as applicable in each region, the Backstopped Claims, including, by taking into account, the requirements for confirmation and effectiveness of the Civil Rehabilitation Plan in the Japan Proceedings with respect to any payments required to satisfy the Catch-Up Rule Amount.
- v. The Accounting Expert will under the terms of its engagement have no more than two (2) weeks from the date of referral and no more than five (5) business days from the final submission of information and presentations by the applicable Authorized Entity and the Consenting OEMs within which to render its written decision with respect to the disputed items (and only with respect to any unresolved disputed items set forth in the Dispute Notice) and the final determination of the Plan Sponsor’s obligations with respect to such Plan Sponsor Backstop Funding shall be based solely on the resolution of such disputed items. The Accounting Expert shall review such submissions and base its determination solely on such submissions. In resolving any disputed item, the Accounting Expert may not assign a value to any item greater than the maximum value for such item claimed by either party or less than the minimum value for such item claimed by either party. Absent manifest error, the decision of the Accounting Expert shall be deemed final and binding upon the parties and enforceable by any court of competent jurisdiction. The fees and expenses of the Accounting Expert shall be allocated to be paid by the Plan Sponsor, on the one hand, and by the applicable Authorized Entity, on the other hand, based upon the percentage that the portion of the contested amount not awarded to each party bears to the amount actually contested by such party, as determined by the Accounting Expert.

- vi. In the event the Plan Sponsor receives multiple Backstop Funding Request Certificates that (together with all previous Plan Sponsor Backstop Funding) exceed (together with any amount of any Plan Sponsor Backstop Funding already paid) the Backstop Funding Cap, the Plan Sponsor shall pay the Authorized Entity *first*, amounts requested in respect of clause (i) of the definition of “Backstopped Claims” to cure any deficiency in payment in full for such claims; *second*, amounts requested in respect of clause (ii) of the definition of “Backstopped Claims” to cure any deficiency for funding of such claims or reserves until funded in full subject to the applicable limitations in clause (ii) of the definition of “Backstopped Claims”; and *third*, amounts requested in respect of clause (iii) of the definition of “Backstopped Claims” subject to the applicable limitations in the Backstop Funding Cap.
4. **Information.** The Liquidating Entities (as defined in the Global Settlement Agreement), TKJP (solely with respect to the period after the Closing but prior to confirmation and effectiveness of the Civil Rehabilitation Plan), and one of TKJP, the liquidator or such similar official appointed under the terms of the Civil Rehabilitation Plan (solely with respect to the period after the confirmation and effectiveness of the Civil Rehabilitation Plan but prior to the liquidation of TKJP) shall be required to and the Plan shall provide that Reorganized Takata, the Reorganized TK Holdings Trust, the Warehousing Trust and the Plan Administrator shall be required to keep the Plan Sponsor and the Consenting OEMs reasonably informed of all material developments that could reasonably be expected to increase the likelihood that the Plan Sponsor Backstop Funding would be triggered during the period commencing on the Closing Date and ending on the Backstop Expiration Date, and that they will promptly comply with any reasonable requests by the Plan Sponsor for financial information relating to its obligation to provide Plan Sponsor Backstop Funding. The Liquidating Entities (as defined in the Global Settlement Agreement), TKJP (solely with respect to the period after the Closing but prior to confirmation and effectiveness of the Civil Rehabilitation Plan), and one of TKJP, the liquidator or such similar official appointed under the terms of the Civil Rehabilitation Plan (solely with respect to the period after the confirmation and effectiveness of the Civil Rehabilitation Plan but prior to the liquidation of TKJP) agree to and the Plan shall provide that Reorganized Takata, the Reorganized TK Holdings Trust and the Warehousing Trust agree, and agree to cause each of their subsidiaries during the period commencing on the Closing Date and ending on the Backstop Expiration Date, to (i) keep proper books of record and accounts in which true and correct entries in conformity in all material respects with the applicable generally accepted accounting principles shall be made of all dealings and transactions in relation to its business and activities and (ii) permit any authorized representatives designated by the Plan Sponsor to visit and inspect any of the properties of Reorganized Takata, the Reorganized TK Holdings Trust, the Warehousing Trust, the Liquidating Entities, TKJP (solely with respect to the period after the Closing but prior to confirmation and effectiveness of the Civil Rehabilitation Plan) or one of TKJP, the liquidator or such similar official appointed under the terms of the Civil Rehabilitation Plan (solely with respect to the period after the confirmation and effectiveness of the Civil Rehabilitation Plan but prior to the liquidation of TKJP) to inspect, copy and take extracts from its and their financial and accounting records, and to discuss its and their affairs, finances and accounts with its and their officers and independent public accountants, all upon reasonable notice and at such reasonable times during normal business hours and as often as may reasonably be requested. For the avoidance of doubt, nothing herein shall delay or prevent the liquidation of any of the Liquidating Entities.
5. **Plan Sponsor Backstop Funding Repayment.**
- a. If the Plan Sponsor acquires the assets (but not the equity interests of) of Takata (Shanghai) Automotive Component Co., Ltd. (“*TSAC*”) at the Closings, then upon a distribution of cash after the Closing Date from TSAC to TK China, LLC (or Reorganized TK Holdings) or any



of its affiliates that are not organized under the laws of China, Reorganized Takata, the Reorganized TK Holdings Trust, the Legacy Trustee or the Plan Administrator shall use such cash to repay the amount of any Plan Sponsor Backstop Payments and any unreimbursed Expenses (such payment, the “*Plan Sponsor Backstop Funding Repayment*”); *provided, however*, that only cash actually received by the Plan Sponsor shall be treated as a Plan Sponsor Backstop Funding Repayment.

- b. To the extent that (1) each Consenting OEM has received its allocable share of the full amount of the DOJ Restitution Claim in accordance with the Agreed Allocation, (2) the Backstopped Claims have been paid in cash in full (without giving effect to any aggregate limits in the definition of Backstopped Claims; *provided* that any distribution to the Consenting OEMs on account of OEM Unsecured PSAN Claims have been used to fund any deficiency in the funding of PSAN Legacy Costs), and (3) each Consenting OEM has been paid or reimbursed in full its Professional Fees up to the amount it is or would be entitled to receive under the Global Accommodation Agreement, then any amounts actually received by each Consenting OEM in excess of such allocable share and such full reimbursement (i) on account of its OEM Unsecured PSAN Claims in the Chapter 11 Cases or the Japan Proceedings or (ii) from the residual proceeds of the solvent liquidation pursuant to the Global Settlement Agreement, as the case may be, (for the avoidance of doubt, in each case not including any Non-PSAN Inflater Recoveries or Professional Fee Recoveries) shall be used to reimburse the Plan Sponsor for (x) any First Plan Sponsor Backstop Payment or Second Plan Sponsor Backstop Payment actually made and (y) any unreimbursed Expenses (such reimbursements, the “*OEM Payover*”). The OEM Payover shall be secondary to any amounts received or reasonably expected to be received from the Plan Sponsor Backstop Funding Repayment.
- c. Notwithstanding the OEM Payover, each Consenting OEM may negotiate, litigate, settle, manage or otherwise treat its respective OEM Unsecured PSAN Claims in any manner in its sole discretion and shall have no duty to account for, or any other duties to, the Plan Sponsor with respect thereto; *provided* that each Consenting OEM shall keep the Plan Sponsor reasonably apprised with respect to negotiations, litigations or settlements of its respective OEM Unsecured PSAN Claims and shall reasonably consider the Plan Sponsor’s input with respect thereto.
- d. For the avoidance of doubt, the Plan Sponsor is entitled to only a single satisfaction of any amounts that the Plan Sponsor is entitled to be reimbursed for under the terms and conditions of this Agreement. Under no other circumstances shall there be an obligation to repay the Plan Sponsor Backstop Funding.

## 6. Form of Payment.

- a. Any payments of Plan Sponsor Backstop Funding required to be made pursuant to Section 3.a. shall be made by wire transfer of immediately available funds to (i) in the case of Plan Sponsor Backstop Funding required to be made to fund any deficiency in the funding of the DOJ Restitution Claim, to the Consenting OEMs in accordance with the applicable Acquisition Agreement or (ii) in the case of Plan Sponsor Backstop Funding required to be made to fund any deficiency in the funding of PSAN Legacy Costs or the Catch-Up Rule Amount, to an account designated in advance by the applicable Authorized Entity, and shall be made (A) in the case of undisputed payments required to be made under Section 3.a.i., on the Closing Date and (B) in the case of disputed payments required to be made under Section

3.a.ii., on the later of (i) the Closing Date and (ii) three (3) business days following the final resolution of the applicable dispute.

- b. Any payments of Plan Sponsor Backstop Funding required to be made pursuant to Section 3.b. shall be made by wire transfer of immediately available funds to an account designated in advance by the applicable Authorized Entity, and shall be made (i) in the case of undisputed payments required to be made under Section 3.b., on the requested funding date set forth in the Backstop Funding Request Certificate, and (ii) in the case of disputed payments required to be made under Section 3.b., on or prior to the fifth (5th) business day following the final resolution of the applicable dispute in accordance with Section 3.b.
  - c. Any payments required to be made pursuant to Section 5.a. shall be made by wire transfer of immediately available funds to an account designated in advance by the Plan Sponsor, and shall be made on or prior to the fifth (5th) business day following: (a) by TSAC after the Closing Date once TSAC has sufficient funds and regulatory approval, if required, to make a Plan Sponsor Backstop Repayment and repayment of any unreimbursed Expenses, or (b) by the Debtors or Reorganized TK Holdings after the Closing Date, upon receipt of funds from TSAC.
  - d. The OEM Payover shall be paid over to the Plan Sponsor in the same amount and form received by the applicable Consenting OEM within ten (10) business days of the later of (x) actual receipt thereof or (y) the date on which any OEM Payover amounts become due and payable in accordance with Section 5.b.; *provided* that any Consenting OEM may, with the consent of the Plan Sponsor, direct that any amount that, upon receipt by such Consenting OEM, would be required to be used to reimburse the Plan Sponsor pursuant to Section 5.b shall be paid directly by the applicable Takata entity to the Plan Sponsor on behalf of such Consenting OEM. The Consenting OEMs acknowledge and agree that amounts paid over to the Plan Sponsor in accordance with this Agreement shall be exempt from any requirement to be turned over to any escrow account on behalf of Consenting OEMs under any agreement regarding allocation of distributions among the Consenting OEMs
7. **Obligations of the Plan Sponsor Regarding Plan Sponsor Backstop Funding.** The obligations set forth in this Agreement shall be binding on the Plan Sponsor and any successor to the Plan Sponsor. Until the Backstop Expiration Date, the Plan Sponsor shall not merge or transfer greater than fifty percent (50%) of its assets in the aggregate to any party unless the successor agrees to be bound by this Agreement in advance of such merger or transfer in an executed document to be provided to the Plan Sponsor and filed with the Bankruptcy Court.
8. **Performance Guaranty.** The Guarantor guarantees the due, prompt and faithful payment, performance and discharge by, and compliance with, all of the obligations, covenants, agreements, terms, conditions and undertakings of the Plan Sponsor hereunder, including any such obligations, covenants, agreements, terms, conditions and undertakings that are required to be performed, discharged or complied with following the Closings by the Plan Sponsor. Such guarantee is an absolute and unconditional guarantee of payment and performance and not merely of collectability, and is in no way conditioned or contingent upon any attempt to collect from, enforce performance or compliance by, or otherwise seek remedies from, the Plan Sponsor.
9. **Use of Funds.** Each recipient of Plan Sponsor Backstop Funding (including but not limited to each Authorized Entity, Reorganized Takata, the Warehousing Trust and the Plan Administrator) shall promptly use the proceeds of the Plan Sponsor Backstop Funding hereunder to fund any deficiency in

the funding of the Backstopped Claims, in accordance with the terms and conditions of this Agreement.

10. **Prohibition on Use of Funds.** In the Chapter 11 Cases, Plan Sponsor Backstop Funding shall not be used directly or indirectly as a means to fund distributions to non-priority general unsecured creditors. The Plan Sponsor agrees that (i) the Plan attached to the U.S. RSA, including the Plan Settlement Turnover Amount, does not violate this Section 10, and (ii) any future Plan consented to in writing by the Plan Sponsor would not violate this Section 10.
11. **Assumption of Obligations at the Closings.** Takata shall cause Reorganized Takata, the Reorganized TK Holdings Trust and the Warehousing Trust and each of their respective trustees to assume this Agreement at the Closings and to comply with the terms of this Agreement as and to the extent necessary to give effect to the terms and provisions hereof and the benefits and protections intended to be afforded to the parties hereunder.
12. **Termination.** Except as set forth below, this Agreement will have an indefinite term. This Agreement shall automatically terminate without further action of, or notice to, any of the parties hereto if the U.S. Acquisition Agreement terminates prior to the Closings.
13. **Amendments.** This Agreement may not be modified, altered, or amended except by an agreement in writing signed by all of the parties or, with respect to Section 5. b.-c., by the Plan Sponsor and the Consenting OEMs. In the event that multiple legal entities in multiple jurisdictions are necessary to perform the operation of the Warehousing Trust in each jurisdiction, it is the intention of the parties that each such legal entity shall have the benefit of the Plan Sponsor Backstop Funding, and the parties agree to enter into such amendments to this Agreement as may be reasonably necessary to effectuate such intent.
14. **Binding Agreement; Assignment.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that (i) each of Reorganized Takata, the Warehousing Trust or the Reorganized TK Holdings Trust may assign its rights and obligations hereunder only with the Plan Sponsor's and the Consenting OEMs' written consent, which shall not be unreasonably withheld; (ii) the Plan Sponsor may assign its rights or obligations hereunder only with Reorganized Takata's, the Warehousing Trust's and the Consenting OEMs' consent, which shall not be unreasonably withheld; *provided, however*, that the Plan Sponsor may assign this Agreement and its rights, interests and/or obligations hereunder to one or more Affiliates of the Plan Sponsor or to any security trustee or collateral agent appointed by the Plan Sponsor's lenders for collateral security purposes without Reorganized Takata's, the Warehousing Trust's or the Consenting OEMs' consent; *provided, further, however*, that any such assignment shall not relieve the Plan Sponsor or the Guarantor of their respective obligations under this Agreement; and (iii) each Consenting OEM may assign its rights or obligations hereunder only with Reorganized Takata's, the Warehousing Trust's and the Plan Sponsor's consent, which shall not be unreasonably withheld.
15. **Governing Law; Jurisdiction.** This Agreement and all disputes or controversies arising out of or relating to this Agreement or the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to the conflicts of laws or principles thereof. Except as otherwise explicitly set forth herein, if the parties are unable to resolve any dispute within thirty (30) days (or such longer period as agreed to by the parties) after notice of dispute is given, each party irrevocably consents and agrees that such dispute shall be fully and finally resolved by binding arbitration in accordance with the Swiss Rules of International Arbitration of Swiss Chambers' Arbitration Institution in force on the date on which the Notice of Arbitration is submitted in accordance with such Rules. The number of arbitrators shall be three. The

language of the arbitration and of the Award shall be English. The parties agree that the seat of such arbitration shall be Geneva, Switzerland, and that the hearing shall be in Geneva, unless otherwise agreed by the parties. Award enforcement proceedings can be brought in any jurisdiction in which the party against whom enforcement is sought is subject to personal jurisdiction, under the rules applicable in the country in which enforcement is sought.

16. **Section Headings.** The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.
17. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement in the proceeding in which such provision(s) was deemed invalid or unenforceable. In the event that any of the provisions of this Agreement shall be held by any reviewing court, governmental authority, arbitration panel or other similar party (a “*Reviewing Party*”) to be invalid or unenforceable, such provisions shall be limited or eliminated in the applicable proceeding only to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect. In the event of any such determination of invalidity or unenforceability, the Reviewing Party shall be permitted to reform the terms of this Agreement in the applicable proceeding to most closely give effect to the expressed intent of the Parties hereto while still complying with applicable law. If any provisions of this Agreement are deemed invalid or unenforceable, or this Agreement is reformed in any manner by any Reviewing Party, at the request of the affected party(ies), the Agreement shall subsequently be submitted to arbitration pursuant to Section 15 for further reformation (including the reinsertion of any provision deemed invalid or unenforceable) by the arbitrators, which further reformed Agreement shall be controlling and binding upon the parties.
18. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. This Agreement or any counterpart may be executed and delivered by electronic communications in portable document format (.pdf), each of which shall be deemed an original.
19. **Acknowledgments.** **THIS AGREEMENT HAS BEEN FREELY AND VOLUNTARILY ENTERED INTO BY THE PARTIES, WITHOUT ANY DURESS OR COERCION, AND AFTER THE PARTIES HAVE EITHER CONSULTED WITH COUNSEL OR HAVE BEEN GIVEN AN OPPORTUNITY TO DO SO, AND EACH OF THE PARTIES ACKNOWLEDGES THAT IT (A) IS A SOPHISTICATED PARTY WITH RESPECT TO THE SUBJECT MATTER OF THIS AGREEMENT, (B) HAS ADEQUATE INFORMATION CONCERNING THE MATTERS THAT ARE THE SUBJECT OF THIS AGREEMENT, (C) HAS CAREFULLY AND COMPLETELY READ AND UNDERSTANDS ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT AND (D) HAS INDEPENDENTLY AND WITHOUT RELIANCE UPON ANY OTHER PARTY TO THIS AGREEMENT OR ANY OFFICER, EMPLOYEE, AGENT OR REPRESENTATIVE THEREOF MADE ITS OWN ANALYSIS AND DECISION TO ENTER INTO THIS AGREEMENT.**
20. **Waiver of Jury Trial.** **THE PARTIES HERETO ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT THIS RIGHT MAY BE WAIVED. THE PARTIES EACH HEREBY KNOWINGLY, VOLUNTARILY AND WITHOUT COERCION, WAIVE ALL RIGHTS TO A TRIAL BY JURY OF ALL DISPUTES ARISING OUT OF OR IN RELATION TO THIS AGREEMENT.**

**JOYSON KSS AUTO SAFETY S.A.**

By: \_\_\_\_\_

Print Name: Jianfeng Wang

Title: Director

By: \_\_\_\_\_

Print Name: Yuxin Tang

Title: Director

**KSS HOLDINGS, INC.**

By: \_\_\_\_\_

Print Name: Yuxin Tang

Title: President (Interim)

**Takata Corporation**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Takata Europe GmbH**

By: \_\_\_\_\_

Print Name: Stephen Kimmich

Title: Managing Director

By: \_\_\_\_\_

Print Name: Tsutomu Yoshida

Title: Managing Director

By: \_\_\_\_\_

Print Name: Yoichiro Nomura

Title: Managing Director

**Takata Aktiengesellschaft**

By: \_\_\_\_\_

Print Name: Takao Yasuhara

Title: Managing Director

By: \_\_\_\_\_

Print Name: Claus Rudolf

Title: Managing Director

By: \_\_\_\_\_

Print Name: Stephen Kimmich

Title: Managing Director



**Takata Sachsen GmbH**

By: \_\_\_\_\_

Print Name: Takao Yasuhara

Title: Managing Director

By: \_\_\_\_\_

Print Name: Claus Rudolf

Title: Managing Director

**TK Holdings Inc.**

By: \_\_\_\_\_

Print Name: Ken Bowling

Title: Vice President, Chief Financial Officer, Secretary

**Takata Americas**

By: \_\_\_\_\_

Print Name: Ken Bowling

Title: Secretary

**TK Finance LLC**

By: \_\_\_\_\_

Print Name: Ken Bowling

Title: Secretary

**TK China, LLC**

By: \_\_\_\_\_

Print Name: Ken Bowling

Title: Secretary

**Takata Protection Systems, Inc.**

By: \_\_\_\_\_

Print Name: Ken Bowling

Title: Corporate Secretary, Chief Financial Officer

**Interiors In Flight Inc.**

By: \_\_\_\_\_

Print Name: Ken Bowling

Title: Corporate Secretary, Chief Financial Officer

**TK Mexico Inc.**

By: \_\_\_\_\_

Print Name: Ken Bowling

Title: Secretary, Treasurer



**TK Mexico LLC**

By: \_\_\_\_\_

Print Name: Carlos Alberto Valdez Andrade

Title: President

**TK Holdings de Mexico, S. de R.L. de C.V.**

By: \_\_\_\_\_

Print Name: Yoichiro Nomura

Title: Director

**Strosshe-Mex, S. de R.L. de C.V.**

By: \_\_\_\_\_

Print Name: Yoichiro Nomura

Title: Director

By: \_\_\_\_\_

Print Name: Satoshi Seita

Title: Director

By: \_\_\_\_\_

Print Name: Carlos Alberto Valdez Andrade

Title: Director

**Industrias Irvin de Mexico, S.A. de C.V.**

By: \_\_\_\_\_

Print Name: Yoichiro Nomura

Title: Director

By: \_\_\_\_\_

Print Name: Satoshi Seita

Title: Director

By: \_\_\_\_\_

Print Name: Carlos Alberto Valdez Andrade

Title: Director

**Takata de Mexico, S.A. de C.V.**

By: \_\_\_\_\_

Print Name: Yoichiro Nomura

Title: Director

By: \_\_\_\_\_

Print Name: Satoshi Seita

Title: Director

By: \_\_\_\_\_

Print Name: Carlos Alberto Valdez Andrade

Title: Director

**BMW Manufacturing Co., LLC**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Daimler AG**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FCA US LLC f/k/a Chrysler Group LLC**

**FCA Group Purchasing Srl**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**FCA Fiat Chrysler Automóveis Brasil Ltda.**

**FCA Automobiles Argentina S.A.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



**Ford Motor Company**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**General Motors Holdings LLC**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Honda Motor Co., Ltd.**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Jaguar Land Rover Ltd.**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Mazda Motor Corporation**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Mitsubishi Motors Corporation**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Nissan Motor Co., Ltd.**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PSA Automobiles SA**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Opel Automobile GmbH**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_



**Subaru Corporation**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Toyota Motor Corporation**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Aktiebolaget Volvo**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Volkswagen Aktiengesellschaft ,  
Berliner Ring, 38436 Wolfsburg; Deutschland**

i.V.

By: \_\_\_\_\_

Print Name: Rainer Stutz

Title: Leiter Konzernbeschaffung Interieur

i.V.

By: \_\_\_\_\_

Print Name: Dr. Frauke Eßer

Title: Leiter reaktives Risikomanagement  
Beschaffung

**Schedule 1****Schedule 1 Entities**

<b><u>CONSENTING OEM</u></b>	<b><u>SCHEDULE 1 ENTITIES</u></b> <sup>1</sup>
BMW	BMW AG BMW Consolidation Services Co., LLC BMW of North America, LLC BMW (UK) Manufacturing Ltd. BMW (South Africa) (Pty) Ltd. Rolls-Royce Motor Cars Ltd.
Daimler	Daimler Trucks North America LLC Mercedes-Benz U.S. International, Inc.
FCA	FCA Italy SpA FCA Melfi Srl FCA Mexico, S.A. de C.V.
Ford	Ford Motor Company SA DE CV Ford Argentina S.C.A. Ford Motor Co. Canada Ford Motor Company Brasilia Ford-Werke GmbH
GM	All of General Motors Holdings LLC's controlled subsidiaries and controlled affiliates, excluding SAIC General Motors Corporation Limited. For clarity, on August 1, 2017, General Motors Holdings LLC divested the following entities and such entities are no longer subsidiaries or affiliates of General Motors Holdings LLC:  AFTERMARKET (UK) LTD AFTERMARKET ITALIA SRL General Motors Austria GmbH General Motors Belgium N.V.

<sup>1</sup> Listed entities are included as Schedule 1 Entities because the Consenting OEM has authority or power to bind such entities but are included only to the extent they (i) have purchased Component Parts from Supplier, (ii) have claims against Supplier or (iii) receive Consenting OEM Recoveries; provided that any entities that are listed as "excluded" are not Schedule 1 Entities of the associated Consenting OEM. Controlled subsidiaries and affiliates of Consenting OEMs that are not listed on this Schedule 1 are not Schedule 1 Entities of such Consenting OEM. Schedule 1 may be amended without the consent of the Parties to incorporate additional subsidiaries or affiliates of a Consenting OEM.

<u>CONSENTING OEM</u>	<u>SCHEDULE 1 ENTITIES<sup>1</sup></u>
	GENERAL MOTORS ESPAÑA, SLU GENERAL MOTORS EUROPE HOLDINGS General Motors Finland Oy General Motors France SAS General Motors GBS Hungary Kft General Motors Ireland Ltd. GENERAL MOTORS ITALIA SRL General Motors Nederland B.V. General Motors Poland Spolka zo.o. General Motors Portugal, Ltda. GENERAL MOTORS TURKIYE LTD GENERAL MOTORS UK LTD GM AUTOMOTIVE SERVICES BELGIUM N.V GM Automotive UK GM Global Purchasing and Supply Chain Romania SRL General Motors Hellas S.A. GM Holdings UK No 3 Limited General Motors Manufacturing Poland Sp. Zo o. IBC 2017 Pension Trustees Limited IBC VEHICLES LTD. Opel Automobile GmbH (fka Opel Service GmbH) Opel CIS LLC Opel Danmark A/S Opel Group Warehousing GmbH Opel Norge AS Opel Sonderdienste GmbH Opel Southeast Europe Ltd Opel Suisse S.A. OPEL SVERIGE AB Opel Szentgotthard Automotive Manufacturing Ltd. Opel Wien GmbH

<u>CONSENTING OEM</u>	<u>SCHEDULE 1 ENTITIES<sup>1</sup></u>
	Vauxhall Defined Contribution Pension Plan Trustees Limited Vauxhall Motors Limited VHC SUB-HOLDINGS (UK) VML 2017 Pension Trustees Limited
Honda	Honda Motor Co., Ltd. American Honda Motor Co., Inc. Honda North America, Inc. Honda of America Mfg., Inc. Honda Manufacturing of Alabama, LLC Honda Manufacturing of Indiana, LLC Honda Canada Inc. Honda de Mexico, S.A. de C.V. Honda Motor Europe Ltd. Honda of the U.K. Manufacturing Ltd. Honda Turkiye A.S Honda Automobile Western Africa Ltd. Honda Motor (China) Investment Co., Ltd. Honda Automobile (China) Co., Ltd. Asian Honda Motor Co., Ltd. Honda Cars India Limited P.T. Honda Prospect Motor Honda Malaysia Sdn Bhd Honda Automobile (Thailand) Co., Ltd. Honda Vietnam Co., Ltd. Honda Atlas Cars (Pakistan) Limited Honda Cars Philippines, Inc. Honda South America Ltda. Honda Automoveis do Brasil Ltda. Honda Motor de Argentina S.A. Honda of South Carolina Mfg., Inc. Honda Taiwan Motor Co., Ltd.

<u>CONSENTING OEM</u>	<u>SCHEDULE 1 ENTITIES<sup>1</sup></u>
	Honda Motor Europe Logistics N.V Honda Gulf FZE Honda Motor Southern Africa (PTY) Ltd Honda Motor India Private Ltd <u>EXCLUDED ENTITIES</u> <u>CHINA JOINT VENTURES</u> Dongfeng Honda Automobile Co., Ltd. GAC Honda Automobile Co., Ltd.
JLR	Jaguar Land Rover North America, LLC
Mazda	Mazda Motor Manufacturing de Mexico S.A. de C.V. Mazda Motor of America, Inc.
Mitsubishi	Mitsubishi Motors North America, Inc. Mitsubishi Motors (Thailand) Co., Ltd.
Nissan	Nissan Trading Co., Ltd. Nissan Mexicana, S.A. De C. V. Nissan North America, Inc. Nissan Do Brasil Automoveis Ltda. Nissan International S.A. Nissan Motor Manufacturing (UK) Ltd. Nissan Motor Iberica, S.A. Nissan Manufacturing RUS LLC. Nissan Trading China Co., Ltd. Nissan Motor India Private Limited. Nissan China Investment Co Ltd. P.T. Nissan Motor Indonesia Nissan Motor (Thailand) Co., Ltd. f/k/a Siam Nissan Automobile Co., Ltd.
PSA	Peugeot Citroen Automoviles Espana S.A. PCA Slovakia, S.R.O. Societe Europeenne de Vehicules Legers Du Nord-Sevelnord Peugeot Citroen Automoveis Portugal, SA Peugeot Citroen do Brasil Automoveis LTDA



<u>CONSENTING OEM</u>	<u>SCHEDULE 1 ENTITIES<sup>1</sup></u>
	Peugeot Citroen Argentina S.A. Peugeot Citroen Automobiles Maroc Opel Automobile GmbH General Motors Manufacturing Poland Sp.z.o.o General Motors España, S.L.U. General Motors UK Ltd. IBC Vehicles Ltd.
Subaru	Subaru of America, Inc. Subaru of Indiana Automotive, Inc.
Toyota	Toyota Kirloskar Motor Private Limited, and its successors and assigns Toyota Motor Thailand, Co., Ltd. Toyota Daihatsu Engineering & Manufacturing Co., Ltd. f/k/a Toyota Motor Asia Pacific Engineering & Manufacturing Co., Ltd. PT. Toyota Motor Manufacturing Indonesia Toyota Motors East Japan Toyota Motor Kyushu, Inc. Toyota Auto Works Co., Ltd. Toyota Auto Body Toyota Motor Europe N.V./S.A. Toyota South Africa Motors (Pty.) Ltd. Toyota Motor Manufacturing France S.A.S. Toyota Motor Manufacturing Turkey Inc. Toyota Motor Manufacturing (UK) Ltd. Toyota Motor Engineering & Manufacturing North America, Inc. Toyota Motor North America, Inc. Toyota Motor Manufacturing de Baja California, S. de R.L. de C.V. Toyota Motor Manufacturing, Indiana, Inc. Toyota Motor Manufacturing, Kentucky, Inc. Toyota Motor Manufacturing, Texas, Inc. Toyota Motor Manufacturing, Mississippi, Inc. New United Motor Manufacturing, Inc. Toyota Motor Manufacturing, California, Inc.

<u>CONSENTING OEM</u>	<u>SCHEDULE 1 ENTITIES<sup>1</sup></u>
	<p>Toyota Motor Sales, U.S.A., Inc.  Toyota Motor de Mexico, S. de R.L. de C.V.  Toyota Motor Sales de Mexico, S. De R.L. C.V.  Toyota de Puerto Rico Corp.  Toyota Motor Manufacturing Canada Inc.  Toyota Canada Inc.  Toyota do Brasil Ltda.  Toyota Argentina S.A.  Daihatsu Motor Co., Ltd.  Daihatsu Motor Kyushu Co., Ltd.  Hino Motors, Ltd.  Hino Motors Manufacturing (Thailand) Ltd.  PT. Astra Daihatsu Motor</p> <p><b>Excluded Entities:</b></p> <p>Perusahaan Otomobil Kedua Sendirian Berhad (Second Automobile Manufacturer Private Limited), also known as “Perodua”  Assembly Services Sdn. Bhd.</p> <p><u>CHINA JOINT VENTURES</u></p> <p>GAC Toyota Motor Co., Ltd.  Tianjin FAW Toyota Motor Co., Ltd.  Sichuan FAW Toyota Motor Co., Ltd.  Changchun Fengyue Company of Sichuan FAW Toyota Motor Co., Ltd.</p>
Volkswagen	<p>Volkswagen Group of America Inc.  2200 Ferdinand Porsche Drive, Herndon, VA 20171 , U.S.A.  Volkswagen de Mexico S.A. de C.V.  Autopista Mexico-Puebla, Km 116, San Lorenzo Almencaatla, Cuautlancingo, Puebla 72700; Mexico  Volkswagen do Brasil Indústria de Veículos Automotores Ltda  Via Anchieta Km 23,5, São Bernardo do Campo, State of Sao Paulo, Federative Republic of Brasil (Reg. 59.104.422/0001-50)  Volkswagen Argentina S.A.  Avenida de las Industrias 3101, General Pacheco, Provincia Buenos Aires, Argentina (Reg.Nr. Legajo 209677 - Matricula 121403)</p>

<u>CONSENTING OEM</u>	<u>SCHEDULE 1 ENTITIES<sup>1</sup></u>
	<p>Volkswagen of South Africa (Pty) Ltd 103 Algoa Road, Uitenhage 6230, Republic of South Africa (Reg.Nr. 1946/023458/07)</p> <p>Volkswagen Group Rus Avtomobilnaya 1, 248926 Kaluga, Russian Federation (1025005336564)</p> <p>Audi AG Auto-Union-Straße 1, 85045 Ingolstadt, Germany</p> <p>AUDI HUNGARIA Zrt. 9027 Gyor, ut I, Hungary (Registry no. 08-10-00284)</p> <p>AUDI MÉXICO S.A. de C.V. Boulevard Q5 No. 1, San José Chiapa, Puebla, C.P. 75012, México</p> <p>Dr. Ing. h.c. F. Porsche Aktiengesellschaft Porscheplatz 1, 70435 Stuttgart, Germany</p> <p>Skoda Auto. a.s. Tr. Vaclava Klementa 869, 29360 Mlada Boleslav, Czech Republic (ID No.: 00177041, Prague, B332)</p> <p>Seat S.A. Autovía A-2, Km. 585, Apdo. de Correos 91, 08760 Martorell, Spain (C.I.F. A28049161)</p> <p>BENTLEY MOTORS LIMITED Pyms lane, Crewe, Cheshire, Cw1 3PL, United Kingdom (registered number: 00992897)</p> <p>Automobili Lamborghini S.p.A. Via Modena 12, 40019 Sant'Agata Bolognese, Italy</p> <p>MAN Truck &amp; Bus AG Dachauer Str. 667 , 80995 München, Germany</p> <p>Scania CV AB SE-151 87 Södertälje, Sweden (RegNo. 556084-0976)</p> <p>SAIC Volkswagen Automotive Co. Ltd. 201805 7 Yu Tian Road, Anting, Shanghai 201805, P.R. China</p> <p>FAW-Volkswagen Automotive Co., LTD Dongfeng Street, Changchun, Jilin, P.R. China</p>
Volvo	LLC Volvo Component

<u>CONSENTING OEM</u>	<u>SCHEDULE 1 ENTITIES<sup>1</sup></u>
	Mack Trucks, Inc. Volvo do Brasil Veiculos Ltda. Volvo East Asia (PTE) Ltd. Volvo Group Belgium NV Volvo Group India Private Limited Volvo Group North America LLC Volvo Parts Corporation Volvo Truck Corporation Volvo (China) Investments Co., Ltd. UD Trucks Corporation

**Exhibit 4**

**U.S. Acquisition Agreement**

**[SEE U.S. ACQUISITION AGREEMENT FILED CONTEMPORANEOUSLY  
HEREWITH, WHICH AGREEMENT MAY BE SUPPLEMENTED, AMENDED, OR  
MODIFIED FROM TIME TO TIME IN ACCORDANCE WITH THE TERMS  
THEREIN]**

**Schedule A**

**Acquired Non-Debtor Affiliates**

- ALS Inc. (Japan)
- Czech NewCo (as defined in the TK Europe Acquisition Agreement (as defined in the U.S. Acquisition Agreement))
- Dalphi Metal Espana S.A. (Spain)
- Dalphi Metal International S.A. (Spain)
- Dalphi Metal Portugal S.A. (Portugal)
- Dalphi Metal Seguridad S.A. (Spain)
- Equipo Automotriz Americana S.A. de C.V. (Mexico)
- Falcomex S.A. de C.V. (Mexico)
- Highland Industries, Inc. (U.S.)
- New Mexico Trading Company (Mexico) (as defined in the U.S. Acquisition Agreement)
- PMA NewCos (as defined in the TK Europe Acquisition Agreement (as defined in the U.S. Acquisition Agreement))
- PT. Takata Automotive Safety Systems Indonesia (Indonesia)
- RTA Holdings, Inc. (Philippines)
- RTA Properties, Inc. (Philippines)
- Syntec Seating Solution LLC (U.S.)
- Takata Automotive Electronics Shanghai (China)
- Takata Automotive Safety Systems (M) Sdn. Bhd. (Malaysia)
- Takata Brasil Ltda (Brazil)
- Takata (Changxing) Safety Systems Co., Ltd. (China)
- Takata CPI Singapore (Singapore)
- Takata Deta S.R.L. (Romania)
- Takata Ignition Systems GmbH (Germany)
- Takata India Private Limited (India)
- Takata International Finance B.V. (Netherlands)

- Takata Jibou S.R.L. (Romania)
- Takata (Jingzhou) Automotive Component Co., Ltd. (China)
- Takata Korea Co., Ltd. (South Korea)
- Takata Maroc S.A.R.L. (Morocco)
- Takata Orșova S.R.L. (Romania)
- Takata Parts Polska Sp.zo.o. (Poland)
- TAKATA Parts s.r.o. (Czech)<sup>1</sup>
- Takata (Philippines) Corporation (Philippines)
- Takata PlasTec GmbH (Germany)
- Takata Romania S.R.L. (Romania)
- TAKATA Rus LLC (Russia)
- Takata Safety Systems Hungary Kft. (Hungary)
- Takata (Shanghai) Automotive Component Co., Ltd.<sup>2</sup>
- Takata (Shanghai) Vehicle Safety Systems Technical Center Co., Ltd. (China)
- Takata Sibiu S.R.L. (Romania)
- TAKATA South Africa (Pty.) Ltd. (South Africa)
- Takata (Tianjin) Automotive Component Co., Ltd. (China)
- Takata Uruguay S.A. (Uruguay)
- Takata-TOA Co., Ltd. (Thailand)

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<sup>1</sup> Plan Sponsor anticipates a pre-Effective Date spin-off of TAKATA Parts s.r.o.'s assets to a NewCo and transfer of shares in NewCo to Plan Sponsor by TAKATA Aktiengesellschaft on the Effective Date.

<sup>2</sup> Subject to stock sale toggle pursuant to Section 7.20(c) of the U.S. Acquisition Agreement.

**Schedule B**

**Warehouse Consenting OEMs**

Warehouse Consenting OEMs consist of the following (including their applicable subsidiaries and affiliates):

Aktiebolaget Volvo

BMW Manufacturing Co., LLC

Daimler Trucks North America LLC/Mercedes-Benz U.S. International, Inc.

FCA US LLC

Ford Motor Company

General Motors Holdings LLC

Honda North America, Inc. or one of its affiliated designees

Jaguar Land Rover Ltd.

Mazda Motor Corporation

Mitsubishi Motors Corporation

Nissan Motor Co., Ltd.

PSA Automobiles SA

Subaru Corporation

Toyota Motor Corporation

Volkswagen Group of America, Inc.



**Schedule C**

**Allowed OEM Claims of the Consenting OEMs**